

# LF Canlife UK Property ACS

## INVESTMENT POLICY AND OBJECTIVES

To deliver long-term income returns and capital growth.

The Fund will invest primarily in a diversified portfolio of UK commercial property, selected from across the retail, office, industrial and other sectors, including leisure and hotels.

The Fund may also invest in property or non-property related transferable securities (which may result in limited indirect exposure to property outside of the UK), units or shares in collective investment schemes, money market instruments, deposits and government and public securities. The Fund may have direct exposure to UK residential property.

Derivatives and forward foreign exchange contracts may be used for the purposes of efficient portfolio management.

## INVESTOR CONSTITUENCY

Institutional

Fund details	
Type of fund	Authorised Contractual Schemes
Residence	United Kingdom
Launch date	27-Oct-2017
Open/closed-ended	Open Ended
Earliest date of winding up	-
Year-end	-
NAV (GBpm)	257.3

Management/professional advisors	
Manager	Canada Life Asset Management Ltd
Investment Advisor	Canada Life Asset Management Ltd
Property Fund Manager	Suzima Abu-Zarin, Ben Wood
Trustee	State Street Bank & Trust Company, London Branch
Auditors	Ernst & Young LLP

Investment rates of return, %				
MSCI/AREF UK Quarterly Property Fund Index *				
	LF Canlife UK Property ACS	Other Balanced Open-Ended Funds	All balanced open-ended funds	All funds
3 months	-1.4	0.3	0.4	0.3
Year-to-date	-4.0	0.1	0.2	0.1
12 months	-13.3	-17.1	-17.4	-17.1
3 years+	-0.5	3.3	3.4	2.3
5 years+	-1.5	2.3	2.2	1.1
10 years+	-	6.6	6.3	5.5

Note: \* Weighted average returns + Annualised

Source: MSCI/AREF UK Quarterly Property Fund Index

Property investment restrictions	
Maximum development exposure	50%
Maximum speculative development exposure	-
Maximum lot-size holding as a standing investment	-
Maximum lot-size holding permitted at purchase	-
Maximum exposure to limited partnerships	-
Maximum exposure to joint ventures	-
Maximum exposure to closed and open-ended property unit trusts	-

Portfolio distribution %				
MSCI/AREF UK Quarterly Property Fund Index**				
	LF Canlife UK Property ACS*	Other Balanced Open-Ended Funds	All balanced open-ended funds	All funds
Standard retail – South East	1.1	4.9	4.6	4.6
Standard retail – Rest of UK	1.6	1.2	1.4	2.3
Shopping centres	6.5	0.6	0.9	2.5
Retail warehouses	17.6	12.4	12.1	7.6
<b>All UK retail</b>	<b>26.8</b>	<b>19.1</b>	<b>19.0</b>	<b>17.1</b>
City offices	1.9	3.3	3.4	3.2
West End offices	12.2	8.1	7.5	5.1
Rest of South East offices	13.4	7.5	7.1	5.5
Rest of UK offices	8.8	5.2	4.9	5.3
<b>All UK offices</b>	<b>36.2</b>	<b>24.2</b>	<b>22.9</b>	<b>19.1</b>
South East industrial	18.8	24.0	24.5	20.3
Rest of UK industrial	5.9	13.6	13.7	11.8
<b>All UK industrial</b>	<b>24.7</b>	<b>37.6</b>	<b>38.2</b>	<b>32.1</b>
Other UK properties	0.0	12.4	12.5	25.9
Cash***	12.3	6.7	7.4	5.8
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>	<b>100.0</b>

\*\* MSCI/AREF UK Quarterly Property Fund Index

^ Includes Investment in Indirects

Property ownership structure			
	Number of assets	Valuation (GBpm)	% of total portfolio
Direct holdings	26	229.7	99.6
Joint and indirect holdings	1	0.9	0.4
Listed investments	0	0	0.0
<b>Total</b>	<b>27</b>	<b>230.6</b>	<b>100.0</b>

