

# Canada Life Canadian Fundamental Equity Fund - QF



December 31, 2025

The Fund seeks to provide long-term capital appreciation by investment primarily in Canadian equity securities.

## Is this fund right for you?

- You want your money to grow over the longer term.

RISK RATING



**Fund category**  
Canadian Equity

**Inception date**  
October 28, 2019

**Management expense ratio (MER)**  
1.37%  
(September 30, 2025)

**Fund management**  
Connor, Clark & Lunn Investment Management

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



### Asset allocation (%)

Canadian Equity	95.4
Income Trust Units	3.0
Cash and Equivalents	1.4
US Equity	0.2



### Geographic allocation (%)

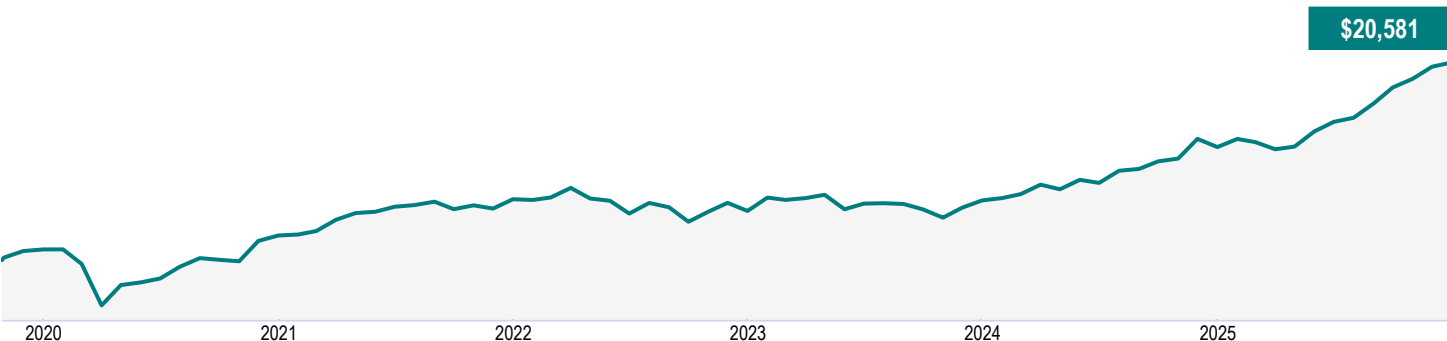
Canada	98.3
Bermuda	1.5
United States	0.2



### Sector allocation (%)

Financial Services	30.6
Basic Materials	17.8
Technology	12.7
Energy	10.3
Industrial Services	6.5
Industrial Goods	5.4
Consumer Services	4.5
Consumer Goods	3.4
Utilities	3.1
Other	5.7

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



# Canada Life Canadian Fundamental Equity Fund - QF

December 31, 2025

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

Top holdings	%
Shopify Inc Cl A	7.0
Royal Bank of Canada	6.9
Toronto-Dominion Bank	5.2
Agnico Eagle Mines Ltd	3.9
Canadian Imperial Bank of Commerce	3.3
Canadian Pacific Kansas City Ltd	2.9
Celestica Inc	2.8
Kinross Gold Corp	2.4
Barrick Mining Corp	2.2
Manulife Financial Corp	2.2
<b>Total allocation in top holdings</b>	<b>38.8</b>

Portfolio characteristics	
Standard deviation	9.7%
Dividend yield	1.8%
Yield to maturity	-
Duration (years)	-
Coupon	-
Average credit rating	-
Average market cap (million)	\$94,837.1

**Net assets (million)**  
\$188.5

**Price**  
\$18.25

**Number of holdings**  
109

**Minimum initial investment**  
\$500

**Fund codes**  
NL – MAX6363

## Understanding returns

### Annual compound returns (%)

1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
1.1	7.0	28.3	28.3	17.7	12.7	-	12.4

