



Canada Life Asset Management Multi-Asset Funds

Our investment
approach and fund
governance

Canada Life Asset Management – a strong pedigree

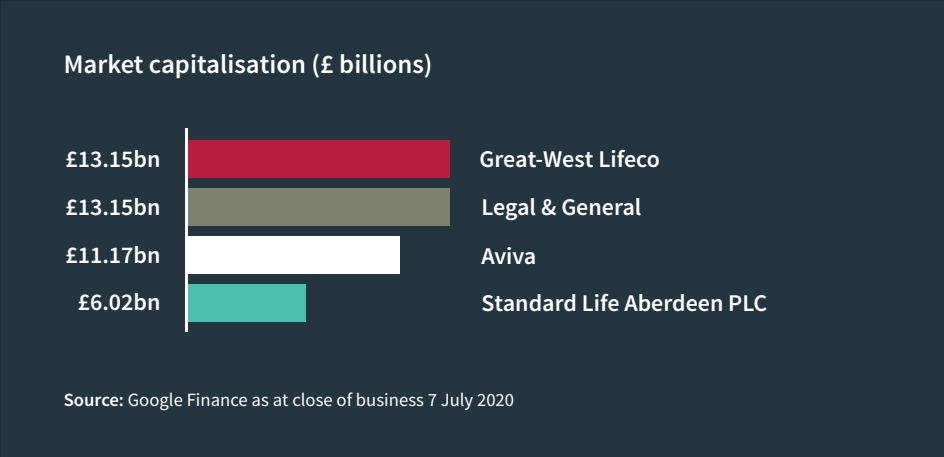
We look after the investment needs of today’s investor. We take a modern approach and combine it with a strong heritage to provide reliable, transparent, and competitively priced funds.

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 the needs of advisers and their clients for 120 years. We have over £40 billion of assets under management (as at 30th June 2020). Our team of over 100 people includes over 50 highly experienced, qualified investment professionals with an average of 18 years’ industry experience.

A global business with financial strength

CLAM sits under the global umbrella of Great West Lifeco Inc, that has over £940 billion of assets under administration (as at 30th June 2020).

Great-West Lifeco is one of the largest businesses by market capitalisation in our industry, valued at over £13.15 billion. The ethos of our parent company, and their focus on looking after the long-term needs of their customers rather than the short-term needs of shareholders, prevails throughout each of the businesses they own.



Contents

This brochure gives you an overview of our approach to multi-asset investing, our investment beliefs, who these funds might be suitable for, and the governance process that presides over the fund range. It aims to reassure you that when you decide to place your clients’ valued investments with us, we will work hard to enable them to meet their goals with no nasty surprises along the way.

An introduction to multi-asset investing with CLAM	2
Our investment philosophy	4
Our multi-asset investment and management team	6
Investment governance	8
Risk Management and Corporate Governance	10
Our multi-asset investment approach	12
Marketing support	17
Contact us	17

We believe that we can help to build better futures by putting customers at the heart of everything we do

An introduction to multi-asset investing with CLAM

Our comprehensive range of multi-asset funds provide investment solutions that diversify risk and work towards specific client outcomes. They are carefully monitored and managed so that you and your clients can be assured their longer-term financial goals are well looked after.

What is multi-asset investing?

Multi-asset funds invest across different asset classes to achieve the optimal balance of risk and return. By diversifying across different types of assets and across different geographies, clients have more sources of potential return that will behave differently according to the prevailing market conditions. This helps to manage portfolio risk.

Why multi-asset investing?

Multi-asset funds can be suitable for all types of client – whether they are accumulating wealth or are in the process of drawing down in retirement. They are ideal for clients who want to be sure their investments are managed closely in line with the risks they are willing to take, but don't want to pay the higher charges associated with a bespoke investment solution.

An overview of our multi-asset range and how to access them

We have a range of risk managed, risk targeted and income multi-asset funds that cater for different risk appetites. The funds are available within a wide selection of wrappers, including OEICs, ISAs, ISA transfers, Pensions, offshore and onshore bonds.



	Life & Pensions	OEIC	The Retirement Account – Core Range
Risk Managed – Active 0 – 35% 20 – 60% 40 – 85%	✓	✓	✓
Risk Managed – Passive 0 – 35% 20 – 60% 40 – 85%	✓		✓
Risk Managed Diversified Monthly Income		✓	✓
Risk Targeted – Active Portfolios 3 – 7	✓	✓	✓
Risk Targeted – Passive Portfolios 3 – 7 (BlackRock)	✓		
Risk Targeted – Passive Portfolios 3 – 7 (Vanguard)			✓

All three ranges share the same fund managers, investment process, philosophy, asset allocation, and have similar underlying holdings. The exception are the Passive Portfolios where some invest primarily in BlackRock tracker funds and some primarily in Vanguard tracker funds.

