November 22, 2023

SLGI Asset Management Inc.

SIMPLIFIED PROSPECTUS

Offering Series I securities of the following Funds:

Sun Life Risk Managed U.S. Equity Fund

Sun Life Net Zero Target Bond Fund

No securities regulatory authority has expressed an opinion about these securities. It is an offence to claim otherwise.

The Funds and the securities of the Funds offered under this simplified prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

Table of Contents

Introduction

This document contains selected important information to help you make an informed investment decision and understand your rights as an investor. Throughout this document:

- *we*, *us*, *our*, *SLGI* or the *Manager* means SLGI Asset Management Inc.;
- *you, investor* or *securityholder* means each person who invests in the Funds;
- *advisor* means the registered representative who advises you on your investments;
- *Affiliate Investment Vehicle* means an investment fund or collective investment vehicle that is distributed pursuant to an exemption from the prospectus requirement and is managed by the Manager or an affiliate of the Manager, such as Sun Life Capital Management (Canada) Inc.;
- *CRA* means the Canada Revenue Agency;
- *dealer* means the company where your investment advisor works;
- *Fund* means a mutual fund listed on the front cover of this simplified prospectus;
- *GST/HST* means the taxes exigible under Part IX of the *Excise Tax Act* (Canada) and the regulations made thereunder.
- *intermediary* means a third party that your dealer may use to administer your account;
- *IRC* means the independent review committee of the Funds that has been established by the Manager under NI 81-107 – *Independent Review Committee for Investment Funds*;
- *NAV* means net asset value;
- *NI 81-101* means National Instrument 81-101 – *Mutual Fund Prospectus Disclosure*;
- *NI 81-102* means National Instrument 81-102 – *Investment Funds*;
- *NI 81-106* means National Instrument 81-106 – *Investment Fund Continuous Disclosure*;
- *NI 81-107* means National Instrument 81-107 – *Independent Review Committee for Investment Funds*;
- *securities*, when used to describe securities of a Fund, means units of such Fund;
- *SLGI Mutual Funds* means all the mutual funds managed by us and which are offered for sale under a prospectus and includes the Funds;
- *Tax Act* means the *Income Tax Act* (Canada) and the regulations thereunder;
- *TSX* means the Toronto Stock Exchange; and

- *underlying fund* means any mutual fund (including an exchange-traded fund) in which a Fund invests.

All dollar amounts in this document are in Canadian dollars, unless we state otherwise.

How to use this Simplified Prospectus

This simplified prospectus is divided into two parts. The first part, on pages 2 to 37, provides basic information about mutual funds and general information about all of the Funds. The second part, on pages 39 to 69, provides specific information about each Fund.

For more information

You can find more information about each Fund in each of the following documents:

- the Fund's most recently filed fund facts documents;
- the Fund's most recently filed annual financial statements (once available);
- any interim financial report (unaudited) filed after those annual financial statements;
- the most recently filed annual management report of fund performance ("**MRFP**") (once available); and
- any interim MRFP filed after that annual MRFP.

These documents are incorporated by reference into this simplified prospectus, which means that they legally form part of this document just as if they were printed as part of it.

For a free copy of these documents, call us toll free at 1-877-344-1434 or ask your advisor. These documents and other information about the Funds are also available on the Funds' designated website at www.sunlifeglobalinvestments.com and www.sedarplus.ca.

Responsibility for mutual fund administration

Manager

SLGI Asset Management Inc. is the manager of the Funds. The Manager is a Canadian investment management firm wholly-owned (indirectly) by Sun Life Financial Inc. Sun Life Financial Inc. is a global international financial services organization providing a diverse range of protection and wealth accumulation products and services as well as investment products to individuals and institutions.

The head office of the Manager is located at One York Street, Suite 3300, Toronto, Ontario M5J 0B6. The phone number for the Manager is 1-877-344-1434, the e-mail address is info@sunlifeglobalinvestments.com and the website address is www.sunlifeglobalinvestments.com.

The Manager is responsible for the day-to-day business, operations and affairs of the Funds, and provides investment advisory, marketing and administrative services to the Funds. The Manager is also responsible for furnishing the office space and facilities, clerical help, bookkeeping and the internal accounting services required by each of the Funds. All investor reporting and servicing requirements are also furnished by or on behalf of the Manager. In addition, the Manager has arranged for recordkeeping and related services to be provided to the Funds by International Financial Data Services (Canada) Limited. Additionally, the Manager may hire other arm's length third parties or affiliates to perform some of the services required by the Funds.

The names and municipalities of residence of the directors and executive officers of the Manager and the Trustee, and their positions and offices, are as follows:

Name and Municipality of Residence	Position with the Manager
S. Patricia Callon Toronto, Ontario	Director
Chhad Aul Toronto, Ontario	Chief Investment Officer
Oricia Smith Etobicoke, Ontario	President, Director and Ultimate Designated Person
Brad Allgood Toronto, Ontario	Chief Compliance Officer
Jacques Goulet Toronto, Ontario	Director and Chair of the Board
Kari Holdsworth Tavistock, Ontario	Chief Financial Officer
Thomas Reid Newmarket, Ontario	Director
Michael Schofield Waterloo, Ontario	Director
Hema Latha Sinnakaundan Oakville, Ontario	Corporate Secretary

The Manager acts as manager of the Funds pursuant to a master management agreement dated as of September 10, 2010, as amended and restated as of January 10, 2011, as further amended and restated effective June 1, 2012, as further amended and restated effective August 29, 2013, and as further amended and restated effective January 1, 2015, as the same may be amended from time to time (the "**Management Agreement**").

