

Canada Life Canadian Value Balanced Fund



February 28, 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)

2.48%

(September 30, 2024)

Fund management

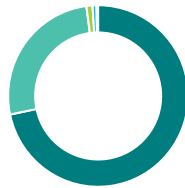
Beutel, Goodman & Company Ltd.

How is the fund invested? (as of November 30, 2024)



Asset allocation (%)

Canadian Equity	40.1
Domestic Bonds	28.1
US Equity	25.4
Cash and Equivalents	3.9
International Equity	1.7
Foreign Bonds	0.7
Other	0.1



Geographic allocation (%)

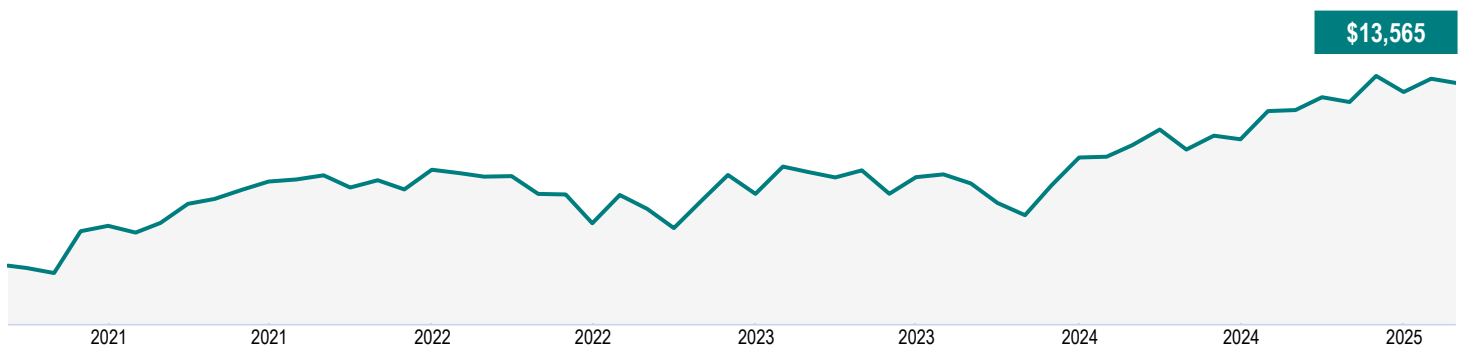
Canada	71.8
United States	26.2
Ireland	1.1
Switzerland	0.7
France	0.3
Other	-0.1



Sector allocation (%)

Fixed Income	28.9
Financial Services	17.8
Consumer Goods	8.6
Consumer Services	8.0
Technology	7.1
Industrial Services	6.6
Healthcare	4.3
Telecommunications	4.2
Cash and Cash Equivalent	3.9
Other	10.6

Growth of \$10,000 (since inception)



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Fund details (as of November 30, 2024)

Top holdings	%
Royal Bank of Canada	3.4
Toronto-Dominion Bank	2.6
Cash and Cash Equivalents	2.6
Ontario Province 4.15% 02-Jun-2034	2.1
RB Global Inc	2.0
Canada Government 3.00% 01-Jun-2034	1.9
Bank of Montreal	1.9
Quebec Province 4.45% 01-Sep-2034	1.9
Metro Inc	1.5
Canadian National Railway Co	1.5
Total allocation in top holdings	21.4

Portfolio characteristics	
Standard deviation	10.3%
Dividend yield	2.4%
Yield to maturity	3.9%
Duration (years)	8.2
Coupon	4.5%
Average credit rating	A+

Net assets (million)

\$56.6

Price

\$12.75

Number of holdings

158

Minimum initial investment

\$500

Fund codes

FEL – MAX7804

DSC^ – MAX7904

LSC^ – MAX8004

Understanding returns

Annual compound returns (%)

1 MO	3 MO	YTD	1 YR	3 YR	5 YR	10 YR	INCEPTION
-0.6	-1.0	1.3	9.8	5.0	-	-	7.1

Calendar year returns (%)

2024	2023	2022	2021	2020	2019	2018	2017
10.6	6.2	-4.0	10.2	-	-	-	-

Range of returns over five years

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

Data not available based on date of inception

Contact information

Customer service centre

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canadalife.com

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Q4 2024 Fund Commentary

Market commentary

Market volatility during the quarter was fuelled by the U.S. presidential election and other elections, tension over tariffs, lower interest rates and geopolitical conflicts. Despite the volatility, the Canadian and U.S. equity markets rose. The Canadian bond market declined.?

