

## Fixed Income

Across fixed income, we integrate ESG considerations into our investment decision-making process, which is aligned with both our investment strategy and Canada Life Asset Management's wider responsible investment strategy.

In fixed income, we believe there is a strong correlation between issuers with strong ESG performance and secure investment returns over the long term.

As with equities, we want companies in which we invest to continuously seek opportunities to change their behaviours in meaningful and lasting ways. We see engagement with our investee companies as an effective tool to delivering wider economic, social and environmental change.

### Before we invest:

We first screen using a third-party research tool, before conducting our own assessment for companies that are flagged by the tool.

We review against two exclusion criteria: non-compliance with the Global Compact standards and exposure to thermal coal. (Please see the CLUK TCFD report [www.canadalifeassetmanagement.co.uk/responsible-investing/policies-reports](http://www.canadalifeassetmanagement.co.uk/responsible-investing/policies-reports)).

We review new investments (and on an annual basis, existing investments) against relevant ESG factors, assigning a red/amber/green rating for each of Environment, Social and Governance:

Environmental factors evaluate the impact of a company's operations on the environment including its use of natural resources. The 'E' factors we assess include (1) Carbon Emissions and Air Quality (2) Effluents and Waste (3) Land Use and Biodiversity (4) Resource Use and Management.

Social factors evaluate the company's operations as good corporate citizens with regards to Access to Basic Services, Community Relations, Data & Privacy Security, Human Capital, Occupational Health & Safety, Human Rights and Product Recalls and Safety.

Governance factors assess the company with regards to Board/Management Quality and Integrity, Ownership and Shareholder Rights, Audit and Financial Reporting and Financial Strategy and Risk Management.

### After we have invested:

We engage with all issuers identified with a red indicator for either E, S or G, seeking to contribute to positive change, and making clear our expectations and position.

We review the investment strategy for 'red' holdings monthly to determine whether to 'Hold and Invest', 'Hold and Review', or 'Opportunistically Reduce'.

We also consider investment term limits for some issuers following our assessments of the short-, medium- and long-term implications of the factors driving the red score.

## Getting in touch

To learn more about the fund, please contact:

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### Important Information

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

The information contained in this document is provided for use by investment professionals and is not for onward distribution to, or to be relied upon by, retail investors. No guarantee, warranty or representation (express or implied) is given as to the document's accuracy or completeness.

This document is issued for information only by Canada Life Asset Management. This document is intended to be used as a sales aid and does not constitute a direct offer to anyone, or a solicitation by anyone, to subscribe for shares or buy units in the fund. Subscription for shares and buying units in the fund must only be made on the basis of the latest Prospectus and the Key Investor Information Document (KIID) available at [www.canadalifeassetmanagement.co.uk](http://www.canadalifeassetmanagement.co.uk).

This fund is a UCITS scheme and a standard variable net asset value (VNAV) money market fund (MMF). The MMF is not a guaranteed investment, nor does it receive external support to guarantee its liquidity. Unlike bank deposits, investment in MMFs can fluctuate and investor's capital is at risk.

## WS Canlife Sterling Liquidity Fund

Focused on strong  
credits, diversification  
and capital protection

canada *life* Asset Management™

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CLI01491 Expiry 30/09/2024

## The WS Canlife Sterling Liquidity Fund is designed to provide institutional investors with a high degree of capital security with daily liquidity.

The managers construct a diversified money market portfolio of high quality commercial paper, certificates of deposit, floating rate notes and short dated bonds, with the aim of delivering an enhanced return relative to short-term bank deposits.

As well as Fund Manager, Steve Matthews' longstanding expertise in sterling bond and money markets, we are also able to utilise the Canada Asset Management Credit Research Team, which has in-depth knowledge of individual corporates and sectors, drawing on the firm's long experience in annuity management.

This results in a portfolio of high quality money market assets with a focus on capital preservation. 100% of the portfolio will be rated between AAA and A\*, with the term and size of the investments being determined by their internal rating. All counterparties are monitored and reviewed by the Credit Research Team regularly, to provide additional oversight.

Typically, the fund will consist of between 40 and 80 issuers, with allocations to AAA rated covered bonds and government/agency assets as an additional level of liquidity to support overnight deposits and short maturities.

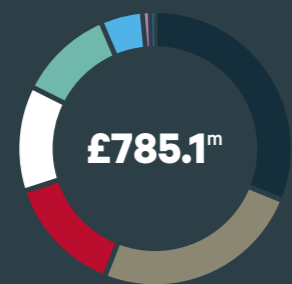
\*At the time of purchase, Credit ratings are internal and assigned by Canada Life Asset Management. Ratings will generally be in line with the major external rating agencies and should not be higher than the highest rating of these. Canada Life Asset Management will assign ratings to bonds that do not have an external rating.

