

Sun Life Opportunistic Fixed Income Private Pool

Unconstrained. Flexible. Vigilant for opportunities.

Risk profile:  LOW MEDIUM HIGH

A non-traditional, highly flexible approach to fixed income

- High-conviction, unconstrained portfolio of global fixed income securities seeking higher returns than traditional bonds but with core bond-like volatility¹
- Diversified across multiple asset types, geographies, credit tiers and time horizons, and non-core areas of the market
- A nimble strategy dynamically positioned to take advantage of market dislocations
- Can complement a core fixed income portfolio through the use of liquid alternative investment strategies

Seeks higher returns

This Pool targets higher returns than traditional bonds—and since Wellington Management Canada ULC assumed responsibility for the Pool, it is well on track to meet the performance goal of 5-6% annualized over full business cycles².

Performance	3 months	6 months	1 year	2 years	3 years	Since Inception (06/06/2016)	Since Manager Change (05/27/2019) ³
Series F	2.6%	5.7%	7.9%	8.2%	3.3%	1.9%	7.0%

Source: Morningstar Direct as of December 31, 2020. Returns for periods longer than one year are annualized.

Broader Diversification

Access a wider set of opportunities and strategies—with three drivers of total return

Strategic sectors (1-5 year horizon)								Market neutral (1-3 month horizon)		
<ul style="list-style-type: none"> • Seeks to capture the repricing of structural themes over several years • Sector allocations combine top-down macro views with sector-specialist skills 								<ul style="list-style-type: none"> • Relative value⁴ positions seek returns with low correlations to broad fixed income risk factors • Aims for downside mitigation in negative markets 		
Government bonds	Inflation-linked bonds	Investment grade credit	Mortgage-backed securities	Asset-backed securities	Emerging markets debt	High yield bonds	Bank loans	Government bonds	Credit	Currency
Tactical (1-12 month horizon)										
<ul style="list-style-type: none"> • Seeks to profit by capturing short-term mispricing across global rates, credit and currency • May present additional total return prospects and low correlations to existing themes in the fund 										

¹Core bond volatility defined as being similar to the Bloomberg Barclays Global Aggregate Bond Index (Hedged to CAD). ²The sub-advisor strives to achieve a return of 5-6% per annum over the course of a full business cycle, typically 3 to 5 years before the deduction of management fees and expenses. Actual fund results will be lower after the deduction of fees and expenses. No assurance or guarantee is made that any target return or volatility target can or will be achieved. ³On May 27, 2019 the Fund underwent a change in investment objective to seek to provide timely and dynamic exposure to a diverse set of high conviction global fixed income strategies and Wellington Management Canada ULC assumed portfolio management responsibilities at that time. The Fund is structured as an alternative mutual fund. ⁴Fixed income relative value trading is an approach that attempts to capture mispricing opportunities by taking both long and short positions in different sectors.

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Key credit sectors (%)



● Nominal government & cash	8.7
● Inflation linked	17.2
● Municipal	1.8
● Investment-grade corporate	16.3
● Mortgage-backed securities	1.3
● Asset-backed securities	4.5
● Commercial MBS	-5.0
● Residential MBS	6.5
● Emerging market debt (external)	-1.8
● Emerging market debt (local)	29.8
● Emerging market debt (corp.)	0.3
● Bank loans	8.5
● High yield	12.1

Active currency exposure (%)



● Mexican Peso	3.7
● UK Sterling	2.9
● Japanese Yen	2.8
● Russian Ruble	2.5
● Euro currency	2.5
● Norwegian Krone	-1.6
● Swiss Franc	-1.6
● New Zealand Dollar	-1.8
● Singapore Dollar	-1.8
● U.S. Dollar	-12.8
● Others	5.1

Portfolio goals & parameters

Category:
Alternative credit focused

Benchmark:
Bloomberg Barclays Global Aggregate Bond Index (C\$ Hedged)

Average credit quality:
Investment grade

Currencies:
Hedged to CAD; up to 30% exposure

Portfolio characteristics

Duration (years)	5.6
Yield to maturity (%)	2.6
Quality (Moody's)	A3
Below investment grade (%)	27.5
Option adjusted spread (OAS) (bps)	136

WELLINGTON MANAGEMENT®

Wellington Management⁵

- **Deep history:** Parent firm established in 1928
- **Global scale:** One of the largest asset managers in the world, Wellington is independently owned with more than \$1 trillion assets under management, with \$500 billion in fixed income and alternative asset classes⁶
- **Vast capabilities:** This breadth and depth is the key to the success of Wellington's best ideas, go-anywhere fixed income strategy, available to Canadians in Sun Life Opportunistic Fixed Income Private Pool.⁶

	Series F	Series A
Fund code	SUN1410	SUN1110
Management fee	0.77%	1.52%
Fixed administration fee	0.10%	0.15%
Trailing commission	-	0.75%
Distribution/month	\$0.024	\$0.017

Source: Wellington Management



For more information, contact your Wealth Sales Team or: Visit sunlifeglobalinvestments.com/privateinvestmentpools | Call **1-877-344-1434**

⁵ Wellington Management or Wellington refers to Wellington Management Canada ULC; part of Wellington Management Group LLP. ⁶As of September 30, 2020 in USD.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Investors should read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or other optional charges or income taxes payable by any security holder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated. Series F is available only to eligible investors who have fee-based accounts with their dealers. Portfolio characteristics subject to change.

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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