


WEALTH SERIES

STRATEGIES FOR INVESTING IN A POST-PANDEMIC WORLD 




World-class asset managers

At **Sun Life Global Investments** we select world-class managers from around the globe.



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SLGI's Fixed Income Solutions

	Sun Life Core Advantage Credit Private Pool	Sun Life Multi-Strategy Bond Fund	Sun Life MFS Canadian Bond Fund	Sun Life Tactical Fixed Income ETF Portfolio	Sun Life Opportunistic Fixed Income Private Pool	Sun Life Excel High Income Fund	Sun GIF Solutions Income Series	Sun Lifetime Advantage GIF
Sub-advisor		Multi-manager		Multi-manager	WELLINGTON MANAGEMENT®		n/a	n/a
Role in a portfolio	Core		Core plus		Core complement		Core with protection	



Sun Life Opportunistic Fixed Income Private Pool

Unconstrained. Flexible. Vigilant for opportunities.

One of the largest asset managers in the world

WELLINGTON
MANAGEMENT®

\$1.5 trillion

client assets under
management

800+

investment
professionals

16 yrs.

Average years of
experience

200+

investment approaches

Source: Wellington Management. Sub-advised by Wellington Management Canada ULC; part of Wellington Management Company LLP.
As of September 30, 2020

Sun Life Opportunistic Fixed Income Private Pool¹

The Fund aims to:



**Seek higher total
returns**
(vs. traditional bonds)



**Target core bond-like
volatility²**



**Provide dependable
income**

¹ On February 26, 2020, the Sun Life Opportunistic Fixed Income Private Pool was renamed from the Sun Life Fixed Income Fund. On May 27, 2019 the Sun Life Opportunistic Fixed Income Fund, changed its name from the Sun Life Multi-Strategy Return Fund. At the same time 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. Wellington Management Canada ULC assumed portfolio management responsibilities of the fund at that time. The Fund is structured as a liquid alternative mutual fund.

² Core bond volatility defined as being similar to the Bloomberg Barclays Global Aggregate Bond Index (Hedged to CAD).

Variation in sector returns creates rotation opportunities

	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018	2019	2020
Global Government	9.1	57.7	19	9.2	19.2	6.5	8.1	1.8	15.6	15.2	2.8	13.5	7.9
MBS	8.5	51.6	15.7	7.9	18	5.3	7.6	1.5	10.2	8.4	1.6	13.3	8.3
ABS	-5	26	15.1	7	16.8	0.3	6.2	1.4	9.9	8.3	1	12.6	7.1
Global Corporate	-5.1	25.6	11.8	6.3	10.9	0.1	6.1	0.9	9.6	6	0.8	12.5	5.7
Emerging Local	-5.2	22	10.1	5.5	9.7	0.1	5.7	0.7	6.2	4.1	0.4	8.6	5.1
Emerging External	-9.7	16.6	8.2	4.8	9.2	-0.1	3.4	-0.2	4.2	3.5	-1	8.2	4.9
CMBS	-16.7	16.5	7.2	3.6	6.6	-1.5	2.6	-0.7	3.9	2.8	-2.7	7.3	3.9
High Yield	-25.2	5.7	5.5	1.5	4.5	-8.3	1.6	-0.7	3.2	2.5	-3.3	6.4	3.1
Bank Loans	-29.1	1	3.6	-1.8	2.6	-9	-5.7	-14.9	1.7	2.1	-5.3	5.4	2.7

Source: Wellington. Calendar year total returns are in USD.

Bloomberg Barclays Global Aggregate sub indices hedged to USD index represent global government, global corporates, MBS, ABS, and CMBS returns. The Bloomberg Barclays Global High Yield Index represents high yield returns. The S&P LSTA Leveraged Loan Index represents Bank Loan data returns. The JPMorgan EMBI Plus and GBI-EM Global Diversified Indexes represent the returns of emerging external and emerging local, respectively.