## Fund overview

- + For UK institutional investors
- + Legal/Regulatory structure: OEIC/UCITS
- + Launch date: 30 June 2017
- + Sector: IA Standard Money Market
- + Benchmark: SONIA
- + Rating: Fitch AAA/S1
- + Aims to provide a return in line with sterling money market rates combined with a high degree of capital security
- + Liquidity: T+1
- + Dealing frequency: Daily (12 noon)
- + OCF: 0.15% / AMC: 0.15%
- + ISIN: I Acc GB00BYW8XV16 / I Inc GB00BYW8XW23
- + SEDOL: I Acc BYW8XV1 / I Inc BYW8XW2

### Exposure Allocation

as at 30 June 2023



- Corporate Bonds - Floating
- Certificates of Deposit
- Corporate Bonds - Fixed
- Commercial Paper
- Time Deposits
- Government Bonds / Supranationals
- Gilts/UK Tbills
- Cash/unsettled trades

## Stock selection

The Fund aims to invest in a variety of different securities, each of which contribute to the aims and objectives in different ways. These include:

- 1 Provide T+1 liquidity through overnight deposits
- 2 Provide yield by introducing carefully selected longer-dated assets into the portfolio
- 3 Seek additional yield over bank deposits, by adding highly liquid government and covered bonds
- 4 Help secure price stability through addition of selective Floating Rate Notes (FRNs)
- 5 Maintain maturity ladder with Certificates of Deposit and Commercial Paper

## About the managers

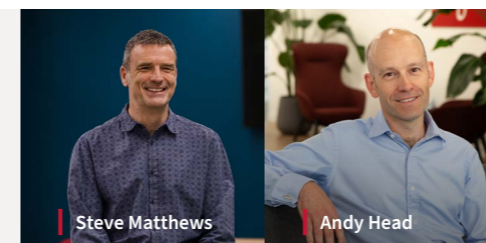
### Steve Matthews

- + 27 years' experience in investment management
- + Joined Canada Life Asset Management in 1996 and has been managing liquidity funds since 2002
- + Manages short bond and liquidity mandates for a number of institutional clients, as well as life and pension money funds
- + Manages Short Term Bond Fund and is co-manager of SDCB
- + Holds the Investment Management Certificate and is a Fellow of the Chartered Institute for Securities & Investments

### Andy Head

- + Joined Canada Life Asset Management in 2003 and transferred to the Fixed Income Team in October 2010
- + Co-manages the liquidity funds and provides support for the fixed income managers
- + Holds the Investment Management Certificate and is a Chartered Member of the Chartered Institute for Securities & Investments
- + 20 years' experience in investment management

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



## Role of credit research

The liquidity management team is supported by the in-house Credit Research Team.

- + The liquidity management team has regular meetings with the Credit Research Team to discuss counterparties and their continued suitability
- + The Credit Research Team cover over 350 issuers in Europe and more than 2,500 globally. Expertise includes in-depth updates on sectors, results and specific events plus conducting annual reviews
- + The findings are in an internal rating that cannot be higher than the highest of the three major credit rating agencies
- + The ratings are generated by models and continually reviewed for consistency and accuracy.
- + The research and management teams are located nearby, encouraging a culture of co-operation and partnership
- + Research coverage is global across the Great-West Life group, allowing us to leverage off the experience of our US and Canadian colleagues in respect of banks such as Toronto Dominion and JPMorgan

## Why Canada Life Asset Management?

Canada Life Asset Management is based in the City of London, manages around £36.0bn of assets across company shares, fixed income and property.

We offer a range of open-ended funds (OEICs) that cover UK and international shares and bonds, as well as multi-asset strategies.

Our parent company, Great-West Lifeco, is one of Canada's largest financial services providers – having over £1,539bn in consolidated assets under administration. By being part of a much larger group, we are able to draw on a pool of expertise and resources that enable us to better serve our clients and help them to meet their objectives. At the heart of our business is a range of investment solutions designed to meet investors' needs.

- + FIXED INCOME £26.1BN
- + EQUITIES £2.2BN
- + MORTGAGES £2.6BN
- + PROPERTY £2.4BN
- + CASH £2.3BN
- + OTHER £0.4BN

**20** years  
IN INDUSTRY

**15** years  
WITH THE COMPANY

**£36.0** bn  
ASSETS UNDER MANAGEMENT

as at 30 June 2023