



# 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)	398.6

Management/professional advisors	
Manager	Canada Life Asset Management Ltd
Investment Advisor	Canada Life Asset Management Ltd
Property Fund Manager	Michael White, Ben Wood
Trustee	State Street Bank & Trust Company, London Branch

## 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	-0.2	0.3	0.3	0.3
Year-to-date	-0.2	0.3	0.3	0.3
12 months	2.7	5.7	4.8	4.1
3 years+	-	6.9	6.1	5.6
5 years+	-	9.6	9.1	8.5
10 years+	-	8.5	8.3	8.5

Note: \* Weighted average returns + Annualised

Source: MSCI/AREF UK Quarterly Property Fund Index(Sponsored by PropertyMatch)

## 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 Funds	All balanced funds	All funds
Standard retail – South East	3.5	7.7	7.0	5.7
Standard retail – Rest of UK	2.2	3.6	3.6	3.8

Shopping centres	6.7	1.9	2.5	7.6
Retail warehouses	10.9	13.5	13.9	13.3
<b>All UK retail</b>	<b>23.3</b>	<b>26.6</b>	<b>27.1</b>	<b>30.4</b>
City offices	11.2	3.8	3.7	3.3
West End offices	8.8	7.6	8.3	7.3
Rest of South East offices	10.5	11.8	11.3	7.7
Rest of UK offices	7.8	5.8	5.8	4.9
<b>All UK offices</b>	<b>38.2</b>	<b>28.9</b>	<b>29.0</b>	<b>23.2</b>
South East industrial	5.9	18.9	19.1	15.3
Rest of UK industrial	8.5	10.1	10.1	8.0
<b>All UK industrial</b>	<b>14.4</b>	<b>29.1</b>	<b>29.2</b>	<b>23.4</b>
Other UK properties	13.8	11.0	9.7	18.8
Cash***	10.2	4.4	5.1	4.3
<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 (Sponsored by PropertyMatch)

^ Includes Investment in Indirects

#### Property ownership structure

	Number of assets	Valuation (GBPm)	% of total portfolio
Direct holdings	28	302.9	84.6
Joint and indirect holdings	1	55.1	15.4
Listed investments	0	0	0.0
<b>Total</b>	<b>29</b>	<b>358.0</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	Central London offices	34.9	9.8
The Brand Union Building, Brewhouse Yard, St John Street	London	Central London offices	30.4	8.5
Regent Arcade Shopping Center	Cheltenham	Shopping Centres	26.7	7.5
Phase 3, Leeds City Office Park	Leeds	Other offices	18.9	5.3

Equity Trade Centre	Swindon	Industrial	16.8	4.7
Stockley Park	Uxbridge	Other offices	16.8	4.7
Units 1 2 & 3 Turbary Retail Park	Bournemouth	Retail warehouses	15.8	4.4
Forbury Square	Reading	Other offices	15.1	4.2
Bramah House, 65-71 Bermondsey Street	London	Central London offices	14.2	4.0
Roundswell Retail Park	Barnstaple	Retail warehouses	12.7	3.5
<b>10 largest investments as % of portfolio</b>			<b>202.2</b>	<b>56.5</b>

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

Value band (GBPm)	Number of assets	Valuation (GBPm)	% of total portfolio
0 -2.5	4	6.8	1.9
2.5 - 5	5	20.6	5.7
5-10	7	52.2	14.6
10-25	9	131.3	36.7
25 - 50	3	92.0	25.7
50 - 100	-	-	-
Over 100	-	-	-
<b>Total</b>	<b>28</b>	<b>302.9</b>	<b>84.6</b>
Average lot size		10.8	

Property Yield*	
Net initial yield	4.75%
Nominal equivalent yield	6.32%
True equivalent yield	6.38%
Net reversionary yield	6.40%

Voids as % of ERV*	
Investments	11.26%
Developments	0.00%
Total	11.26%

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

	Rental income %	Estimated rental value %
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Standard retail	8.2	6.6
Retail warehousing	20.4	15.2
Shopping centres	13.0	11.8
Central London offices	17.3	20.6
Other offices	25.7	26.9
Industrial	15.3	18.9
Other	0.0	0.0
<b>Overall</b>	<b>100.0</b>	<b>100.0</b>