Diversify beyond traditional fixed income

Access a wider set of opportunities and strategies

Traditional fixed income	
Government bonds	Investment grade credit

Sun Life Opportunistic Fixed Income Fund									
Strategic sectors								Market neutral approaches	
Capture the repricing of structural themes over several years:								Relative value strategies ¹ within:	
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
Tactical								Capture shorter-term mispricing: Global rates, credit, currency markets	

¹ Fixed income relative value trading is an approach that attempts to capture mispricing opportunities by taking both long and short positions in different sectors.

Look beyond traditional fixed income

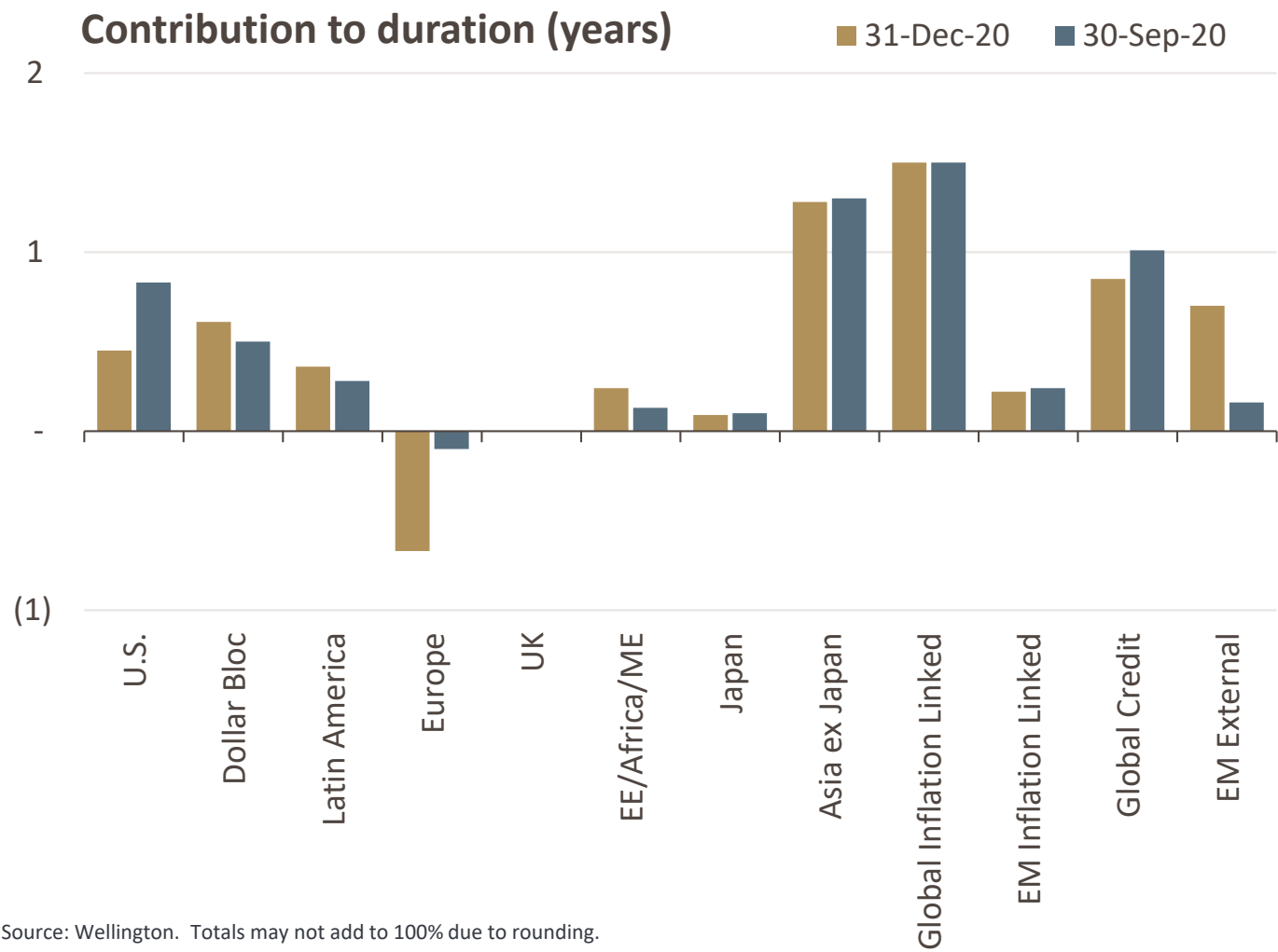
Three drivers of total returns for Sun Life Opportunistic Fixed Income Private Pool



