canada life

Asset Management

Annual Stewardship and Engagement Report

For year ending 31st December 2020

canada life
Asset Management

1. Introduction and Scope

This Annual Stewardship and Engagement Report outlines CLAM's approach during 2020 to the stewardship of its assets under management.

This Report has been reviewed and approved by the Executive Management Committee of CLAM and is duly signed by the Managing Director, David Marchant.

2. Purpose and Governance

2.1 Purpose, Strategy and Culture

CLAM is committed to prudent risk management and maintaining a long-term perspective as we work towards delivering our clients' investment goals.

As a global, active manager we are keenly aware of the impacts – both positive and negative – that investment decisions can have in a highly interconnected world on individuals, societies and the environment.

In making our investment choices we consider short- and long-term risks and impacts. Good governance practices have long been part of this assessment and we encourage our investee companies to uphold the highest standards of corporate governance. This does not just benefit our own investments; it is also the right thing to do for our customers and their communities.

This focus on governance comes alongside rapidly rising awareness and concern regarding the risks of environmentally and socially damaging business practices. In assessing the scale of these 'ESG' (Environmental, Social and Governance) risks, we have made sure that the right resources are in place for our investment teams.

In our bond and equity portfolios, this assessment of ESG risks is dependent on three sources:

- Primary sources - increasingly detailed reporting provided by companies in their annual reports
- Secondary sources - research and investment tools provided by specialist ESG research providers such as Sustainalytics and ISS
- Internal assessment – our internal team of investment professionals includes an assessment of ESG risks and consideration with all new investments and annual reviews of existing investments

Our Real Estate team relies on its Environmental Management System (EMS), which has been established and aligned to the internationally recognised ISO14001 standard to monitor and minimise the environmental risks of property portfolios.

We are committed to properly integrating the consideration of ESG risks in the following manner:

- Integrating the tools and research at our disposal into the management of ESG risk across all our asset classes (see section 3.2 below)
- Engaging both individually and collectively, tracking that engagement and where appropriate reporting on the outcomes

- We are working towards clearer disclosures of the ESG risks linked to our investments, our engagement and their results, and our voting and their outcomes.

We believe that properly assessing these risks is part of our role as the stewards of our customers' capital. By focusing on these risks and highlighting their concerns, CLAM also helps companies to respond to such risks to the wider benefit of the economy, the environment and society.

Despite the inevitable challenges brought about by the COVID-19 pandemic in 2020, we believe that we have made progress in strengthening our governance procedures and investing in the tools required for our investment teams to be able to assess ESG risks adequately.

2.1.1 Portfolio Turnover and Stock Lending

Portfolio Turnover

We monitor portfolio turnover, as excessive turnover can have negative effects on returns to our customers.

For a breakdown of our equity portfolio turnover for our UK regulated collective investment schemes, please refer to Appendix 1.

Stock Lending

We believe that properly managed stock lending can enhance customers' returns while retaining the benefits of share ownership. Where assets managed by CLAM are subject to stock lending arrangements, all securities are recalled by the lending agent prior to the voting deadline to ensure that CLAM can vote on the full holdings.

We are working to implement a securities lending programme for the LF Canlife OEICs with BNY Mellon as the lending agent. It is expected that this will go live in the second quarter of 2021.

2.2 Governance, Resources and Incentives

CLAM's oversight of the stewardship of its customers' assets is centred around an ESG Working Group drawing representation from across the investment business and acting as a forum to discuss stewardship initiatives. It is responsible for:

- Development and maintenance of ESG Policy
- Implementation of the ESG Policy and future plans across the company
- The actions required to address regulatory developments and client needs
- Implementing best practice across the company.

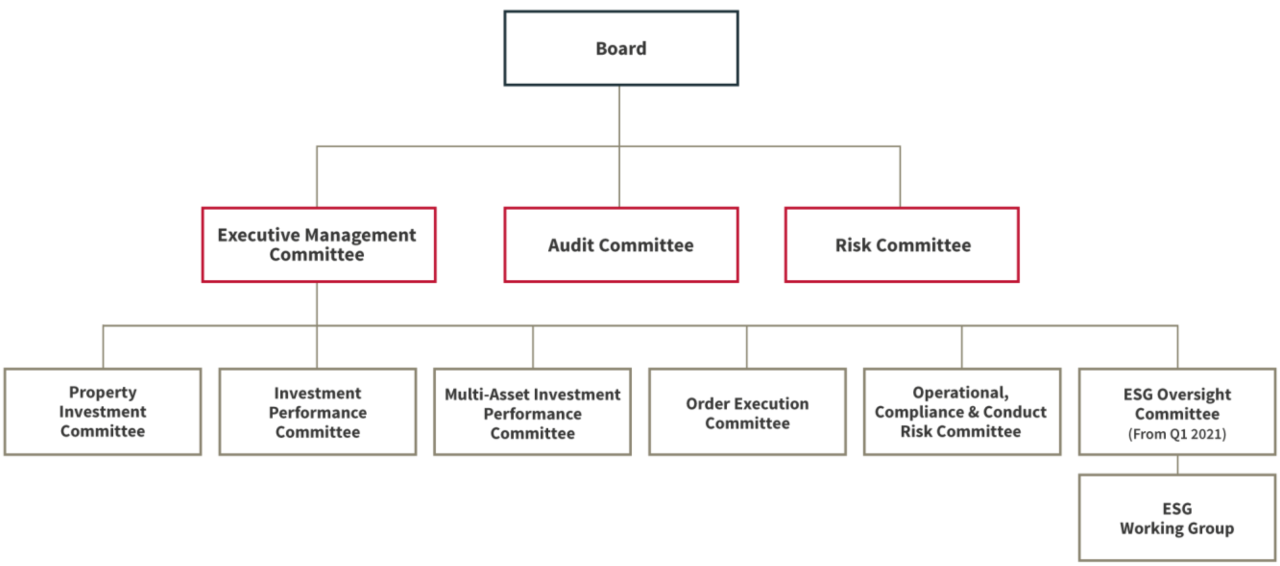
The participants in the ESG Working Group are expected to act as champions to disseminate information and best practice across the company.

Historically, the ESG Working Group reported to the CLAM Executive Management Committee (EMC), with ESG being a regular agenda item at the EMC.

However, in order to enhance our governance of stewardship and ESG matters, in Q1 2021 CLAM has established an ESG Oversight Committee which is held quarterly. The ESG Working Group will now report into the ESG Oversight Committee which itself will report into the EMC.

