



**Canada Life  
Asset Management  
Diversified Monthly  
Income Fund**

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**Adviser Sales Aid**

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## Canada Life Asset Management – a strong pedigree

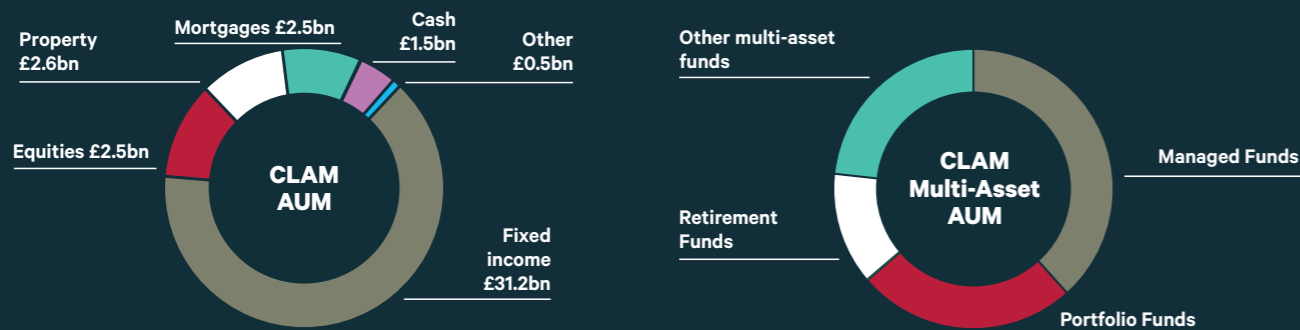
We look after the investment needs of today’s investor. We take a modern approach and combine it with a strong heritage to provide reliable, transparent and competitively priced funds.

Canada Life Asset Management (CLAM) is the brand for investment management activities undertaken by Canada Life Asset Management Limited, Canada Life Limited and Canada Life European Real Estate Limited within the Canada Life UK Group of Companies – a financially strong and stable organisation that has been looking after clients’ needs for 120 years. We have over £40.7 billion of assets under management (as at 30th September 2021). Our team of over 100 people includes over 50 highly experienced, qualified investment professionals with an average of almost 20 years’ industry experience.

## A global business with financial strength

CLAM sits under the global umbrella of Great West Lifeco Inc, which has over £1,262 billion of assets under administration (as at 30th June 2021).

At the heart of our business is a range of investment solutions designed to meet investors’ needs. We have expertise investing in equities, fixed income and property, and offer a range of open-ended funds (OEICS) that cover UK and international shares and bonds, as well as multi-asset strategies. Our team of investment professionals is based in the City of London and has extensive experience across all major asset classes.



Source: Canada Life Asset Management as at 30th September 2021.

## About the manager

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

+ Craig manages the LF Canlife Diversified Monthly Income Fund. He is also responsible for Canada Life Asset Management’s mixed asset funds, totalling more than £3.4 billion (as at 30th June 2021).

Craig Rippe  
Head of Multi-Asset Funds



## LF Canlife Diversified Monthly Income Fund

Targeting stable income and steady growth in a low interest rate world

Income-generating strategies can be a key element in clients’ portfolios – particularly if they are in retirement and are looking to draw an income while also giving their savings the potential to grow.

This fund is invested across a broad range of asset classes, geographies, sectors and companies. It undertakes active asset allocation with a focus on valuation and yield. Each quarter, we review the target weights for each asset class in addition to making decisions at sector and individual company level. We look for investments that have strong balance sheets, provide well-supported and growing distribution, and offer the prospect for capital preservation and growth.



The LF Canlife Diversified Monthly Income Fund is designed to provide a balance between certainty and flexibility, with a focus on what the client wants – income.



## Fund overview

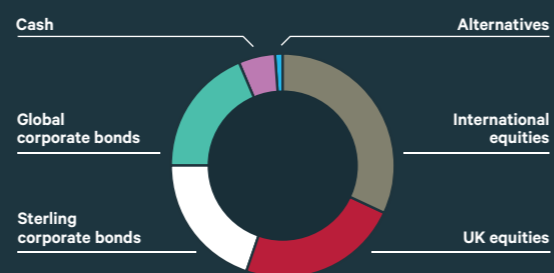
### Targeting steady income with monthly dividends

- + The fund aims to deliver a generous yield of 4% or more
- + Aims for a relatively steady monthly dividend payment
- + Potential for quarterly enhanced income and an annual bonus
- + Potential for above-inflation, real growth in dividends and capital

