

Portfolio Funds

In-depth review and Generic DDQ Q1 2021

LF Canlife Portfolio Funds III to VII (OEIC)

Canlife Portfolio Funds 3 to 7 (Life & TRA Pension)

Canlife Index Portfolio Funds 3 to 7 (Pension)

'Portfolio Funds' refers to both the OEIC and
Life & TRA Pension Portfolio Funds

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Introducing Canada Life Asset Management

Canada Life Asset Management is a UK-based asset manager responsible for managing more than £41.33bn of equities, fixed income and property.¹ The LF Canlife Portfolio Funds are managed by Craig Rippe - Head of Multi Asset, and David Marchant – Chief Investment Officer, Canada Life Limited and Managing Director of Canada Life Asset Management Limited. Our history in the UK dates back more than 100 years to when Canada Life first established our life insurance business here in 1903.

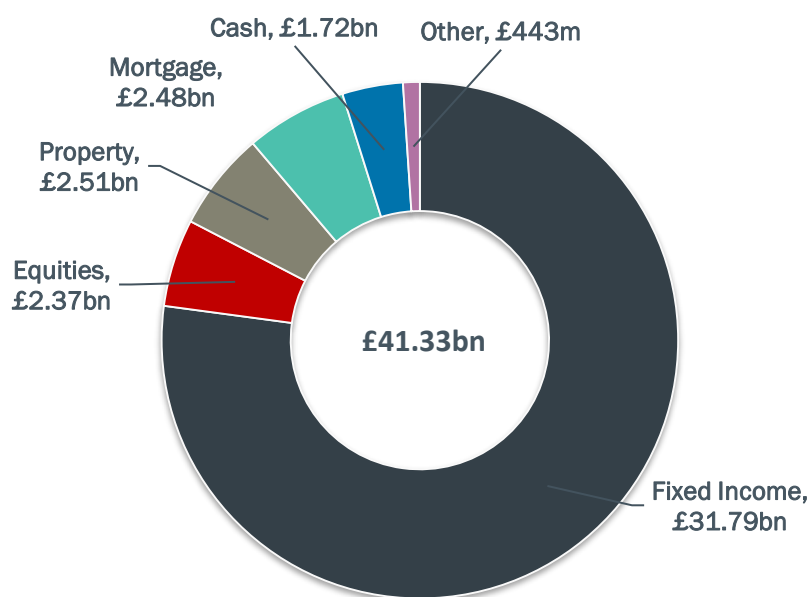
As an asset manager, Canada Life Asset Management focuses on the long term and we believe that active management is the best way to add value for clients and generate superior returns. Our parent company, Great-West Lifeco, is one of Canada’s largest financial companies with over £987bn in consolidated assets under administration.²

- More than 40 years experience managing funds in the UK
- A team of 58 experienced investment professionals based in the heart of the City of London

¹ As at 31/12/20

² As at 31/12/20

Source: Canada Life Asset Management



Canada Life Asset Management Portfolio Funds

Canada Life Asset Management Portfolio Funds offer a straightforward and cost-effective solution to the challenge of choosing a mix of investments to suit the investment needs of a broad range of clients. They offer you simplicity, significant time savings and – crucially – the reassurance that the funds will remain appropriate for the risk appetites of your clients over time.

The range comprises five globally diversified fund of funds aligned to Dynamic Planner's risk profiles 3 to 7. The Portfolio Funds access the investment expertise of Canada Life Asset Management in-house fund range, allowing the funds to offer competitive charging structures.

They are available within a wide selection of wrappers, which now includes OEICs, ISAs, ISA transfers, Pensions, offshore and onshore bonds.

Canada Life Asset Management has more than ten years of proven capability in risk-targeted fund management. Canlife Portfolio Funds 4 to 7 launched in March 2008, with Canlife Portfolio 3 added in March 2012. This capability was extended in November 2013, with the launch of OEIC fund versions, the LF Canlife Portfolio Funds III to VII and the Canlife Portfolio TRA Pension funds which were released in May 2018. Both the OEIC and Life & TRA Pension ranges share the same fund managers, investment process, philosophy, asset allocation and underlying holdings.

In December 2018 the Life and Pension portfolio funds directly invested into the equivalent OEIC funds. Prior to this, the Life and Pension funds invested through other Life and Pension funds through a fund of funds structure.

In March 2019 the Canlife Index Portfolio's 3-7 were launched.

Fund Highlights

- Five globally diversified fund of funds aligned to Dynamic Planner’s risk profiles 3 to 7
- Each fund invests in a diversified blend of geographies and asset classes and is closely managed to a defined risk/reward profile
- Ready-made investment solutions matched to a specific risk profile - the higher the number, the higher the risk profile
- Canada Life Asset Management has more than ten years of proven capability in risk-targeted fund management
- Invested mainly in funds managed by Canada Life Asset Management to offer a cost-effective investment solution
- Access to a professional management team working full time on your clients’ behalf
- Reviewed daily and rebalanced as necessary, to ensure ongoing suitability for your clients

Canada Life Asset Management’ Portfolio Funds



*All charges are correct as at 30 September 2020.

■ UK Property ■ Equities ■ Fixed Income ■ Cash

OEIC -	LF Canlife Portfolio III/	LF Canlife Portfolio IV/	LF Canlife Portfolio V/	LF Canlife Portfolio VI/	LF Canlife Portfolio VII/
Life & Pensions Fund –	Canlife Portfolio 3	Canlife Portfolio 4	Canlife Portfolio 5	Canlife Portfolio 6	Canlife Portfolio 7

Source: Dynamic Planner. As at 30/09/20

Historical Performance

The Life version of the Portfolio Funds have a track record that dates back to March 2008. Strong demand for this type of fund led to the launch of OEIC and TRA Pension versions of the funds. The LF Canlife Portfolio OEIC Funds were launched in November 2013 and are available to invest in ISAs (both direct and through platforms) and through Canada Life International. The TRA Pension Funds were launched in May 2018 and are available within the Canada Life Retirement Account. While the funds share the same manager, investment process, philosophy and underlying asset allocation, they have different charges and tax implications. However, given their similarities, we expect the performance to be broadly in line with the Life funds. As from December 2018 all Portfolio Funds feed into the OEIC fund range. The Canlife Index 3-7 range and the Canlife TRA 3-7 range were launched in March 2018

Canlife Porfolio Funds 4 to 7 launched in March 2008.

OEIC Fund Performance

	1 YEAR		3 YEARS		5 YEARS	
	% Growth	Quartile	% Growth	Quartile	% Growth	Quartile
LF CANLIFE PORTFOLIO III	4.86	2	10.71	2	27.42	2
LF CANLIFE PORTFOLIO IV	5.46	2	12.14	2	32.60	2
LF CANLIFE PORTFOLIO V	6.38	2	14.10	2	38.70	3
LF CANLIFE PORTFOLIO VI	6.28	2	13.95	3	43.96	2
LF CANLIFE PORTFOLIO VII	4.76	3	11.76	3	45.65	3

Source: Morningstar, bid to bid, with net income re-invested for C share class to 31/12/2020.