Our investment philosophy

We take a long-term and considered approach to investing. We believe that we can help to build better futures by putting customers at the heart of everything we do.

When it comes to multi-asset investing, we strive to:

Take a long-term approach to deliver results

It is important to take a long-term perspective and rise above short-term news and swings in sentiment, regardless of the client's objectives.

Help you ensure ongoing suitability

Your client can be safe in the knowledge that their investments will always align to their attitude to risk. If their outlook or investment needs change, you can move them to a different multi-asset solution.

Simple, transparent, and competitively priced

We believe multi-asset funds should be easy to explain and offer clarity and transparency around how the client's funds are invested, and the outcomes they can expect to achieve. We ensure our procedures and processes mean we can keep our fees and charges competitive.

Take our responsibilities seriously

We take our responsibility for your client's money very seriously. We strive to be dynamic, while always remaining disciplined.

Our risk management and governance processes ensure we monitor and assess fund performance, while challenging our approach and ensuring we are treating all customers fairly.

Be able to meet all client objectives

We invest in a diversified blend of geographies and investment types with the aim of meeting your client's risk and reward requirements. We offer different solutions to meet the full range of risk appetites.

Ratings

The LF Canlife Portfolio Funds and the LF Canlife Diversified Monthly Income Fund have been awarded the following rankings:



Our multi-asset investment and management team

Our multi-asset team draws on the skills and experience of our large team of investment professionals, who are steadfast in taking the longer-term view on behalf of your clients.

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 appointed Head of Multi-Asset Funds 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 distribution.

David has over 30 years' industry experience, with investment experience in both equities and bonds. He joined Canada Life Asset Management in November 2010 as Head of Securities having previously been Head of Global Equities at Insight Investment.



Mike Willians

Head of Equities

- + Mike joined Canada Life Asset Management in October 1999. He became Head of International Equities in March 2010 and was 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 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 has been with Canada Life Asset Management since 1986. He was appointed Head of UK Property in June 2020.

Michael heads up the property team and 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.