### Directly invested multi-asset allocation

- + Directly invested with a focus on businesses with strong revenue generation
- + Multi-asset and multi-region exposure
- + Risk management implemented through top-down asset allocation and bottom-up security analysis

### Diversified sources of income



Target Weight	Min	Max
Fixed income	30%	70%
Equities	25%	55%
Alternatives	0%	20%

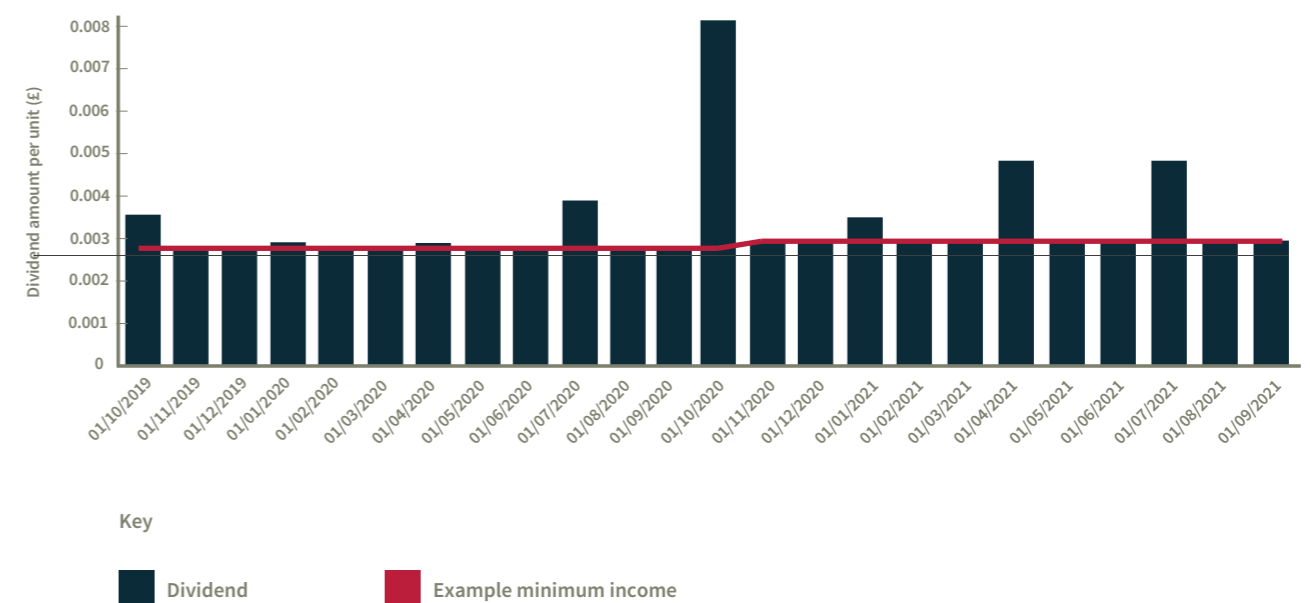
Source: LF Canlife Diversified Monthly Income Fund asset allocation as at 30.09.2021.

## A stable, steady, monthly income for investors

The LF CanLife Diversified Monthly Income Fund, unlike many traditional income funds, pays out a steady income each month (think of it as a smoothed distribution), allowing investors to budget with greater certainty. To do this, the fund sets a targeted monthly income per unit each year so no matter the price of the underlying fund, the dividends aim to be consistent on a pound value each month.

The chart below highlights this steady stream of income since inception of the fund. Targeted monthly income per unit: £0.0029

LF CANLIFE DIVERSIFIED MONTHLY INCOME FUND MONTHLY PAYMENTS, QUARTERLY UPLIFTS AND ANNUAL BONUSES



### Quarterly enhancements

Every quarter, the fund manager will review the underlying dividend "pot" and assess whether a quarterly enhancement can be paid to investors. This is paid in excess of that month's targeted dividend.

### Annual bonus

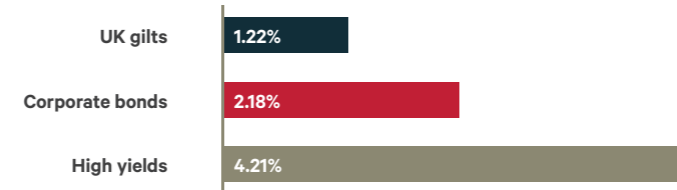
Once a year the fund pays out the remaining stored dividends as an annual bonus.