The purpose of the ESG Oversight Committee is to support the investment teams in their responsible investment activities and related reporting by overseeing ESG developments and reviewing/challenging reporting from all areas of the business.

Canada Life Asset Management Limited Board, Committee and Management Committee Structure



Certain personnel in the business have elements of their remuneration tied to stewardship objectives. For example, the Managing Director of CLAM has a link between ESG, and remuneration and our Chief Risk Officer has a link between climate change and remuneration.

2.3 Conflicts of Interest

At CLAM, we will always seek to act in accordance with the best interests of our customers. To help ensure this, all staff receive annual training to ensure they understand, can identify and are aware of their responsibilities should a potential conflict of interest arise.

We maintain appropriate systems, controls and a clear framework of board-approved policies to identify, document and address potential conflicts of interest that may arise from investing and interacting with companies, with the aim of taking reasonable steps to put the interest of our customers first. These policies include such areas as outside employment or directorships by personnel; the acceptance of gifts and hospitality; personal account dealing rules and dealing in shares issued by other group companies. These policies and any identified potential conflicts of interest are subject to regular reviews.

CLAM seeks to mitigate its exposure to conflicts of interest through promoting the following principles:

- Supporting and promoting the correct staff behaviours and attitudes
- Identifying and considering any conflict of interest in a timely way
- Managing conflicts of interest fairly and effectively
- Avoiding situations where personal interests could inappropriately influence an employee's judgement
- Disclosing the nature/source of a conflict of interest that risks damaging the interests of customers, before undertaking business with them

When casting votes, our view is that strong corporate governance at the companies in which we invest best serves our customers' interests.

It is extremely rare that we find stewardship-related conflicts of interest and there have been no such relevant incidences in the period covered by this report. However, for any potential conflict of interest between CLAM, the investee company and/or a customer, we would look to independent, external guidance, and this assists in directing the voting action we take. When a decision is reached, we vote the same way across all portfolios under our management.

CLAM is a part of a group of companies controlled by Great-West Lifeco. CLAM exercises all votes independently and without reference to other group entities.

2.4 Promoting Well-Functioning Markets

CLAM has well-established procedures to identify and respond to risks to its business which are detailed below in section 2.4.1.

In section 2.4.2 to 2.4.4 we give details of how our Bond, Equity and Property teams responded to the risk of the COVID-19 pandemic in 2020.

Finally, section 2.4.5 gives details of our involvement in industry initiatives.

2.4.1. Enterprise Risk Management Framework

CLAM operates an Enterprise Risk Management (ERM) framework, which is a set of risk management processes that are applied in conducting business, making business decisions and setting strategy across all areas of the enterprise, with independent oversight and assurance functions. The ERM framework applies to all personnel within the business. The core risk management processes include the identification, assessment, monitoring and mitigation of risks on a regular basis, with quarterly reporting to senior management and the board.

An emerging risk process is also in place to support the early identification of risks, in particular external risks to the business that could impact day-to-day activities, including the investment processes, or strategic developments.

An effective ERM framework supports and facilitates successful delivery of CLAM's strategic business objectives, thus enhancing risk-informed decision making.

All core processes have documented procedures and controls in place to mitigate the risks within that process. This includes the investment processes and appropriate controls and governance in place to manage those risks within risk appetite. Oversight is maintained with delegated authorities for investment activity and investment performance monitored closely with regular reviews of portfolios at senior management level and subsequent reporting to the board.

Various support functions within the business provide reports and analysis that are used within the investment process and decision making across all asset types.

2.4.2 Bonds

In response to the unprecedented event of a global pandemic in 2020, our Fixed Income team approached their responsibilities to our stakeholders with the level of attention warranted by the developments.

In January 2020, the Credit Research team reviewed all holdings to identify issuers/sectors most likely to be impacted by the COVID-19 pandemic, focusing on 'at risk' issuers to re-assess ratings, resulting in significant adjustments.

A stress analysis for each issuer under three separate economic scenarios related to the pandemic was undertaken.

CLAM is currently in the process of applying for signatory status to the Money Market Code.

2.4.3 Equities

Our approach to managing risk in our equity portfolios in 2020 changed both at the level of portfolio construction, stock-picking and the integration of ESG risks in our analysis (as described in section 3.2).

2020 was the first full year where certain new risk parameters were embedded in our process to ensure our portfolio construction tracked more closely to the needs and risk preferences of our clients. The measures taken were to reduce tracking error limits, limit active weights and reduce cash limits.

Our equity fund managers responded to the COVID-19 pandemic through a reduction in exposure to stocks with weak balance sheets and a focus on stocks with the resilience to withstand market disruption triggered by global lockdowns. This was largely through identifying business models that had recurring revenue streams that were not excessively disrupted by the impact of the rolling series of lockdowns which economies around the world suffered over the course of 2020.

2.4.4 Property

The property team operates a well-established and robust set of risk management principles and procedures. In the following review we look at some of the main risks managed, particularly in relation to the impact of the COVID pandemic.

Liquidity Risk and Cash Management: We closely monitor the external market and adjust cash holdings according to the prevailing conditions. Despite the very unusual market conditions in 2020 and an overall fall in capital values across certain sectors, we managed to avoid having to undertake "fire sales", thereby protecting investor returns and reputational risk to ourselves as property fund managers

Investment and Valuation Risks: Property values are affected by a number of factors including, but not limited to, a change in general economic and market conditions, location and physical characteristics of the building as well as occupational lease terms and the financial condition of the tenant(s).

During 2020 many tenants particularly in the retail and leisure sectors faced financial difficulty and requested rental deferments. We decided to manage each case on its own merits. We have kept a separate schedule of rent deferments/negotiations which forms part of the management process to facilitate risk monitoring.

Property Risks - Environmental: Key environmental risks managed include flood risk, and pollution. Our procedures ensure we undertake full environmental and building survey assessments of a property prior to acquisition. In 2020 our flood risk rating limits were strengthened due to growing concerns over climate change impacts and one property, having an increased risk since acquisition, has since been sold primarily as a result of new data from the Environment Agency.

In addition, sustainability and ESG-related risk management generally is an ever-growing aspect to the successful management and distribution of a property fund as more investors become concerned that fund managers adopt environmentally sound practices and also the regulatory framework to support reducing greenhouse gas emissions. For our investment portfolio we employ a specialist environmental consultant who have helped us with preparing and publishing a detailed Real Estate ESG Policy, an Environmental Management System (EMS) aligned to ISO14001 accreditation comprising a whole set of procedures and policies around acquisitions, refurbishments, asset management and reporting. They work with us on setting clear objectives and measurable targets on an annual basis and with submitting the LF Canlife UK Property ACS and Income Annuity Funds to the global GRESB benchmark survey each year. In 2020 we were awarded three green stars from GRESB for the ACS and two green stars for the IA Fund in its first year in the scheme. We also passed the optional climate change resilience module for the ACS fund.

