

Sun Life Granite Managed Solutions

Tactical asset allocation

Sun Life Granite Managed Solutions consist of a range of strategically diversified portfolios which provides an asset allocation and fund selection solution that allows you to easily match a portfolio to the risk profiles of your clients.

Tactical Allocation — A Closer Look

Respond to short and medium term conditions

To ensure the Portfolios can adapt to changing market conditions, a distinct tactical allocation process is utilized, backed up with careful risk management and ongoing “smart” rebalancing.

This process combines both quantitative and qualitative methods to track signals relating to economic growth, market volatility, valuations and more.

These leading indicators (3-4 months) are:

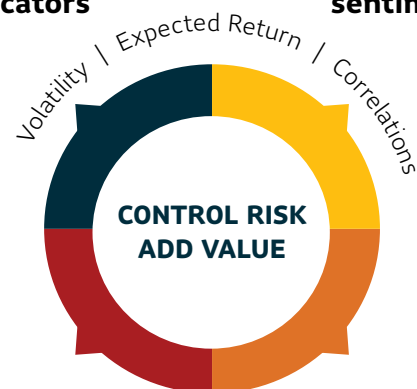
- Developed for each region and asset class
- Reviewed on a weekly basis

Any changes are carefully made in a risk-controlled fashion.

Tactical Inputs

Economic indicators

Market sentiment



For illustrative purposes only.

Tactical Ranges

Tolerance bands for risk control

Following a series of tactical inputs and decisions, each Granite Portfolio is assigned a tolerance range or “band” based around its longer-term strategic allocation. Each Portfolio has the ability to shift as follows:

Asset mix tolerance:

Asset class	Limit ¹
Equity	+/- 10%
Fixed Income	+/- 10%

- The Portfolios are monitored daily vs. the asset class bands
- “Smart” allocation by investing with daily cash flows is used to reduce the need for rebalancing trades
- “Hard” rebalancing trades are minimized and typically only occur when large market movements or significant changes push the asset mix outside of the tolerance bands

¹The limit indicates the percentage plus or minus from the longer-term strategic allocation.

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Tactical Implementation

Execution matters

Tactical decisions can be made on sub-asset classes, regions, investment styles, credit and currencies. Each decision is carefully assessed based on liquidity, cost to execute and time horizon. Once trading plans are in place, the Granite Portfolios take a differentiated approach to execute trades through an important tool – the Sun Life Granite Tactical Completion Fund.

Sun Life Granite Tactical Completion Fund

A key advantage in tactical execution

The Sun Life Tactical Completion Fund is more than just a trading tool.

Sun Life Tactical Completion Fund minimizes the need for hard rebalancing. It adds an extra dimension of flexibility and efficiency to tactical changes, minimizes disruptions to underlying managers, and is an important source of efficiency and a source of added value.

Completion Fund >

Up to 8.5%
allocation per
each Portfolio²

BENEFITS

- Add value over cash
- More flexibility and trading efficiency
- More precise portfolio exposures
- Better currency management
- Add incremental income from option premiums
- Reduces the need for physical rebalancing or trading
- Minimizes disruptions to underlying fund managers

POSITIONS

CAN INCLUDE:

- ETFs
- Futures
- Options
- Currency hedging
- Volatility hedging
- Sector and country views
- Commodities

For more information on the Granite Managed Solutions, talk to your **Sun Life Wealth Sales Director** or visit sunlifeglobalinvestments.com/granite.

²The Sun Life Granite Completion Fund is managed internally by the Sun Life Global Investments Portfolio Management team. It is used to execute tactical shifts among asset classes with greater agility and efficiency, primarily through the use of fully collateralized futures, options and other derivatives, or ETFs. Each Sun Life Granite Managed Portfolio has an allocation of up to 8.5% in the Completion Fund (not necessarily equally weighted in each Portfolio). For illustrative purposes only. Actual portfolio positions may vary.

Sun Life Granite Managed Solutions invest in mutual funds and/or exchange traded funds (ETFs).

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Investors should consult with professional advisors before acting on any information contained in this brochure.

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. SLGI Asset Management Inc. is the investment manager of the Sun Life Mutual Funds, Sun Life Granite Managed Solutions and Sun Life Private Investment Pools.

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