Each Fund pays the Manager administration fees in exchange for payment by us of certain of the operating expenses of the Fund. The administration fees are calculated and accrued daily and paid monthly. The Management Agreement may be terminated by the Manager or the Fund on 90 days' prior written notice. Any change in the manager of the Fund (other than to an affiliate of the Manager) may be made only with the approval of the investors of the Fund and, where applicable, in accordance with securities legislation.

The Funds do not pay the Manager management fees for Series I securities. Series I investors pay the Manager management fees directly.

Fund of funds

A Fund (referred to in this context as a top fund) may buy securities of an underlying fund. Where we are the Manager of both the top fund and an underlying fund, we will not vote the securities of the underlying fund that are held by the top fund. However, in our discretion, we may decide to flow those voting rights to investors in the top fund.

Portfolio manager

Pursuant to the Management Agreement, the Manager is also the portfolio manager of the Funds and, in such capacity, is responsible for the management of the investment portfolios, the establishment of investment policies and guidelines and the provision of investment analysis relating to the Funds.

Founded in 2007, the Manager has $34 billion assets under management as at December 31, 2022.

Sub-advisors

The Manager has appointed sub-advisors for the Funds, as set out below. Under each of the sub-advisory agreements that the Manager has entered into with the sub-advisors, the Manager pays an advisory fee to each sub-advisor.

The Manager has appointed the following sub-advisors:

Sun Life Capital Management (Canada) Inc. ("**SLC Management**"), an affiliate of the Manager acts as sub-advisor to the Manager for Sun Life Net Zero Target Bond Fund,. SLC Management may appoint various affiliates to act as sub-sub advisor to it in respect of the Fund.

Sun Life Capital Management (U.S.) LLC ("**SLC U.S.**") acts as sub-advisor to the Manager in respect of the cash portion of the Sun Life Risk Managed U.S. Equity Fund.

Under each of the sub-advisory agreements that the Manager has entered into with the sub-advisors, the Manager pays an advisory fee to each sub-advisor.

SLC Management is a global institutional asset manager that offers institutional investors traditional, alternative, and yield-orientated investment solutions across public and private fixed income markets, as well as global real estate equity and debt. The head office of SLC Management is located in Toronto, Ontario. "SLC Management" is the brand name for the institutional asset management business of Sun Life Financial Inc. under which Sun Life Capital Management (U.S.) LLC in the United States, and Sun Life Capital Management (Canada) Inc. in Canada operate. As of June 30, 2023, the combined assets under management of Sun Life Capital Management (Canada) Inc., Sun Life Capital Management (U.S) LLC, BentallGreenOak, Crescent Capital Group LP, InfraRed Capital Partners, and Advisors Asset Management is C$361 billion (US$273 billion).

The Manager remains wholly responsible for the management of each of the Funds, including the management of their investment portfolios and the investment advice provided by each sub-advisor. It may be difficult to enforce legal rights against SLC U.S. because they are resident outside Canada and all, or substantially all, of their assets are located outside Canada.
Subject to compliance with applicable securities legislation, each of the sub-advisory agreements are terminable by the Manager upon 90 days' prior written notice from one party to another. Each such

agreement is also terminable earlier on the happening of certain specified events, such as the bankruptcy or insolvency of the sub-advisor.

Additional information about portfolio adviser

Investment decisions are made by one or more teams of portfolio managers employed by SLGI in respect of Sun Life Risk Managed U.S. Equity Fund and SLC U.S. in respect of the cash portion of the Sun Life Risk Managed U.S. Equity Fund or SLC Management in respect of Sun Life Net Zero Target Bond Fund. SLC Management is subject to the oversight of the Manager, as portfolio manager of Sun Life Net Zero Target Bond Fund. While the Manager has policies and procedures in place to supervise the investment decisions made on behalf of Sun Life Net Zero Target Bond Fund, such investment decisions are not subject to the oversight, approval or ratification of a committee of the Manager nor a committee of any of the sub-advisors.

Fund	**Name and Title**	**Firm**	**Role in Investment Decision-Making Process**
Sun Life Risk Managed U.S. Equity Fund	Alykhan Somani	SLGI Asset Management Inc.	Lead Manager Contributes to underlying derivative and security selection and oversight
	Jason Zhang	SLGI Asset Management Inc.	Co-Manager Contributes to underlying derivative and security selection and oversight
	Hussam Syed, Senior Managing Director, Public Fixed Income	Sun Life Capital Management (U.S.) LLC	Lead Manager Contributes to fixed income security selection
	Richard Deveney, Director, Public Fixed Income	Sun Life Capital Management (U.S.) LLC	Co-Manager Contributes to fixed income security selection
Sun Life Net Zero Target Bond Fund	Randall Malcolm Senior Managing Director and Portfolio Manager	SLC Management (Canada) Inc.	Lead Manager Contributes to portfolio oversight and fixed income security selection

Fund	Name and Title	Firm	Role in Investment Decision-Making Process
	Melissa Boulrice Senior Director, Asset Management, Public Fixed Income	SLC Management (Canada) Inc.	Co-Manager Contributes to portfolio oversight and fixed income security selection
	Olesya Zhovtanetska Managing Director, Public Fixed Income, Credit Research & ESG	SLC Management (Canada) Inc.	Co-Manager Contributes to portfolio oversight and fixed income security selection

Brokerage arrangements

All decisions as to the purchase and sale of portfolio securities and all decisions as to the execution of these portfolio transactions, including the selection of market and dealer and the negotiation of commissions, where applicable, will be made by the Manager for Sun Life Risk Managed U.S. Equity Fund and by SLC Management for Sun Life Net Zero Target Bond Fund and by SLC U.S. for the cash portion of Sun Life Risk Managed U.S. Equity Fund. All decisions regarding the purchase and sale of portfolio securities and the execution of portfolio transactions are the ultimate responsibility of the Manager.