Property Risks - Health & Safety: Responsibility for the investment assets lies with the property team and the property manager (who has accredited H&S qualifications/training). Regular inspections of every asset are undertaken depending on the assessed level of risk, areas of concern addressed with the tenant and/or external managing agent and a schedule kept up to date of every inspection and claim. This is then reported to the Canada Life Health and Safety Committee every six months. Measures have been put in place at all properties where there are communal areas to reduce the risks associated with the COVID pandemic. Steps taken are appropriate to the type of property and include signage, one-way systems, hand sanitiser stations in accordance with government guidelines. Security was also increased at some properties due to reduced occupancy levels.

2.4.5 Participation in Industry Initiatives

The main way we have participated in industry initiatives is through our membership of CDP, lending our name to their campaign to encourage corporates to disclose their GHG emissions. We also participate in Investment Association led industry forums and our ambition in 2021 is to increase our participation in other investor forums.

2.5 Review and Assurance

All policies, standards or guidelines related to stewardship and engagement activities are subject to annual review. In 2020 various improvements were made to our Engagement Policy as a result of the integration of tools and insights delivered by external third-party providers, including Sustainalytics, ISS Climate Change Solutions and ISS Pooled Engagement and to include enhancements to incorporate a number of voting principles (as noted in section 5.1 below).

We ensure that our stewardship activities are reported in a clear and transparent manner by publishing all meetings with investee company management and all voting activity. We also publish our rationale when voting against management resolutions as we consider these to be significant votes.

During the year, we attended key industry meetings and conferences to guide us in relation to new requirements and best practice and it is a continuing focus for 2021 and beyond.

We are currently engaging with our internal audit function to review and provide assurance of the overall effectiveness of our stewardship activities during 2021.

3. Investment Approach

3.1 Customer and Beneficiary Needs

Institutional Clients

The investment management agreements between us and our institutional clients specify how their assets are to be managed with reference to their investment policy and objectives.

To provide regular and flexible points of contact with our institutional clients we produce regular reports and presentations and hold periodic meetings and webinars. These enable us to discuss the progress of our clients' investments, take our clients' views into account and discuss any issues that arise in relation to their mandates.

Intermediated Clients

Intermediated multi-asset funds are an increasingly important part of our business. Our intermediated investors' choice of multi-asset funds is decided with their advisers, who advise on the appropriateness of specific funds, risk profiles and investment time horizons. Our policies and procedures are designed to ensure that risk-targeted and risk-rated multi-asset funds are managed in line with their risk profiles, investment objectives and prospectus terms.

We provide yearly and half-yearly reports via Link Investment Services, monthly adviser updates, quarterly webinars and multi-asset fund updates, and periodic articles on topical investment issues.

3.2 Stewardship, Investment and ESG Integration

At CLAM, we manage a wide range of investments on behalf of our customers; all are chosen with the aim of achieving the best possible returns for our customers given the risks taken. In our equity portfolios, this assessment is broken down into three parts: macroeconomic, strategic & financial and finally ESG.

In our macroeconomic analysis, we will look at a wide array of different economic indicators such as existing and forecast interest rates, employment, PMI data, government debt levels, corporate investment levels, consumer expenditure and GDP trends.

The strategic and financial analysis of individual stocks will look at data points such as long-term trends in sales, operating margins, returns, free cashflow, debt and capex. We look at how well placed a company is strategically, whether its products and services are cheaper or of a higher quality than peers and how sustainable this is, thus allowing them to consistently grow healthy returns.

We will assess how these trends and above all, the returns which the companies are delivering, are priced by the market to see how much value there could be for our investors if we were to purchase a holding.

Finally, in our bond and equity portfolios, our assessment of ESG risks is dependent on three sources:

- Primary sources - increasingly detailed reporting provided by companies in their annual reports
- Secondary sources - research and investment tools provided by specialist ESG research providers such as Sustainalytics and ISS

- Internal assessment – our internal team of investment professionals include an assessment of ESG risks and consideration with all new investments and annual reviews of existing investments

We believe ESG is better integrated into the investment process by all, rather than an independent team. ESG risks are managed in three ways: integrating ESG research into our investment decisions, engagement and voting.

Integration: The ESG research services we use allow us to ensure that ESG risks are properly assessed and monitored. When looking at new investments, the ESG risks that we have identified are reported in our stock checklist for our equity portfolios and credit reviews for our bond portfolios.

Some examples of the environmental risks we monitor in our existing or potential holdings are a company's contribution to climate change, the impacts of a company's activities on natural resources and the production and disposal of hazardous waste. The social risks we may consider include poor working and safety conditions, bribery and corruption, denial of labour rights, controversial sourcing in the supply chain and product liability issues.

Governance includes those matters described in section 5.1 below.

Attention to ESG in the management of real estate reduces project risk, builds social support and generates value. Such risks are assessed through our environmental management system (EMS) which has been established and aligned to the internationally recognised standard. It assists in the development and continual improvement of environmental performance to the benefit of the business, stakeholders and the wider society.

For further details on our property and mortgage team's management of ESG risks, their policies and our EMS please click HERE.

Engagement: CLAM will seek to engage with companies both individually and alongside other investors when we feel that a company's management has not properly addressed ESG risks to their businesses. We are members of CDP and the Investment Association and also use ISS's collective engagement services.

Voting: We take our responsibilities as shareholders very seriously and view it as an important way in which we can join other investors in holding company management to account. We regularly vote against management on governance issues such as excessive or poorly structured remuneration, lack of board independence or the absence of separation between the roles of chair and chief executive. We will also often join other investors in voting for shareholder resolutions which focus on social and environmental issues such as workers' rights or the environmental impact of their activities.

Our votes against management are broken down on our website and can be accessed HERE.

3.3 Monitoring Managers and Service Providers

CLAM has an Outsourcing and Supplier Risk Operating Policy which sets the framework to assess and monitor all service providers.

We utilise proxy advisory services provided by ISS and the ESG research provided by ISS Climate Change, ISS Pooled Engagement and Sustainalytics.

The usefulness and quality of service providers is subject to regular review, prior to the contract renewal date.

4. Engagement

CLAM maintains a record of all voting decisions. A record of our proxy voting activities is published on a quarterly basis on our website (www.canadalifeassetmanagement.co.uk).

