**What has caused the WS Canlife UK Property ACS to stop trading and close?**

Waystone Management (UK) Limited have confirmed: *‘The reason for terminating the Sub-fund and winding up of the Scheme is that the ACS Manager has been advised of the intention of the overwhelming majority of the unitholders in the Sub-fund of the Scheme to redeem their holdings. The Sub-fund of the Scheme currently has approximate assets under management of [£254 million]. However, following the redemptions, the assets under management will be in the region of £102 million.*

*Following discussions with the investment manager, Canada Life Asset Management Limited (the “Investment Manager”) in our opinion, there is no reasonable expectation of foreseeable growth as there is inadequate demand for the Sub-fund of the Scheme. Additionally, the ACS Manager considered a scheme of arrangement for the ACS however a suitable fund with a similar investment objective and policy could not be identified. The ACS Manager therefore considers that the Sub-fund of the Scheme would no longer be commercially viable.’*

This means that Canada Life Asset Management and Waystone Management (UK) Limited believe that the fund will be too small to manage effectively to deliver the best outcomes for our investors.

**Who are Waystone Management (UK) Limited?**

Waystone Management (UK) Limited carry out all fund administration, which includes placing dealing instructions, providing fund literature and taking calls in relation to the WS Canlife UK Property ACS.

**Which Life and Pension funds offered by Canada Life are affected?**

The following funds invest in the WS Canlife UK Property ACS, are not trading and are in the process of closing and winding up.

Onshore Life funds and Onshore Investment Bond products impacted:

|  |  |  |
| --- | --- | --- |
| **Fund Name** | **ISIN Code** | **Product** |
| Canlife UK Property LS5 | GB00BBMJ8M98 | Select Account  Discounted Gift Trust |
| Canlife UK Property LS3 | GB0000123736 | Flexible Investment Bond (Deferred Option)  Total Access Bond |
| Canlife UK Property LS4 | GB0032040254 | Flexible Investment Bond (Level Option)  Select Investment Bond |
| Canlife UK Property LS2A | GB0005638159 | Manulife Flexible Cover Plan |

Pension funds and products impacted:

|  |  |  |
| --- | --- | --- |
| **Fund Name** | **ISIN Code** | **Product** |
| Canlife UK Property | GB00BF77WV36 | The Retirement Account |
| Canlife UK Property Income | GB00BFV9H981 | The Retirement Account |
| Canlife UK Property PS4 | GB0000137637 | Trustee Investment Plan |
| Canlife UK Property PS5 | GB00BV9GRZ97 | Flexible Drawdown Plan  Pension Annuities (formerly Equitable Life) |

No International Investment Bond products or funds are impacted.

**What is the impact of the fund closure of WS Canlife UK Property ACS on the Life and Pension Canlife UK Property and Canlife UK Property Income funds Canada Life offers?**

Trading has stopped in our life and pension funds because of the fund wind up of WS Canlife UK Property ACS fund. Distributions will be paid as and when they are received from Waystone Management (UK) Limited and further details on the distribution and how this will be applied is explained below.

**How does this affect my policy if I am invested in the Canlife UK Property fund?**

Your policy will continue to perform in line with the performance of any remaining unsuspended funds held in your policy. The **Canlife UK Property fund** will remain in your policy until the fund has been fully wound up. Please note that further impacts will be outlined in the following questions.

**Will this affect my regular withdrawals from my policy?**

Regular withdrawals are still available for any fund that is not currently suspended. Future regular withdrawals may be impacted if there are no other funds available that can be sold to facilitate the withdrawal.

**What will happen to my regular product charges taken from my policy?**

For the Retirement Account, existing charge agreements will continue to be deducted from the policy if there are other funds available that can be sold to facilitate taking the charge. If there are no other funds available that can be sold to facilitate taking the charge, the product charges will cease.

For the below products, the product charge continues to be taken by way of annual management charge. We are currently unable to facilitate taking any other form of product charges.

* Flexible Investment Bond (Deferred Option)
* Total Access Bond
* Flexible Investment Bond (Level Option)
* Select Investment Bond
* Trustee Investment Plan

For the Select Account, Discounted Gift Trust and Flexible Drawdown Plan, we are currently unable to facilitate taking any other form of product charges.

**What will happen to any ongoing adviser charges set up on my policy?**

For the Retirement Account, existing ongoing adviser charges will continue to be deducted from the policy if there are other funds available that can be sold to facilitate taking the charge. If there are no other funds available that can be sold to facilitate taking the charge, the ongoing adviser charges will cease.

For the below products, the ongoing adviser charges have ceased where a policy has any investment in the suspended fund. We are investigating whether there are any immediate changes we can make to policies to enable these charges to recommence.