In effecting portfolio transactions, the Manager or the sub-advisor, as applicable, seeks to obtain best execution of orders as required by applicable securities regulations. In effecting portfolio transactions, the Manager or the sub-advisor, as applicable may direct brokerage commissions paid by a Fund in return for the provision of certain goods or services by the dealer or third-party as permitted by securities legislation.

The only goods and services that can be received in return for directing brokerage commissions are:

- advice relating to the value of a security or the advisability of effecting the transaction in a security;
- an analysis, or report, concerning a security, portfolio strategy, issuer, industry, or an economic or political factor or trend; and
- a database, or software, to the extent that it supports goods or services described above (collectively, "**Research Goods and Services**"), or
- order execution and goods or services to the extent that they are directly related to order execution ("**Order Execution Goods and Services**").

The name of any non-affiliated dealer or third party that provided such Research Goods and Services to a Fund in return for the allocation of brokerage transactions would be provided upon request by contacting the Manager at 1-877-344-1434 or by visiting our website at www.sunlifeglobalinvestments.com.

Currently, neither the Manager nor any of the sub-advisors of the Funds intend to receive Order Execution Goods and Services and/or Research Goods and Services from broker-dealers in exchange for directing brokerage transactions to those broker-dealers.

SLC Management

SLC Management has a counterparty set-up and approval and broker selection and execution policy (collectively, the "**SLC Policy**"). The SLC Policy codifies that SLC Management owes each client and fund a fiduciary responsibility of loyalty and care in the counterparty selection process. Transactions must be executed only with counterparties identified on an approved broker list (each, an "**Approved Broker List**").

Each asset class is responsible for establishing and, at its discretion, revising the criteria against which financial institutions are evaluated for inclusion on the various Approved Broker Lists, maintaining and publishing these Approved Broker Lists, overseeing the monitoring process for approved brokers, and approving exceptions in accordance with written procedures.

SLC Management's Trade Practices Committee ("**TPC**") is charged with the responsibility of periodically monitoring and overseeing the marketable securities trading to assess the effectiveness of controls and to determine corrective or alternative action regarding issues/concerns. The TPC periodically and systematically evaluates the execution performance of the brokers that it selects for its clients transactions.

In seeking Best Execution, a number of elements are considered including:

- price or spread,
- speed of execution,
- certainty of execution, and
- total transaction cost.

The degree of weight given to each element may vary depending on the portfolio manager's instructions, the particular security, and the prevailing market conditions. The portfolio manager considers the factors that influence price impact and opportunity cost, such as anonymity, the willingness of the intermediary to commit capital, the speed and price of the execution and the availability of alternate execution venues. The overall cost of the transaction may include, when appropriate, all costs associated with accessing an order and/or executing a trade that are passed on to a client, including commission fees charged by a broker, commission rates, spreads, settlement costs, and fees for trading on a particular marketplace.

SLC Management's fiduciary duty includes a recognition that the amounts paid to brokers or counterparties resulting from client transactions are obtained from the client's assets and therefore are the property of the client. In negotiating commissions and selecting brokers and counterparties, SLC Management must act in the clients' best interests.

Trustee of the Funds

Trustee

The Manager has been appointed the trustee of the Funds pursuant to the Master Declaration of Trust dated September 10, 2010, as amended and restated on January 10, 2011, as amended and consolidated as of June 1, 2012, as amended and restated as of January 1, 2015, as further amended and consolidated on July 13, 2018, and as further amended on May 20, 2020, as may be further amended from time to time, together with an amended Schedule "A", as may be further amended from time to time (the "**Master Declaration**

of Trust"). The Master Declaration of Trust establish the fundamental operating structure for the Funds. In its capacity as trustee, the Manager holds title to the Funds' investments in trust for the securityholders and has ultimate responsibility for the undertaking of the Funds and must carry out the terms of the Master Declaration of Trust. Currently, the Manager receives no compensation in its capacity as trustee. The Manager may resign as trustee of a Fund by giving 90 days' prior written notice to securityholders. If a successor trustee can be found and agrees to accept the appointment, such successor trustee will assume the duties and obligations of the incumbent trustee within the notice period. If a successor trustee cannot be found or is not appointed by investors in accordance with the provisions of the Master Declaration of Trust, then the Funds will be terminated at the expiry of the notice period.

Custodian

The portfolio assets of the Funds are held in safekeeping under the custodianship of RBC Investor Services Trust of Toronto, Ontario pursuant to a custodian agreement. The custodian has a qualified foreign sub-custodian in each jurisdiction in which the Funds have securities. The Manager may terminate the custodian agreement at any time upon 60 days' written notice to the custodian. The custodian may terminate the custodian agreement at any time upon 120 days' written notice to the Manager. Under the custodian agreement, the Manager pays a custodial fee to the custodian. RBC Investor Services Trust is independent of the Manager.

Auditor

Ernst & Young LLP ("E&Y") of Waterloo, Ontario is the independent auditor of each Fund. E&Y audits the Funds and provides an opinion on whether the annual financial statements of the Funds are fairly presented in accordance with applicable accounting principles. E&Y has confirmed that it is independent with respect to the Funds within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

Registrar

International Financial Data Services (Canada) Limited, the record keeper of the Funds, maintains the register of securities of the Funds at its principal office in Toronto, Ontario. The record keeper maintains a record of the owners of securities of the Funds and processes changes in ownership. International Financial Data Services (Canada) Limited is independent of the Manager.

Securities lending agent

In the event that a Fund engages in securities lending or repurchase transactions, RBC Investor Services Trust of Toronto, Ontario will be appointed as the Fund's securities lending agent. The securities lending agent will act on behalf of the Fund in administering the securities lending and repurchase transactions entered into by the Fund. The securities lending agent will not be an affiliate of the Manager.