We define a 'significant vote' as one in which we vote against management recommendations. Our records give details of why we felt the need to do so.

CLAM does not use the services of a third party to provide independent assurance relating to our stewardship activities, instead conducting an in-house review of our policy and activities on an annual basis.

4.1 Engagement

The monitoring of our investments process includes meeting management, analysing company announcements and news flow, investment screening and studying external analytical research. The ABI's Institutional Voting Information Service provides reports regarding areas of concern which are likely to be discussed at forthcoming meetings. We generally aim to see investee companies at least once a year. This provides us with an opportunity to ask questions and to challenge their strategy, performance and other relevant issues in a constructive manner.

We rely on research and tools provided by our ESG research providers to highlight areas of concern in our equity investments. This can be complemented by insights from external research departments and disclosures in company annual reports. We have started to use the insights provided by ISS Climate Change Solutions and Sustainalytics. We have particularly focused this year on the disclosure of GHG emissions and the setting of targets for their reduction amongst the companies we invest in. The engagement on such disclosures is done both collectively through our membership of CDP and ISS and via our own individual engagement.

In terms of individual engagement, over the fourth quarter of 2020, CLAM contacted 35 companies held in portfolios which we highlighted as either not disclosing GHG emission data and/or not having any targets for reducing them in the future. Some of the responses contradicted the findings of third-party research, with companies telling us that they do now disclose data and have set targets for their reduction. Many others acknowledged this was a work in progress though change was expected as they unveiled their ESG risk policies over the coming year. A number of companies, however, have not yet responded and we will follow up with them to clarify their policies and plans regarding GHG emissions.

In 2021, we will enhance the research and investment tools provided by our ESG research providers with greater use of detailed insight from the ESG research teams of investment banks. This will enable us to identify more specific company concerns so our individual engagement can become more forensic and focused.

4.2 Collaboration

The appropriateness of collective engagement is considered on a case-by-case basis. When participating in collective engagement, due regard is paid to any conflicts of interest and to our appetite for being made insiders.

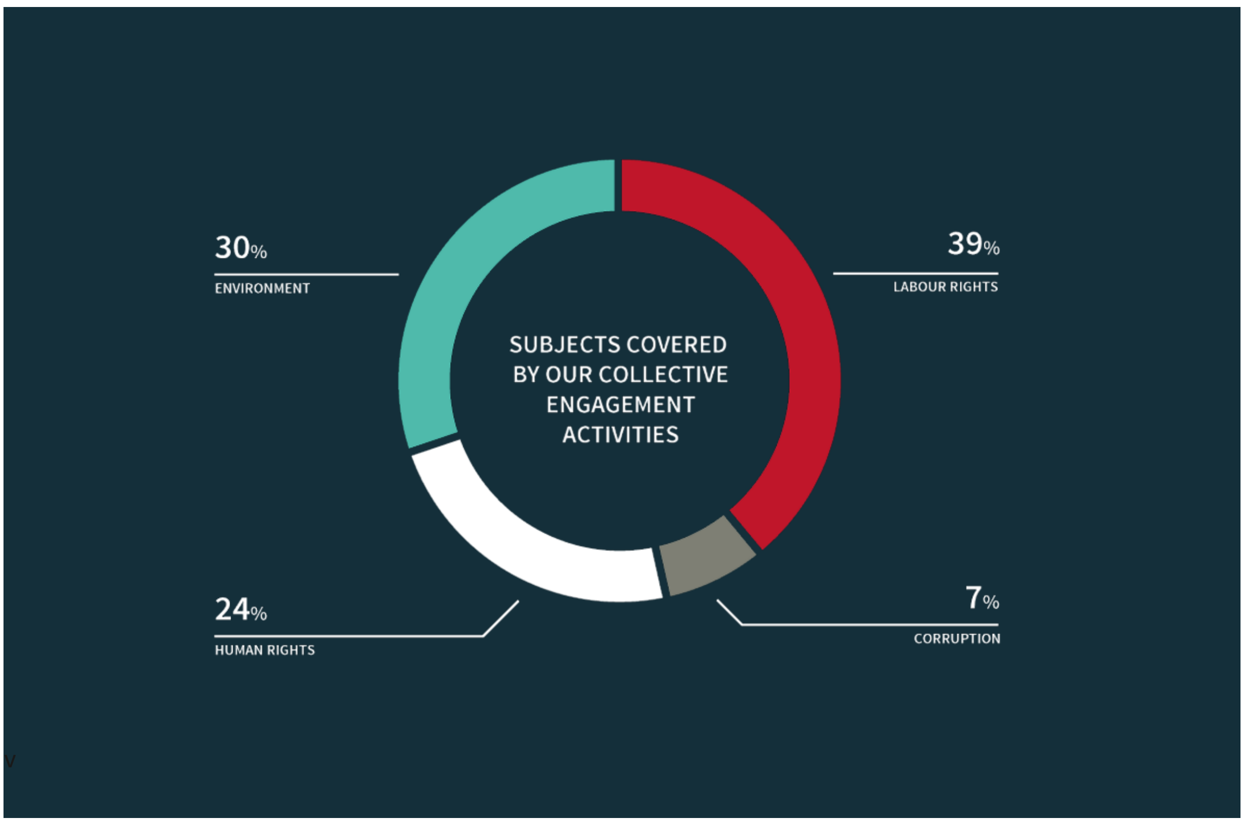
In deciding whether to act collectively with other investors, CLAM takes into account a range of factors, including:

- Whether collective engagement is likely to be more effective than individual engagement
- The extent to which the objectives of the other investors are in accordance with our own
- The need for confidentiality.

When appropriate, CLAM works with other investment institutions on collaborative engagement initiatives. CLAM has historically used its involvement with and membership of various trade bodies such as the Investment Association. Over the course of 2020 we have also become members of CDP and have utilised the services of the ISS Pooled Engagement platform. ISS Pooled Engagement allows us to participate and initiate collective engagement activities with companies we are invested in, whilst also allowing us to add our voice to their engagements with other companies, thus improving governance of companies globally.

Since paying for the services of ISS Pooled Engagement we have participated in 56 engagements with numerous companies both within and outside our portfolios. As can be seen in the pie chart below, the largest proportion of our collective engagement activities related to labour rights, followed by the environment. From these we received 37 written responses, and four meetings hosted by ISS Pooled Engagement were held.

We engaged collectively on a wide range of subjects, including climate change mitigation, union rights, fair payment of taxes, gender discrimination, water pollution, deforestation, air pollution, bribery, environmental impacts, soil and water pollution, and the right to life.



