



**Canada Life**

## **Understanding fund factsheets**



# Fund facts

We've written this guide to help explain the headings and descriptions used in our fund factsheets. If you have any questions please contact us on 03456 060708.

**Canlife Portfolio 4**  
April 2019

**Fund facts**  
Fund type: Life Series 5 acc. units  
Launch date: 11 September 2013  
Ongoing Charges Figure (OCF): 0.42%  
ABI sector: World Investment 20% ADRS Shares  
Volatility group: 1  
Currency: Sterling  
ISIN: GSK098M2C05  
NACE code: CA40000  
CIS code: J.B.1  
Fund size: £128.5m  
Fund manager: David Manshart & Craig Rippe

**Fund objective**  
The fund aims to achieve long-term capital growth and income whilst seeking to remain within a defined risk level by aligning its asset allocation with Dynamic Financial Risk Profile. This involves taking a broadly diversified portfolio of equities, income securities and cash and about half in UK and International shares and UK commercial property. The fund replicates the asset allocation by investing primarily in actively managed funds from Canlife Life Investments' in-house fund range.

**Fund performance to 30 April 2019**

	30/04/2019	30/04/2018	30/04/2017	30/04/2016	30/04/2015
Fund growth	3.9	3.0	17.2	21.9	26.3
Sector index	3.9	1.4	14.4	19.9	23.3
Annualised compound growth	3.9	3.6	5.7	5.6	5.6

**Year on year performance**

	2018	2017	2016	2015	2014
Fund growth	3.1	3.2	11.8	0.5	11.4

**Performance against ABI sector**

Please note that past performance is not a guide for the future and that the value of units can fall as well as rise. Currency fluctuations and other factors can also affect performance. Fund performance data is on a bid to bid basis with income reinvested. Fund data is provided by F1.

The first page of the factsheet covers basic information about the fund (such as cost, sector and fund size), along with a range of performance data.

## Fund type

We have different versions of some of our funds to work with different types of products. The information shown here will tell you whether this is a life or pension fund and which series it is. Your policy documents will show you which fund type and series your policy is linked to. 'Acc' after the fund type indicates that the fund is an accumulation class.

## Launch date

This is the date that the fund series displayed under Fund type (see above) first opened to new business. The original fund, or where applicable the underlying fund, may have launched some years previously.

## Ongoing Charges Figure (OCF)

This is the best estimate of the total cost of running the fund. The OCF is charged by the fund manager and is taken into account within the daily calculated unit price (available on our website). The OCF is the fund charge used in our Personal Examples and we aim to review the OCF annually.

The OCF is made up from a fixed Investment Management Fee and a variable amount for Additional Expenses. If the Investment Management Fee increases we will write to notify you. As the Additional Expenses is a variable figure we do not notify policyholders of any changes. For a full list of the OCFs please see the 'Fund Information' section of our consumer website or the 'Funds' section of the library on our adviser website. You can also see all of the OCFs for our funds in the **Fund codes and charges** (reference MKT621).

The OCF does not include any product charges. If there are any product charges payable they will be shown on your policy documents.

## ABI sector

We place our funds into sectors which are defined and maintained by the Association of British Insurers, of which we are a member. The sectors are designed to enable ABI members to place similar funds into groups to make it easier for investors to make fair comparisons. For more information about the sectors please see our guide to **Understanding asset types and sectors** (reference MKT579) available on our websites.

## Volatility group

We use volatility to give an indication of how much a fund's returns have varied from its average return over a given period of time. We measure the volatility of our funds for the three years running to the end of the previous year and split the funds into four groups as evenly as possible, each group representing 25% of the whole range. The 25% of funds with the lowest volatility are put in Group 1, the next 25% in Group 2, the next 25% in Group 3 and the 25% of funds with the highest volatility in Group 4. We aim to update the volatility groups towards the start of each year but we do not notify policyholders or advisers of any changes. The factsheet shows the current Volatility Group and what group the fund was previously in if it has changed in the last year.

For a more detailed explanation please see our guide to **Understanding volatility** (reference MKT581) and to see all of the funds in each group please see our **Fund performance and volatility guide** (reference MKT582). Both documents are available on our websites.

### Currency

This is the currency that the fund is based in. All of our onshore funds are sterling based, although some may invest into assets held in other currencies. Some of the funds available through Canada Life International are held in foreign currencies. When funds invest in assets held in currencies other than sterling, you should remember that changes in exchange rates can affect a fund's performance.