Performance

The Fund's fixed income component had a positive impact on performance. Canadian and U.S. equities had a negative impact.

In fixed income, the Fund's longer duration (higher sensitivity to interest-rate changes) was positive for performance as bond yields fell. Overweight exposure to corporate bonds also had a positive impact. The Fund's yield curve positioning had a negative impact on performance because of its overweight exposure to 10-year bonds, which underperformed.

The Fund's relative exposure to CAE Inc., RB Global Inc. and Bank of Montreal had the most positive impact on performance. CAE Inc.'s margins improved in its civil and defence segments. RB Global Inc. benefited from cost discipline and solid execution. Bank of Montreal outperformed, with its large loan-loss provisions and management commentary suggesting the worst was likely over for its loan portfolio.

The Fund's relative exposure to The Toronto-Dominion Bank, Rogers Communications Inc., Polaris Inc. and Biogen Inc. had a negative impact on performance. The Toronto-Dominion Bank pled guilty to money laundering charges in the U.S. and was fined roughly US\$3 billion. An unexpected asset cap on its U.S. retail operations contributed to the stock's decline.

Rogers Communications Inc. agreed to acquire BCE Inc.'s stake in Maple Leaf Sports & Entertainment and announced a structured equity financing deal with Blackstone Inc. Both deals were negatively received by the market. Polaris Inc. faced a challenging environment for power sports equipment, which is expected to continue in 2025. Biogen Inc.'s slow launch of a new drug for Alzheimer's disease continued into the fourth quarter.

In Canadian equities, stock selection in the industrials sector and underweight exposure to the materials sector had a positive impact on performance. Stock selection in and underweight exposure to information technology, and stock selection in financials, were negative.

In U.S. equities, stock selection in and overweight exposure to the financials sector had a positive impact on performance. Stock selection in industrials also had a positive impact. Stock selection in the consumer discretionary, communication services and information technology sectors was negative.

The sub-advisor added ATS Corp., Boyd Group Services Inc., Medtronic PLC and Chubb Ltd. to the Fund. Bank of Montreal, Canadian Pacific Kansas City Ltd., The Toronto-Dominion Bank, Merck & Co. Inc., Omnicom Group Inc., Qualcomm Inc. and Amgen Inc. were increased.

The sub-advisor decreased holdings including Brookfield Asset Management Ltd., Sun Life Financial Inc., Royal Bank of Canada and Saputo Inc. The sub-advisor also decreased BlackRock Inc., SEI Investments Co., The Carlyle Group Inc., Kellanova, Flowserve Corp. and Tempur Sealy International Inc.

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Outlook

Despite several rate reductions, the Bank of Canada's (BoC) policy rate remains much higher than during the early 2020s. The sub-advisor expects higher mortgage payments to lead to lower discretionary spending, which could have a negative impact on economic activity.

The new U.S. administration intends to pursue protectionist trade policies like tariffs. The U.S. is Canada's largest trading partner, and tariffs could significantly affect sectors that rely on exporting to the U.S.

Given expectations for revenue acceleration, margin expansion and earnings growth, the sub-advisor anticipates continued equity market volatility. Should earnings announcements fall short of high expectations, the market could decline. The sub-advisor believes this risk is higher for U.S. equities.

In fixed income, bond yields remain significantly higher than the lows of the early part of the decade. The sub-advisor believes the U.S. Federal Reserve Board and BoC are likely to continue lowering interest rates, but at a less aggressive pace. As credit spreads (the difference in yield between government and corporate bonds) are already narrow, the sub-advisor doesn't expect them to narrow much further. Therefore, the sub-advisor expects 2025 to provide opportunities for corporate bonds.

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[^]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.

[†]Soft capped - Contributions are no longer accepted to new investors., [‡]Hard capped - Contributions are no longer accepted.

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