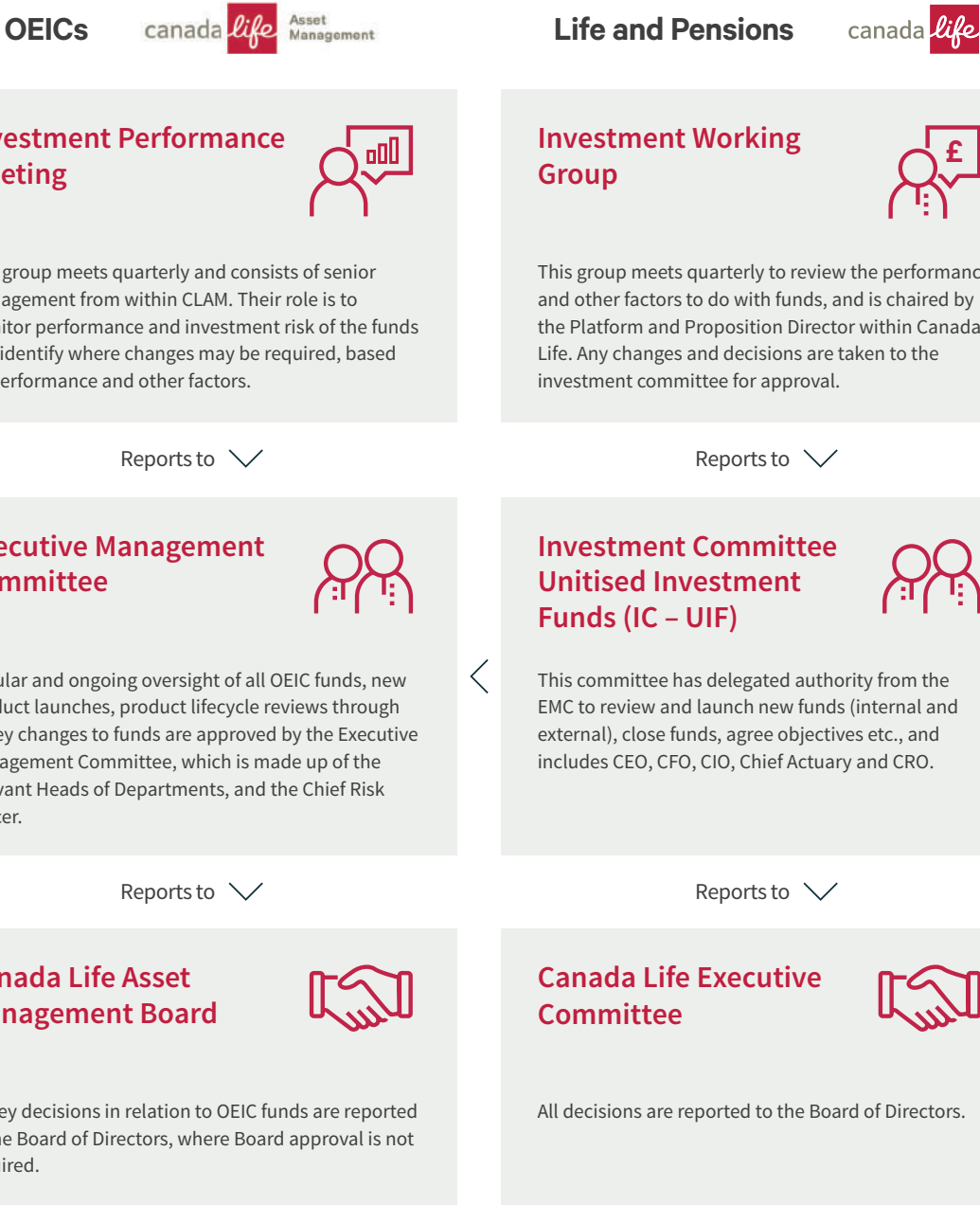
Investment Governance

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. 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.

Investment governance committee structure



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.

We focus on delivering fair customer outcomes in a consistent and well-controlled manner.



Our investment team are steadfast in taking the longer-term view on behalf of your clients.

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.

The three lines of defence

CLAM operates a 3-Lines-of-Defence (3LoD) model which shows a clear delineation of responsibilities for risk management. These are:

+ 1st Line - Business Areas

Business areas are the ultimate owners of risks and are primarily responsible and accountable for the day-to-day ERM operations within the established ERM framework, including designing and implementing risk mitigation techniques and internal controls. Primary responsibility and accountability for risk identification, measurement, management, monitoring and reporting lies with first line business areas.

+ 2nd Line - Risk and Compliance Functions

The Risk and Compliance functions are primarily responsible and accountable for the oversight of all risk-related activities and processes across the Company. The second line of defence challenges and assesses the first line of defence's operation of the risk management framework and provides oversight of compliance with applicable laws and regulation.

+ 3rd Line - Internal Audit

Internal audit is responsible for the provision of comprehensive assurance to the Board and senior management about the operational effectiveness and design of the risk management framework based on the highest level of independence and objectivity within the Company.



Our multi-asset investment approach

Each of our multi-asset solutions has been designed to serve a different purpose. A fund can be used as a single, diversified holding that aims to achieve stable, long-term growth. Or it can be used to help reduce volatility and produce smoother returns.

Our multi-asset range is predominantly 'funds of funds' and enables your clients to invest for growth and income while choosing between a risk-targeted or risk-managed approach, and active or passive fund management. We have ten globally diversified risk-targeted portfolios, six risk-managed funds and an income fund.

Client suitability

Multi-asset funds can be suitable for both the accumulation and decumulation life stages. Typically, clients who are attracted to multi-asset investing should be:





















- Comfortable with their attitude to risk and seek a fund/ funds that invests within this risk appetite
- Looking for low charges and fees
- Comfortable investing across a wide range of assets, and understand that this helps maximise potential returns within their risk appetite
- Aware that the value of their portfolio may fall, even over the longer-term
- Able to understand the difference between active and passive management, and choose accordingly
- Intending to invest for five years or more

Our actively-managed funds aim to generate long-term capital growth by investing in a broad range of diversified portfolio assets

The risk-targeted portfolios at a glance

We have two ranges of risk-targeted portfolios – an active range and a passive range. Within each range, there are five portfolios. They are ready-made, cost effective solutions delivering ongoing suitability for your clients.

Each portfolio invests in a range of geographies and asset classes and is closely managed to a defined risk/reward profile, aligned to Dynamic Planner’s asset allocation for risk profiles 3 to 7. Each portfolio is monitored daily to ensure it achieves its aims and Dynamic Planner (DT) Risk-Profile allocations. If necessary, they are rebalanced. The Funds are also risk-rated by Synaptic, FinaMetrica and Defaqto.