We aim for the sum of the monthly dividends, quarterly enhancements and the annual bonus to exceed an annual yield of 4%.

## Assessing yield from asset classes

### Fixed income

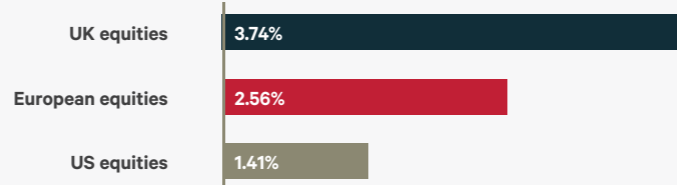
Drawing on the expertise of our fixed income team, the managers allocate 30-70% of the fund to government, corporate and high yield bonds. To manage risk, our internal credit team will assign their own internal ratings to each bond within the fund, which is then reviewed regularly. The fund will tend to have a bias towards investment grade bonds.



Sources: Gilts represented by iBoxx £ Gilts Mid Price; Corporate Bond represented by iBoxx £ Corporates Mid Price; High Yield Represented by Markit iBoxx GBP High Yield Overall. All data from IHS Markit as at 30.09.2021.

### Equities

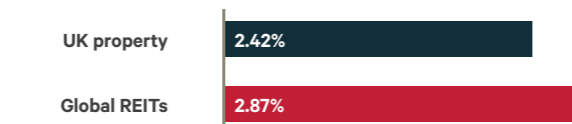
The fund will allocate between 25% and 55% to equities, spread globally, with a bias towards the UK, Europe and the US. Drawing on the expertise of CLAM's Equity Team, stocks that demonstrate 'best-in-class' qualities and dividend consistency are chosen for inclusion and are reviewed regularly to make sure key factors are met.



Sources: UK Equities represented by MSCI UK Index (USD); European Equities represented by MSCI Europe Index (USD); US Equities represented by MSCI North America Index (USD). All data from MSCI as at 30.09.2021.

### Property

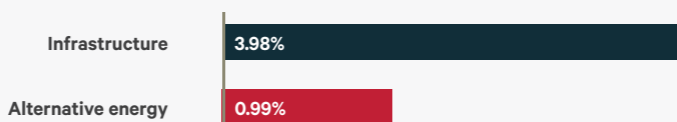
The fund will allocate between 0% and 20% to global property. With insight from our Property Real Estate team, the fund can invest in physical property and global REITs. As an historical diversifier to other asset classes, with features of both fixed income and equities, property can offer attractive yields that complement the returns.



Sources: UK property represented by LF Canlife UK Property ACS Class N Inc., Morningstar as at 30.09.2021. Global REITs represented by MSCI World REITs Index (USD), MSCI as at 30.09.2021.

