

# Canada Life Canadian Fundamental Equity Fund - QF



May 31, 2026

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)

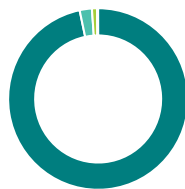
**Fund management**  
Connor, Clark & Lunn Investment Management

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



### Asset allocation (%)

Canadian Equity	93.8
Income Trust Units	3.5
Cash and Equivalents	1.7
US Equity	0.9
International Equity	0.2
Other	-0.1



### Geographic allocation (%)

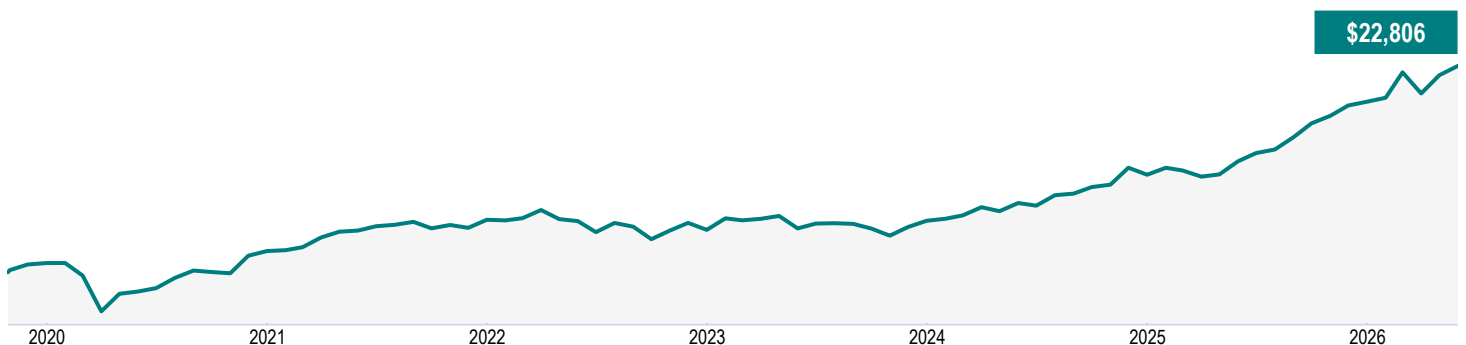
Canada	96.7
Bermuda	2.2
United States	0.9
Switzerland	0.2



### Sector allocation (%)

Financial Services	26.6
Basic Materials	21.9
Energy	15.9
Technology	6.8
Industrial Goods	5.9
Industrial Services	5.6
Consumer Services	5.2
Utilities	3.8
Real Estate	2.1
Other	6.2

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



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

Top holdings	%
Royal Bank of Canada	7.6
Toronto-Dominion Bank	5.4
Shopify Inc Cl A	4.2
Agnico Eagle Mines Ltd	4.0
Canadian Imperial Bank of Commerce	3.7
Suncor Energy Inc	3.7
TC Energy Corp	3.0
Canadian Pacific Kansas City Ltd	2.8
National Bank of Canada	2.5
Kinross Gold Corp	2.3
<b>Total allocation in top holdings</b>	<b>39.2</b>

Portfolio characteristics	
Standard deviation	10.3%
Dividend yield	1.8%
Yield to maturity	-
Duration (years)	-
Coupon	-
Average credit rating	-
Average market cap (million)	\$91,267.6

**Net assets (million)**

\$226.9

**Price**

\$20.21

**Number of holdings**

111

**Minimum initial investment**

\$500

**Fund codes**

NL – MAX6363

**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
<b>2.6</b>	<b>1.8</b>	<b>10.8</b>	<b>35.1</b>	<b>21.5</b>	<b>12.6</b>	<b>-</b>	<b>13.3</b>

### Calendar year returns (%)

2025	2024	2023	2022	2021	2020	2019	2018
<b>28.3</b>	<b>21.6</b>	<b>4.5</b>	<b>-4.7</b>	<b>17.2</b>	<b>7.1</b>	<b>-</b>	<b>-</b>

