

# Canada Life Diversified Fixed Income Portfolio F



December 31, 2025

A fixed-income fund seeking to provide regular income with low volatility.

## Is this fund right for you?

- You want to protect your money from inflation while also protecting it from large swings in the market.
- You want to invest in a variety of fixed-income securities, either directly or through other mutual funds.
- You're comfortable with a low level of risk.



**Fund category**  
Canadian Core Plus Fixed Income

**Inception date**  
July 12, 2016

**Management expense ratio (MER)**  
0.84%  
(September 30, 2025)

**Fund management**  
Portfolio Solutions Group

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



### Asset allocation (%)

Domestic Bonds	73.4
Foreign Bonds	20.8
Cash and Equivalents	4.3
Canadian Equity	0.1
US Equity	0.1
Other	1.3



### Geographic allocation (%)

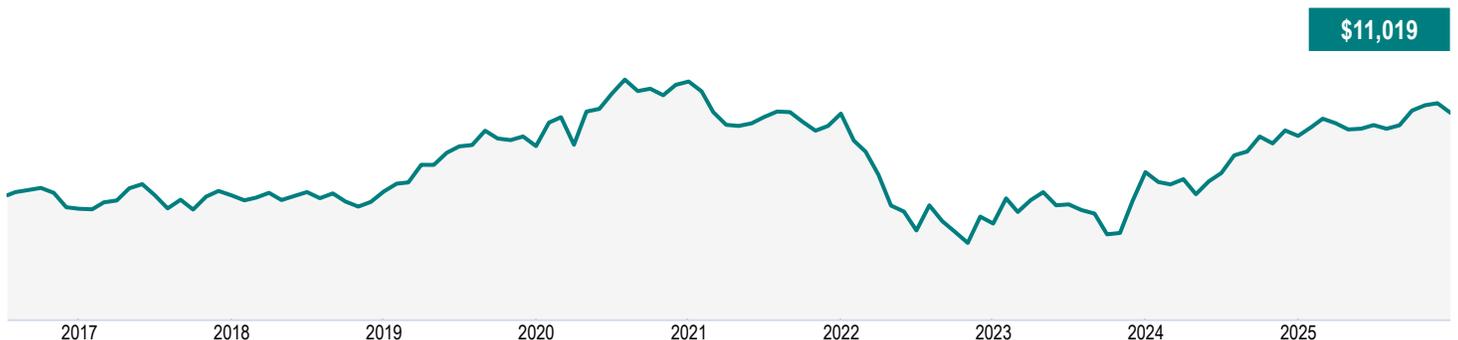
Canada	42.7
North America	34.6
United States	15.7
Multi-National	2.5
Europe	0.7
Mexico	0.6
Brazil	0.5
United Kingdom	0.5
Italy	0.3
Other	1.9



### Sector allocation (%)

Fixed Income	95.5
Cash and Cash Equivalent	4.3
Consumer Goods	0.1
Utilities	0.1

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



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## Fund details (as of October 31, 2025)

Top holdings	%
Canada Life Canadian Core Fixed Income Fund Series R	34.5
Canada Government 3.25% 01-Jun-2035	4.5
Canada Life Global Inflation-Linked Fixed Income S	2.5
Cash and Cash Equivalents	1.9
Ontario Province 3.60% 02-Jun-2035	1.6
Quebec Province 4.40% 01-Dec-2055	1.1
Canada Government 2.75% 01-Sep-2030	1.0
United States Treasury 4.63% 15-Feb-2055	0.9
Ontario Province 3.95% 02-Dec-2035	0.8
Ontario Province 4.60% 02-Dec-2055	0.8
<b>Total allocation in top holdings</b>	<b>49.6</b>

Portfolio characteristics	
Standard deviation	5.2%
Dividend yield	3.2%
Yield to maturity	4.3%
Duration (years)	6.8
Coupon	4.5%
Average credit rating	A
Average market cap (million)	\$42,389.8

### Net assets (million)

\$44.4

### Price

\$8.75

### Number of holdings

3614

### Minimum initial investment

\$500

### Fund codes

NL – MAX2119

### Contact information

### Customer service centre

Toll free:  
1-844-730-1633

Corporate website:  
canadalifeinvest.ca

## Understanding returns

### Annual compound returns (%)

1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
-1.1	-0.2	2.7	2.7	4.5	-0.7	-	1.0

### Calendar year returns (%)

2025	2024	2023	2022	2021	2020	2019	2018
2.7	4.4	6.6	-12.4	-3.5	7.5	5.6	0.5

## Range of returns over five years (August 01, 2016 - December 31, 2025)

Best return	Best period end date	Worst return	Worst period end date	Average Return	% of periods with positive returns	Number of positive periods	Number of negative periods
2.3%	Dec. 2021	-1.2%	Oct. 2022	0.0%	35.2%	19	35

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## Q3 2025 Fund Commentary

### Market commentary

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

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

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

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

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

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

### Performance

Off-benchmark allocations to Canadian Core Plus Bond and Unconstrained Fixed Income contributed to performance. An off-benchmark allocation to Global Multi-Sector Bond also contributed as it was favourably positioned relative to its benchmark.

An off-benchmark allocation to Private Credit detracted from performance.

### Portfolio activity

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

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## Outlook

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

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

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

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

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<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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