Sector	Rent passing %	Pre-lets & rent-free periods %	Development voids %*	Other voids %	Over rented %	Reversionary potential %	Net reversionary potential %	ERV %
Standard retail	92.8	0.0	0.0	6.1	-0.9	1.9	1.0	100.0
Retail warehousing	99.8	0.0	0.0	1.8	-3.5	1.9	-1.6	100.0
Shopping centres	82.3	0.0	0.0	18.4	-2.9	2.1	-0.7	100.0
Central London offices	62.9	0.0	0.0	7.6	0.0	29.5	29.5	100.0
Other offices	71.2	0.0	0.0	20.1	-4.4	13.1	8.7	100.0
Industrial	60.5	9.4	0.0	7.6	-0.1	22.7	22.6	100.0
Other	-	-	-	-	-	-	-	-
<b>Overall</b>	<b>74.6</b>	<b>1.8</b>	<b>0.0</b>	<b>11.3</b>	<b>-2.1</b>	<b>14.5</b>	<b>12.4</b>	<b>100.0</b>

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

## The unexpired term of leases

Years	% of rent passing
20 years or greater	1.5
15 years or greater, but less than 20	2.2
10 years or greater, but less than 15	2.4
5 years or greater, but less than 10	38.9
Less than 5 years	55.0

## Joint and indirect property holdings

Holdings	Sector	Joint/Indirect	Vehicle Type	Ownership %	Valuation	Est. % of total portfolio
JPUT	Other property	Indirect	0.0	100.0	55.1	15.4
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-

## 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) Limited	6.6
Superunion Limited	6.4
International Personal Finance Plc	5.8
Matalan Retail Ltd	5.0
Manchester Fountain Street Centre Limited	3.3

Saint-Gobain Building Distribution Limited	2.9
Watford Clarendon Road Centre Limited	2.9
Wickes Building Supplies Limited	2.8
Bellerive Finance Plc	2.3
Cds (Superstores International) Limited	2.3
Three largest tenants' contribution to rental income	18.8
Five largest tenants' contribution to rental income	27.1
Ten largest tenants' contribution to rental income	40.2

#### Balance sheet/gearing

	Direct holdings	Joint holdings	Indirect investments	Listed investments	Total
Balance sheet (GBPm)					
Properties at valuation	302.9	0.0	55.1	0.0	358.0
Listed investments	0.0	0.0	0.0	0.0	0.0
Debt	0.0	0.0	0.0	0.0	0.0
Cash	40.6	0.0	0.0	0.0	40.6
Other net assets/liabilities	0.0	0.0	0.0	0.0	0.0
Total net assets	343.4	0.0	55.1	0.0	398.6
Gearing (%)					
Net debt (cash)/properties	-13.4	-	0.0	-	-11.3
Net debt (cash)/equity	-11.8	-	0.0	-	-10.2

#### Quarterly data per unit

As at	30-Sep-18	30-Dec-18	31-Mar-19
Bid (GBP)	0.994	1.005	1.05
Offer (GBP)	0.994	1.005	1.05
Mid (GBP)	0.994	1.005	1.05
Bid/offer spread	0.00%	0.00%	0.00%
Net asset value (GBP)	0.994	1.005	1.05
Quarterly distribution (GBP)	0.000	0.000	0.00
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:

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

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%	0	0.0
Greater than 8.0%	1	100.0
<b>Total</b>	<b>1</b>	<b>100.0</b>
Major investors		
Largest holder	0	100.0
Three largest holders	0	0.0
Five largest holders	0	0.0
Ten largest holders	0	0.0
Internal/external investors		
Internal	1	100.0
External	0	0.0

Liquidity		
Period	Year to Dec 2018	Year to Dec 2019
<b>Issues and redemptions</b>		
Units in issue as at start of period	367,914,175	383,890,281
Units issued during period	-	4,193,939
Units redeemed during period	15,976,106	-6,498,949
Units in issue at end of period	383,890,281	381,585,271

**Unit transfers**

Matched bargains

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Matched bargains %\*

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-

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\* 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