A wide opportunity set:

Sovereigns			
Inflation-linked			
Corporates			
Securitized			
High yield			
Bank loans			
Emerging markets			
Convertibles			

Portfolio characteristics



Source: Wellington. Totals may not add to 100% due to rounding.

Portfolio characteristics

	Dec. 31, 2020	Sep. 30, 2020
Duration (years)	5.6	6.0
Yield (%)	2.6	2.6
Quality	A3	A2
Below investment grade (%)	27.5	29.8
OAS (bps)	136	145

Portfolio breakdown

Key credit sectors (market exposure %)

	Dec. 31, 2020	Sept. 30, 2020	Change
Nominal government and cash	8.7	18.1	-9.4
Inflation linked	17.2	16.6	0.6
Municipal	1.8	1.5	0.3
Investment grade corporate	16.3	3.2	13.1
Mortgage-backed securities	1.3	7.3	-6
Asset backed securities	4.5	4.6	-0.1
Commercial mortgage-backed securities	-5	-6.6	1.6
Residential mortgage-backed securities	6.5	5.1	1.4
Emerging market debt (external)	-1.8	1.8	-3.6
Emerging market debt (local)	29.8	28.6	1.2
Emerging market debt (corporate)	0.3	0.2	0.1
Bank Loans	8.5	6.8	1.7
High Yield	12.1	12.6	-0.5

Active currency exposure (market value %)

	Dec. 31, 2020	Sept. 30, 2020	Change
Mexican Peso	3.7	1.3	2.4
UK Sterling	2.9	2.9	0.0
Japanese Yen	2.8	2.7	0.1
Russian Ruble	2.5	2.6	-0.1
Euro Currency	2.5	-0.3	2.9
Norwegian Krone	-1.6	-0.1	-1.5
Swiss franc	-1.6	-1.5	-0.1
New Zealand Dollar	-1.8	1.8	-3.5
Singapore Dollar	-1.8	-1.8	0.0
U.S. dollar	-12.8	-14.1	1.3
Other	5.1	6.5	-1.4

Source: Wellington. Totals may not add to 100% due to rounding. Companies, securities, industries or market sectors named should not be considered an indication of trading intent of any mutual funds managed by SLGI Asset Management Inc. and sub-advised by Wellington Management. These views are not to be considered as investment advice nor should they be considered a recommendation to buy or sell.

Fund performance

In Canadian dollars

As of December 31, 2020	3 months	6 months	1 yr.	2 yr.	3 yr.	Since Inception (06/06/2016)	Since Manager Change* (05/27/2019)
Sun Life Opportunistic Fixed Income Private Pool, Series A	2.3%	5.2%	6.9%	7.2%	2.2%	0.9%	6.1%
Sun Life Opportunistic Fixed Income Private Pool, Series F	2.6%	5.7%	7.9%	8.2%	3.3%	1.9%	7.0%

***On February 26, 2020, the Sun Life Opportunistic Fixed Income Private Pool was renamed from the Sun Life Fixed Income Fund. On May 27, 2019 the Sun Life Opportunistic Fixed Income Fund, changed its name from the Sun Life Multi-Strategy Return Fund. At the same time 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. Wellington Management Canada ULC assumed portfolio management responsibilities of the fund at that time. The Fund is structured as a liquid alternative mutual fund.**

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

Diversify beyond traditional fixed income

Access a wider set of opportunities and strategies

This Pools seeks to deliver:



**Broader
diversification**



Higher returns¹



**Core bond-like
volatility²**

As of December 31, 2020	3 months	6 months	1 year	2 years	3 years	Since inception (6/6/2016)	Since manager change ³ (5/27/2019)
Series F	2.6%	5.7%	7.9%	8.2%	3.3%	1.9%	7.0%

¹The 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. ²Core bond volatility defined as being similar to the Bloomberg Barclays Global Aggregate Bond Index (Hedged to CAD). 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. Wellington Management Canada ULC assumed portfolio management responsibilities of the fund at that time. The Fund is structured as a liquid alternative mutual fund.

Important information

Commissions and trailing commissions are not payable on Series F units of the Fund but management fees and expenses may be associated with these investments. Series F units are only available to investors in an eligible fee-based or wrap program with their dealer. Investors in Series F securities may pay a separate fee-based account fee that is negotiated with and payable to their registered dealer. Please read the prospectus before investing. Investors may also pay a fee-based account fee that is negotiated and payable to their registered dealer. The indicated rates of return are the historical annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemptions, distributions or 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.

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Distributions should not be confused with “yield” or “income”, and are not intended to reflect a fund’s investment performance or rate of return. Distributions may be comprised of income, capital gains or return of capital. The distribution rate on units held by an investor may be greater than the return on the fund’s investments. If the cash distributions paid to an investor are greater than the net increase in the value of the investment, the distribution will erode the value of the original investment. Distributions are automatically reinvested in additional units of the applicable fund unless the investor instructs us to distribute cash. If necessary, a fund will make an additional distribution of income and capital gains in December of each year. The funds may make additional distributions of income, capital gains or return of capital at any other time as we consider appropriate. A distribution of capital is not immediately taxable to an investor but will reduce the adjusted cost basis of the investor’s units. There can be no assurance that a fund will make any distributions in any particular month, and we reserve the right to adjust the amount of monthly distribution if we consider it appropriate, without notice.

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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Investment process



Source: Wellington Management.

The characteristics presented are sought during the portfolio management process. Actual experience may not reflect all of these characteristics. For illustrative purposes only. Not representative of an actual investment. Not to be considered investment advice.