Independent Review Committee and Fund governance

General

The Manager, as manager and trustee of the Funds, is responsible for fund governance matters relating to the Funds. Senior officers of the Manager are responsible for developing, implementing and monitoring day-to-day fund governance practices. The board of directors of the Manager reviews these fund governance practices at regular intervals and is ultimately responsible for overall fund governance matters. Members of the Manager's board of directors are listed above under *Manager*.

Independent Review Committee

In accordance with NI 81-107, the Manager has established an IRC for the Funds. The IRC is composed of three individuals, each of whom is independent of the Funds, the Manager- and its affiliates. The current members of the IRC are Frank Lippa (Chair), Carol Sands and Ann David.

In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Funds. The Manager is required under NI 81-107 to identify conflicts of interest inherent in its management of the Funds, and request input from the IRC on how it manages those conflicts of interest, as well as on its written policies and procedures outlining its management of those conflicts of interest. The Manager must refer its proposed course of action in respect of any such conflict of interest matters to the IRC for its review. Certain matters require the IRC's prior approval, but in most cases, the IRC will provide a recommendation to the Manager as to whether or not, in the opinion of the IRC, the Manager's proposed action will provide a fair and reasonable result for the Funds. For recurring conflict of interest matters, the IRC can provide the Manager with standing instructions.

The IRC may also approve any change of the auditor of the Funds and, in certain circumstances, approve a fund merger. Investor approval will not be obtained in these circumstances, but you will be sent a written notice at least 60 days before the effective date of any such change of auditor or merger.

The IRC prepares, at least annually, a report of its activities for securityholders of the Funds and makes such report available on the Funds' designated website at www.sunlifeglobalinvestments.com or at the securityholder's request and at no cost by contacting the Manager at info@sunlifeglobalinvestments.com. The annual report of the IRC for the Funds is available on or about March 31 of each year.

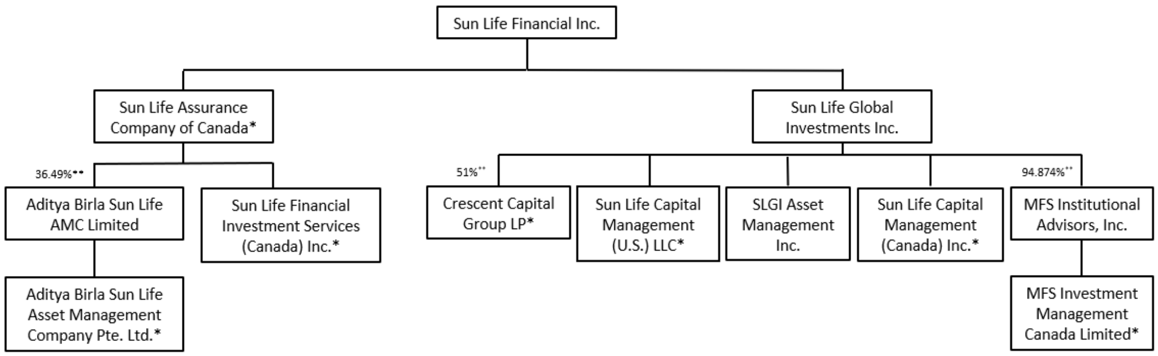
Policies

In managing the day to day operations of the Funds, the Manager has adopted certain policies as standard practice to comply with applicable legislation and regulations, including NI 81-102 and National Instrument 81-105 – *Mutual Fund Sales Practices*, relating to permitted compensation and trailing commissions, internal dealer incentive practices, marketing and education practices, sales disclosure and portfolio transactions. The Funds' liquidity risk oversight is conducted by two SLGI committees that are comprised of SLGI employees, including senior leadership, members of the Portfolio Management team and other SLGI professionals that have relevant subject matter expertise and are independent of the Manager's Portfolio Management team. Such committees' liquidity risk management activities are supported with liquidity assessment procedures that detail how each of the Fund's liquidity profile is monitored and how potential concerns are escalated to the relevant committee.

In addition, the Manager has developed and adopted a formal compliance manual that governs all the Manager's employees. The compliance manual includes policies on insider trading, conflicts of interest, client confidentiality, acceptable outside activities, private and personal investments and practices on dealing with brokerage firms when allocating trades and receiving Order Execution Goods and Services and/or Research Goods and Services from directing brokerage transactions. The compliance manual also includes provisions and/or policies and guidelines regarding recordkeeping, risk management, potential conflicts of interest relating to the Funds and general compliance with regulatory and corporate responsibilities.

Affiliated entities

The following diagram is a simplified structure chart that shows the relationship between the Manager and affiliated entities that provide services to the Funds and/or to the Manager and/or other SLGI Mutual Funds. All entities below are wholly-owned, directly or indirectly by their parent entity, unless otherwise indicated:



*Affiliated Entities that provide services to the Funds and/or to the Manager

** Ultimate Sun Life Financial Inc. indirect ownership as of September 30, 2023

The amount of fees received from a Fund by an affiliated entity for services provided to the Fund are disclosed in the financial statements of the Fund.

Policies and practices

Use of derivatives

A Fund may use derivatives from time to time as described in this simplified prospectus. The Manager (or SLC Management under the oversight of the Manager) effects derivatives trading on behalf of the Funds. Each of the Manager and SLC Management has its own written policies and procedures relating to the use of derivatives for the Fund for which it has been appointed portfolio manager or sub-advisor. The Manager reviews the policies and procedures of SLC Management to ensure that they meet or exceed the Manager's standards.