	01/01/2020 - 31/12/2020		01/01/2019 - 31/12/2019		01/01/2018 - 31/12/2018		01/01/2017 - 31/12/2017		01/01/2016 - 31/12/2016	
	% Growth	Quartile	% Growth	Quartile	% Growth	Quartile	% Growth	Quartile	% Growth	Quartile
LF CANLIFE PORTFOLIO III	4.86	2	8.09	3	-2.32	1	4.29	3	10.36	2
LF CANLIFE PORTFOLIO IV	5.46	2	10.64	4	-3.89	1	6.30	3	11.24	2
LF CANLIFE PORTFOLIO V	6.38	2	13.15	4	-5.20	2	8.76	4	11.77	3
LF CANLIFE PORTFOLIO VI	6.28	2	14.91	3	-6.69	3	11.60	2	13.20	3
LF CANLIFE PORTFOLIO VII	4.76	3	16.92	2	-8.75	4	14.55	2	13.77	3

Source: Morningstar, bid to bid, with net income re-invested for C share class for discrete years to 31 December

Sectors: LF Canlife Portfolio III - IA Mixed Investment 0-35% Shares, LF Canlife Portfolio IV - IA Mixed Investment 20-60% Shares, LF Canlife Portfolio V - IA Mixed Investment 40-85% Shares, LF Canlife Portfolio VI - IA Mixed Investment 40-85% Shares, LF Canlife Portfolio VII - IA Flexible Investment

Life Fund Performance

	1 YEAR		3 YEARS		5 YEARS	
	% Growth	Quartile	% Growth	Quartile	% Growth	Quartile
CANLIFE PORTFOLIO 3 LS4	3.79	1	9.06	1	23.03	2
CANLIFE PORTFOLIO 4 LS4	4.63	1	11.16	1	28.00	1
CANLIFE PORTFOLIO 5 LS4	5.05	1	12.60	1	33.38	2
CANLIFE PORTFOLIO 6 LS4	5.04	1	12.53	1	38.96	1
CANLIFE PORTFOLIO 7 LS4	4.61	1	12.13	2	43.67	2

Source: Morningstar, bid to bid, with net income re-invested for series 4 Life units to 31/12/2020.

	01/01/2020 - 31/12/2020		01/01/2019 - 31/12/2019		01/01/2018 - 31/12/2018		01/01/2017 - 31/12/2017		01/01/2016 - 31/12/2016	
	% Growth	Quartile	% Growth	Quartile	% Growth	Quartile	% Growth	Quartile	% Growth	Quartile
CANLIFE PORTFOLIO 3 LS4	3.79	1	7.70	2	-2.43	2	4.06	2	8.40	2
CANLIFE PORTFOLIO 4 LS4	4.63	1	10.34	2	-3.72	2	6.07	2	8.56	3
CANLIFE PORTFOLIO 5 LS4	5.05	1	12.86	3	-5.03	2	8.32	3	9.36	4
CANLIFE PORTFOLIO 6 LS4	5.04	1	14.36	2	-6.32	3	10.97	1	11.27	3
CANLIFE PORTFOLIO 7 LS4	4.61	1	16.70	1	-8.14	3	13.94	1	12.45	3

Source: Morningstar, bid to bid, with net income re-invested for series 4 Life units for discrete years to 31 December

Sectors: Canlife Portfolio 3 LS4 - ABI Mixed Investment 0-35% Shares, Canlife Portfolio 4 LS4 - ABI Mixed Investment 20-60% Shares, Canlife Portfolio 5 LS4 - ABI Mixed Investment 40-85% Shares, Canlife Portfolio 6 LS4 - ABI Mixed Investment 40-85% Shares, Canlife Portfolio 7 LS4 - ABI Flexible Investment.

Past performance is not a guide to future performance. The value of investments may fall as well as rise and investors may not get back the amount invested. Income from investments may fluctuate. Currency fluctuations can also affect performance.

TRA Pension Fund Performance

	1 YEAR		3 YEARS		5 YEARS		10 YEARS	
	% Growth	Quartile	% Growth	Quartile	% Growth	Quartile	% Growth	Quartile
CANLIFE PORTFOLIO 3 TRA Pn	5.45	2	-	-	-	-	-	-
CANLIFE PORTFOLIO 4 TRA Pn	5.82	1	-	-	-	-	-	-
CANLIFE PORTFOLIO 5 TRA Pn	6.74	1	-	-	-	-	-	-
CANLIFE PORTFOLIO 6 TRA Pn	6.57	1	-	-	-	-	-	-
CANLIFE PORTFOLIO 7 TRA Pn	5.10	2	-	-	-	-	-	-

Source: Morningstar, bid to bid, with net income re-invested for TRA Pension series units to 31/12/2020.

	01/01/2020 - 31/12/2020		01/01/2019 - 31/12/2019		Since Inception: 15/05/2018 - 31/12/2020	
	% Growth	Quartile	% Growth	Quartile	% Growth	Quartile
CANLIFE PORTFOLIO 3 TRA Pn	5.45	2	8.57	3	12.31	2
CANLIFE PORTFOLIO 4 TRA Pn	5.82	1	11.04	3	12.80	1
CANLIFE PORTFOLIO 5 TRA Pn	6.74	1	13.48	4	13.99	2
CANLIFE PORTFOLIO 6 TRA Pn	6.57	1	15.14	3	13.39	2
CANLIFE PORTFOLIO 7 TRA Pn	5.10	2	17.29	3	11.09	2

Source: Morningstar, bid to bid, with net income re-invested for TRA Pension series units for discrete years to 31 December

Sectors: Canlife Portfolio 3 TRA Pn - ABI Mixed Investment 0-35% Shares, Canlife Portfolio 4 TRA Pn - ABI Mixed Investment 20-60% Shares, Canlife Portfolio 5 TRA Pn - ABI Mixed Investment 40-85% Shares, Canlife Portfolio 6 TRA Pn - ABI Mixed Investment 40-85% Shares, Canlife Portfolio 7 TRA Pn - ABI Flexible Investment

Past performance is not a guide to future performance. The value of investments may fall as well as rise and investors may not get back the amount invested. Income from investments may fluctuate. Currency fluctuations can also affect performance.

Index Fund Performance

	1 YEAR		3 YEARS		5 YEARS		10 YEARS	
	% Growth	Quartile	% Growth	Quartile	% Growth	Quartile	% Growth	Quartile
CANLIFE INDEX PORTFOLIO 3	4.00	3	-	-	-	-	-	-
CANLIFE INDEX PORTFOLIO 4	3.75	2	-	-	-	-	-	-
CANLIFE INDEX PORTFOLIO 5	4.16	2	-	-	-	-	-	-
CANLIFE INDEX PORTFOLIO 6	4.30	2	-	-	-	-	-	-
CANLIFE INDEX PORTFOLIO 7	1.45	3	-	-	-	-	-	-

Source: Morningstar, bid to bid, with net income re-invested for Index series units to 31/12/2020.

	01/01/2020 - 31/12/2020		Since Inception: 28/03/2019 - 31/12/2020	
	% Growth	Quartile	% Growth	Quartile
CANLIFE INDEX PORTFOLIO 3	4.00	3	9.10	3
CANLIFE INDEX PORTFOLIO 4	3.75	2	10.60	2
CANLIFE INDEX PORTFOLIO 5	4.16	2	12.60	3
CANLIFE INDEX PORTFOLIO 6	4.30	2	14.00	2
CANLIFE INDEX PORTFOLIO 7	1.45	3	12.00	3

Source: Morningstar, bid to bid, with net income re-invested for Index series units for discrete years to 31 December

Sectors: Canlife Index Portfolio 3 - ABI Mixed Investment 0-35% Shares, Canlife Index Portfolio 4 - ABI Mixed Investment 20-60% Shares, Canlife Index Portfolio 5 - ABI Mixed Investment 40-85% Shares, Canlife Index Portfolio 6 - ABI Mixed Investment 40-85% Shares, Canlife Index Portfolio 7 - ABI Flexible Investment

Past performance is not a guide to future performance. The value of investments may fall as well as rise and investors may not get back the amount invested. Income from investments may fluctuate. Currency fluctuations can also affect performance.

Investment Approach

Overview

Dynamic Planner's financial analytics team analyse the long-term expected behaviour of up to 15 asset classes with a focus on returns, volatility and correlations. These asset classes include the 13 that are used in the Portfolio Funds and also take into account absolute return funds and commodities (which do not feature in either Dynamic Planners asset allocation or the funds' asset allocations). Through this analysis Dynamic Planner builds a range of asset allocations designed to match specific risk profiles.

Canada Life Asset Management offers five globally-diversified fund of funds aligned to Dynamic Planner's risk profiles 3 to 7. We implement the specified asset allocation by investing mainly in funds from our in-house fund range, where appropriate.

Asset allocation

The table below shows target weights that came into effect on October 2020.