### SEDOL

This number is a unique identifier for this fund type and can be used to find the fund from other sources. SEDOL codes are produced and owned by the London Stock Exchange and we use them under their licence.

### ISIN

Similar to the SEDOL code, the ISIN number is the unique international identifier for this fund type.

### Mex and Citi codes

These codes are unique to each fund and can be used to find the fund on various online resources.

### Underlying fund

Some of our funds invest into what we call an underlying fund, often managed by one of our external fund partners. Where there is an underlying fund the name will be shown here.

We create a life fund and a pension fund both of which invest solely into the underlying fund (there may be a small cash balance held from time to time). This ensures that although the unit price of the Canlife life and pension funds will differ from the underlying fund (due to factors such as tax and charges), the direction of price movement will correspond.

If you would like to find out more about the underlying fund, our external fund partners often produce additional information about how they run the fund and comments on recent performance and changes. Links to the websites of our fund partners can be found under the 'Funds' section of our website.

### Fund size/Underlying fund size

This is the total value of the assets of either the fund itself (if it is one that we manage ourselves) or the size of the underlying fund into which our fund link invests.

### Fund manager/Underlying fund manager

The name (or names) of the person who manages the fund on a day-to-day basis. The fund manager makes the decisions on what to invest in and when to buy and sell assets in-line with the fund objective.

### Fund objective

**This statement gives you an overview of the objective of the fund (what it aims to do) and how it links to an underlying fund. For the funds we manage we'll show our own objective, otherwise we'll show the objective from the underlying fund.**

### Past performance to (date shown in the table heading)

The first performance table shows different measures of performance over different time periods: three months, one year, three years, five years and 10 years (or since launch if the fund is less than 10 years old). Performance data is only shown when our fund type has been running for more than one year.

### Fund growth %

This row shows how much the fund has gone up or down in percentage terms over the various time periods shown.

### Sector index

This shows how much the average of the sector in which the fund sits has gone up or down over the various time periods shown. The sector name is shown under 'ABI sector' on the left side of the page. If the fund sits in the ABI Specialist or ABI Unclassified sectors then an average is not shown because

these sectors are made up of many different sorts of funds which cannot fairly be compared with each other. For more information about the sectors please see our guide to **Understanding asset types and sectors** (reference MKT579) available on our websites.

### Quartile

Quartiles are only shown for Life Series 4 and Pension Series 4 fund types (our main series of funds) plus certain older funds. If the fund is in the ABI Specialist or ABI Unclassified sector, then quartiles will not be shown as the variety of funds included does not allow fair comparisons to be made.

Quartile rankings are produced by listing all of the funds in the relevant ABI sector from best to worst. The best 25% are ranked quartile 1, the next 25% are ranked quartile 2, the next 25% are ranked quartile 3 and the bottom 25% are ranked quartile 4. Looking at the quartile rankings will give you an indication of how a fund has performed within its sector over the various time periods shown.

### Annualised compound growth

This is the average yearly growth rate over the time period shown.

### Year on year performance

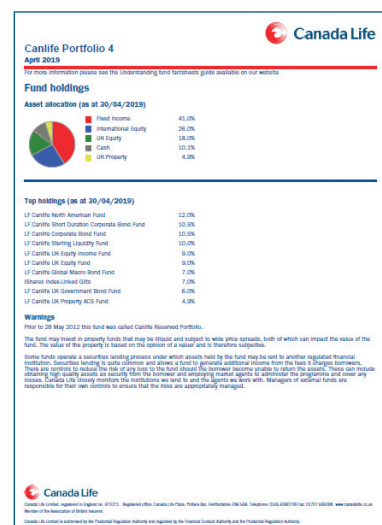
To get a different view on performance, this table shows the gain or loss made by the fund in each of the last five years (or fewer if our fund type is less than five years old). These figures will be for a full year and must always run to a calendar quarter so will be up to March, June, September or December. These figures will help highlight when a fund has a good or bad year.

### Performance against ABI sector

This graph shows the performance of the fund against the return for its sector over the last five years (or from launch if this is a more recent date). If the fund is in the ABI Specialist or ABI Unclassified sector then a sector return is not shown. The ABI Specialist sector includes such a wide variety of fund types and assets that comparing one fund against the sector return does not provide a helpful picture. To get a better idea of how an ABI Specialist fund is performing, it may be useful to go directly to the fund manager's website as they are likely to provide more detailed information.