The Manager is responsible for establishing and maintaining policies and procedures in connection with the use of derivatives, oversight of all derivative strategies used by the Funds, and the monitoring and assessing compliance with all applicable legislation. The Chief Compliance Officer supports the oversight of derivatives trading and is required to report to the Ultimate Designated Person of the Manager on any instances of non-compliance and reports to the board of directors of the Manager on his or her compliance assessments. The board of directors of the Manager reviews and approves the Manager's policies and procedures in connection with the use of derivatives on an annual basis and has the ultimate responsibility of ensuring that proper policies and procedures relating to the use of derivatives are in place.

As part of its ongoing review of fund activity, personnel employed by SLC Management and the Manager review the use of derivatives as part of their ongoing review of fund activity. Review personnel are not members of the investment and trading group and report to a different functional area.

Limits and controls on the use of derivatives are part of the Manager's fund compliance regime and include reviews by analysts who ensure that the derivative positions of the Funds are within applicable policies.

Risk measurements or simulations are not used to test the portfolio under stress conditions. See *Derivatives risk* on page 45.

Short selling

Currently, none of the Funds engage in short selling. In the future, the Funds may, from time to time, engage in short selling as permitted by applicable securities legislation (as it may be modified by any exemptive relief). A short sale by a Fund involves borrowing securities from a lender which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities, the Fund makes a profit for the difference (less any interest the Fund is required to pay to the lender). In this way, the Fund has more opportunities for gains when markets are generally volatile or declining.

Before a Fund engages in such transactions, the Manager will have policies and procedures in place to monitor compliance with the restrictions in NI 81-102 with respect to these transactions and types of investments. The compliance team of the Manager would be responsible for establishing and maintaining these policies and procedures. The Chief Compliance Officer would be required to report to the Ultimate Designated Person of the Manager on any instances of non-compliance with the policies and procedures and report to the board of directors of the Manager on his or her compliance assessments. The board of directors of the Manager would review and approve the Manager's proposed policies and procedures in connection with these types of transactions and would have the ultimate responsibility of ensuring that proper policies and procedures relating to these types of transactions are in place. Any agreements, policies and procedures that are applicable to securities lending, repurchase and reverse repurchase transactions would be reviewed by the compliance team of the Manager at least annually.

Personnel employed by the Manager would review the short selling transactions as part of their ongoing review of Fund activity. Review personnel are not members of the investment and trading group of the Manager and report to a different functional area.

There are no limits or controls restricting these transactions other than those in NI 81-102 and risk measurements or simulations are not used to test the Funds' portfolios under stress conditions.

The Manager has delegated the decision of whether or not to short sell for Sun Life Net Zero Target Bond Fund to SLC Management. Currently, Sun Life Net Zero Target Bond Fund does not engage in short selling but the extent that it does, the Manager would review the short selling policies and procedures of SLC Management on at least an annual basis.

Securities lending, repurchase or reverse repurchase transactions

A Fund may engage in securities lending, repurchase and reverse repurchase transactions. Where a Fund engages in these types of investments, it will:

- hold collateral equal to a minimum of 102% of the market value of the securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions) as the case may be;

- adjust the amount of collateral each business day to ensure the collateral's value relative to the market value of the securities loaned, sold or purchased remains within the 102% limit; and

- limit the aggregate value of all securities loaned or sold through securities lending and repurchase transactions to under 50% of the total assets (without including the collateral) of the Fund.

The Manager will appoint an agent under the terms of a written agreement in order to administer any securities lending, repurchase and reverse repurchase transactions for the Funds. Under the provisions of this agreement, the agent will:

- assess the creditworthiness of potential counterparties to these transactions (typically, registered brokers and/or dealers);

- negotiate the actual securities lending, repurchase and reverse repurchase agreements with such counterparties;

- collect lending and repurchase fees and provide such fees to the Manager;

- monitor (daily) the market value of the securities sold, loaned or purchased and the collateral and ensure that each Fund holds collateral equal to at least 102% of the market value of the securities sold, loaned or purchased; and

- ensure that each Fund does not loan or sell more than 50% of the total market value of its assets (not including the collateral held by the Fund) through lending and repurchase transactions.

Currently, none of the Funds engage in securities lending, repurchase or reverse repurchase transactions. Before a Fund engages in such transactions, the Manager will have policies and procedures in place to monitor compliance with the restrictions in NI 81-102 with respect to these transactions and types of investments. The compliance team of the Manager would be responsible for establishing and maintaining the Manager's policies and procedures. The Chief Compliance Officer would be required to report to the Ultimate Designated Person of the Manager on any instances of non-compliance with the policies and procedures and report to the board of directors of the Manager on his or her compliance assessments. The board of directors of the Manager would review and approve the Manager's proposed policies and procedures in connection with these types of transactions and would have the ultimate responsibility of ensuring that proper policies and procedures relating to these types of transactions are in place. Any agreements, policies and procedures that are applicable to securities lending, repurchase and reverse repurchase transactions would be reviewed by the compliance team of the Manager at least annually. There are no limits or controls restricting these transactions other than those in NI 81-102 and risk measurements or simulations are not used to test the Funds' portfolios under stress conditions. The Manager is responsible for reviewing these matters on an as-needed basis and will be independent to the agent appointed by us.

Proxy voting policies and procedures

The Manager has policies and procedures in place to ensure that proxies relating to securities held by a Fund are voted in a timely manner, in accordance with the instructions of the Fund and in the best interests of the Fund. The Funds have authorized the Manager to make decisions with respect to proxy voting on behalf of the Funds. For Sun Life Risk Managed U.S. Equity Fund, the Manager votes the Fund's proxies on behalf of the Fund. The Manager reviews the proxies voted on behalf of the Funds throughout the year and performs an annual review of the proxies voted on behalf of the Funds to ensure that proxies have been voted in accordance with the Manager's proxy voting guidelines.