A full list of the collective engagement activities we participated in can be found HERE.

As members of CDP we collaborate with other investors to put pressure on all quoted companies to disclose environmental metrics such as GHG emissions, water use and impacts on deforestation.

We expect that over 2021 our collective engagement activities will increase further as we seek to expand our participation in industry bodies and forums.

4.3 Escalation

Monitoring, dialogue and voting processes occasionally highlight areas of concern. If we believe a decision or proposal by company management will negatively affect the company's long-term investment potential, our investment managers will usually remove the holding from their portfolios. In the rare instances in which we decide to escalate our activities, we would normally do so via meetings or conversations between our investment managers and company management. Following a meeting, we would monitor the company's response to ensure that steps are taken to address the issues raised.

5. Exercising Right and Responsibilities

5.1 Exercising rights and responsibilities

CLAM takes into account its stewardship responsibilities towards its clients with regard to investment and performance, as well as its position as an agent on behalf of its clients. We recognise the responsibilities that come with significant share ownership and take them seriously.

We routinely engage with and endeavour to vote on all our US, UK and European equity holdings. Over the course of 2021 we will also start to vote on our Asian holdings. We treat votes, and the influence these give us on behalf of our clients, as valuable assets and act accordingly in exercising them. The size of the clients' shareholding and the materiality of any issue will determine the level of engagement we undertake. Our approach to stewardship is considered, constructive and pragmatic with the extent of any intervention determined on a case-by-case basis. In all our endeavours, the interests of our clients are paramount.

We read and assess ISS's guidance and advice in a timely manner so that all our voting decisions are properly recorded (to the extent possible) before shareholder meetings. The voting principles which we follow are set out in our Engagement Policy and are made up of the following areas of focus.

- **Remuneration**: We expect the remuneration of the directors of our investee companies to be clearly structured, appropriate and mainly linked to quantifiable targets. As a result, we will generally vote against sizeable discretionary payments, excessive pay awards and any form of retrospective changes in targets or remuneration to the benefit of directors.

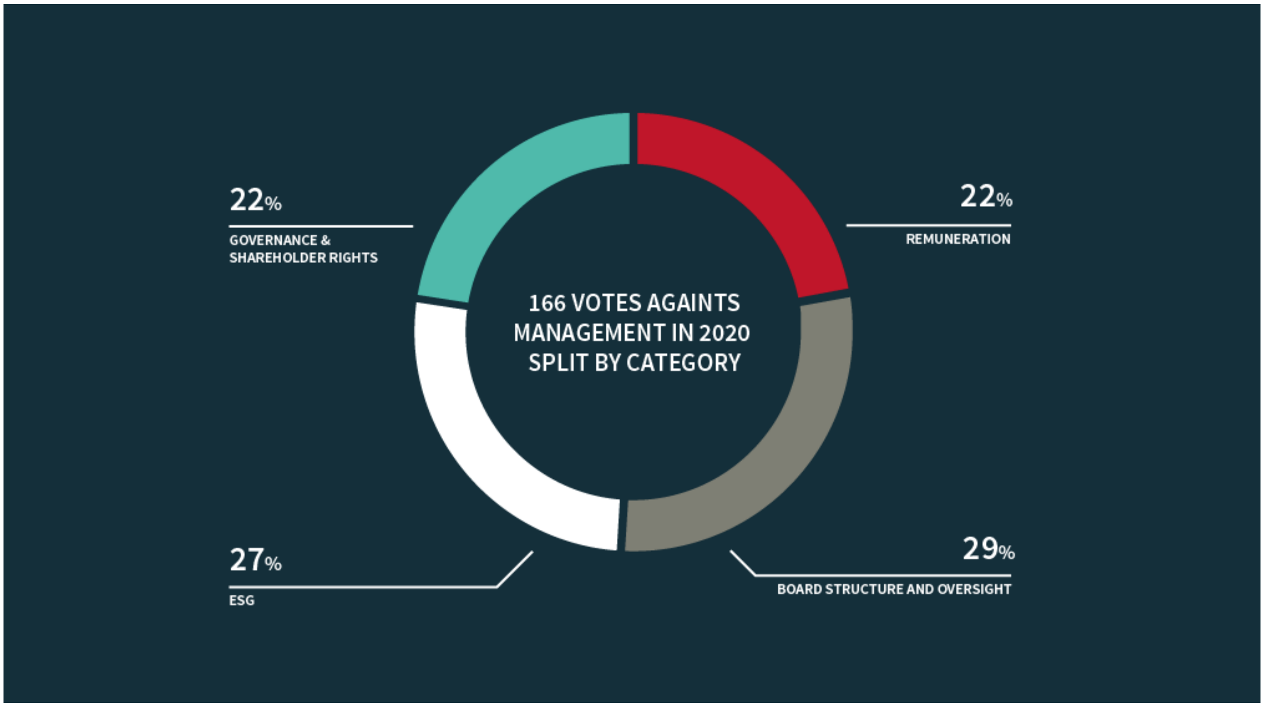
- **Board structure and director oversight:** We have a strong preference for the roles of chair and chief executive to be split and will vote for resolutions calling for these roles to be separated, unless there is an overwhelming reason why such a combined role should be allowed to persist. We view non-executive directors' ability to exercise independent judgment as central to their role in holding management to account and we will vote against directors showing signs they are not fulfilling their duties, for example by not attending meetings. Finally, we will also vote against executive director involvement in remuneration or audit committees which would compromise their impartiality and effectiveness.

- **Shareholder rights:** We will look favourably on shareholder resolutions protecting or enhancing shareholder rights. Examples would be motions to reduce the threshold to call a meeting, motions calling for equal voting rights between share classes or motions protecting say on pay. We will also vote against any management-led motions that we believe will reduce the rights and oversight of shareholders.

- **Political donations:** We do not support companies making political donations and will vote against resolutions requesting shareholder support for such donations.

- **Shareholder-led resolutions:** Shareholder-led resolutions are often tabled calling regularly for ESG risks to be considered and assessed with greater urgency. We will always look favourably at these resolutions and vote accordingly, unless management makes a convincing case why such a move is not necessary.

Over the course of 2020, CLAM voted against management resolutions 166 times at 72 companies.



The most common reason for these votes has been defective director oversight, followed by support for ESG resolutions tabled by shareholders which management opposed.

We utilise the proxy advice services of ISS in our decisions, but this is one input into our decision-making process, and we voted against their advice on 23 occasions over the course of 2020.