### Calendar year returns (%)

2025	2024	2023	2022	2021	2020	2019	2018
28.3	21.6	4.5	-4.7	17.2	7.1	-	-

## Range of returns over five years (November 01, 2019 - 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
16.0%	March 2025	8.7%	Dec. 2024	12.3%	100.0%	15	0

## Contact information

### Customer service centre

Toll free:  
1-844-730-1633

Corporate website:  
[canadalifeinvest.ca](https://canadalifeinvest.ca)

# Canada Life Canadian Fundamental Equity Fund - QF

December 31, 2025

## Q3 2025 Fund Commentary

### Market commentary

Canadian equities rose in the third quarter of 2025, supported by economic resilience, corporate earnings and accommodative monetary policy. Despite tariff concerns, earnings in both Canada and the U.S. were robust, with 2026 forecasts revised higher. Softening employment conditions in both economies led to interest-rate cuts from the U.S. Federal Reserve Board (Fed) and Bank of Canada in September.

The European Union, Japan, Canada and other regions reached trade agreements with the U.S. at lower tariff levels than were feared. The combination of lower interest rates, strong earnings and clarity on trade policy was a positive backdrop for equities.

Commodity and bank stocks were key drivers of Canadian equity gains. Gold performed well, with September marking its strongest month since 2011 and the spot price up 47% year-to-date, its best start to a year since 1979. Gold now represents 13% of the S&P/TSX Composite Index, significantly contributing to Canada's outperformance.

Canadian banks outperformed, benefiting from easing mortgage renewal pressures and a reduced risk of recession. Property and casualty insurers and defensive industrials lagged as market leadership shifted away from more stable sectors.

### Performance

The Fund's overweight exposure to Kinross Gold Corp. and Celestica Inc. contributed to performance. Kinross Gold stock returned 62.6% because of high gold prices and expanded margins. Celestica's stock returned 61.0%, benefiting from the adoption of artificial intelligence (AI) as capital expenditures continue to increase, underpinning the company's strong growth outlook.

Underweight exposure to Bank of Montreal detracted from performance. The bank performed well because of stronger credit results and lower loan losses than expected. It had fewer problem loans and improved performance across its commercial book, especially in the U.S.

At a sector level, stock selection in information technology and materials contributed to performance. Selection in financials detracted from performance, as did exposure to industrials.

### Portfolio activity

The sub-advisor added Air Canada as its valuation declined while its fundamentals improved. The airline reported solid results, with cash generation and a CAD\$500 million share buyback that showed confidence from management. Brookfield Asset Management Ltd. was increased because supportive credit and equity markets are driving faster fund formation and asset growth.

Restaurant Brands International Inc. was sold because its near-term outlook weakened amid intensifying competition in quick-service restaurants. Canadian National Railway Co. was reduced after management cut its 2025 earnings forecast more than expected.

# Canada Life Canadian Fundamental Equity Fund - QF

December 31, 2025

## Outlook

Investor sentiment is positive, supported by global financial conditions, central bank-rate interest cuts and corporate earnings upgrades. Globally, conditions are the most accommodative since 2022, with developed and emerging market central banks lowering policy rates. In the U.S., growth is running above 2%, supported by consumer spending, signs of a manufacturing recovery and stabilization in housing.

Canada's economy is showing strain, with weak gross domestic product growth. A softening labour market and housing sector are being partly offset by areas of strength in consumer spending. The sub-advisor expects growth to be subdued but believes Canada will avoid recession over the next couple of quarters before improving into 2026. A key risk is that the delayed impact of tariffs could keep inflation elevated, limiting the Fed's ability to cut interest rates further.

Equity markets are trading at elevated valuations, leaving little room if risks around tariffs, labour markets or elevated inflation materialize. Corporate earnings expectations have risen, with profit margins expected to expand into 2026.

AI-driven investment and broader capital spending are important supports. Overall, the sub-advisor expects earnings growth to be a key driver of equity markets over the next year. If investors gain confidence that growth is set to improve alongside still-supportive central banks, equities could benefit.

