

CANADA LIFE FOREIGN BOND FUND

(Formerly Canada Life International Bond Fund (CLI))

Annual Management Report of Fund Performance

For the Year Ended March 31, 2023

This Annual Management Report of Fund Performance contains financial highlights but does not contain the complete annual financial statements of the investment fund. You may obtain a copy of the annual financial statements, at no cost, by contacting us using one of the methods noted under Fund Formation and Series Information or by visiting our website at www.canadalifeinvest.ca or the SEDAR website at www.sedar.com.

Securityholders may also contact us using one of these methods to request a copy of the investment fund's interim financial report, proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure. For more information, please refer to the Fund's Annual Information Form, which may also be obtained, at no cost, using any of the methods outlined above.

For more recent information on general market events, please visit our website.

A NOTE ON FORWARD-LOOKING STATEMENTS

This report may contain forward-looking statements that reflect our current expectations or forecasts of future events. Forward-looking statements include statements that are predictive in nature, depend upon or refer to future events or conditions, or include words such as "expects", "anticipates", "intends", "plans", "believes", "estimates", "preliminary", "typical" and other similar expressions. In addition, these statements may relate to future corporate actions, future financial performance of a fund or a security and their future investment strategies and prospects. Forward-looking statements are inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual events, results, performance or prospects to differ materially from those expressed in, or implied by, these forward-looking statements. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors in North America and internationally, interest and foreign exchange rates, the volatility of global equity and capital markets, business competition, technological change, changes in government regulations, changes in securities laws and regulations, changes in tax laws, unexpected judicial or regulatory proceedings, catastrophic events, outbreaks of disease or pandemics (such as COVID-19), and the ability of Canada Life Investment Management Ltd. to attract or retain key employees. The foregoing list of important risks, uncertainties and assumptions is not exhaustive. Please consider these and other factors carefully and do not place undue reliance on forward-looking statements.

The forward-looking information contained in this report is current only as of the date of this report. There should not be an expectation that such information will in all circumstances be updated, supplemented or revised whether as a result of new information, changing circumstances, future events or otherwise.

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Management Discussion of Fund Performance

June 5, 2023

This Management Discussion of Fund Performance presents the portfolio management team's view on the significant factors and developments that have affected the performance and outlook of Canada Life Foreign Bond Fund (the "Fund") in the financial year ended March 31, 2023 (the "period"). If the Fund was established during the period, "period" represents the period since inception.

In this report, "CLIML" and "the Manager" refer to Canada Life Investment Management Ltd., which is wholly owned by The Canada Life Assurance Company ("Canada Life"). The Manager has entered into a fund administration agreement with Mackenzie Financial Corporation ("Mackenzie"), an affiliate of the Manager and Canada Life, for administrative services. In addition, net asset value ("NAV") refers to the value of the Fund as calculated for transaction purposes, on which the discussion of Fund performance is based.

Please read *A Note on Forward-Looking Statements* on the first page of this document.

Investment Objective and Strategies

The Fund seeks interest income with the potential for capital growth by investing primarily in fixed income securities issued by governments, corporations and international agencies anywhere in the world.

Risk

The risks of the Fund remain as discussed in the Fund's initial Simplified Prospectus.

The Fund is suitable for medium-term investors looking for a global fixed income fund to hold as part of their portfolio, who can handle the volatility of bond markets and who have a low to medium tolerance for risk.

The Fund is currently available for investment only by other Canada Life funds.

Results of Operations

Investment Performance

The performance in the current and previous periods is shown in the *Past Performance* section of the report. The following comparison to market indices is intended to help investors understand the Fund's performance relative to the general performance of the markets. However, the Fund's mandate may be different from that of the indices shown.

During the period, the Fund's Series R securities returned -2.3% (after deducting fees and expenses paid by the series). This compares with the Bloomberg Global Aggregate Bond Index return of -0.4%. All index and series returns are calculated on a total return basis in Canadian dollar terms. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in the index returns.

In response to persistently high inflation, the U.S. Federal Reserve and the European Central Bank raised their policy rates significantly throughout the period. As a result, global fixed income yields rose sharply. Volatility in fixed income markets was heightened by the unprecedented magnitude of central bank policy actions and by geopolitical tensions, particularly the Russia-Ukraine war.

The Fund underperformed the index, with its underweight exposure to the U.S. dollar detracting from performance. Overweight exposure to financial sector corporate bonds and higher-volatility securities denominated in U.S. dollars and euros also detracted from performance.