Where assets managed by CLAM are subject to stock lending arrangements, the lending agent is responsible for administering the arrangement and has procedures in place to ensure that CLAM's clients retain the economic benefit of owning the securities and that we are informed of all upcoming voting events. All securities are recalled by the lending agent prior to the voting deadline to ensure that CLAM can vote on the full holding.

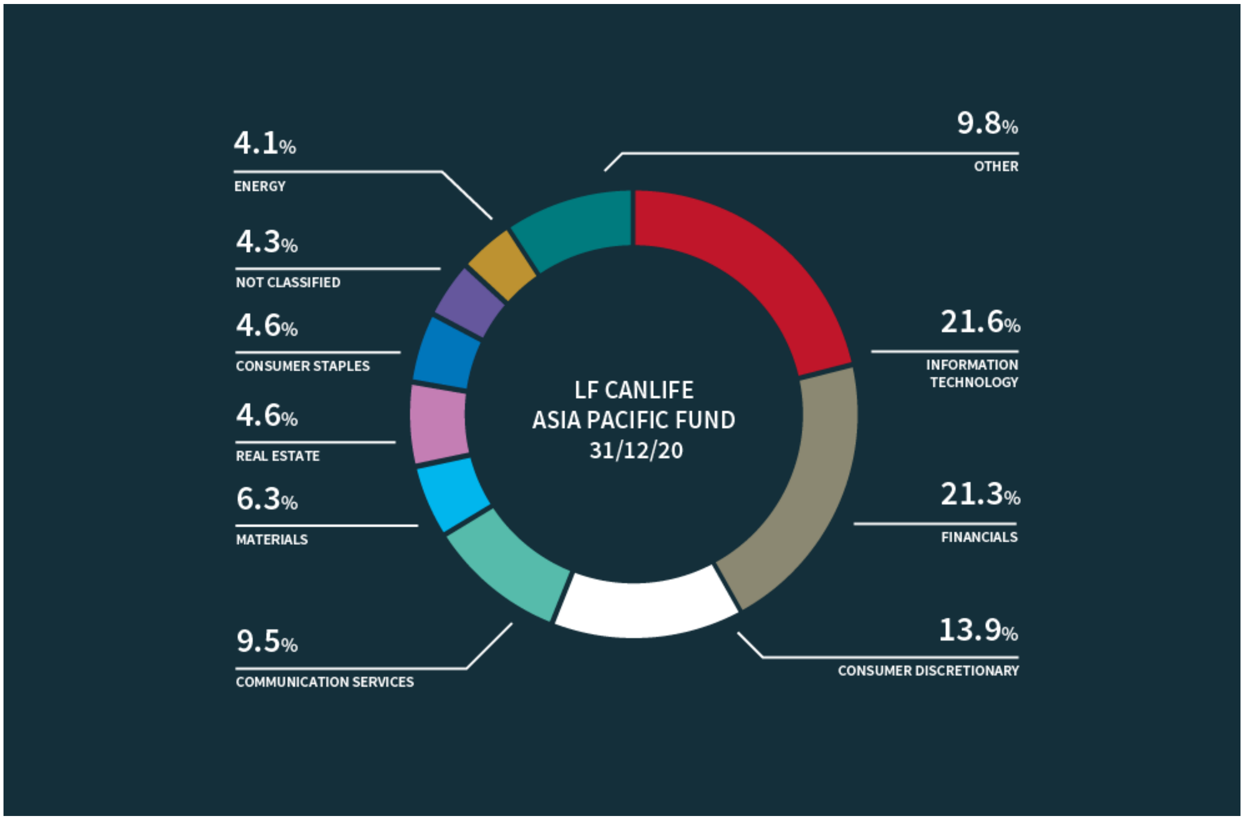
Appendix 1: Portfolio Turnover

Portfolio Turnover	% Annualised
European	44.1
Asia Pacific	140.9
UK Equity Income	80.4
Global Equity	105.8
North American	64.4
UK Equity Income	80.4

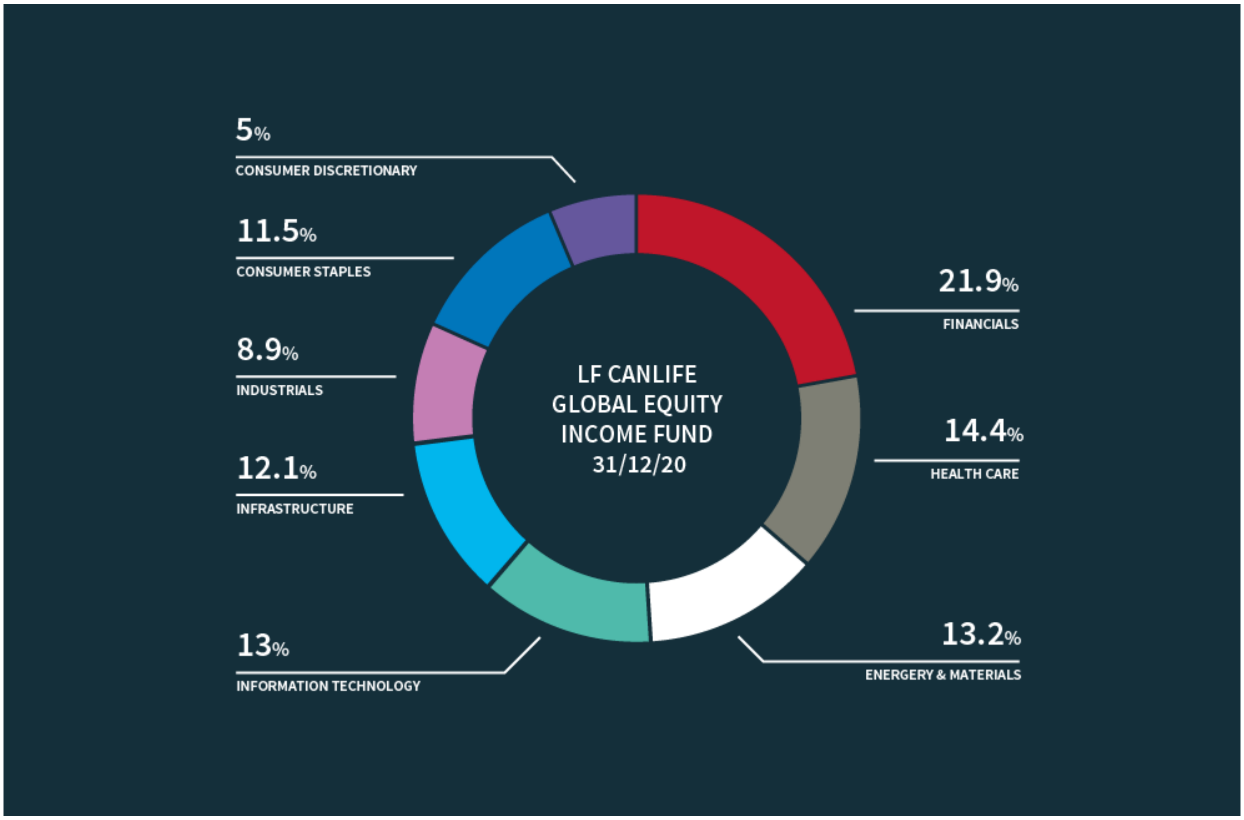
The definition of turnover is:
(Value of Sales + Value of purchases – (inflows + outflows))/Value of fund