Asset class/region	Canlife Portfolio funds (OEICS/Life/TRA)	Risk Profile 3	Risk Profile 4	Risk Profile 5	Risk Profile 6	Risk Profile 7
		Weight	Weight	Weight	Weight	Weight
UK Cash (GBP)	LF Canlife Sterling Liquidity Fund	15%	10%	5%	4%	-
UK Gilts	LF Canlife UK Government Bond iShares Core ETF GBP	10%	5%	3%	-	-
UK Index Linked Gilts	iShares Index-Linked Gilt Index Fund	8%	8%	4%	-	-
UK Corporate Bonds	LF Canlife Corporate Bond LF Canlife Short Duration Corporate Bond Fund	17%	17%	15%	10%	-
International Bonds	LF Canlife Global Macro Bond	18%	10%	4%	4%	-
Global High Yield Bonds	Putnam Global High Yield Bond	-	-	-	-	4%
UK Commercial Property	LF Canlife UK Property ACS	5%	5%	5%	5%	5%
	iShares Developed Market Property Yield ETF					
UK Equity	LF Canlife UK Equity	12%	16%	22%	23%	33%
	LF Canlife UK Equity Income					
Europe ex UK Equity	iShares Continental European Equity Index	-	5%	5%	6%	6%
	iShares STOXX EUR 600 Tech					
	iShares STOXX EUR 600 Auto					
	iShares STOXX EUR 600 Ind					
North American Equity	LF Canlife North American NASDAQ 100 ETF	10%	15%	21%	22%	18%
Japanese Equity	iShares Japan Equity Index	5%	5%	6%	7%	8%
Asia Pacific ex Japan Equity	LF Canlife Asia Pacific	-	4%	5%	9%	12%
Emerging Market Equities	iShares Emerging Markets Equity Index	-	-	5%	10%	14%

Source: Canada Life Asset Management and Dynamic Planner as at end of October 2020

The underlying funds held within the Portfolio Funds are mainly from our in-house range of OEICs.

Canada Life Asset Management believes that premium returns can be generated through active management by talented and experienced portfolio managers. Our approach to investments is pragmatic: our managers are empowered to think independently and act on their convictions to achieve the best possible results within the strict risk parameters of their mandates.

We offer a wide range of funds, from equity to property, so adopting an in-house approach for a fund-of-funds solution is logical and consistent with how the Portfolio Funds have been managed since March 2008. Where an in-house fund is not available or appropriate, we will look to an external investment manager, including ETFs and index tracker funds. Our preference is for physical ETFs rather than synthetics. The ultimate decision over which external funds are used by the Portfolio Funds lies with the fund managers.

Investing in our own in-house funds means the manager can be confident that each underlying fund is aligned to its investment objective and costs are kept under control. The Portfolio Funds offer competitive ongoing charges figures (OCF), ranging from 0.79% to 0.87% for the OEICs. Life fund OCFs range from 0.49% for Canlife Portfolio 3 Life Fund through to 0.72% for Canlife Portfolio 7 Life Fund. The TRA OCFs range from 0.36% for Canlife Portfolio 3 TRA Fund through to 0.61% for Canlife Portfolio 7 TRA Fund. The OCF for the Canlife Index range is 0.16%. The OCF does not include any product fee attributable to a series of units.⁷

Asset allocation and fund selection for the OEIC and Life and TRA Pension versions of Portfolio Funds is identical.

Portfolio VII has a very high allocation to UK equities, and so a 65% allocation to one fund resulted in >20% allocation to the UK Equity Income fund, and hence it is restricted at 57% of the UK exposure.

The investment processes of the two funds are complementary and provide additional diversification. While there may be some correlation, the LF Canlife UK Equity Fund is designed to deliver higher growth. The income-focused LF Canlife UK Equity Income Fund seeks stocks with strong dividends.

Property exposure is gained through 50/50 split investment in the LF Canlife UK Property ACS Fund - Canada Life Asset Management internal property fund and Global REITs.

The LF Canlife Sterling Liquidity Fund is used for the UK Cash (GBP) asset allocation; it is conservatively managed and invests in a variety of short-term money market instruments for maximum stability. Flows on a daily basis are held in cash until invested (up to about 1%).

⁷ All OCF figures provided are in relation to the C acc share class (OEIC) funds and Life Series 5 Acc. The OCFs for the Life funds shown above include the Investment Management Fee and all other expenses for running the fund. It does not include any product fee attributable to a series of units.

Quarterly review – asset allocation

Each quarter the Head of Multi Asset chairs a quarterly in-house asset mix meeting. This is a forum to debate and challenge ideas and all investment professionals at Canada Life Asset Management are invited. Each team share their views, thoughts and convictions from the previous quarter and for the upcoming period. These views are then drawn upon during the subsequent quarterly Asset Allocation Group meeting, which is also chaired by the Head of Multi Asset. This is a smaller group, featuring the Heads of Desk from Equities, Fixed Income and Property.

Dynamic Planner provides the asset allocation for the Portfolio Funds on a quarterly basis. They are reviewed and can be challenged by our in-house Asset Allocation Group. Any questions or concerns from the Group are fed back to Dynamic Planner. Canada Life Asset Management common practice has been to follow the asset allocation provided by Dynamic Planner for the risk targeted funds. Indeed, when Dynamic Planner has provided us with revised asset allocations. We assess the immediate investment outlook and within a two month window implement changes, either actively or through flow and rebalancing management as appropriate. This is because we believe it is critical that investors and their clients have the confidence that our funds are being managed to deliver ongoing suitability for specific risk profiles.

Asset allocation, volatility and fund size details for our Portfolio Funds are submitted to Dynamic Planner on a quarterly basis. Dynamic Planner reviews the funds to ensure they continue to meet their stated risk profile. Dynamic Planner shares these asset allocation details in order to support advisers' due diligence and review requirements.

Quarterly review - performance

There is a quarterly Investment Performance Meeting (IPM) that reviews the performance of all of the multi-asset funds including the Portfolio funds. Performance is compared against composite benchmarks created from the Dynamic Planner asset allocation weights and against the relevant Investment Association (IA) or the Association of British Insurers (ABI) sectors as well as against custom peer groups with similar objectives.

With the underlying funds being mainly in-house funds, Craig Rippe and David Marchant are well placed to understand the individual fund's objectives, the manager's style in different market conditions and any performance concerns. They keep up to date through a variety of formal and informal meetings.

Daily review

Our Portfolio Funds are reviewed daily and rebalanced when necessary, using fund flows where possible to minimise any potential rebalancing costs. This ensures they remain within the parameters specified by Dynamic Planner.

Derivatives

The Portfolio Funds do not have direct exposure to derivatives, but may be indirectly exposed through investment in the underlying funds.

Canlife Underlying funds and IA sectors

Fund	Fund Manager	IA Sector
LF Canlife Asia Pacific	Mike Willans & Bimal Patel	Asia Pacific Excluding Japan
LF Canlife Balanced Fund	David Marchant & Craig Rippe	Mixed Investment 40-85% Shares
LF Canlife Corporate Bond	Michael Count & Kshitij Sinha	Sterling Corporate Bond
LF Canlife UK Government Bond	Eleni Poullides	UK Gilts
LF Canlife Global Macro Bond	David Arnaud & Kshitij Sinha	Global Bonds
LF Canlife North American	Mike Willans & Bimal Patel	North America
LF Canlife UK Equity	Nigel Kennett & Rino Shala	UK All Companies
LF Canlife UK Equity Income	Stuart Taylor & Rino Shala	UK Equity Income
LF Canlife UK Property ACS	Suzima Abu-Zarin & Ben Wood	UK Direct Property
LF Canlife Sterling Liquidity Fund	Steve Matthews & Andy Head	IA Standard Money Market

Investment Team – Asset Allocation Group

Craig Rippe

Head of Multi Asset

Craig joined Canada Life Asset Management in March 2004. He became Head of UK Equities in March 2010 and was most recently appointed Head of Multi-Asset in May 2018. He previously managed income funds at Govett Investment Management Limited and prior to that worked at Deloitte Touche. Craig has a BSc in Mathematics from Warwick University. He is a Chartered Accountant and a CFA charterholder.



David Marchant

Chief Investment Officer, Canada Life Limited & Managing Director, Canada Life Asset Management Limited.