Conversely, the Fund's shorter duration (lower sensitivity to interest rates), particularly within bonds denominated in euros and British pounds, contributed to performance as yields rose.

Over the period, neither portfolio activity nor market developments significantly changed the positioning of the Fund. Changes to the portfolio included new positions in bonds issued by BNP Paribas SA and Banque Fédérative du Crédit Mutuel, and the elimination of the positions in bonds issued by SCOR SE, Zurich Finance (Ireland) Designated Activity Co. and Public Storage.

At the end of the period, the Fund had overweight exposure to the euro, British pound and Japanese yen, and underweight exposure to the U.S. dollar. In the portfolio management team's opinion, increased exposure to the euro may be appropriate once yields peak, given that core inflation has remained elevated in Europe and the European Central Bank has raised interest rates more slowly than the Federal Reserve. As yields rose, the team maintained a preference for financial sector bonds, particularly those issued by banks and insurance groups.

Net Assets

The Fund's net assets decreased by 39.8% during the period to \$41.5 million. This change was composed primarily of \$1.8 million in net losses (including any interest and/or dividend income) from investment performance, after deducting fees and expenses, and a decrease of \$25.6 million due to net securityholder activity (including sales, redemptions and cash distributions).

Fees and Expenses

The management expense ratio ("MER") during the year ended March 31, 2023, was generally similar to the MER for the year ended March 31, 2022. Total expenses paid vary from period to period mainly as a result of changes in average assets. No management fee or administration fee, other than certain specific fund costs, is charged to the Fund. The MERs are presented in the *Financial Highlights* section of this report.

Recent Developments

Effective June 24, 2022, the Fund was renamed Canada Life Foreign Bond Fund.

Effective March 31, 2023, KPMG LLP was appointed as the auditor of the Fund.

Related Party Transactions

Certain other investment funds managed by CLIML and segregated fund policies issued by Canada Life may invest in the Fund on a prospectus-exempt basis in accordance with the investment objectives of those funds. At March 31, 2023, these other investment funds and segregated funds owned 100.0% of the Fund's NAV. All related party transactions are based on the NAV per security on each transaction day. As a result of these investments, the Fund may be subject to large transaction risk as discussed in the Prospectus. CLIML manages this risk to reduce the possibility of any adverse effect on the Fund or on its investors, through such processes as requiring advance notice of large redemptions.

The Manager relied on an approval provided by the Canada Life Funds' Independent Review Committee to appoint KPMG LLP as the auditor of the Fund, effective March 31, 2023.

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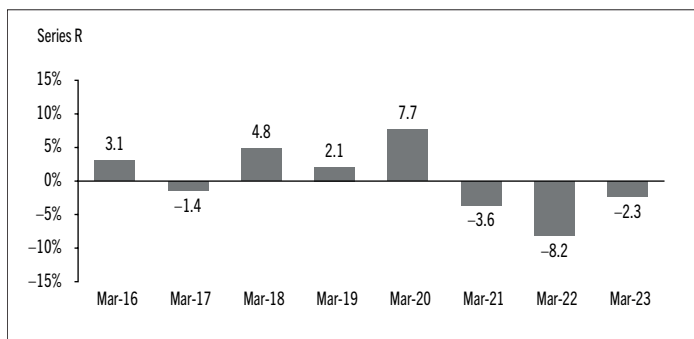
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Past Performance

The Fund's past performance information is presented in the following chart and table. It assumes all distributions made by the Fund in the periods presented are reinvested in additional securities of the relevant series of the Fund. The chart and table do not take into account sales, redemption, distribution or optional charges, or income taxes payable by any investor that would have reduced returns. The past performance of the Fund is not necessarily an indication of how it will perform in the future.

Year-by-Year Returns

The following bar chart presents the performance of Series R of the Fund for each of the fiscal periods shown. The chart shows, in percentage terms, how much an investment made on the first day of each fiscal period, or on the series inception or reinstatement date, as applicable, would have increased or decreased by the last day of the fiscal period presented. Series inception or reinstatement dates can be found under *Fund Formation and Series Information*.



Annual Compound Returns

The following table compares the historical annual compound total returns of the Fund with the relevant index or indices shown below for each of the periods ended March 31, 2023. Investors cannot invest in an index without incurring fees, expenses and commissions, which are not reflected in these performance figures.