Appendix 2: Main Equity Portfolio Composition

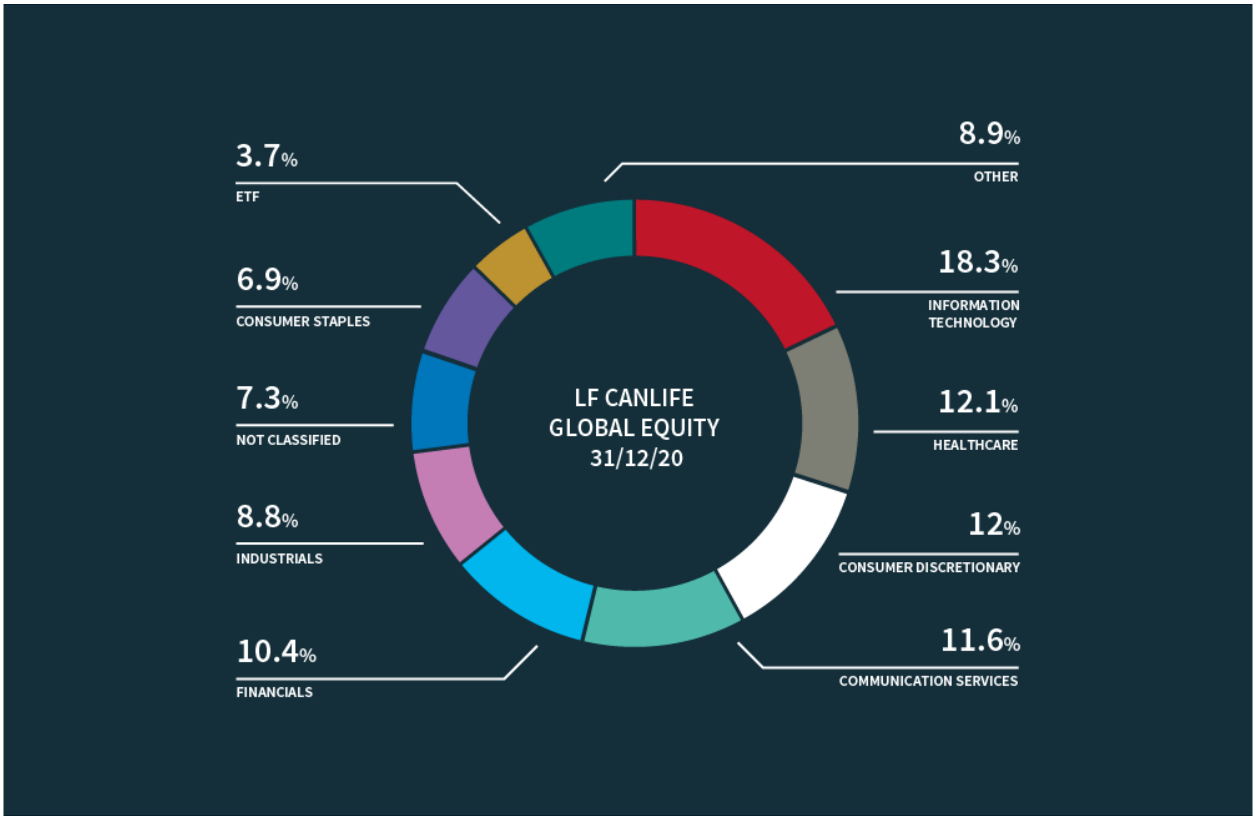
The sector allocation and top 10 holdings of our main equity portfolios are set out below.



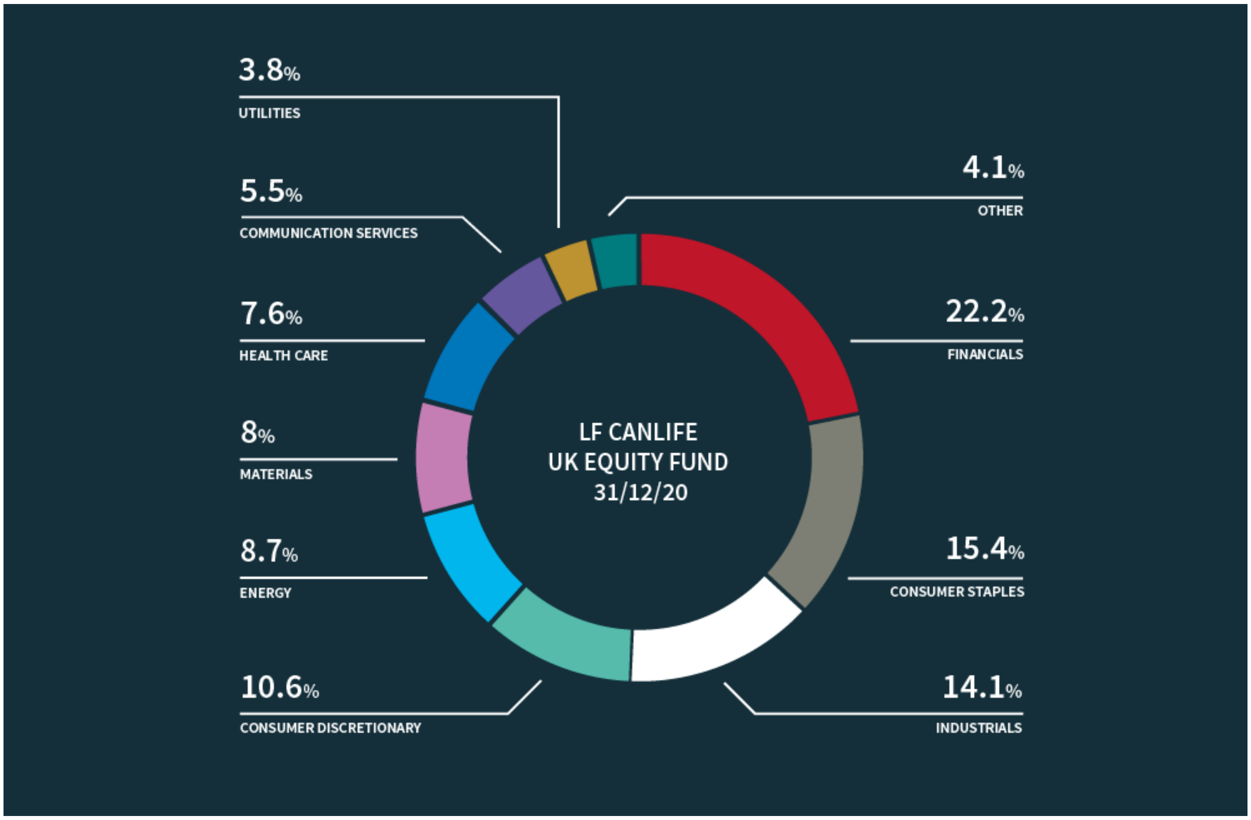
LF Canlife Asia Pacific Equity Income	% Weight
Taiwan Semiconductor Manufactoring	6.7
Tencent Holdings	5.9
Alibaba Group	5.6
Samsung Electronics	5.3
Lyxor Msci Asia Pacific	3.1
Meituan	2.5
AIA Group	2.3
Xiaomi	1.7
BHP Group Ltd	1.6
Samsung Electronics Pref	1.5