David took over as Chief Investment Officer, Canada Life Limited and Managing Director, Canada Life Asset Management Limited in July 2013. He oversees all investment functions including fixed income, equities, real estate, commercial mortgages as well as marketing and distribution.



Mike Willans

Head of Equities

Mike joined Canada Life Asset Management in October 1999. He became Head of International Equities in March 2010 and was most recently appointed Head of Equities in May 2018. Mike's investment experience stretches back to 1986 when he worked as a fund manager at Kleinwort Benson. After five years at Manulife, Mike went to Lazards as Head of Japanese Equities in 1995, moving to NPI before joining Canada Life Asset Management.



Roger Dawes

Head of Fixed Income – Portfolio Management

Roger joined Canada Life Asset Management in 1998 and was appointed fund manager in 2005. He became Head of Fixed Income – Portfolio Management in 2011. Roger holds a BSc in Mathematics and Physics from Queen Mary University of London. He is a CFA charterholder and a member of the CFA Society of the UK.



Michael White

Head of UK Property

Michael White has been with Canada Life Asset Management since 1986, Michael heads up our UK Property team. He has over 25 years' experience in commercial property and for the last 20 years, he has worked in the property fund management industry, specialising in asset management and the identification and creation of added investment value. He devises the annual investment strategy for UK and Ireland property funds and leads the investment acquisition programme in finding suitable product to match the requirements of each individual fund. Michael is a professional member of the Royal Institution of Chartered Surveyors.



Fund Suitability

The Portfolio Funds are aligned to Dynamic Planner's asset allocation recommendations for risk profiles 3 to 7 and are part of Dynamic Planner's Risk Target Managed solutions.

Dynamic Planner reviews the funds on a quarterly basis to ensure they continue to meet their stated risk profile. Dynamic Planner shares these asset allocation details to support advisers' due diligence and review requirements and the funds can be found under the appropriate risk profile at: <http://www.dynamicplanner.com/risk-target-managed-solutions/>

Canada Life Asset Management reviews the funds daily and rebalances when necessary to ensure they continually match the Dynamic Planner asset allocations and maintain ongoing suitability for an investor's risk profile.

The funds are suitable for individual retail investors residing in the UK. Each Portfolio Fund will have an asset allocation which is designed to optimise the expected return for a given level of risk. A professional adviser can help determine the suitability of a product through the Dynamic Planner Attitude to Risk questionnaire.

The five risk profiled funds 3-7 should cover around 90% of investor attitudes to risk according to Dynamic Planner's research. The concept of risk-profiled funds is fairly straightforward – the higher the number, the higher the risk. As the risk rises so does the potential return and the likelihood of volatility. The lower the risk, the lower the potential return and volatility.

The LF Canlife Portfolio Funds should generally be held by investors for over five years and can form the core part of an investor's portfolio.

LF CANLIFE PORTFOLIO III / CANLIFE PORTFOLIO 3

The fund's approach means it may be suitable for:

- Lower-risk clients seeking a stable return with minimal risk to capital
- Investors requiring a highly-diversified investment spread across multiple asset classes. The fund invests mainly in fixed income securities and cash but also includes UK and international equities and UK commercial property. This may be suitable for clients looking for a predominantly UK-centric investment but which also provides some overseas opportunities

LF CANLIFE PORTFOLIO IV / CANLIFE PORTFOLIO 4

The fund's approach means it may be suitable for:

- Clients seeking a relatively stable return and who are prepared to accept some risk to capital
- Investors requiring a highly-diversified investment spread across multiple asset classes. The fund invests just over half of its assets in fixed income securities and cash and the other half in UK and international equities and UK commercial property. This may be suitable for clients looking for a predominantly UK-centric investment but which also provides some overseas opportunities

LF CANLIFE PORTFOLIO V / CANLIFE PORTFOLIO 5

The fund's approach means it may be suitable for:

- Clients seeking capital growth and who are able to accept a moderately high level of risk
- Investors looking for a highly-diversified portfolio which invests around the world but with a bias towards the UK. The fund invests mainly in UK and international equities and UK commercial property with around a third in fixed income securities and cash

LF CANLIFE PORTFOLIO VI / CANLIFE PORTFOLIO 6

The fund's approach means it may be suitable for:

- Clients seeking capital growth and who can tolerate a high degree of risk
- Investors requiring a globally diversified fund with a UK bias. The fund invests mainly in UK and international equities with the remainder in fixed income securities, cash and UK commercial property

LF CANLIFE PORTFOLIO VII / CANLIFE PORTFOLIO 7

The fund's approach means it may be suitable for:

- Clients seeking a high level of capital growth and who can tolerate elevated levels of risk and volatility in line with their risk profile
- Investors requiring a globally diversified fund with a UK bias. The fund invests mainly in equities, with a substantial proportion of this invested overseas. The remainder is allocated to UK corporate bonds, global high yield bonds and UK commercial property

The Canlife Index Portfolio funds were launched in March 2019

CANLIFE INDEX PORTFOLIO FUND 3

The fund's approach means it may be suitable for:

- Lower-risk clients seeking a stable return with minimal risk to capital
- Investors requiring a highly-diversified investment spread across multiple asset classes. The fund invests mainly in fixed income securities and cash but also includes UK and international equities and UK commercial property. This may be suitable for clients looking for a predominantly UK-centric investment but which also provides some overseas opportunities
- The fund implements the asset allocation by investing primarily in index tracker funds managed by Vanguard UK

CANLIFE INDEX PORTFOLIO FUND 4

The fund's approach means it may be suitable for:

- Clients seeking a relatively stable return and who are prepared to accept some risk to capital
- Investors requiring a highly-diversified investment spread across multiple asset classes. The fund invests just over half of its assets in fixed income securities and cash and the other half in UK and international equities and UK commercial property. This may be suitable for clients looking for a predominantly UK-centric investment but which also provides some overseas opportunities
- The fund implements the asset allocation by investing primarily in index tracker funds managed by Vanguard UK

CANLIFE INDEX PORTFOLIO FUND 5

The fund's approach means it may be suitable for:

- Clients seeking capital growth and who are able to accept a moderately high level of risk
- Investors looking for a highly-diversified portfolio which invests around the world but with a bias towards the UK. The fund invests mainly in UK and international equities and UK commercial property with around a third in fixed income securities and cash
- The fund implements the asset allocation by investing primarily in index tracker funds managed by Vanguard UK

CANLIFE INDEX PORTFOLIO FUND 6

The fund's approach means it may be suitable for:

- Clients seeking capital growth and who can tolerate a high degree of risk
- Investors requiring a globally diversified fund with a UK bias. The fund invests mainly in UK and international equities with the remainder in fixed income securities, cash and UK commercial property
- The fund implements the asset allocation by investing primarily in index tracker funds managed by Vanguard UK

CANLIFE INDEX PORTFOLIO FUND 7

The fund's approach means it may be suitable for:

- Clients seeking a high level of capital growth and who can tolerate elevated levels of risk and volatility in line with their risk profile
- Investors requiring a globally diversified fund with a UK bias. The fund invests mainly in equities, with a substantial proportion of this invested overseas. The remainder is allocated to UK corporate bonds, global high yield bonds and UK commercial property
- The fund implements the asset allocation by investing primarily in index tracker funds managed by Vanguard UK

Portfolio Funds match multiple risk profile solutions

Canada Life Asset Management' Portfolio Funds are also mapped to the Synaptics Risk Rating Service. The risk ratings shown below apply to both the OEIC and Life & TRA Pension versions of the Canada Life Asset Management Portfolio Funds.

Synaptic Modeller has been developed in conjunction with stochastic modelling experts, Barrie & Hibbert, and forms part of Capita's Synaptic Fusion programme. The funds are also reviewed and rated quarterly by Synaptics. The funds can also be mapped to other risk profile tools should that be required.

In addition to Dynamic Planner and Synaptics, the Portfolio funds are also risk rated by FinaMetrica and Defaqto.

Legal and Regulatory Information

Legal structure of the funds

The LF Canlife Portfolio Funds are a Non-UCITS Retail Scheme (NURS). Canada Life Asset Management chose to use a NURS structure for the greater flexibility it allows over the instruments that can be held within the funds. For example, the NURS structure allows inclusion of 'bricks and mortar' property funds.