## Fund holdings

The second page of the factsheet displays a range of data about how and where the fund is invested and the main holdings in the fund. You can read a more detailed explanation of the different types of assets that a fund can invest into in our guide to **Understanding asset types and sectors** (reference MKT579) which is available on our websites.



**Depending on what types of asset the fund invests in, you will find a mixture of the following headings on the factsheet.**

#### **Regional split**

Some funds invest in a single country and some invest in a range of countries. Where present, this chart will show you the regions in the world that the fund is invested in.

#### **Asset allocation**

Funds invest into one or more of different types of asset including cash, property, fixed interest and equities. Where present, this chart will show you the breakdown of the types of asset held by the fund and the percentage held in each. It may also include details of where the assets are held geographically.

#### **Top five weightings**

This heading is most often used for equity-based funds. Companies in which funds invest tend to be grouped together by industry (or sector), for example 'consumer' would include companies who produce many of the household goods used in everyday life, 'financials' would include banks and 'energy' would include gas and electricity producers. Some funds may use different types of sectors to reflect the types of assets they hold, for example the Canlife UK Property fund uses sectors which describe the types of buildings held by the fund such as 'office', 'retail' and 'warehouse'.

#### **Top five credit ratings/Credit ratings of holdings/Deposit institution credit rating**

This heading is usually seen on funds which are mostly invested in cash or fixed interest assets such as government and corporate bonds. Because the size and strength of governments and companies varies so much, specialist credit rating companies look at the bonds available and give them a rating based on the likelihood that they will be repaid. Bonds with ratings from AAA to BBB are often described as 'investment grade' and are seen as the group of bonds that the rating company believe are the most likely to be repaid. Bonds with a rating of BB or lower are often called high-yield and are seen as having a higher chance of not being repaid (and because of this they often have a higher interest rate).

#### **Maturity of holdings / Maturity of deposits**

This heading is also usually seen on funds which are mostly invested in cash (such as Canlife Money) or fixed interest assets such as government and corporate bonds (such as Canlife Fixed Interest). When bonds are issued they include a date which states when the bond is due to be repaid. In a similar fashion, when money is placed on deposit, it will be for a set time period which is usually measured in months. Bonds are much longer term investments and are usually measured in years.

#### **Top holdings**

Where shown, this section will show you the largest holdings within the fund. Depending on what sort of assets the fund holds and where in the world it invests, you may see large well-known companies in the UK or USA or lesser known companies from anywhere in the world. The names of holdings in fixed interest funds may not be straightforward as they often include abbreviated versions of the name of the company who issued the bond, the interest rate being paid and the date the bond is due to be repaid.

Funds described as multi-manager or fund-of-funds invest in other funds rather than directly into assets such as equities and bonds. In these cases you may see the top holdings listed as other funds.

#### **Warnings**

As well as the warnings which apply to all funds (such as the risk that funds can fall in value as well as rise), some funds may feature additional warnings and information. If any fund-specific warnings apply, they will be shown on the lower half of the second page of the factsheet.

## Other useful guides

If you would like to know more about investments and the sorts of funds that we offer, then we have a range of other guides that might be of interest to you;

### Understanding asset types and sectors, reference MKT579

A guide to the four main types of asset and how we group together similar types of fund.

### Understanding diversification, reference MKT580

This guide explains what diversification is and why it can be useful to invest into different sorts of assets and funds.

### Understanding volatility, reference MKT581

A guide to what volatility is, how we measure it using standard deviation and how it can help in understanding how a fund might behave.

### Fund volatility and performance, reference MKT582

Details on the range of funds that we offer access to including information on past performance and volatility.

### Monthly performance update and fund charges

Every month we publish updated performance data over various time periods.

### Life Series 5 funds, reference ID6780

### Life Series 4 funds, reference ID6779

### Life Series 3 funds, reference ID6778

### Pension Series 5 funds, reference ID6792

### Pension Series 4 funds, reference ID6781

All these documents are available on our website [www.canadalife.co.uk](http://www.canadalife.co.uk) or by calling us on 0345 6060 708.



For further information about Canada Life Limited, please visit [www.canadalife.co.uk](http://www.canadalife.co.uk) or call us on **0345 6060708**.

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