

# Canada Life Canadian Value Balanced Fund QFW



December 31, 2025

A fund that aims to find balance between long-term growth and consistent income.

## Is this fund right for you?

- You want your money to grow over a longer term.
- You want to invest in mid- to large- cap Canadian equities and fixed income securities.
- You're comfortable with a low to medium level of risk.

### RISK RATING



**Fund category**  
Canadian Equity Balanced

**Inception date**  
September 09, 2020

**Management expense ratio (MER)**  
1.04%  
(September 30, 2025)

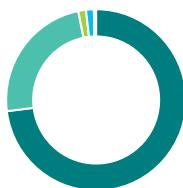
**Fund management**  
Beutel, Goodman & Company Ltd.

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



### Asset allocation (%)

Canadian Equity	38.1
Domestic Bonds	29.5
US Equity	23.6
Cash and Equivalents	4.7
International Equity	2.7
Income Trust Units	0.8
Foreign Bonds	0.6



### Geographic allocation (%)

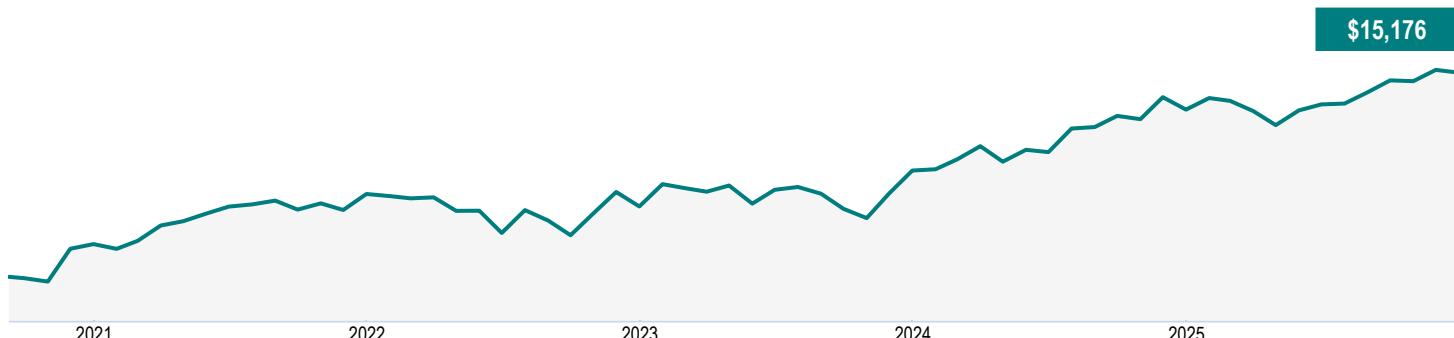
Canada	73.1
United States	23.8
Ireland	1.4
Switzerland	1.4
France	0.3
Europe	0.1
Other	-0.1



### Sector allocation (%)

Fixed Income	30.1
Financial Services	17.8
Consumer Services	7.9
Technology	7.7
Industrial Services	5.6
Healthcare	5.1
Cash and Cash Equivalent	4.7
Telecommunications	4.1
Basic Materials	4.0
Other	13.0

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



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

Top holdings		%	Portfolio characteristics		Net assets (million)	
Cash and Cash Equivalents		4.0	Standard deviation	8.4%	\$57.9	
Toronto-Dominion Bank		3.7	Dividend yield	2.4%	Price	\$13.29
Bank of Montreal		2.5	Yield to maturity	3.6%	Number of holdings	189
Royal Bank of Canada		2.1	Duration (years)	7.4	Minimum initial investment	\$500,000
Rogers Communications Inc Cl B		1.6	Coupon	4.3%	Fund codes	NL – MAX8604
Alimentation Couche-Tard Inc		1.6	Average credit rating	A+		
Canada Government 3.25% 01-Jun-2035		1.5	Average market cap (million)	\$88,244.8		
Manulife Financial Corp		1.5				
Merck & Co Inc		1.4				
Canada Government 3.00% 01-Jun-2034		1.4				
<b>Total allocation in top holdings</b>		<b>21.3</b>				

## Understanding returns

### Annual compound returns (%)

1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
-0.5	1.3	6.6	6.6	8.8	7.0	-	8.2

### Calendar year returns (%)

2025	2024	2023	2022	2021	2020	2019	2018
6.6	12.2	7.7	-2.6	11.7	-	-	-

## Range of returns over five years (October 01, 2020 - 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
8.7%	Oct. 2025	7.0%	Dec. 2025	7.9%	100.0%	4	0

## Contact information

### Customer service centre

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

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## Q3 2025 Fund Commentary

### Market commentary

Following disruption from U.S. tariffs in the second quarter of 2025, the global economy adjusted to the new trade environment during the third quarter. The trade war led Canadian exports to decline significantly in the second quarter.

