

# Canada Life Balanced Portfolio W U\$

March 31, 2026

A portfolio fund aiming to provide a balance between income and long-term growth.

## Is this fund right for you?

- You want investment income and you want your money to grow over time.
- You want to invest in both equity funds and fixed-income funds (up to 40 per cent).
- You're comfortable with a low to medium level of risk.

RISK RATING



**Fund category**  
Global Neutral Balanced

**Inception date**  
July 07, 2014

**Management expense ratio (MER)**  
2.11%  
(September 30, 2025)

**Fund management**  
Portfolio Solutions Group

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



### Asset allocation (%)

Domestic Bonds	31.4
US Equity	26.2
International Equity	15.2
Canadian Equity	12.6
Foreign Bonds	7.0
Cash and Equivalents	4.7
Income Trust Units	0.1
Other	2.8



### Geographic allocation (%)

Canada	31.6
United States	31.2
North America	17.1
Multi-National	2.1
United Kingdom	1.8
Ireland	1.6
Japan	1.5
France	1.2
China	1.2
Other	10.7



### Sector allocation (%)

Fixed Income	39.0
Technology	11.4
Financial Services	10.7
Mutual Fund	6.1
Cash and Cash Equivalent	4.7
Healthcare	4.0
Consumer Services	3.8
Industrial Goods	3.6
Consumer Goods	3.5
Other	13.2

## Growth of \$10,000 (since inception)



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## Fund details (as of January 31, 2026)

Top holdings	%
Canada Life Canadian Core Fixed Income Fund Series R	17.1
Cash and Cash Equivalents	4.2
Canada Life U.S. Dividend Fund Series R	4.0
Canada Life Global Multi-Asset Defensive+ Fund R	2.1
Canada Government 3.25% 01-Jun-2035	1.4
NVIDIA Corp	1.1
Royal Bank of Canada	1.0
Microsoft Corp	1.0
Apple Inc	0.9
Toronto-Dominion Bank	0.7
<b>Total allocation in top holdings</b>	<b>33.5</b>

Portfolio characteristics	
Standard deviation	9.9%
Dividend yield	1.7%
Yield to maturity	-
Duration (years)	-
Coupon	-
Average credit rating	-
Average market cap (million)	\$727,833.6

**Net assets (million)**  
\$548.4

**Price**  
\$11.66

**Number of holdings**  
2743

**Minimum initial investment**  
\$500,000

**Fund codes**  
FEL – MAX4372  
DSC^ – MAX4572  
LSC^ – MAX4672

## Understanding returns

### Annual compound returns (%)

1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
-5.8	-1.8	-1.8	12.1	7.6	2.8	4.7	2.4

### Calendar year returns (%)

2025	2024	2023	2022	2021	2020	2019	2018
14.5	3.3	11.8	-17.3	8.9	10.3	17.9	-11.3

## Range of returns over five years (August 01, 2014 - March 31, 2026)

Best return	Best period end date	Worst return	Worst period end date	Average Return	% of periods with positive returns	Number of positive periods	Number of negative periods
7.9%	Jan. 2021	-0.6%	March 2020	3.8%	93.8%	76	5

### Contact information

**Customer service centre**

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## Q4 2025 Fund Commentary

*Commentary and opinions are provided by Portfolio Solutions Group.*

### Market commentary

Global equities gained over the fourth quarter of 2025 and outperformed global bonds, which posted a small gain (all returns are in Canadian-dollar terms on a total-return basis). Stocks gained in large part due to the U.S. Federal Reserve Board (Fed) lowering interest rates over the quarter. However, returns were muted over concerns that artificial intelligence (AI) spending may be entering bubble territory.

The U.S. equity market advanced, posting a low-single-digit return. The health care sector was the strongest-performing sector. Canadian equities posted a gain and outperformed U.S. equities, getting a strong performance from the materials sector. EAFE equities advanced, underperforming Canadian equities but outperforming U.S. equities. Equities in the U.K. and Japan contributed to the performance of EAFE equities. Emerging markets equities also gained and slightly underperformed their developed market peers, with equities in Taiwan and India contributing to performance.

The FTSE Canada Universe Bond Index declined over the quarter. As government yields moved higher, government bond prices declined. Government bonds underperformed corporate bonds, which posted a small gain. Corporate bond prices benefited from narrowing credit spreads (the difference in yield between corporate and government bonds). Communication services sector bonds posted the largest increase in the corporate bonds sleeve. High-yield bond prices rose on a total-return basis and outperformed investment-grade corporate bonds.