#### Largest direct investments by lot size & percentage of total portfolio

Property	Location	Sector	Valuation (GBPm)	% of total portfolio
ARIEL HOUSE CHARLOTTE STREET	LONDON	Office	32.0	13.9
REGENT ARCADE SHOPPING CENTRE	CHELTENHAM	Retail Shopping Centre	17.0	7.4
ROUNDSWELL RETAIL PARK	BARNSTAPLE	Retail Park	15.7	6.8
UNITS 1 2 & 3 TURBARY RETAIL PARK	BOURNEMOUTH	Retail Park	15.5	6.7
ST DAVID'S WAY	NUNEATON	Industrial	13.6	5.9
FORBURY SQUARE	READING	Office	13.4	5.8
DELTIC PARK	MILTON KEYNES	Industrial	12.1	5.2
PHASE 3, LEEDS CITY OFFICE PARK	LEEDS	Office	11.9	5.1
FAIRWOOD INDUSTRIAL ESTATE,	ASHFORD	Industrial Other	11.5	5.0
ST MARGARET'S WAY	LEICESTER	Retail Park	10.6	4.6
<b>10 largest investments as % of portfolio</b>			<b>153.2</b>	<b>66.4</b>

#### Direct portfolio structure by lot-size bands

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	4	6.2	2.7
2.5 - 5	7	27.4	11.9
5-10	3	22.6	9.8
10-25	11	141.6	61.4
25 - 50	1	32.0	13.9
50 - 100	-	-	-
Over 100	-	-	-
<b>Total</b>	<b>26</b>	<b>229.7</b>	<b>99.6</b>
Average lot size		8.8	

Property Yield*		Voids as % of ERV*	
Net initial yield	3.13%	Investments	29.66%
Nominal equivalent yield	-	Developments	-
True equivalent yield	8.19%	Total	-
Net reversionary yield	6.96%		

#### Rental income & ERV by type of property\*

	Rental income %	Estimated rental value %
Standard retail	3.5	5.3
Retail warehousing	28.4	17.1
Shopping centres	17.9	10.9
Central London offices	9.1	10.3
Other offices	14.8	34.9
Industrial	26.3	21.5
Other	0.0	0.0
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>

#### Over Renting and Reversionary Potential, % Rent Passing

Sector	Rent Passing, GBP Millions	Rent Free , % Rent Passing	Development vacancy, % Rent Passing	Investment vacancy, % Rent Passing	Over rented,% Rent Passing	Reversionary potential,% Rent Passing	Reversionary potential Net of Over renting,% Rent Passing	Market Value,% Rent Passing
Standard retail	0.4	43.5	0.0	24.1	-28.7	165.9	137.3	265.9
Retail warehousing	3.3	0.0	0.0	5.0	-8.1	4.6	-3.5	104.6
Shopping centres	2.1	1.2	0.0	9.9	-11.2	6.3	-4.9	106.3
Central London offices	1.0	11.5	0.0	36.1	-0.3	96.9	96.6	196.9
Other offices	1.7	14.1	0.0	294.5	-0.8	309.4	308.6	409.4
Industrial	3.0	0.0	0.0	2.3	-0.1	42.2	42.1	142.2
Other	-	-	-	-	-	-	-	-
<b>Overall</b>	<b>11.6</b>	<b>4.9</b>	<b>0.0</b>	<b>51.6</b>	<b>-5.5</b>	<b>74.0</b>	<b>68.5</b>	<b>174.0</b>

\*Comprising the ERV of developments in progress or contracted which have not been pre-let

#### Listed Investments

	% of Issue held	Valuation (GBPm)	Est. % of total portfolio
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

#### The unexpired term of leases

Years	% of rent passing
20 years or greater	1.3
15 years or greater, but less than 20	0.0
10 years or greater, but less than 15	3.6
5 years or greater, but less than 10	35.2

## Joint and Indirect property holdings

Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio
HIGH POINT RETAIL PARK	Retail Park	DIRECT RE - INDIVIDUAL PROPERTY	-	25.0	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

## Debt analysis

Fixed rate borrowings			Variable rate borrowings		
Amount drawn (GBPm)	Average rate (%)	Average unexpired term (years)	Amount drawn (GBPm)	Rate above LIBOR (incl expenses) (%)	Off balance sheet debt (GBPm)+
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0
0	0	0	0	0	0

## Development exposure\*

Capital value of developments				Cost to complete schemes in progress+
	Not yet started	In progress+	All developments	
GBPm	0	0	0	0
% of all directly held properties*	0.00%	0.00%	0.00%	0.00%

\* Includes joint ventures in which the Fund has an interest of 50% or more

## Valuations/performance monitors/affiliations

Frequency of valuation	Last Business Day of Each Month
Valuers	Cushman and Wakefield and BNP Paribas Real Estate
Portfolio performance monitored by MSCI	Yes
Constituent of MSCI/AREF UK Quarterly Property Fund Index	Yes
Member of the Association of Real Estate Funds	Yes