The Manager has delegated the responsibility with respect to proxy voting for Sun Life Net Zero Target Bond Fund to SLC Management. To ensure that voting rights are exercised in accordance with the instructions of the Fund and in the best interests of the Fund, the Sub-Advisory Agreement requires SLC

Management to provide to the Manager its proxy voting guidelines and any amendments thereto, and proxy voting reports on how it has exercised specific votes.

The Manager reviews the proxy voting policies and procedures and proxy voting reports of the SLC Management throughout the year and performs an annual review of the proxy voting reports of the sub-advisor to ensure voting rights are exercised in accordance with the fund's instructions and in the best interests of the fund. The Manager reserves the right to revoke proxy voting privileges of a sub-advisor in respect of any Fund in the event it is deemed appropriate.

Summaries of the proxy voting policies and procedures of the Manager and SLC Management are set out below. Copies of the complete proxy voting policies and procedures for the Funds are available to investors on request, free of charge, by calling the Manager toll free at 1-877-344-1434, by sending an email to info@sunlifeglobalinvestments.com or by mailing SLGI Asset Management Inc. at One York Street, Suite 3300, Toronto, Ontario M5J 0B6.

Each Fund's proxy voting record for the most recent period ended June 30 of each year is available free of charge to any securityholder of the Fund upon request at any time after August 31 of that year by calling 1-877-344-1434. The proxy voting records are also available on the Funds' designated website at www.sunlifeglobalinvestments.com.

Proxy voting at SLGI

In general, there will be no proxies for Sun Life Risk Managed U.S. Equity Fund to vote to the extent it only holds securities of other mutual funds, which typically provide voting rights in very limited circumstances. To the extent the Fund invests in exchange-traded funds, the Manager is responsible for voting any proxies received. For securities of other mutual funds managed by the Manager or an affiliate of the Manager held by the Fund, the Fund would be prohibited from voting such securities. The Manager may, in its discretion, choose to flow-through any voting rights regarding such securities to investors in the Fund. In the event that there are proxies for the Fund to vote, the Manager will vote the proxies using the process as set out below.

For routine and non-routine matters, the Manager will vote the proxies in accordance with its determination of the best interest of Sun Life Risk Managed U.S. Equity Fund. To the extent that any conflict of interest matters arise, the Manager shall vote the proxies in accordance with the Manager's policy and the best interests of the Fund. The Manager will provide reporting on any proxy-related conflict of interest matters to the Fund's IRC.

The Manager will comply with the proxy voting guidelines (the "**Sun Life Proxy Voting Guidelines**") described below with respect to the voting of proxies received for Sun Life Risk Managed U.S. Equity Fund. The Sun Life Proxy Voting Guidelines are not exhaustive, and due to a variety of proxy voting issues which require consideration, are intended only to provide guidance and not intended to dictate how proxies are to be voted in each instance. Any proxy decision shall be made uninfluenced by considerations other than to protect and promote the economic value of the security issuing the proxy. The key themes of the Sun Life Proxy Voting Guidelines that frequently appear on the agenda of annual and special meetings of securityholders are summarized below:

(a) **Boards and Directors** – Votes on board nominees will be determined on a case-by-case basis. The Manager will consider various factors, including independence, whether the compensation is excessive, attendance records, long-term performance, age and term limits, staggered terms, cumulative voting for directors, limits on director removal, majority vote requirements and the separation of chair and chief executive officer positions.

(b) **Auditors and Audit Related Issues** – The Manager recognizes the critical importance of financial statements that provide a complete and accurate portrayal of a fund or corporation's financial condition, and executes proxy votes accordingly. Appointment of auditors is a routine business matter and the Manager will generally vote with management with respect to the appointment of auditors. However, the Manager may vote against management if the fees for services are excessive, the quality and independence are being questioned, and if cases of significant financial restatements or material weakness in the disclosure exists.

(c) **Capital Structure, Mergers, Asset Sales and Other Special Transactions** – Changes in a charter, articles of incorporation or by-laws are technical and administrative in nature, and the Manager will generally vote with management on such proposals. However, the Manager may consider any non-routine matters on a case-by-case basis, especially if the proposals would impact the structure or operations of the relevant fund or corporation, or would have a material economic effect on the fund or corporation. Key factors typically used to evaluate these proposals include market premium, strategic reason for transaction, board approval/transaction history and financial advisors' fairness opinions.

(d) **Social, Ethical and Environmental Issues and General Corporate Governance Matters** –The Manager considers these matters to be non-routine and will consider each proposal based on its merits, with the aim to maximize investment value and/or provide securityholders a greater voice in the affairs of the fund or corporation.

The Manager will maintain records of and provide reports on votes cast by the Fund.

Should a material conflict of interest arise with respect to proxy voting, the matter will be brought to the attention of the Manager's Chief Compliance Officer, who will refer the matter to the Fund's IRC for recommendation in accordance with NI 81-107.

Proxy voting at SLC Management

Sun Life Net Zero Target Bond Fund

In general, it is expected that there will be no proxies received by Sun Life Net Zero Target Bond Fund, as the fund invests primarily in debt securities and mutual funds that invest in those securities.

SLC Management's proxy voting and corporate action policy requires SLC Management to act in the best interests of client accounts when voting proxies.

Proxies and corporate action notices received by SLC Management are, unless special circumstances arise, voted in accordance with the firm's instructions and/or proxy voting policies or guidelines. The firm evaluates and takes action with respect to proxies and corporate actions, unless clients have told us otherwise.

SLC Management will vote the proxies on a case-by-case basis in a manner considered by the firm to be in the best interest of the client accounts without regard to any resulting benefit or detriment to SLC Management, its employees or its affiliates. The best interest of the funds is defined for this purpose as the interest of enhancing or protecting the economic value of the funds as the subsidiary determines in its sole and absolute discretion.