The sub-advisor reduced exposure to stable growth companies and shifted into quality cyclicals such as automotive, alternative asset managers and economically sensitive industrials. The Fund has overweight exposure to companies expected to benefit from AI-infrastructure spending.

# Canada Life Canadian Fundamental Equity Fund - QF

December 31, 2025

## Disclaimer

The commentaries on the company specific information and purchases and sales were provided by the fund manager. Canada Life Investment Management Ltd. will not be liable for any loss, or damages whatsoever, whether directly or indirectly incurred, arising out of the use or misuse of errors or omissions in any information contained in this commentary. The data provided in this commentary is for information purposes only and, except where otherwise indicated, is current as of Sep 30, 2025.

The views expressed in this commentary are those of the fund manager as at the date of publication and are subject to change without notice. This commentary is presented only as a general source of information and is not intended as a solicitation to buy or sell specific investments, nor is it intended to provide tax or legal advice. Prospective investors should review the offering documents relating to any investment carefully before making an investment decision and should ask their Advisor for advice based on their specific circumstances.

The content of this commentary (including facts, views, opinions, recommendations, descriptions of or references to, products or securities) is not to be used or construed as investment advice, as an offer to sell or the solicitation of an offer to buy, or an endorsement, recommendation or sponsorship of any entity or security cited. Although we endeavour to ensure its accuracy and completeness, we assume no responsibility for any reliance upon it.

This document may contain forward-looking information which reflect our or third-party current expectations or forecasts of future events. Forward-looking information is inherently subject to, among other things, risks, uncertainties and assumptions that could cause actual results to differ materially from those expressed herein. These risks, uncertainties and assumptions include, without limitation, general economic, political and market factors, interest and foreign exchange rates, the volatility of equity and capital markets, business competition, technological change, changes in government regulations, changes in tax laws, unexpected judicial or regulatory proceedings and catastrophic events. Please consider these and other factors carefully and not place undue reliance on forward-looking information. The forward-looking information contained herein is current only as of Sep 30, 2025. There should be no 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.

There can be no assurance that the Fund's return or volatility targets will be met, or met over any particular time horizon. Targeted returns and volatility should be evaluated over the time period indicated and not over shorter periods. Targeted returns are not actual performance and should not be relied upon as an indication of actual or future performance.

Canada Life Mutual Funds are managed by Canada Life Investment Management Ltd. The funds are distributed by Quadrus Investment Services Ltd., IPC Investment Corporation, and IPC Securities Corporation, and may also be available through other authorized dealers in Canada. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently, and past performance may not be repeated.

Canada Life Mutual Funds, Canada Life Investment Management and design, and Canada Life and design are trademarks of The Canada Life Assurance Company.

# Canada Life Canadian Fundamental Equity Fund - QF

December 31, 2025

<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.

Distribution of the chart, history standard and short-term reports are not permitted without including the fund profile long-term report. For money market fund reports: The current yield is an annualized historical yield based on the seven-day period ended on the date noted above and does not represent an actual one-year return. Reports produced using this website are for information purposes only. Canada Life Investment Management Ltd., and their affiliates, representatives, and third party content providers do not warrant the accuracy, completeness, or timeliness of this website or any content, and shall not be responsible for investment decisions, damages, or other losses resulting from the use of this website or its content. The only true report on unit values is the periodic statement prepared and sent by the mutual fund company. Important information about Canada Life Mutual Funds is found in Fund Facts. Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and does not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Money market fund units are not covered by the Canada Deposit Insurance Corporation or by any other government deposit insurer. There can be no assurances that the fund will be able to maintain its net asset value per unit at a constant amount or that the full amount of your investment in the fund will be returned to you. Past performance of the funds may not be repeated. Canada Life Mutual Funds are managed by Canada Life Investment Management Ltd. The funds are distributed by Quadrus Investment Services Ltd., IPC Investment Corporation, and IPC Securities Corporation, and may also be available through other authorized dealers in Canada.

Financial information provided by Fundata Canada Inc.

©Fundata Canada Inc. All rights reserved.