	Portfolio 3	Portfolio 4	Portfolio 5	Portfolio 6	Portfolio 7
Risk Profile	  	  	  	  	  
Suitability	Aimed at clients seeking a stable return with minimal risk to capital.	Aimed at clients seeking a relatively stable return but are prepared to accept some risk to capital.	Aimed at clients seeking capital growth while also being able to accept a moderately high level of risk.	Aimed at clients seeking capital growth and who can tolerate a higher degree of risk.	Aimed at clients seeking a high level of capital growth and who can tolerate elevated levels of risk and volatility.
Approach	The fund invests in fixed income securities and cash but also includes UK and international equities and UK commercial property.	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.	The fund invests in UK equities, international equities, and UK commercial property with around a third in fixed income securities and cash.	The fund invests in UK and international equities with the remainder in fixed income securities, cash and UK commercial property.	The fund invests in equities, with a substantial proportion invested overseas. The rest is allocated to UK corporate bonds, global high yield bonds and UK commercial property.
*OCF -Active	OEICs = 0.79% Life funds = 0.49% Pension funds = 0.36%	OEICs = 0.75% Life funds = 0.54% Pension funds = 0.43%	OEICs = 0.77% Life funds = 0.60% Pension funds = 0.51%	OEICs = 0.80% Life funds = 0.67% Pension funds = 0.57%	OEICs = 0.87% Life funds = 0.72% Pension funds = 0.61%
*OCF -Passive	0.16%	0.16%	0.16%	0.16%	0.16%
*AMC -Active			0.45% (C share class)		
*AMC -Passive			0.10%		
Strategic Asset Allocation					

*All charges are correct as at 30 September 2020.

UK Property Equities Fixed Income Cash

The risk-managed funds at a glance

We have six risk-managed funds which have varying degrees of equity exposure, and therefore risk. Our portfolio managers can adjust their asset allocation within set bands to meet prevailing market conditions, thereby maximising growth opportunities.

Our active range invest mainly in Canada Life Asset Management’s actively managed funds, so the fund managers have direct access to the expertise of our in-house fund management teams enabling them to receive in-depth updates on each fund. This keeps costs down and allows more time to focus on wider asset allocation decisions. Our index range mainly use index tracking funds from Vanguard.

	0%-35% Shares	20%-60% Shares	40%-85% Shares
Suitability	For clients looking for long term capital growth and income with low volatility.	For clients looking to generate long term capital growth, with a medium risk appetite.	For clients looking to achieve capital growth, and with a higher appetite for risk.
Approach	Invests in a diversified portfolio of UK income-generating equities and bonds, and direct property.	Invests in a broad range of diversified assets, including global bonds and equities as well as UK commercial property.	Invests in a diversified portfolio of mainly growth assets.
*OCF -Active	1.01%	0.92%	1.00%
*OCF -Passive	0.25%	0.25%	0.25%
*AMC -Active	0.45%	0.45%	0.75%
Strategic Asset Allocation	 Low	 Risk/Potential reward	 High

*All charges are correct as at 30 June 2020.

Fixed Income Shares Property

Risk managed income fund at a glance

Income generating portfolios can be useful within a client’s portfolio – particularly if they are in retirement and are looking to draw an income while also giving their savings the potential to grow.

Diversified Monthly Income Fund

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 and will make decisions at both sector and individual company level. The fund manager focuses on identifying equity investments that are backed by robust business models, strong balance sheets and market share, together with the ability to provide stable or growing dividends and other income streams. When selecting fixed income securities the focus is on the underlying fundamentals and strength of the balance sheets of the companies with a target of optimising risk adjusted returns.

Strategic asset allocation

Asset Class	Minimum %	Maximum %
Property	0	20
Company shares	25	55
Government and Corporate Bonds	30	70

Please refer online at canadalifeassetmanagement.co.uk where you can see funds in more detail.

Marketing Support

For more information on the LF Canlife Portfolio Funds, please visit:
www.canadalifeassetmanagement.co.uk/assets/multi-asset-solutions/

For more information on the Canada Life Retirement Account, please visit:
www.canadalife.co.uk/retirement/the-retirement-account/

Getting in Touch

For more information surrounding CLAM’s multi-asset solutions, please contact:

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The value of investments may fall as well as rise and investors may not get back the amount invested.

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The views expressed in this document are those of the fund manager at the time of publication and should not be taken as advice, a forecast or a recommendation to buy or sell securities. These views are subject to change at any time without notice.

The fund 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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