

## PRODUCT FEATURE SHEET

# SLF Trust Guaranteed Investment Certificate

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Whatever your goals, you can take advantage of the security and flexibility of a guaranteed investment certificate (GIC). The SLF Trust GIC provides investment opportunities with guaranteed interest rates over a period of time and gives you access to your money, without the risk of stock market fluctuations.



## GICs are a good choice for people who want to:

- minimize risk in their investments, or
- who are looking to balance other investments that have more risk.

## Here's a quick overview of GICs.

A GIC provides investment options that give you fixed rates of interest for set periods of time. You decide for how long you want to invest your money. And because interest rates are guaranteed, you don't have to worry about ups and downs in the market. It's a smart way to save.

GICs are a flexible and secure way to meet both short- and long-term savings goals. Planning to buy a new car? A GIC offers higher rates than what's offered by most standard bank savings accounts. Saving for retirement? The guaranteed interest helps balance the risk of your overall retirement portfolio, and your registered retirement savings plan (RRSP) can easily be converted into a registered retirement income fund (RRIF) to generate a steady stream of retirement income.

## PRODUCT DETAILS

<b>Investment options</b>	<b>Daily interest investment:</b> daily interest is generally used for short investments. It has no end date. The interest rate fluctuates and is calculated daily.  <b>Guaranteed interest investments:</b> offer a choice of maturity dates, have a minimum investment requirement of \$1,000 and provide a guaranteed interest rate.	
<b>Terms</b>	<ul style="list-style-type: none"><li>• 30-364 days (not available on a RRIF)</li><li>• 1 year</li><li>• 2 years</li><li>• 3 years</li></ul>	<ul style="list-style-type: none"><li>• 4 years</li><li>• 5 years</li><li>• 6-25 years (RRIF only)</li></ul>
<b>Rates</b>	Interest rates vary depending on the investment term length you select.	
<b>Rate guarantee</b>	You can lock in the interest rate up to 45 days before you deposit or reinvest your money.	
<b>Deposit coverage</b>	The money in your GIC may be eligible for the Canada Deposit Insurance Corporation* (CDIC) coverage, which is subject to certain limits.	
<b>Withdrawals</b>	You can withdraw (subject to minimum amounts we set) from a: <ul style="list-style-type: none"><li>• daily interest investment, or</li><li>• guaranteed interest investment – may be subject to a market value adjustment (MVA) if cashed before the investment term maturity date.</li></ul>	
<b>RRIF option</b>	If your GIC is an RRSP, you can easily convert it into a RRIF by age 71. The Canada Revenue Agency sets a minimum amount, based on your age, which you must withdraw annually.	

**Investment term maturity date** is the date that an investment within your GIC ends and interest is no longer paid. At maturity, you can withdraw, reinvest for another term or leave your money in the daily interest investment.

**Market value adjustment (MVA)** is applied whenever funds are withdrawn from an investment term before its maturity date. This may decrease the value to less than the original investment amount. The MVA amount depends in part on interest rate conditions at the time of withdrawal and the time left on the investment.

\*Sun Life Financial Trust Inc. is a member of the Canada Deposit Insurance Corporation (CDIC), a Crown agency designed to protect the money you invest with member institutions. For more information, visit [cdic.ca](https://www.cdic.ca) or call 1-800-461-2342.

# WHAT DO I NEED TO KNOW?

**A GIC offers many advantages that make it a simple and safe investment option.**

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**Q: Can I withdraw my money from my GIC at any time?**

**A:** Yes, with this GIC you always have access to your money, however withdrawals are subject to an MVA. This may decrease the value to less than the original investment amount. MVA does not apply to withdrawals from the daily interest investment.