SLC Management does not actively manage client accounts that invest in equity securities (common shares, preferred shares) that carry proxy voting rights. If SLC Management owns and/or indirectly acquires a position in a security with voting rights, the firm shall either use commercially reasonable efforts to evaluate the proxy, or vote according to the best interests of the client account. Generally, SLC Management will vote the proxies on behalf of its clients, consistent with its duty to act in the best interest of the client.

In addition, there may be instances in which SLC Management may be unable to vote or may determine not to vote a proxy on behalf of one or more of its clients. Such instances may include:

- Unjustifiable Costs. SLC Management may abstain from voting a proxy in a specific instance if, in its good faith determination, the costs involved in voting such proxy cannot be justified (e.g., costs associated with obtaining translations of relevant proxy materials in voting proxies of foreign securities) in light of the benefits to the client. In accordance with SLC Management's duties, it shall, in appropriate cases, weigh the costs and benefits of voting the proxy proposals and will make an informed decision with respect to whether voting a given proxy proposal is prudent.

- Shareblocking. Shareblocking occurs when certain foreign countries "freeze" company shares from trading at the custodian/sub-custodian level in order to vote proxies relating to those shares. In markets where Shareblocking occurs, the custodian or sub-custodian will automatically freeze shares prior to a shareholder meeting until a proxy has been voted. Shareblocking typically takes place between one (1) and fifteen (15) days before the shareholder meeting, depending on the market. In markets where Shareblocking applies, there is a potential for a pending trade to fail if trade settlement takes place during the blocking period. Depending upon market practice and regulations, shares can sometimes be unblocked, allowing the trade to settle but negating the proxy vote. Accordingly, SLC Management may determine not to vote shares that are subject to Shareblocking, depending on the applicable restrictions on trade settlement and the materiality of the proxy to the client.

- Inadequate Information or Immaterial Impact. SLC Management may be unable to enter an informed vote in certain circumstances due to inadequate information from the proxy statement or the sponsor of the proxy proposal, and may abstain from voting in those situations. Proxy materials not delivered in a timely fashion may prevent analysis or entry of a vote by voting deadlines.

Corporate actions

From time to time, SLC Management may need to make decisions with respect to various types of corporate actions (e.g., tender offers, restructurings, waivers of covenants, etc.) on behalf of its client accounts. These situations are often highly fact-specific and can occur in all types of portfolios, including fixed income strategies. In those situations, SLC Management will vote in a manner that is in the best interest of its clients.

Circumstances may occur where SLC Management or an entity related to the firm has an actual or perceived interest in the outcome of a proxy voting matter that may conflict with the firm's obligation to act in the best interests of the client accounts. SLC Management's proxy voting and corporate action policy is designed to enable the firm to resolve any material conflicts of interest when discovered between the client accounts and (i) the firm and/or its affiliates; (ii) individuals making proxy voting decisions; and/or (iii) service providers, before voting proxies with respect to a matter in which such a conflict may be present.

Any proxy vote exercised that is not in compliance with this SLC Management's proxy voting and corporate action policy, which may give rise to a potential conflict of interest or which results in a conflict of interest will be dealt with in accordance with the provisions of the firm's proxy voting and corporate action policy.

Proxy voting at SLC U.S.

In general, it is expected that there will be no proxies for the portion Sun Risk Managed U.S. Equity Fund managed by SLC U.S. to vote because SLC U.S. will primarily invest in fixed income securities, which are typically non-voting.

Remuneration of trustee, directors and officers

Trustee compensation

The Manager does not receive any additional fees for serving as trustee of the Funds.

Employee compensation

The management functions of each Fund are carried out by employees of the Manager. The Funds do not have employees.

Independent Review Committee compensation

Each IRC member is entitled to receive compensation for the duties he or she performs as an IRC member. The annual retainer for individual members of the IRC is $35,000.00 and the Chair receives $41,000.00. The quarterly meeting fee is $1,250.00 for the Chair and $1,000.00 for individual members for attending regularly scheduled quarterly meetings. In the event that additional or special meetings are held, each IRC member is entitled to a special meeting fee of $1,250.00.

Material contracts

The material contracts that have been entered into by the Funds are as follows:

- The Master Declaration of Trust, as described under *Trustee of the Funds*;
- The Management Agreement as described under *Manager*;
- Second Amended and Restated Custodian Agreement dated October 1, 2021 amending and restating the Custodian Agreement originally entered into on July 30, 2010, between the Manager as manager of the Funds and RBC Investor Services Trust, as may be further amended, restated or consolidated from time to time, together with Schedule “A” as amended from time to time, as described under *Custodian*; and
- Sub-Advisory Agreement dated November 25, 2019, as amended dated December 16, 2020, October 31, 2022, and October 27, 2023, and as may be further amended from time to time among the Manager, SLC Management, Sun Life and Sun Life Net Zero Target Bond Fund, as described under *Sub-advisors*.
- Amended and Restated Sub-Advisory Agreement dated as of June 8, 2017, as amended on March 30, 2020, and as may be further amended from time to time among the Manager, SLC U.S., Sun Life and Sun Life Risk Managed U.S. Equity fund, as described under *Sub-advisors*.

Copies of the foregoing may be inspected during ordinary business hours on any business day at the head office of the Funds.

Legal proceedings

The Manager is not aware of any material legal proceedings outstanding, threatened or pending by or against the Funds, the Manager or SLGI, as the trustee of the Funds.

Designated website

A mutual fund is required to post certain regulatory disclosure documents on a designated website. The designated website of the mutual funds this document pertains to can be found at www.sunlifeglobalinvestments.com.