The Canlife Portfolio Funds are unit-linked Life and Pension funds.

The LF Canlife Portfolio Funds (OEICS) are regulated by the FCA and are NURS compliant as opposed to UK UCITS compliant. The LF Canlife Portfolio Funds (Life & TRA Pension) are available only through Life and Pension product wrappers.

The Canlife Index Funds 3-7 are unit-linked pension funds.

The LF Canlife Portfolio Funds invest mainly in underlying funds operated by Canada Life Asset Management.

UK Reporting fund status

Canada Life Asset Management Portfolio Funds are UK funds and not offshore funds so do not require UK Reporting fund status.

Fund Facts

Launch dates

LF Canlife Portfolio III-VII Funds (OEICs) = 28 November 2013
 Canlife Portfolio 4 to 7 Funds (Life funds) = 31 March 2008
 Canlife Portfolio 3 Fund = 19 March 2012
 Canlife Portfolio TRA 3 to 7 Funds (Pension funds) = 14 May 2018
 Canlife Index Portfolio 3 to 7 = 25 March 2019

Fund Managers

Craig Rippe & David Marchant

Sector

LF Canlife Portfolio III	- IA Mixed Investment 0% - 35% Shares
Canlife Portfolio 3	- ABI Mixed Investment 0% - 35% Shares
Canlife Portfolio TRA 3	- ABI Mixed Investment 0% - 35% Shares
LF Canlife Portfolio IV	- IA Mixed Investment 20% - 60% Shares
Canlife Portfolio 4	- ABI Mixed Investment 20% - 60% Shares
Canlife Portfolio TRA 4	- ABI Mixed Investment 20% - 60% Shares
LF Canlife Portfolio V	- IA Mixed Investment 40% - 85% Shares
Canlife Portfolio 5	- ABI Mixed Investment 40% - 85% Shares
Canlife Portfolio TRA 5	- ABI Mixed Investment 40% - 85% Shares
LF Canlife Portfolio VI	- IA Mixed Investment 40% - 85% Shares
Canlife Portfolio 6	- ABI Mixed Investment 40% - 85% Shares
Canlife Portfolio TRA 6	- ABI Mixed Investment 40% - 85% Shares
LF Canlife Portfolio VII	- IA Flexible Investment
Canlife Portfolio 7	- ABI Flexible Investment
Canlife Portfolio TRA 7	- ABI Flexible Investment
Canlife Index Portfolio 3	- Mixed Investment 0%-35% Shares (Pen)
Canlife Index Portfolio 4	- Mixed Investment 20%-60% Shares (Pen)
Canlife Index Portfolio 5	- Mixed Investment 40%-85% Shares (Pen)
Canlife Index Portfolio 6	- Mixed Investment 40%-85% Shares (Pen)
Canlife Index Portfolio 7	- Flexible Investment (Pen)

Fund sizes (Both Life and Pension funds now purchase the LF OEIC funds)

As at 31/12/2020

LF Canlife Portfolio III Fund - £113.5m
 LF Canlife Portfolio IV Fund - £261.2m
 LF Canlife Portfolio V Fund - £191.9m
 LF Canlife Portfolio VI Fund - £95.1m
 LF Canlife Portfolio VII Fund - £35.4m

Dealing frequency

Daily (12.00 GMT)

Ex-dividend-date

LF Canlife Portfolio Funds:
16 April and 16 October

Distribution dates

LF Canlife Portfolio Funds:
15 June and 15 December

Canlife Portfolio Funds:

Not applicable, the funds are accumulation class non-distributing Life & Pension funds only; any income generated by the fund is reinvested within the fund.

Base currency

Sterling

Domicile

UK

Ongoing Charges Figure / TER

	OEIC Funds (C class) Ongoing Charges Figure (OCF)	Life Funds (Life Series 5 Acc) Ongoing Charges Figure (OCF)	Pension Funds (Canlife TRA) Ongoing Charges Figure (OCF)	Canlife Index Portfolio Funds 3 to 7 Ongoing Charges Figure (OCF)
Portfolio III/ 3	0.79%	0.49%	0.36%	0.16%
Portfolio IV/ 4	0.75%	0.54%	0.43%	0.16%
Portfolio V/ 5	0.77%	0.60%	0.51%	0.16%
Portfolio VI/ 6	0.80%	0.67%	0.57%	0.16%
Portfolio VII/ 7	0.87%	0.72%	0.61%	0.16%

As at 31/12/20. The Ongoing Charges Figure (OCF) for the Life funds shown above includes the Investment Management Fee and all other expenses for running the fund. It does not include any product fee attributable to a series of units.

Annual Management Charge

LF Canlife Portfolio Funds:
0.45% (C share class) / 0.65% (B share class)

Fund codes

LF Canlife Portfolio Funds

Fund Name	Share class	ISIN	Sedol
LF Canlife Portfolio III Fund	C ACC	GB00B96T7P76	B96T7P7
LF Canlife Portfolio III Fund	C INC	GB00B8SC7T13	B8SC7T1
LF Canlife Portfolio III Fund	B ACC	GB00B9CJK968	B9CJK96
LF Canlife Portfolio III Fund	B INC	GB00B97BL058	B97BL05
LF Canlife Portfolio IV Fund	C ACC	GB00B976VR77	B976VR7
LF Canlife Portfolio IV Fund	C INC	GB00B7R5DQ38	B7R5DQ3
LF Canlife Portfolio IV Fund	B ACC	GB00B9CGW910	B9CGW91
LF Canlife Portfolio IV Fund	B INC	GB00B8RKLW79	B8RKLW7
LF Canlife Portfolio V Fund	C ACC	GB00B9BQJ249	B9BQJ24
LF Canlife Portfolio V Fund	B ACC	GB00B8HDRT53	B8HDRT5
LF Canlife Portfolio VI Fund	C ACC	GB00B9BQBN99	B9BQBN9
LF Canlife Portfolio VI Fund	B ACC	GB00B9CJ3L95	B9CJ3L9
LF Canlife Portfolio VII Fund	C ACC	GB00B76WGJ99	B76WGJ9
LF Canlife Portfolio VII Fund	B ACC	GB00B97C4545	B97C454

Canlife Portfolio Funds Life Series

Fund Name	Share class	ISIN	Sedol
Canlife Portfolio 3 LS4	Acc	GB00B7KKY519	B7KKY51
Canlife Portfolio 3 LS5	Acc	GB00BBMJDC49	BBMJDC4
Canlife Portfolio 4 LS4	Acc	GB00B2QV5V67	B2QV5V6
Canlife Portfolio 4 LS5	Acc	GB00BBMJCF05	BBMJCF0
Canlife Portfolio 5 LS4	Acc	GB00B2QTZX21	B2QTZX2
Canlife Portfolio 5 LS5	Acc	GB00BBMJCD80	BBMJCD8
Canlife Portfolio 6 LS4	Acc	GB00B2QV9580	B2QV958
Canlife Portfolio 6 LS5	Acc	GB00BBMJCC73	BBMJCC7
Canlife Portfolio 7 LS4	Acc	GB00B2QV5059	B2QV505
Canlife Portfolio 7 LS5	Acc	GB00BBMJCG12	BBMJCG1

Canlife Portfolio Funds TRA Pension Series

Fund Name	Share class	ISIN	Sedol
Canlife Portfolio TRA 3	Acc	GB00BF77W025	BF77W02
Canlife Portfolio TRA 4	Acc	GB00BF77W132	BF77W13
Canlife Portfolio TRA 5	Acc	GB00BF77W249	BF77W24
Canlife Portfolio TRA 6	Acc	GB00BF77W355	BF77W35
Canlife Portfolio TRA 7	Acc	GB00BF77W462	BF77W46

Canlife Index Portfolio Pension Series

Fund Name	Share class	ISIN	Sedol
Canlife Index Portfolio 3	Acc	GB00BF77WP75	BF77WP7
Canlife Index Portfolio 4	Acc	GB00BF77WQ82	BF77WQ8
Canlife Index Portfolio 5	Acc	GB00BF77WR99	BF77WR9
Canlife Index Portfolio 6	Acc	GB00BF77W355	BF77WS0
Canlife Index Portfolio 7	Acc	GB00BF77WT14	BF77WT1

Fund Due Diligence Questionnaire

LF Canlife Portfolio Funds III to VII (OEIC)

Canlife Portfolio Funds 3 to 7 (Life & TRA Pensions)

Canlife Index Portfolio Funds 3 to 7 (Pension)

'Portfolio Funds' refers to both the OEIC and Life 7 Pensions Portfolio Funds.