Case study – strategic sector theme

Portugal bonds



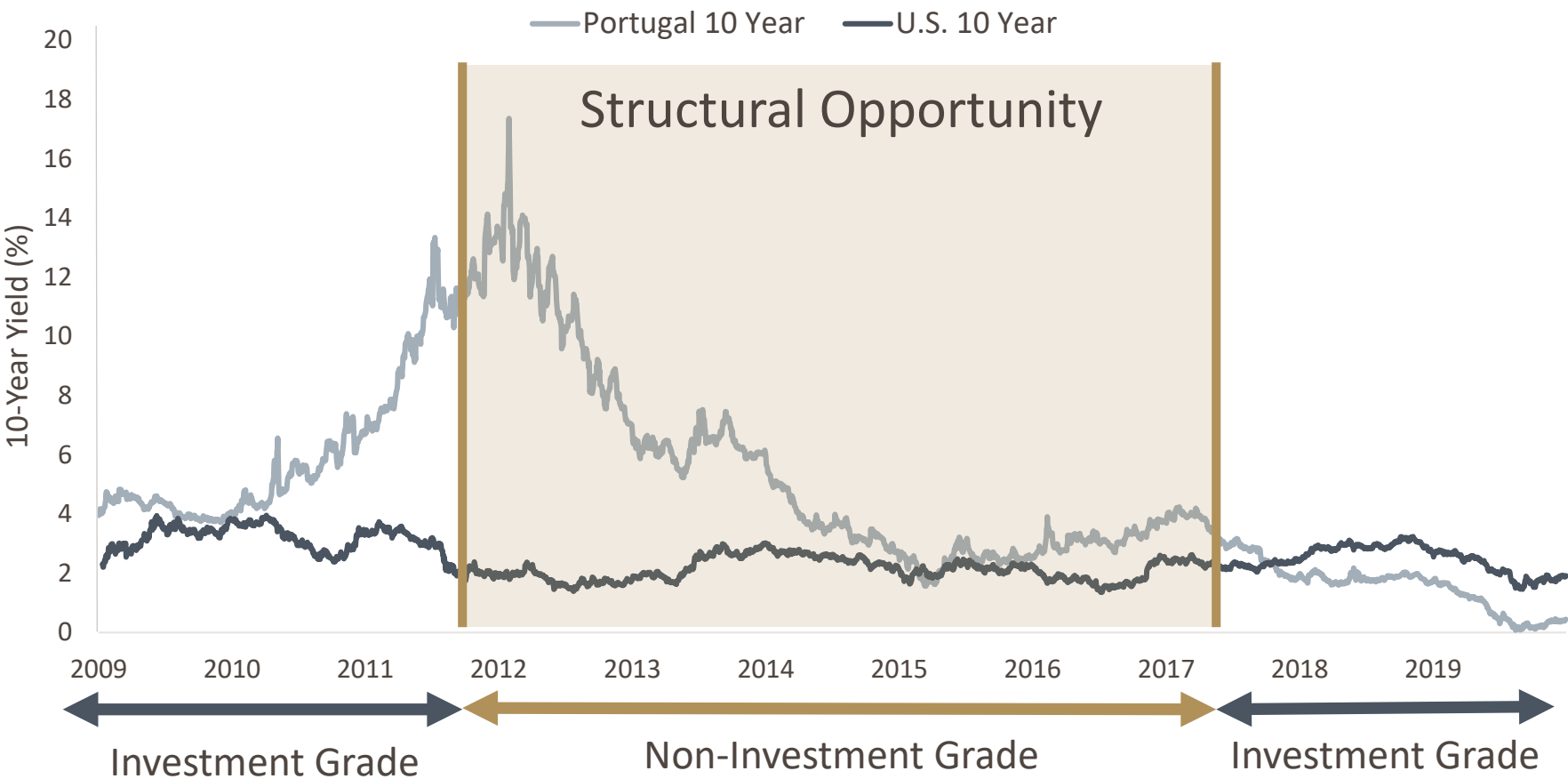
- Portuguese debt was identified when a quantitative trading screen highlighted it as oversold. Uncertainty surrounding European banking reforms and concerns of a potential downgrade to below investment grade drove the selling
- Data pointed to Portugal's economic environment continuing to improve. Reforms in the labour market, decreasing unemployment rates, and spending cuts were helping reduce the country's budget deficit, along with continued structural reforms to the EU banking sector
- On a relative value basis, spreads on Portugal's debt was attractive in comparison to Emerging Market debt as well as Portugal's broader peer group. This, in combination with macroeconomic events, identified Portugal as undervalued and therefore an opportunity
- Following initial investment, ongoing risk management and macroeconomic analysis identifies if and when the position should be adjusted. For example, when S&P upgraded Portugal in September of 2017, further tightening occurred and the position was reduced

Source: Wellington Management.

For illustrative purposes only. This case study is provided as an example how Wellington Management has historically expressed its investment thesis and investment management process in its U.S.-based Wellington Opportunistic Fixed Income Strategy, which is an institutional investment strategy not available to Canadian investors. Fund holdings may change at any time and this holding may not represent a current holding of the US-based Strategy nor does not represent a current or past portfolio holding of the Sun Life Opportunistic Fixed Income Fund. Actual fund holdings will be different.

Case study – strategic sector theme

Portugal bonds



Source: Wellington Management, Bloomberg

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Fund codes, fees & distributions

Fund	Series	Fund code (FE)	Management fee	Fixed Admin fee	Trailing commission	Distribution /frequency
Sun Life Opportunistic Fixed Income Private Pool	F	SUN1410	0.77%	0.10%	-	\$0.024/Month
	A (FE)	SUN1110	1.52%	0.15%	0.75%	\$0.017/Month

Competitively Priced | \$500 minimum