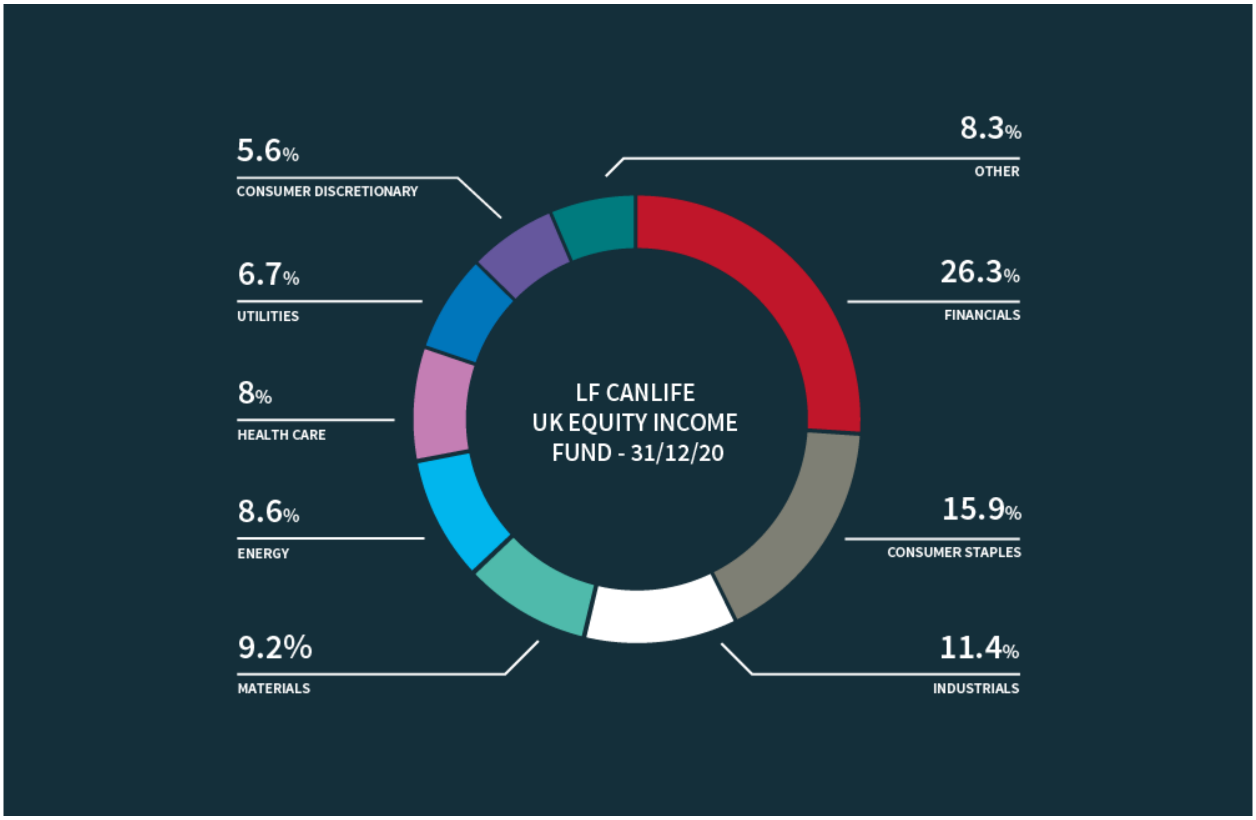
LF Canlife Global Equity Income	% Weight
Coca-Cola Amatil	4.2
Sampo OYJ	3.8
Samsung Electronic	3.6
Taiwan Semiconductor	3.6
Cisco Systems	3.5
Lancashire Holdings	3.2
Procter & Gamble	3.1
Unilever Plc	3
Novartis AG	3
Smiths Group	2.9



LF Canlife Global Equity Top 10 Holdings 31/12/10	% Weight
iShare Msci Ac Far East	3.7
Microsoft	3.6
Amazon	3.3
Lyxor Msci Asia Pacific	3.1
Bayer	2.5
Berkshire Hathaway	2
Novo Nordisk	1.9
Asml Holdings	1.8
Target	1.8
Isgares Msci China	1.7



LF Canlife UK Equity Top 10 Holdings 31/12/10	% Weight
Royal Dutch Shell	5.3
Unilever	4.3
Astrazeneca	3.8
BP	3.4
Barclays	3
HSBC Holdings	2.6
Glaxosmothline	2.5
Llyods	2.4
Legal & General	2.3
Relx	2.3



LF Canlife UK Equity Income Top 10 Holdings 31/12/10	% Weight
Royal Dutch Shell	5.9
British American Tobacco Plc	4.1
Rio Tinto Plc	4
Astrazeneca	3.7
National Grid	3.6
Tesco Plc	3.5
Glaxosmithkline	3.5
Unilever	3.4
BAE Systems	3.2
Legal & General	3.1