Regulation and Legal

How is the fund structured?

The LF Canlife Portfolio Funds III-VII are Non-UCITS Retail Scheme (NURS) and the Canlife Portfolio Funds 3-7 are unit-linked Life & Pension funds. The Canlife Index Funds 3-7 are unit-linked pension funds.

What is the legal domicile of the fund?

The UK is the legal domicile of the Portfolios Funds.

Is the fund authorised by the FCA in the UK? If not, is the fund regulated in any other jurisdiction?

The LF Canlife Portfolio Funds are authorised by the FCA in the UK.

The unit-linked funds are insured funds offered by Canada Life who is regulated by the FCA and the PRA.

Is the fund UCITS compliant?

The LF Canlife Portfolio Funds III to VII are neither EU UCITS nor UK UCITS compliant; however, they invest mainly in underlying funds that are operated by Canada Life Asset Management – most of which are UK UCITS compliant.

The Canlife Portfolio Funds 3 to 7 are Life & Pension funds, which invest in the OEICs.

The Canlife TRA Portfolio Funds 3 to 7 are Pension funds, which invest in the OEICs.

More information regarding the legal structure of the underlying funds can be found on the Canada Life Asset Management website: www.canadalifeassetmanagement.co.uk

If not UCITS compliant is the fund recognised by the FCA in the UK?

The LF Canlife Portfolio Funds are recognised by the FCA in the UK.

Is the investment an Unregulated Collective Investment Scheme for the purposes of FSMA?

No, the investment is not an Unregulated Collective Investment Scheme for the purposes of FSMA.

Personnel

Please provide the following information regarding each fund manager:

a) Name

Craig Rippe, head of Multi-Asset co-manages all of the mixed-asset funds in the Canada Life Asset Management range. Details of the fund managers of the underlying funds are available on the Canada Life Asset Management website, www.canadalifeassetmanagement.co.uk

David Marchant, Chief Investment Officer, Canada Life Limited & Managing Director Canada Life Asset Management Limited, co-manages all of the mixed-asset funds with Craig Rippe.

b) Manager with this group since

Craig was appointed Head of Multi-Asset in May 2018.

David has been the manager of the Portfolio Funds since May 2011.

c) Overall service with group

Craig joined Canada Life Asset Management in March 2004. He was appointed Head of UK Equities in March 2010 and was most recently appointed Head of Multi-Asset in May 2018.

David joined Canada Life Asset Management in November 2010 as Head of Securities, and became Chief Investment Officer and Canada Life Limited & Managing Director of Canada Life Asset Management Limited in July 2013.

d) Overall service as a fund managers

Craig joined the industry in 2000.

David joined the investment industry in 1985.

e) Are there analysts supporting the managers

Craig and David are able to call on the research and input of the equity and fixed income teams at Canada Life Asset Management.

f) Does this manager have investments within his/her fund? If not, why?

Craig Rippe and David Marchant both have investments in the funds.

Philosophy/Process/Risk Management

Describe the funds' investment style and objective.

Our Portfolio Funds offer a straightforward and cost-effective solution to the challenge of choosing a mix of investments to suit the investment needs of a broad range of clients – offering simplicity, significant time savings and reassurance that the funds will remain appropriate for the risk appetites of clients over time. They aim to achieve their objectives whilst seeking to remain within a defined risk banding.

Our Portfolio Fund range comprises of five globally diversified fund of funds, which are aligned to the asset allocations of Dynamic Planner risk profiles 3 to 7. We believe if a fund is a Dynamic Planner risk profile 6, it should remain at risk profile 6. There is plenty of scope for active risk to be taken in the funds' underlying holdings, as they mainly invest in our actively managed in-house funds. Where there is no appropriate fund managed by Canada Life Asset Management, or the managers want to diversify the exposure to a particular asset class or region, then external passive vehicles such as ETFs or tracker funds may be used. Property exposure is mainly through investment in the LF Canlife Property ACS funds – Canada Life Asset Management' internal property fund which invests in bricks and mortar.

The Portfolio Funds have access to the investment expertise of Canada Life Asset Management' in-house fund range, meaning the funds offer competitive charging structures. For more details on the charging structures of the Funds, please see the 'Fees' section in this document.

We operate the funds with complete transparency, with a quarterly brochure produced for advisers to aid their due diligence process. A suitability letter and detailed quarterly fund presentation is also produced to support their research and assist with client discussions.

The Canlife Index Portfolio Funds 3 to 7 follow a similar process to that outlined above but are primarily constructed from passive underlying funds from Vanguard UK.

Have there been any significant changes to this in the last 3 years?

There have not been any significant changes to the Portfolio Funds investment style or objectives in the last 3 years. The Canlife Index Portfolio funds were launched in March 2019

Describe the type of investor that may find the fund suitable.

The Portfolio Funds are suitable for individual retail investors residing in the UK. Each fund will have an asset allocation which is designed to optimise the expected return for a given level of risk. A professional adviser can help determine the suitability of a product via the Dynamic Planner Attitude to Risk questionnaire. The funds should generally be held by investors for over 5 years and can form the core part of an investor's portfolio.

LF Canlife Portfolio III Fund/Canlife Portfolio Fund 3

The fund's approach means it may be suitable for:

Lower-risk clients seeking a stable return with minimal risk to capital in a highly-diversified investment that is spread across multiple asset classes.

The fund invests mainly in fixed income securities and cash but also includes UK and international equities and UK commercial property.

LF Canlife Portfolio IV Fund/Canlife Portfolio Fund 4

The fund's approach means it may be suitable for:

Clients seeking a relatively stable return in a highly diversified investment that is spread across multiple asset classes and are prepared to accept some risk to capital.

The fund invests just over half of its assets in fixed income securities and cash and the other half in UK and international equities and UK commercial property.

LF Canlife Portfolio V Fund/Canlife Portfolio Fund 5

The fund's approach means it may be suitable for:

Clients seeking capital growth while also being able to accept a moderately high level of risk

The fund invests mainly in UK equities, international equities and UK commercial property with around a third in fixed income securities and cash.

LF Canlife Portfolio VI Fund/Canlife Portfolio Fund 6

The fund's approach means it may be suitable for:

Clients seeking capital growth and who can tolerate a higher degree of risk.

The fund invests mainly in UK and international equities with the remainder in fixed income securities, cash and UK commercial property.

LF Canlife Portfolio VII Fund/Canlife Portfolio Fund 7

The fund's approach means it may be suitable for:

Clients seeking a high level of capital growth and who can tolerate elevated levels of risk and volatility in line with their risk profile.

The fund invests mainly in equities, with a substantial proportion of this invested overseas. The remainder is allocated to UK corporate bonds, global high yield bonds and UK commercial property.

The Canlife Index Portfolio funds were launched in March 2019**CANLIFE INDEX PORTFOLIO FUND 3**

The fund's approach means it may be suitable for:

Lower-risk clients seeking a stable return with minimal risk to capital in a highly-diversified investment that is spread across multiple asset classes.

The fund invests mainly in fixed interest securities and cash but also includes UK & international equities and UK commercial property.

The fund implements the asset allocation by investing primarily in index tracker funds managed by Vanguard UK

CANLIFE INDEX PORTFOLIO FUND 4

The fund's approach means it may be suitable for:

Clients seeking a relatively stable return in a highly diversified investment that is spread across multiple asset classes and are prepared to accept some risk to capital.

The fund invests about half of its assets in fixed interest securities and cash and the remainder in UK & international equities and UK commercial property.