The Bank of Canada, the Fed and the Bank of England lowered their policy interest rates. The European Central Bank held steady on its key interest rates, while the Bank of Japan raised its policy interest rate. The yield on 10-year Government of Canada bonds rose from 3.18% to 3.43%. Sovereign bond yields in the U.S., the U.K., Germany and Japan also increased.

### Performance

An allocation to Canada Life Global Opportunities+ Fund contributed to performance. An allocation to Canada Life International Equity Fund contributed to performance because of stock selection in the information technology, consumer discretionary and communication services sectors. Canada Life Emerging Markets Equity Fund contributed to performance because of stock selection in South Korea and Taiwan.

Active management in Canada Life U.S. Dividend Fund and Canada Life U.S. Value Fund contributed to performance.

Exposure to Canada Life Canadian Growth Fund, Canada Life U.S. Growth Fund and Canada Life International Growth Fund detracted from performance. Canada Life U.S. Growth Fund detracted because of stock selection in the industrials, information technology, financials and materials sectors. Exposure to Canada Life International Growth Fund detracted because of stock selection in the materials, information technology, industrials and utilities sectors.

### Portfolio activity

The portfolio manager added Counsel Multi-Factor U.S. Equity Fund, Counsel Multi-Factor International Equity Fund and Counsel Multi-Factor Canadian Equity Fund during the quarter and increased exposure to U.S. equities.

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The portfolio manager sold Canada Life Canadian Dividend Fund, Canada Life Canadian Focused Small-Mid Cap Fund and Canada Life Foreign Equity Fund during the quarter and reduced exposure to Canada Life Emerging Markets Equity Fund.

## Outlook

In the portfolio manager's view, the final quarter of 2025 reinforced a stark divergence in global growth. The U.S. economy remains the anchor, with AI-driven productivity gains offsetting softer labour trends, while Canada, Europe and the U.K. continue to hover near stagnation.

Looking ahead, five forces shape the path into 2026. First, AI is delivering real-economy benefits even as equity leadership narrows and valuations stretch, increasing the risk that equity weakness spills into credit and tightens broader financial conditions. Second, China is stuck in low growth and persistent deflation, with policy focused on self-sufficiency and manufacturing scale over household demand, which exports disinflation through goods prices and keeps domestic yields anchored. Third, global trade remains fragmented as industrial policy, investment controls and regional supply chains reshape flows. This is an especially important watchpoint for Canada given sensitivity to U.S. policy and the North American trade framework review. Fourth, central banks are easing monetary policy cautiously, modestly in the U.S. and Canada, with more room in Europe and the U.K., while Japan may continue gradual tightening. Central banks may lean on liquidity operations or slower balance-sheet runoff to stabilize bond markets if conditions turn disorderly. Fifth, fiscal pressures are building, making policy credibility and refinancing capacity decisive for market pricing.

We believe equity markets still reflect optimism, particularly in the U.S., where AI-linked earnings support elevated multiples, but concentration and sentiment extremes raise caution flags. Commodities remain mixed, with structural demand supporting gold and oil softer on ample supply. Private-credit growth and funding-market functioning warrant close attention as potential transmission channels for stress.

Our focus remains resilience over precision, balancing U.S. exposure with broad diversification, maintaining liquidity and incorporating alternative income to navigate an environment where risks build quietly but can break suddenly.

We keep core U.S. equity exposure, while reducing dependence on narrow leadership through global diversification and multi-factor strategies, and by tilting toward domestic-demand and structural-growth themes less reliant on global trade flows. In fixed income, we pair high-quality duration with alternative income, such as private credit and mortgages, for yield and duration management, while elevating underwriting standards and liquidity buffers given potential vulnerabilities in private credit and the possibility of disorderly interest-rate moves.

Liquidity and flexibility remain central, allowing portfolios to absorb shocks tied to AI investment cycles, fiscal credibility shifts, bond-market volatility or trade-policy adjustments. Key risk monitors include equity-to-credit spillover, upside inflation surprises that slow the pace of easing, bond-market functioning, North American trade developments and fiscal signalling in high-refinancing jurisdictions.

A constructive upside remains in view. If AI-driven productivity gains broaden across services and diffuse internationally, inflation pressures would ease, real incomes would strengthen and fiscal dynamics would improve, an important scenario to capture in allocation and rebalancing plans even if it is not the base case.

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<sup>^</sup>Deferred Sales Charge (DSC) and Low Load Deferred Sales Charge (LSC) purchase options is closed to new investments given regulatory bans put in place for these purchase options that came into effect June 1, 2022.

<sup>†</sup>Soft capped - Contributions are no longer accepted to new investors., <sup>‡</sup>Hard capped - Contributions are no longer accepted.

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