All index returns are calculated in Canadian dollars on a total return basis, meaning that all dividend payments, interest income accruals and interest payments are reinvested.

Percentage Return:	1 Yr	3 Yr	5 Yr	10 Yr	Since Inception
Series R	-2.3	-4.7	-1.0	n/a	0.2
Bloomberg Global Aggregate Bond Index	-0.4	-5.0	-0.4	3.0	n/a

The Bloomberg Global Aggregate Bond Index measures investment grade debt from 28 local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from issuers in both developed and emerging markets.

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Summary of Investment Portfolio at March 31, 2023

PORTFOLIO ALLOCATION	% OF NAV
Bonds	98.5
Other assets (liabilities)	1.2
Cash and short-term investments	0.3

REGIONAL ALLOCATION	% OF NAV
United States	28.5
France	15.5
Japan	14.1
Italy	6.8
Germany	6.4
Canada	5.9
United Kingdom	5.2
South Korea	3.9
Australia	2.9
Switzerland	2.5
Mexico	2.5
Netherlands	1.9
Luxembourg	1.4
Other assets (liabilities)	1.2
Sweden	1.0
Cash and short-term investments	0.3

SECTOR ALLOCATION	% OF NAV
Foreign government bonds	47.8
Corporate bonds	44.8
Federal bonds	5.9
Other assets (liabilities)	1.2
Cash and short-term investments	0.3

BONDS BY CREDIT RATING*	% OF NAV
AAA	8.8
AA	27.3
A	29.0
BBB	27.1
Less than BBB	2.7
Unrated	3.6

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

TOP 25 POSITIONS

Issuer	% OF NAV
Italy Buoni Poliennali Del Tesoro 1.25% 12-01-2026	5.3
United States Treasury 1.63% 08-15-2029	4.0
Export-Import Bank of Korea 0.63% 07-11-2023	3.9
United States Treasury 2.88% 04-30-2025	3.2
United States Treasury 2.13% 02-29-2024	3.1
Government of Australia 2.25% 05-21-2028	2.7
United States Treasury 1.38% 08-15-2050	2.6
CPPIB Capital Inc. 1.13% 12-14-2029	2.5
Government of Mexico 0.60% 04-20-2023	2.5
United States Treasury 3.00% 02-15-2049	2.4
Government of Japan 1.20% 03-20-2035	2.3
United States Treasury 3.50% 02-15-2039	2.2
Development Bank of Japan Inc. 1.05% 06-20-2023	1.8
JPMorgan Chase & Co. F/R 08-01-2069	1.8
Government of Canada 5.00% 06-01-2037	1.8
Government of Japan 0.40% 09-20-2025	1.7
Banque Fédérative du Credit Mutuel F/R 06-16-2032	1.7
Electricite de France SA F/R 06-01-2070	1.7
BNP Paribas SA F/R 07-25-2028	1.7
United States Treasury 1.38% 08-31-2026	1.6
Stanley Black & Decker Inc. F/R 03-15-2060	1.6
Merck KGaA F/R 06-25-2079 Callable 2029	1.6
Government of Japan 0.50% 03-20-2049	1.5
HOWOGE Wohnungs 1.13% 11-01-2033	1.5
Government of Italy 0.35% 02-01-2025	1.5

Top long positions as a percentage of total net asset value	58.2
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The Fund held no short positions at the end of the period.

The investments and percentages may have changed since March 31, 2023, due to the ongoing portfolio transactions of the Fund. Quarterly updates of holdings are available within 60 days of the end of each quarter except for March 31, the Fund's fiscal year-end, when they are available within 90 days. The quarterly updates are available by visiting www.canadalifeinvest.ca.

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Financial Highlights

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance for each of the fiscal periods presented below. If during the period a fund or series was established or reinstated, "period" represents the period from inception or reinstatement to the end of that fiscal period. Series inception or reinstatement dates can be found under *Fund Formation and Series Information*.