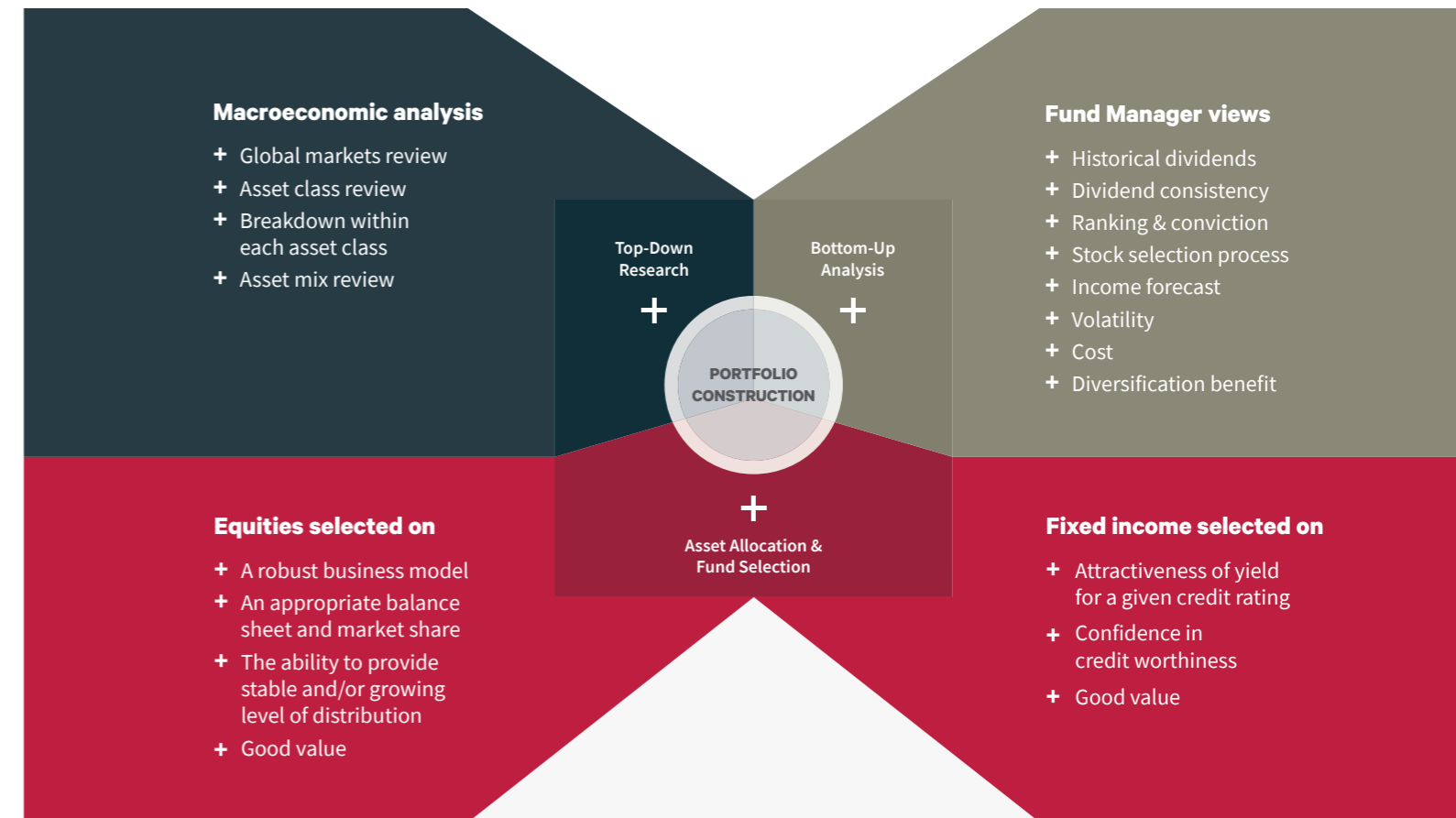
### Alternatives

Alternative income investments, including infrastructure, renewables and specialist debt, allow the fund to access predictable income streams through tradable vehicles. This provides an opportunity for investors to benefit from attractive yields in this sector, while retaining liquidity.



Sources: Infrastructure represented by MSCI World Infrastructure Index (USD); alternative energy represented by MSCI Global Alternative Energy Index (USD). All data from MSCI as at 30.09.2021.

## The investment process



Fund Facts	
Launch date	01/07/2019
Fund manager	Craig Rippe
Fund size	£30.0m
Number of holdings	95
Legal structure	Open Ended Investment Company
Dealing frequency	Daily (midday)
Dividend frequency	Monthly
Base currency	GBP
Benchmark	IA Mixed Investment 20-60% Shares
Sector	IA Mixed Investment 20-60% Shares

As at 30th June 2021

## Ratings



## Getting in touch

To learn more about CLAM's multi-asset solutions, please contact:

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For full details of the fund's risks, please see the latest prospectus. Other share classes are available.

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**Income Risk:** The amount of income is not guaranteed. The fund can only distribute income it has and there is no guarantee that income will be paid each month. **Charges to Capital Risk:** As charges are taken from the fund's capital, this will erode capital and may constrain capital growth. **Currency Risk:** As the fund can be exposed to different currencies, changes in exchange rates may decrease the value of your investment. **Credit Risk:** The value of a bond may be affected by its credit rating, the lower the rating the higher the risk of the issuer not paying interest or repaying the loan. **Changes in Interest Rate Risk:** A rise in interest rates generally causes bond prices to fall. **Liquidity Risk:** In unfavourable market conditions, corporate bonds may be harder to sell in a timely manner and at reasonable prices, than in normal market conditions. This could have a negative impact on the value of the fund. In extreme market conditions this could affect the fund's ability to meet investors' redemptions. **Property Fund Investment Risk:** Property funds can become illiquid increasing the risk that a position cannot be sold in a timely manner or at a reasonable price. **Counterparty Risk:** The failure of a firm involved in a transaction with the fund or providing services to the fund may expose the fund to financial loss. **Emerging Markets Risk:** The fund may invest in emerging markets, which are markets in countries that are developing. Emerging markets may have more political and economic risks than developed markets, which may result in large and frequent price movements that may cause a loss to the fund.



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