The fund implements the asset allocation by investing primarily in index tracker funds managed by Vanguard UK

CANLIFE INDEX PORTFOLIO FUND 5

The fund's approach means it may be suitable for:

Clients seeking capital growth while also being able to accept a moderately high level of risk

The fund invests mainly in UK equities & international equities and UK commercial property with about a little more than a third in fixed interest securities and cash .

The fund implements the asset allocation by investing primarily in index tracker funds managed by Vanguard UK

CANLIFE INDEX PORTFOLIO FUND 6

The fund's approach means it may be suitable for:

Clients seeking capital growth and who can tolerate a higher degree of risk.

The fund invests mainly in UK & international equities with the remainder in fixed interest securities, cash and UK commercial property.

The fund implements the asset allocation by investing primarily in index tracker funds managed by Vanguard UK

CANLIFE INDEX PORTFOLIO FUND 7

The fund's approach means it may be suitable for:

Clients seeking a high level of capital growth and who can tolerate elevated levels of risk and volatility in line with their risk profile.

The fund invests predominantly in equities , with a substantial proportion of this invested overseas . The remainder is allocated to global bonds and UK commercial property.

The fund implements the asset allocation by investing primarily in index tracker funds managed by Vanguard UK

How is the portfolio risk managed and monitored?

The Portfolio Funds are managed to asset allocations prescribed by Dynamic Planner risk parameters. Fund positions are monitored daily, and looked at in depth on a monthly basis. For external funds groups contact is made annually, unless the monitoring suggests an earlier contact is required. Passive funds are monitored for liquidity and performance.

Canada Life Asset Management has implemented an extensive risk management framework, identifying the risk universe, appetite, limits, documentation and governance structure. Three lines of defence are operated through an internal audit and Corporate Risk Team, in addition to the Investment Governance, Risk and Compliance Team. Operational risks are identified, assessed, measured and reported on through a number of management committees and ultimately to the Board Risk Committee and Board.

Performance is measured against a composite benchmark and the relevant IA sector for each fund.

Is the fund managed within target risk parameters? If so, please provide more details e.g. volatility bandings if applicable.

The Portfolio Funds are managed to asset allocation and therefore the volatility bands prescribed by Dynamic Planner risk parameters. For more information regarding this please visit our website canadalifeinvestments.com.

How do you monitor the fund's adherence to these risk parameters?

Risk monitoring and adherence to risk parameters are verified at several levels, both internally and externally, and the manager follows a pro-active approach to risk management.

The Portfolio Funds are monitored and reviewed on a daily basis, and rebalanced as necessary using fund flows where possible to minimise any potential rebalancing costs and to ensure they remain within the Dynamic Planner risk parameters. Asset allocation, volatility and fund size details for the fund range are submitted to Dynamic Planner on a quarterly basis for review and to also ensure the funds remain within their target risk parameters.

Is the fund rated by/mapped to any third party ATR providers e.g. Dynamic Planner/FinaMetrica?

The Portfolio Funds are aligned to Dynamic Planner risk profiles 3 to 7 and are Risk Target Managed Funds. For further details and confirmation of the risk mapping, please visit Dynamic Planner's Risk Target Managed Service website:

<https://www.dynamicplanner.com/home/asset-managers/why-adopt-a-risk-target-managed-approach/>

Our Portfolio Funds are also risk mapped to other risk profiles such as: the Synaptic Risk Rating Service, Defaqto and Finametrica. For more information regarding this please visit our website <https://www.canadalifeassetmanagement.co.uk>

Describe the fund's asset allocation process (if applicable). Please provide details of any third party asset allocation provider used. What level of discretion does the manager have regarding the allocation?

Dynamic Planner provides the asset allocation for the risk profiles that our Portfolio Funds align to. Our funds adhere to each of Dynamic Planner's risk profile asset allocations, meaning that we do not apply any significant tactical tilt on top. Our aim is to keep expected volatility of each fund near the middle of the set volatility boundaries. Asset allocation is reviewed daily and adjusted when needed to stay aligned to the clients risk profile.

However, the funds are able to deviate slightly in exceptional circumstances and have done so in the past. In March 2020 for example, the manager exercised discretion over the speed of rebalancing between equities and fixed interest in order to maintain a small underweight in equities until the equity market had bottomed. Furthermore on occasions fund flows into all UK property funds including the LF Canlife UK Property fund can be restricted due to market uncertainty. This was the case in 2020 and discretion was applied in order to manage small deviations versus the target weights of direct property (2.5%) and globally REITs (2.5%).

Describe the typical underlying holdings of the fund e.g. active managed collectives, passive vehicles (tracker funds/ETFs), direct securities, multi-asset, and alternative investments.

The underlying holdings of the Portfolio Funds are mainly funds that are managed by Canada Life Asset Management. Where there is no appropriate fund managed by Canada Life Asset Management, external passive vehicles such as ETF's or tracker funds may be used. Property exposure is gained through 50/50 split investment in the LF Canlife UK Property ACS Fund - Canada Life Asset Management internal property fund and Global REITs.

Direct investments (e.g. single shares or corporate bonds) are excluded.

How many stocks would the fund normally hold? Has this changed over time?

Each Portfolio Fund typically holds up to 15 solutions, which are mainly in-house funds. Where an internal fund is not available for the Portfolio Funds, we will seek an external fund.

Describe the fund's use of 'alternative' assets/strategies (e.g. derivatives) and their purpose in the portfolio.

The Portfolio Funds do not have direct exposure to derivatives, but could be indirectly exposed via investment in the underlying funds.

What percentage of the fund is invested in unlisted securities? How are they valued and is there a self-imposed limit?

Not applicable.

Is currency hedging undertaken?

Currency hedging is not undertaken in the Portfolio Funds.

What latitude is given to the lead manager in terms of fund selection?

Our Portfolio Fund range mainly invests in in-house, actively managed funds. We believe this approach provides access to lower cost funds, allows direct relationships with the individual managers and results in a better and faster information flow. Where an in-house fund is not available for a particular asset class, we will look to an external manager, which may include ETFs or tracker funds. The Portfolio Funds are fund of funds and do not hold stocks.

As the Fund Managers, Craig Rippe and David Marchant review the Dynamic Planner based asset allocation mix and considers any changes required to the underlying funds, be they driven by changes to the Dynamic Planner asset allocation parameters or by our in-house views. For example, towards the end of 2016 David reduced the funds' exposure to the LF Canlife Corporate Bond Fund and invested in the LF Canlife Short Duration Corporate Bond Fund on the expectation of monetary tightening leading to higher interest rates and bond yields in the medium-term.

How do you monitor the fund's adherence to its investment style?

The funds' adherence to the Dynamic Planner asset allocation and therefore the target risk profile, is monitored and reviewed on a daily basis, and rebalanced as necessary using fund flows where possible to minimise any potential rebalancing costs. This regular monitoring of risk and style profile is undertaken to ensure that no portfolio drift occurs and that the funds remain within the parameters specified by Dynamic Planner.

What benchmark constraints are imposed?

Not applicable.

Describe your sell disciplines.

The underlying funds are continuously reviewed by the manager to ensure that they remain appropriate for the Portfolio Funds. Funds are replaced if they are deemed by the manager to be no longer appropriate (most recently LF Canlife Europe and LF Canlife Japan).