THE FUND'S NET ASSETS PER SECURITY (\$)¹

Series R	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Net assets, beginning of period	9.26	10.26	10.86	10.29	10.28
Increase (decrease) from operations:					
Total revenue	0.20	0.18	0.21	0.21	0.19
Total expenses	–	–	–	–	–
Realized gains (losses) for the period	(0.77)	(0.19)	0.25	0.15	(0.01)
Unrealized gains (losses) for the period	0.22	(0.75)	(0.78)	0.44	0.05
Total increase (decrease) from operations²	(0.35)	(0.76)	(0.32)	0.80	0.23
Distributions:					
From net investment income (excluding Canadian dividends)	(0.21)	(0.18)	(0.21)	(0.21)	(0.19)
From Canadian dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions³	(0.21)	(0.18)	(0.21)	(0.21)	(0.19)
Net assets, end of period	8.83	9.26	10.26	10.86	10.29

(1) These calculations are prescribed by securities regulations and are not intended to be a reconciliation between opening and closing net assets per security. This information is derived from the Fund's audited annual financial statements. The net assets per security presented in the financial statements may differ from the net asset value per security calculated for fund pricing purposes. An explanation of these differences, if any, can be found in the *Notes to Financial Statements*.

(2) Net assets and distributions are based on the actual number of securities outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of securities outstanding over the fiscal period.

(3) Distributions were paid in cash/reinvested in additional securities of the Fund, or both.

RATIOS AND SUPPLEMENTAL DATA

Series R	Mar. 31 2023	Mar. 31 2022	Mar. 31 2021	Mar. 31 2020	Mar. 31 2019
Total net asset value (\$000) ¹	41,514	68,936	85,349	96,763	97,269
Securities outstanding (000) ¹	4,702	7,448	8,317	8,911	9,456
Management expense ratio (%) ²	0.01	0.01	–	–	–
Management expense ratio before waivers or absorptions (%) ²	0.01	0.01	–	–	–
Trading expense ratio (%) ³	–	–	–	–	–
Portfolio turnover rate (%) ⁴	26.78	46.10	40.57	35.16	24.12
Net asset value per security (\$)	8.83	9.26	10.26	10.86	10.29

(1) This information is provided as at the end of the fiscal period shown.

(2) Management expense ratio ("MER") is based on total expenses, excluding commissions and other portfolio transaction costs, income taxes and withholding taxes, for the stated period and is expressed as an annualized percentage of daily average net assets during the period, except as noted. In the period a series is established, the MER is annualized from the date of inception to the end of the period. Where the Fund directly invests in securities of another fund (including exchange-traded funds or "ETFs"), the MERs presented for the Fund include the portion of MERs of the other fund(s) attributable to this investment. Any income distributions received from ETFs managed by affiliates of the Manager, with the intention of offsetting fees paid within those ETFs but which are not considered to be duplicative fees under regulatory requirements, are treated as waived expenses for MER purposes. The Manager may waive or absorb operating expenses at its discretion and stop waiving or absorbing such expenses at any time without notice.

(3) The trading expense ratio ("TER") represents total commissions and other portfolio transaction costs incurred as an annualized percentage of daily average net assets during the period. Where the Fund invests in securities of another fund (including ETFs), the TERs presented for the Fund include the portion of TERs of the other fund(s) attributable to this investment.

(4) The Fund's portfolio turnover rate indicates how actively the Fund's portfolio advisor manages its portfolio investments. A portfolio turnover rate of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the period. The higher the Fund's portfolio turnover rate in a period, the greater the trading costs payable by the Fund in the period, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high turnover rate and the performance of a fund. The portfolio turnover rate is not provided when the Fund is less than one year old. The value of any trades to realign the Fund's portfolio after a fund merger, if any, is excluded from the portfolio turnover rate.

Management Fees

The Fund pays no management fees on its Series R securities. Management fees from other Canada Life funds that invest in the Fund were used to pay Canada Life Asset Management Ltd., an affiliate of the Manager, for providing investment advisory services, including managing the investment portfolio, providing investment analysis and recommendations, making investment decisions and making brokerage arrangements for the purchase and sale of the investment portfolio.

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Fund Formation and Series Information

The Fund may have undergone a number of changes, such as a reorganization or a change in manager, mandate or name. A history of the major changes affecting the Fund in the last 10 years can be found in the Fund's Annual Information Form.

Date of Formation: November 27, 2015

The Fund may issue an unlimited number of securities of each series. The number of issued and outstanding securities of each series is disclosed under *Financial Highlights*.

Series Distributed by Quadrus Investment Services Ltd. (255 Dufferin Ave., London, Ontario, N6A 4K1; 1-888-532-3322; www.canadalifeinvest.ca)

Series R securities are offered only to other funds managed by CLIML on a non-prospectus basis in connection with fund-of-fund arrangements.

Series	Inception/ Reinstatement Date	Management Fee	Administration Fee
Series R	December 7, 2015	n/a	n/a