## Range of returns over five years (November 01, 2019 - May 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
<b>16.0%</b>	<b>March 2025</b>	<b>8.7%</b>	<b>Dec. 2024</b>	<b>12.4%</b>	<b>100.0%</b>	<b>20</b>	<b>0</b>

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## Q1 2026 Fund Commentary

*Commentary and opinions are provided by Connor, Clark & Lunn Investment Management.*

### Market commentary

Canadian equities posted a gain over the first quarter, supported by resilient economic data and strong corporate earnings. Sentiment shifted in March as escalating conflict in the Middle East raised concerns about slower growth alongside higher inflation, which reduced risk appetite.

Sector performance diverged during the quarter. Oil-linked industries, including energy producers, energy services and midstream companies, benefited from a sharp rise in oil prices driven by disruptions in the Strait of Hormuz and damage to oil infrastructure in the Middle East. These energy-related sectors were the strongest-performing segments of the Canadian market. In contrast, companies with high artificial intelligence (AI) disruption risk saw declines, with the information technology sector, particularly software, underperforming. Outside of those extremes, defensive sectors modestly outperformed cyclical sectors as risk appetite declined.

### Performance

Security selection within the information technology sector contributed to performance, with select overweight holdings performing well relative to the sector's broader decline. Security selection within the industrials sector also contributed, particularly among mid-capitalization companies.

Kraken Robotics Inc. contributed to the Fund's performance. The Canadian marine technology company saw record demand for its batteries and continued momentum from its defence and commercial clients. It also completed a stock offering to support the acquisition of Covelya. Spartan Delta Corp. contributed to the Fund's performance because of better-than-expected production and cash flow from its Duvernay asset, with rising energy prices further supporting its stock.

An overweight allocation to the information technology sector detracted from performance. An underweight allocation to the energy sector also detracted from performance.

An underweight allocation to Canadian Natural Resources Ltd. detracted from the Fund's performance. Rising oil prices supported the stock's commodity-linked cash flows and improving capital-return profile. Goeasy Ltd. detracted from the Fund's performance after the company withdrew guidance and announced a write-down of delinquent loans tied to its LendCare business, which triggered a de-rating of the stock.

### Portfolio activity

The sub-advisor added Exchange Income Corp., a diversified company in aerospace, aviation and manufacturing. The company's resilient aviation platform, defence growth potential and strong cash generation supported the decision.

Suncor Energy Inc. was increased because the company's integrated structure provides insulation from widening Canadian oil price differentials compared to pure-play producers, and it has consistently exceeded its targets in recent quarters.

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Thomson Reuters Corp. was sold because of increased risk that generative AI platforms could erode the company's long-term competitive advantage in data and analytics products.

The sub-advisor reduced WSP Global Inc. because of downside risk from elevated valuations and ongoing compression across the engineering sector.

## Outlook

In the sub-advisor's view, the base case is that the Middle East conflict may remain contained. If so, inflation effects may be limited, recession risk may stay low to moderate and the broader economic recovery may continue. The main downside risk is a prolonged closure of the Strait of Hormuz or damage to energy infrastructure, which could keep oil prices elevated and weigh on growth.

Trade policy also remains a near-term consideration, though the sub-advisor expects any changes to the Canada-United States-Mexico Agreement to result in modest tariff increases with limited impact on Canada's outlook.

The sub-advisor has paused further increases in cyclical exposure and added selectively to defensive industries such as telecommunications and grocery retailers. The sub-advisor has also reduced exposure to business models most at risk from AI disruption and increased allocations to commodity-linked sectors, including energy and rare earths, and to companies that may benefit from higher global defence spending.

In the sub-advisor's view, recent geopolitical events further strengthen Canada's strategic position. As countries seek secure and reliable supplies of energy, metals and rare earths, Canada's role as a stable political jurisdiction and net commodity exporter becomes increasingly valuable.

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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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