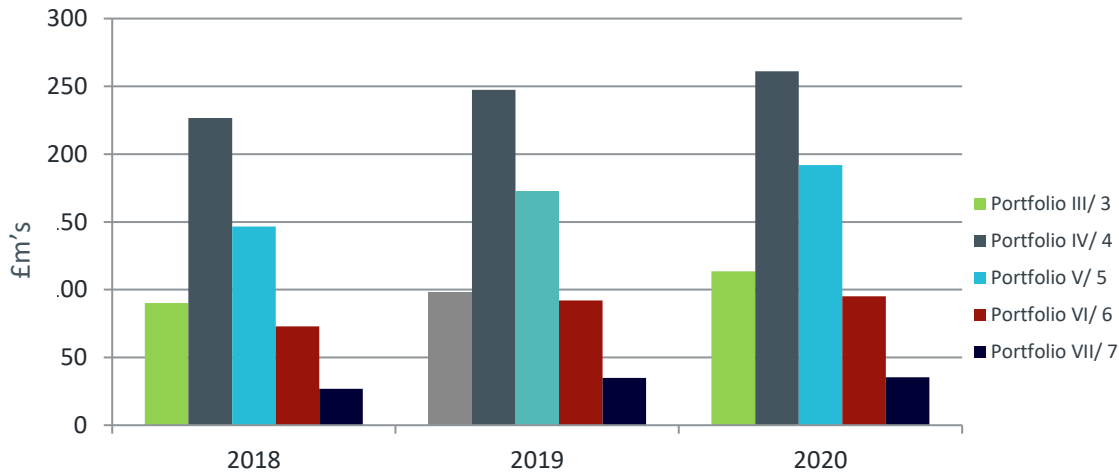
Have there been any significant acquisitions or mergers that have taken place in the last 3 years and the impact, if any, on the fund.

As of December 2018 the Life and Pension Portfolio Funds have been investing in our OEIC Funds which increased AUM significantly.

Can the fund borrow? If so, please give details of mandate and current gearing and why the fund would borrow.

The Portfolio Funds do have the ability to borrow in order to meet redemptions; however, in practice we do not borrow or gear other than to meet overdrafts caused by settlement timing issues.

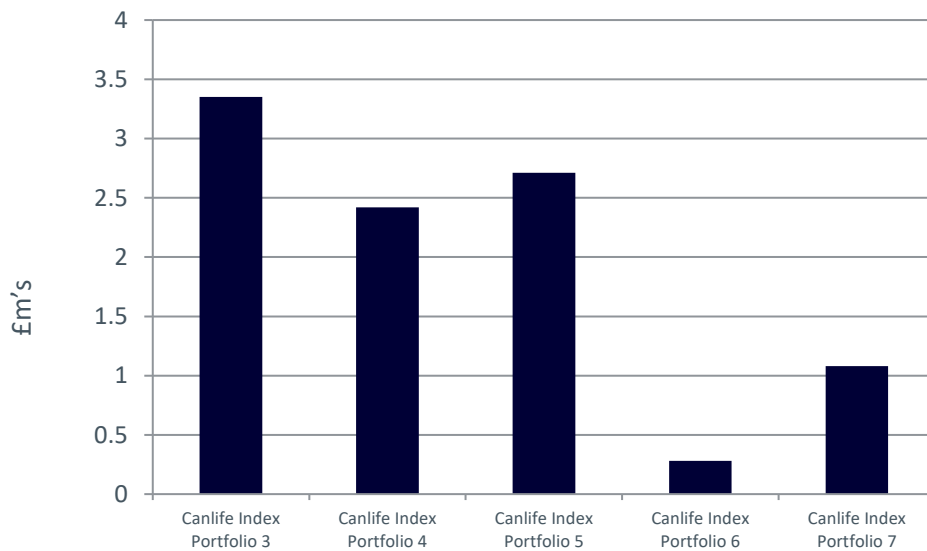
Describe the growth in size of the fund over the last three years and how this has impacted on the management of the portfolio.



As at 31/12/20

The growth in the size of the Portfolio Funds has been steady and has not impacted on the way they are managed. The funds invest primarily in other funds and the holdings can be rebalanced on a regular basis regardless of the fund size. We do not anticipate there being any constraints on how the funds are managed as they grow in size

Note: The above figures are for the OEIC funds and include the Pension and Life fund holdings.



As at 31/12/20

Are there any plans to cap (soft close) the fund?

There are currently no plans to cap (soft close) the Portfolio Funds.

Investment Governance

Our multi-asset funds are prudently monitored and assessed, with a focus on delivering fair customer outcomes in a consistent and well-controlled manner.

The investment governance team at CLAM and the Investment Performance Meeting are responsible for monitoring all CLAM funds within our multi-asset portfolios. They also provide oversight of any external funds in the multi-asset portfolios which are primarily tracker funds and ETFs.

We have a robust internal reporting structure, with the relevant Executive Board taking ultimate responsibility for all management decisions. This internal reporting structure differs slightly depending on whether we are monitoring an OEIC, or Life and Pension funds. But the ethos is the same – transparency and accountability.

Compliance and regulatory monitoring

Our investment governance team is also responsible for ensuring the OEICs and Property Authorised Contractual Scheme (ACS) adhere to rules set out by regulatory authorities, such as the FCA COLL rules and guidance from the Investment Association. Life and Pensions funds are governed by the ABI guide and good practise for unit linked funds. In addition, the investment governance team provide regulatory support and guidance on strategic initiatives, regulatory developments, and projects.

Link Fund Solutions Limited (“Link”) Link are the Authorised Corporate Director (ACD) for the CLAM Managed Funds and OEICs. Link has ultimate regulatory responsibility for these funds, which frees up our investment experts to focus on managing the funds. Link are responsible for the fund prospectus and other legal and regulatory documentation, and they also review some marketing documentation to ensure it is fit for purpose.

Risk Management and Corporate Governance

Our Risk Management team uses the Enterprise Risk Management (ERM) Framework to support and facilitate the successful delivery of our strategic business objectives.

The ERM framework is embedded within the business and helps each of the business areas perform appropriately while supported and facilitated by Risk Management. The framework helps them to align risk appetite and strategy, make risk informed decisions, reduce operational surprises and losses, identify and manage inter-related risks across the business, and improve the deployment of capital.

Costs

What are the Annual Management Charges and Ongoing Charge (OCF)?

	OEIC Funds (C class)		Life Funds (Life Series 5 Acc) Ongoing Charges Figure (OCF)	Pension Funds (Canlife TRA) Ongoing Charges Figure (OCF)	Canlife Index Portfolio Funds 3 to 7 Ongoing Charges Figure (OCF)
	OCF	AMC			
Portfolio III/ 3	0.79%	0.45%	0.49%	0.36%	0.16%
Portfolio IV/ 4	0.75%	0.45%	0.54%	0.43%	0.16%
Portfolio V/ 5	0.77%	0.45%	0.60%	0.51%	0.16%
Portfolio VI/ 6	0.80%	0.45%	0.67%	0.57%	0.16%
Portfolio VII/ 7	0.87%	0.45%	0.72%	0.61%	0.16%

Is there a performance fee? If so, please explain the criteria.

There is no performance fee for the Portfolio Funds.

Any other fees?

There are no other fees relating to the Portfolio Funds.

What is the settlement period?

For the OEIC Portfolio Funds, the settlement period for investments and redemptions is T+4. This means all trades settle four working days after the trade date. This is consistent with all the funds we offer at Canada Life Asset Management.

This question is not applicable regarding the Life & Pension Portfolio Funds, as payment is due upon application of a policy and withdrawals area actioned upon receipt of a written request.

Availability

Through which platforms can investors currently purchase the fund? Are there any plans to increase availability via platforms?

Our LF Canlife Portfolio Funds III to VII (OEICs) can be accessed through our group companies and a number of wraps and platforms, as listed below. We continue to progress links with other platforms to provide greater accessibility for you.

The Canlife Index Portfolio 3-7 funds are only available via The Retirement Account from Canada Life.

- Aegon
- AJBell
- Alliance Trust
- Ascentric
- Avalon
- Aviva
- Fusion
- James Hay
- Transact
- Nucleus
- Old Mutual Pershing
- Platform one
- Raymond James
- Seven Investments Management
- Standard Life
- Suffolk Life
- Zurich
- True Potential investments
- Wealth Time
- Funds Network
- Novia
- Elevate

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EC3V 9JU

Past performance is not a guide to future performance. The value of investments may fall as well as rise and investors may not get back the amount invested. Income from investments may fluctuate. Currency fluctuations can also affect performance.

The information contained in this document is provided for use by professional advisers and is not for onward distribution to, or to be relied upon by, private investors.

The funds may invest in property funds that may be illiquid and subject to wide price spreads, both of which can impact the value of the fund. The value of the property is based on the opinion of a valuer and is therefore subjective.

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