The S&P 500 Index reached new highs, with growth stocks leading fueled by artificial intelligence (AI) investment. NVIDIA Corp. became the largest company in history by market capitalization after surpassing USD\$4 trillion in valuation. The U.S. administration announced a 15% tariff on goods from the European Union and levies of 50% for both Brazil and India.

Despite tariff uncertainty, the S&P/TSX Composite Index was up 12.5%, while the S&P 500 Index (in Canadian dollars) was up 10.3%.

### Performance

The Fund's relative exposure to Bank of Montreal, Royal Bank of Canada and The Toronto-Dominion Bank (TD Bank) contributed to performance as the banks outperformed. Bank of Montreal reported better-than-expected credit and improvement in its impaired provision for credit. Royal Bank beat its earnings estimates, driven by capital markets and improved credit. TD Bank delivered better-than-expected earnings driven by lower credit provisions and Canadian and wholesale banking results.

Relative exposure to CGI Inc., Metro Inc. and ATS Corp. detracted from performance. CGI's earnings came in ahead of expectations but sluggish organic growth and potential disruption from AI led the stock to fall. Metro reported lower same-store sales in food. ATS reported lower results in August amid a slowdown in bookings and declining backlog in its life sciences division.

At a sector level, stock selection in Canadian financials, communication services and utilities contributed to performance. Selection among the U.S. consumer discretionary and industrials sectors contributed to performance.

Stock selection and underweight exposure to Canadian materials stocks detracted from performance as the price of gold rose. Stock selection in Canadian consumer staples and information technology detracted from performance, as did overweight exposure to consumer staples and industrials. In U.S. equities, selection and underweight exposure to information technology detracted from performance, as did selection in communication services, materials, health care and financials. Overweight exposure to health care and financials also detracted from performance.

Within fixed income, overweight exposure to the middle of the yield curve contributed to performance, as did overweight exposure to corporate bonds. Security selection within corporate bonds contributed to performance as did overweight exposure to short- and mid-term corporate bonds, which outperformed long-term bonds.

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## Portfolio activity

The sub-advisor added Canadian Apartment Properties REIT for its track record of maximizing occupancy and mark-to-market rent opportunities that should drive margin expansion. Alimentation Couche-Tard Inc., Boyd Group Services Inc., CGI Inc., Element Fleet Management Corp., Tourmaline Oil Corp., Chubb Ltd. and PPG Industries Inc. were increased. CAE Inc., Royal Bank, RB Global Inc., TD Bank and eBay Inc. were reduced.

## Outlook

Despite a redefinition of Canada's trading relationships and exports to the U.S. down, Canadian equities performed well, up 23.9% year to date. Tariffs remain a challenge, damaging important Canadian industries. The United States–Mexico–Canada Agreement is scheduled for review in 2026 and maintaining its provisions are crucial, in the sub-advisor's view, for Canada's exports and overall economy.

The outperformance of international equities over U.S. equities has been a notable feature of 2025. This was impressive in a positive year for U.S. equities, particularly those benefiting from AI investment. The S&P 500 Index's growth was mostly AI-related, which has led to higher concentration risk, but is less of an issue with international indices.

With respect to fixed income, the year was characterized by uncertainty, with U.S. trade relations impacting bond markets. With tariff price pressures, inflation remains a key concern for the Bank of Canada, the U.S. Federal Reserve Board and consumers. However, in the sub-advisor's view, upward pressure on inflation could be limited to 3% since a weaker jobs market and consumer sentiment could decrease demand.

The sub-advisor believes interest rates will decline over the medium term, particularly in Canada, and anticipates a steepening of the yield curve. As such, the Fund has overweight exposure to the middle of the yield curve, which has historically performed best during steepening environments.

The Fund is positioned defensively, holding higher-rated credit with a bias towards less cyclical sectors. Should credit spreads widen, this could create opportunities to add higher-beta credit. The Fund's holdings of investment-grade and high-yield credits are concentrated in shorter-term maturities.

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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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