## Restrictions on holdings of cash/borrowings

Maximum total gearing permitted
for investment purposes
for liquidity purposes
Cash holdings (maximum)
Cash holdings (minimum)

## The contribution of major tenants to rental income

Tenant	%
SHARP ELECTRONICS (EUROPE) LTD.	9.1
MATALAN RETAIL LTD	6.6
STARK BUILDING MATERIALS UK LIMITED	6.0
WICKES BUILDING SUPPLIES LTD	3.9
CDS (SUPERSTORES INTERNATIONAL) LIMITED	3.5
ANGULAR DIRECTIONS LTD	3.3
BELLERIVE FINANCE PLC	3.1
CARPETRIGHT PLC	2.5
H & M HENNES & MAURITZ UK LIMITED	2.5
MKM BUILDING SUPPLIES	2.4
Three largest tenants' contribution to rental income	21.7
Five largest tenants' contribution to rental income	29.1
Ten largest tenants' contribution to rental income	43.0

## Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	229.7	0.9	0.0	0.0	230.6
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	32.4	0.0	0.0	0.0	32.4
Other net assets/liabilities	-5.7	0.0	0.0	0.0	-5.7
Total net assets	256.4	0.9	0.0	0.0	257.3
Gearing (%)					
Net debt (cash)/properties	-14.1	0.0	-	-	-14.1
Net debt (cash)/equity	-12.6	0.0	-	-	-12.6

Quarterly data per unit						
As at	31-Mar-22	30-Jun-22	30-Sep-22	31-Dec-22	31-Mar-23	30-Jun-23
Bid (GBP)	1.077	1.117	1.103	1.010	0.985	0.973
Offer (GBP)	1.077	1.117	1.103	1.010	0.985	0.973
Mid (GBP)	1.077	1.117	1.103	1.010	0.985	0.973
Bid/offer spread	0.00%	0.00%	0.00%	0.00%	0.00%	0.00%
Net asset value (GBP)	1.077	1.117	1.103	1.010	0.985	0.973
Quarterly distribution (GBP)	0.000	0.000	0.000	0.000	0.000	0.000
Yield	-	-	-	-	-	-

Source: Canada Life

## Unit pricing

The unit prices are priced daily.

## Distributions

Quarterly

## Minimum investment/disinvestment

Minimum initial holding £1,000,000

Minimum holding £1,000,000

Minimum deal size £1,000

## Creation, transfer and realisation of units

Units can be traded daily for creations, transfers and redemptions, except in exceptional circumstances where Limited Redemption arrangements apply. In order to protect the liquidity of the Sub-fund, requests for redemptions of all Units are subject to a notice period. Redemption requests received by the Valuation Point on a particular Dealing Day will be redeemed at the price calculated at the Valuation Point on the first Dealing Day after 185 days from the date of receipt of the redemption request

## Taxation

Capital Gains Tax:

Income Tax:

Stamp Duty Tax:

## Charges

Annual Fee: 0.70% (annual management charge of I Acc share class)

Performance Fee :

Unit holder analysis		
	Number of unitholders	Total % held
Less than 1% of units in issue	-	-
1% or greater but less than 2%	-	-
2% or greater but less than 4%	-	-
4% or greater but less than 8%	-	-
Greater than 8.0%	3	100.0
<b>Total</b>	<b>3</b>	<b>100.0</b>

Major investors		
Largest holder	1	60.0
Three largest holders	3	100.0
Five largest holders	5	-
Ten largest holders	10	-
Internal/external investors		
Internal	1	26.0
External	2	74.0

Liquidity						
Period	Year to Dec 2018	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021	Year to Dec 2022	Year to Dec 2023
<b>Issues and redemptions</b>						
Units in issue as at start of period	367914175.5	383,890,281	356,326,457	343,036,872	321,268,435	295,345,718
Units issued during period	-	23,397,508	14,802,567	14,838,684	2,524,685	16,435,636
Units redeemed during period	15976105.62	-50,961,332	-28,092,152	-36,607,121	-28,447,403	-28,820,794
Units in issue at end of period	383890281.1	356,326,457	343,036,872	321,268,435	295,345,718	282,960,560
<b>Unit transfers</b>						
Matched bargains	-	-	-	-	-	-
Matched bargains %*	-	-	-	-	-	-

\* as % of units in issue at the end of the period

Disclaimer - Please note that the investment performance of the Fund relates to the I share class only, which is offered to new investors