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**Q: Do I have to pay tax on the interest I earn on my GIC?**

**A:** This depends on your account type:

- **Registered retirement savings plan (RRSP):** you don't pay any tax until you withdraw money from your RRSP.
  - **Registered retirement income fund (RRIF):** you don't pay any tax until you withdraw your money from your RRIF.
  - **Non-registered:** on your tax return, include the interest you've earned as taxable income in the year it's paid to you or credited to your GIC.
  - **Tax-free savings account (TFSA):** you don't pay any tax on investment growth.
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**Q: How risky is this type of investment?**

**A:** When you invest in a GIC, both your initial investment and interest rate is guaranteed if no withdrawals are done prior to the investment term maturity date. They are not tied to market fluctuations and your principal may be protected by CDIC up to CDIC deposit coverage limits.\*

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**Q: What is the advantage of being able to choose the investment maturity date?**

**A:** There are a number of advantages. For example, you can time the maturity date to pay for a major purchase or occasion. You may also ladder investments with different maturity dates, allowing you to take advantage of different interest rates for each term (see last page for details).

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**Q: What is diversification, and how can a GIC help?**

**A:** In the investment industry, diversification means holding different types of investments in your portfolio that have varying levels of risk. The goal is to create a balance between higher-risk investments and lower-risk investments in order to reduce your overall risk. Because a GIC has a guaranteed interest rate, this type of investment can help you diversify because it involves less risk than investments that don't have guaranteed rates of return (e.g. mutual funds).

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**Q: How often can I withdraw from my RRIF?**

**A:** You may withdraw as often as you choose. Withdrawals from guaranteed interest investments may be subject to an MVA. Keep in mind you'll need to pay additional taxes with each withdrawal. Withdrawals completed prior to the investment term maturity date are subject to market value adjustments (MVA), while income payments are MVA free.

**Note:** An MVA can be significant enough that it decreases the value of original investment amount.

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**Q: How often can I receive income payments from my RRIF?**

**A:** You can choose either monthly or annual income payments.

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**Q: Can I change my RRIF income payments?**

**A:** You may change your income schedule once per year as long as you meet the minimum legislated income amount.

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**Q: Do I have to wait until age 71 to set up a RRIF?**

**A:** No, you can access the benefits of a RRIF for your retirement at any age.

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## TAKE A CLOSER LOOK

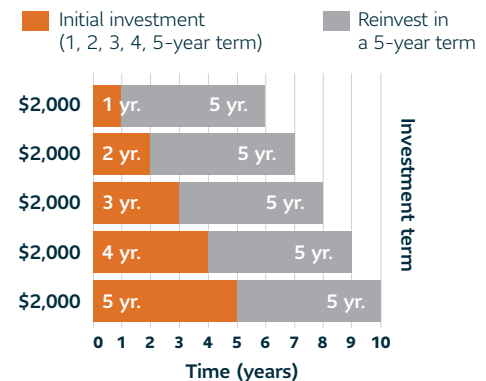
Want to get more out of your GICs? Laddering is a simple investment strategy that involves having investments with different maturity dates, allowing you to take advantage of different interest rates for each term.

### Here's how it works:

- Decide how much money you want to invest.
- Divide this amount into five smaller amounts.
- Pick guaranteed investments with 1, 2, 3, 4 and 5-year maturity dates for each of these smaller investments.
- When your first investment matures after one year, reinvest that plus the interest you've earned in a 5-year investment term. Repeat as each investment term matures.

### Advantages

- Helps manage your exposure to interest rate risk: since only 20% of your GIC matures each year, if interest rates have temporarily fallen, only this 20% is exposed to the lower rate.
- Increases the liquidity of your GIC: you always have access to 20% of your money each year without paying a market value adjustment for early withdrawal.
- Helps to enhance your long-term rate of return by including investments with longer terms, which usually provide higher rates than shorter-term investments.



## Want to get more out of your RRIF?

### Here are a few tips:

- If you have several RRSPs, you may be able to combine them all into one RRIF.
- Take your RRIF income at the end of the year. This lets your money earn more interest and grow tax deferred longer.
- If you won't be relying on your RRIF for income, base the minimum withdrawal amount on the age of the younger spouse. This leaves more money earning tax-deferred interest within the RRIF.



For more information, speak to your advisor or:

Visit [sunlifeglobalinvestments.com](https://sunlifeglobalinvestments.com) | Call **1-877-786-5433**

Sun Life Global Investments is a trade name of SLGI Asset Management Inc., Sun Life Assurance Company of Canada and Sun Life Financial Trust Inc. Sun Life Financial Trust Inc. is the issuer of Sun GIC Max and Guaranteed Investment Certificates.

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