* Flexible Investment Bond (Deferred Option)
* Flexible Investment Bond (Level Option)
* Select Account
* Discounted Gift Trust
* Flexible Drawdown Plan

To enable the fund charges to be paid, we need to be able to redeem each of the assets held in each segment of the policy. Unfortunately, as the **Canlife UK Property fund** is suspended, we are unable to redeem this funds units and therefore we are unable to pay the charges in the usual way.

The products are still able to switch from any asset that is not suspended and will continue to receive any capital growth from the assets that are not suspended. Where policies have more than one element (i.e. a top up) and not all elements are invested in the **Canlife UK Property Fund**, the adviser charge will continue on those elements.

The facilitation of the payment for adviser charges is an agreement between Canada Life and the customer. Unfortunately, as stated in the Policy Provisions, there may be times when we are unable to facilitate the adviser charges.

**What will happen if I need to take a one-off withdrawal from my policy?**

Withdrawals are still available for any funds that are not currently suspended. Future one-off withdrawals may be impacted if there are no other funds available that can be sold to facilitate the withdrawal.

**What will happen if I need to fully encash my policy?**

Please be aware that because of the fund closure and the restriction on trading, we will not be able to facilitate a full encashment of the policy if you hold the **Canlife UK Property fund.** However, we can encash the remaining available assets not held in a suspended fund. **Please be aware that we are unable to provide financial advice and we would strongly recommend that before selecting any payment option, that you discuss the tax implications with your professional adviser.**

**When will I be able to get my money out of the Canlife UK Property fund?**

Once this distribution has been received from the fund, we will process this on our systems and write out to the affected customers and advisers to confirm the payment amount of the distribution. The distribution amount will be invested as per the table below depending on the product you are invested through. When the money has been applied, you will be able to sell, switch and withdraw the unsuspended units as usual.

|  |  |
| --- | --- |
| **Product** | **Where will your money go once a distribution is received?** |
| Select Account  Discounted Gift Trust | Canlife Money Fund |
| Flexible Investment Bond (Deferred Option)  Total Access Bond | Canlife Money Fund |
| Flexible Investment Bond (Level Option)  Select Investment Bond | Canlife Money Fund |
| The Retirement Account | Cash Account |
| Trustee Investment Plan | Canlife Money Fund |
| Flexible Drawdown Plan  Equitable Life Annuities | Canlife Money Fund |
| Manulife Flexible Cover Plan | Canlife Managed Fund |

Please note that early indications confirm that the WS Canlife UK Property fund closure is expected to take roughly 2-3 years to complete. This is a best endeavour estimate and could change.

**When will trading resume on the Canlife UK Property fund?**

Trading is not expected to resume on the **Canlife UK Property fund**. All property will be sold within the WS Canlife UK Property ACS portfolio and payments out (also known as ‘distributions’) will be made to policyholders and applied to products as per the above table. We will write to you to confirm when a distribution has been applied to your account.   
 **I was never aware a fund suspension and wind up could happen, why is this allowed?**

Any investment will carry a certain amount of risk. Please remember that past performance is not a guide for the future and that the value of your units may fall as well as rise. The funds are not the same as bank or building society accounts because the capital value of the investment does not remain fixed.

Unfortunately, due to the nature of the suspension and wind up, there may be circumstances in which Canada Life may delay valuations, fund switching, and paying claims. These are set out in your policy provisions.

**Am I going to lose my money if I can’t take it out?**

Your money will remain invested in the **Canlife UK Property fund** while the fund winds up. Our systems will automatically value the **Canlife UK Property fund** at £0 *(for all products except the Retirement Account)* whilst the suspension and wind up is processed. **Please note this is for administrative reasons only and the distribution payments will be made proportionately.**

Should you wish to get a more up to date value of your investment based on the last known price, please contact our Customer Services Team on [CSMailings@canadalife.co.uk](mailto:CSMailings@canadalife.co.uk) who will be able to provide this manually for you.

For the Retirement Account customers, the **Canlife UK Property (+ Income) funds,** will continue to be regularly priced, the valuation provided will be the most up to date available price.

Any valuation given will be an estimate of the current fund value and is not based on a tradeable price or represent the actual value that will be returned through the distribution process.

**How much will I get when I receive payments out (also known as ‘distributions’) from the Canlife UK Property fund?**

The amount you get back will depend on the value of the property sales within the fund, how much of the portfolio the sales relate to and how many units you hold. We will write out to you to tell you the payment amount of any distributions made to you and the applicable distribution unit price.

**Can I make new investments into the fund while there is a suspension in place?**

No, we are not allowing any trading in the fund, which means you cannot buy (or sell) units in the fund.