

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)	327.7

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 Funds	All balanced funds	All funds
3 months	0.0	2.2	2.2	1.8
Year-to-date	0.0	2.2	2.2	1.8
12 months	-1.8	2.5	2.5	0.7
3 years+	-2.0	2.7	2.4	1.1
5 years+	-	4.6	4.1	3.2
10 years+	-	6.8	6.4	5.9

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 %				
	LF Canlife UK Property ACS*	MSCI/AREF UK Quarterly Property Fund Index**		
		Other Balanced Funds	All balanced funds	All funds
Standard retail – South East	0.9	6.0	5.2	4.9
Standard retail – Rest of UK	2.1	2.1	2.4	3.3
Shopping centres	5.2	0.7	1.2	3.5
Retail warehouses	10.9	10.9	10.5	9.0
All UK retail	19.2	19.7	19.3	20.6
City offices	5.2	3.9	3.6	3.4
West End offices	10.4	7.6	8.5	7.6
Rest of South East offices	15.2	10.8	10.2	7.4
Rest of UK offices	9.1	6.0	5.6	5.1
All UK offices	40.0	28.3	27.9	23.5
South East industrial	10.9	21.7	22.7	18.5
Rest of UK industrial	2.7	12.0	11.8	9.5
All UK industrial	13.6	33.7	34.5	28.0
Other UK properties	0.0	11.3	10.7	21.9
Cash***	27.2	7.0	7.7	5.9
Overall	100.0	100.0	100.0	100.0

** MSCI/AREF UK Quarterly Property Fund Index

^ Includes Investment in Indirects

Property ownership structure			
	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	30	239.6	99.7
Joint and indirect holdings	1	0.8	0.3
	0	0	0.0
Listed investments			
Total	31	240.4	100.0

Largest direct investments by lot size & percentage of total portfolio				
Property	Location	Sector	Valuation (GBPm)	% of total portfolio
ARIEL HOUSE CHARLOTTE STREET	LONDON	Office	34.5	14.3
REGENT ARCADE SHOPPING CENTRE	CHELTENHAM	Retail Shopping Centre	17.3	7.2
PHASE 3, LEEDS CITY OFFICE PARK	LEEDS	Office	16.1	6.7
FORBURY SQUARE	READING	Office	15.5	6.4
STOCKLEY PARK	UXBRIDGE	Office	13.0	5.4
UNITS 1 2 & 3 TURBARY RETAIL PARK	BOURNEMOUTH	Retail Park	12.4	5.2
BRAMAH HOUSE, 65-71 BERMONDSEY STREET	LONDON	Office	12.2	5.1
DELTIC PARK	MILTON KEYNES	Industrial	11.2	4.6

ROUNDSWELL RETAIL PARK	BARNSTAPLE	Retail Park	10.5	4.4
FIRST QUARTER	EPSOM	Industrial Other	10.2	4.2
10 largest investments as % of portfolio			152.6	63.5

Direct portfolio structure by lot-size bands			
Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	7	8.7	3.6
2.5 - 5	6	23.1	9.6
5-10	7	55.2	23.0
10-25	9	118.2	49.2
25 - 50	1	34.5	14.3
50 - 100	-	-	-
Over 100	-	-	-
Total	30	239.6	99.7
Average lot size		8.0	

Property Yield*		Voids as % of ERV*	
Net initial yield	4.47%	Investments	24.51%
Nominal equivalent yield	-	Developments	-
True equivalent yield	7.84%	Total	-
Net reversionary yield	6.98%		

Rental income & ERV by type of property*		
	Rental income %	Estimated rental value %
Standard retail	5.8	4.3
Retail warehousing	24.0	17.0
Shopping centres	13.4	11.2
Central London offices	11.3	14.7
Other offices	29.8	36.4
Industrial	15.7	16.4
Other	0.0	0.0
Overall	100.0	100.0

Over Renting and Reversionary Potential, % Rent Passing								
Sector	Rent Passing, GBP Millions	Rent Free, % Rent Passing	Development vacancy %	Investment vacancy %	Over rented, % Rent Passing	Reversionary potential %	Reversionary potential Net	Market Value % Rent
Standard retail	0.8	0.0	0.0	36.3	-26.6	9.7	-16.9	109.7
Retail warehouse	3.2	0.0	0.0	7.6	-9.1	5.7	-3.4	105.7
Shopping centres	1.8	0.0	0.0	19.7	-12.6	24.1	11.5	124.1
Central London	1.5	0.0	0.0	95.3	-1.0	94.6	93.6	194.6
Other offices	3.9	4.5	23.1	36.4	-1.3	86.6	85.3	182.1
Industrial	2.1	1.5	0.0	11.6	-2.5	56.8	54.3	155.3
Other	-	-	-	-	-	-	-	-
Overall	13.2	1.6	6.9	30.0	-6.3	50.5	44.3	149.0

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

Listed Investments

	held	(GBPm)	portfolio
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-
-	-	-	-

The unexpired term of leases

Years	% of rent passing
20 years or greater	1.2
15 years or greater, but less than 20	0.0
10 years or greater, but less than 15	3.2
5 years or greater, but less than 10	28.1
Less than 5 years	67.4

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	0.0	25.0	0.0	0.0
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

Debt analysis

Fixed rate borrowings			Variable rate borrowings		
Amount drawn	(%)	Average unexpired	Amount drawn	Rate above LIBOR (incl)	Off balance sheet debt
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

Yield	-	-	-	-	-	-
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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

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

Taxation

Capital Gains Tax:

Income 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	0	0.0
1% or greater but less than 2%	0	0.0
2% or greater but less than 4%	0	0.0
4% or greater but less than 8%	2	12.0
Greater than 8.0%	1	88.0
Total	3	100.0
Major investors		
Largest holder	0	88.0
Three largest holders	0	100.0
Five largest holders	0	0.0
Ten largest holders	0	0.0
Internal/external investors		
Internal	1	88.0
External	2	12.0

Liquidity				
Period	Year to Dec 2019	Year to Dec 2020	Year to Dec 2020	Year to Dec 2021
Issues and redemptions				
Units in issue as at start of period	367914175.5	383890281.1	356,326,457	343,036,872

Units issued during period			14,802,567	6,085,882
	-	23397508.1		
Units redeemed during period			-28,092,152	-5,817,458
	15976105.62	-50961331.98		
Units in issue at end of period			343,036,872	343,305,295
	383890281.1	356326457.2		
Unit transfers				
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

Largest holder	1	0.3
Three largest holders	3	0.4
Five largest holders	5	0.5
Ten largest holders	10	0.6
Internal/external investors		
Internal	0	0.0
External	213	1.0

Source: Legal & General Investment Management Limited

Liquidity						
Period	Year to Dec 2016	Year to Dec 2017	Year to Dec 2018	Year to Dec 2019	Year to Dec 2020	Year to Dec 2021
Issues and redemptions						
Units in issue as at start of period	61,384,567	63,567,481	67,666,299	66,043,863	63,174,181	59,865,523
Units issued during period	2182914	4,098,818	764,598	0	0	0
Units redeemed during period	-	-	-2,387,034	-2869682.7	-3308658.03	-1,490,276
Units in issue at end of period	63,567,481	67,666,299	66,043,863	63,174,181	59,865,523	58,375,247
Unit transfers						
Matched bargains	-	-	-	-	-	-
Matched bargains %*	-	-	-	-	-	-

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

Source: Legal & General Investment Management Limited