Valuation of portfolio securities

In calculating the NAV at any time of any securities of a Fund, the following valuation principles apply:

- the value of any cash or its equivalent on hand, on deposit or on call, bills and demand notes and accounts receivable, prepaid expenses, cash dividends declared, and interest accrued and not yet received is deemed to be the full amount thereof unless the Manager has determined that any such deposit, bill, demand note or account receivable is not worth the full amount, in which event the value thereof is deemed to be such value as the Manager determines to be the fair value;

- short term notes are valued at cost plus accrued interest which approximate their fair value;

- the value of any bonds (long or short), debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices as reported by an independent source on the day as of which the NAV of the Fund is being determined;

- the value of any security (long or short), including an exchange traded fund which is listed on any recognized exchange is valued, subject to the principles set out below, by the closing sale price or, if there is no closing sale price, the average between the closing bid and the closing asked price on the day on which the NAV of the Fund is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; if the average between closing bid and closing ask cannot be determined then the previous day’s price will be used, provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;

- delisted securities are valued at the lower of the last reported trading price or the Manager’s best estimate of fair value;

- if securities are interlisted or traded on more than one exchange or market, the Manager uses the last sale price reported on the exchange or market determined by the Manager to be the principal exchange or market for such securities;

- securities and other assets for which market quotations are, in the Manager’s opinion, inaccurate, unreliable, not reflective of all available material information or not readily available are valued at their fair value, as determined by the Manager;

- private investments in reporting issuers are valued at the current market price of the corresponding publicly traded portfolio investment less a discount for illiquidity due to the existence of a restricted period, which is amortized on a degressive basis over the restricted period. Where the market price of the publicly traded portfolio investment is lower than the subscription price of the private investment, and no discount can be calculated, the minimum value of the portfolio investment during the restricted period will be the lower of its cost and the closing price of the unrestricted publicly traded portfolio investment;

- securities of non-reporting issuers are valued at the Manager's best estimate of fair value;

- if the underlying security is listed on a recognized public securities exchange, special warrants are priced at market value of the underlying security. If the underlying security is not listed on a recognized public securities exchange or if there is no underlying security, special warrants are valued at the Manager's best estimate of fair value;

- warrants for which the exercise price exceeds the current price of the underlying security ("**out of the money**") are valued at nil;

- long positions in options, clearing corporation options, options on futures, over-the-counter options and debt like securities are valued at the current market value of the position;

- where an option, clearing corporation option, option on futures or over-the-counter option is written by the Fund, the premium received by the Fund for those options is reflected as a liability that is valued at an amount equal to the current market value of the option that would have the effect of closing the position. Any difference resulting from revaluation is treated as an unrealized gain or loss on investment. The liability is deducted in arriving at the NAV of the Fund. The securities, if any, that are the subject of a written option are valued in the manner described above for listed securities;

- the value of any mutual fund security not listed on any stock exchange and held by a Fund will be the last available net asset value per security;

- the value of a forward contract or swap is the gain or loss on the contract that would be realized if, on that valuation date, the position in the forward contract or swap was closed out;

- credit default swaps are valued at the net present value of the current cost of protection, which represents the fair value of the credit risk exposure to the referenced asset;

- the value of a standardized future is:

    - if daily limits imposed by the futures exchange through which the standardized future was issued are not in effect, the gain or loss on the standardized future that would be realized if, on that valuation date, the position in the standardized future was closed out; or

    - if daily limits imposed by the futures exchange through which the standardized future was issued are in effect, based on the current market value of the underlying interest of the standardized futures;

- margin paid or deposited on standardized futures or forward contracts is reflected as an account receivable and margin consisting of assets other than cash is noted as held as margin;

- securities quoted in foreign currencies are translated to Canadian dollars using the prevailing rate of exchange as quoted on the day as of which the NAV of the Fund is being determined by independent pricing sources acceptable to the Manager; and

- if an asset cannot be valued under the above principles or under any valuation principles set out in securities legislation, or if any valuation principles adopted by the Manager but not set out in securities legislation are at any time considered by the Manager to be inappropriate in the circumstances, then the Manager applies fair value pricing based on valuation principles that it considers to be appropriate in the circumstances.

Each Fund may, from time to time, trade in, or otherwise be exposed to, securities listed on exchanges located in India, China or other Far Eastern and European markets. Generally, these foreign markets operate at different times relative to North American markets, like the TSX. As a result, the closing price of securities that trade on these foreign markets (collectively, "**foreign securities**") may be "stale" by the time the Fund calculates its NAV. The Manager has contracted a vendor to provide a Fair Value Factor for securities they cover to capture expected market movements after close of the local market outside of North America, however there may be other situations that arise where a significant event that would materially affect the value of the foreign security occurs after the close of the foreign exchange but before the Fund calculates its NAV. Examples of such significant events could include natural disasters, acts of war or terrorism, a substantial fluctuation in foreign markets, unforeseen governmental actions or a halt in trading of the foreign security. In situations where the price for foreign securities may be "stale", the Manager may, in consultation with the relevant portfolio manager, fair value a foreign security using procedures established and approved by the Manager if it determines that the value of such foreign security held by a Fund is unavailable or otherwise unreliable. These procedures may include the use of independent pricing services. In such cases, the value of the foreign security will likely be different from its last quoted price. Also, it is possible that the fair value price determined by the Manager may be materially different from the value realized when the foreign security is sold.

The Manager has not exercised its discretion to deviate from the valuation principles as set out above for any SLGI Mutual Funds in the past three years.

The NAV per security of a Fund, for all purposes other than the financial statements, is calculated using the valuation principles described above. The NAV per security of a Fund for the purposes of the financial statements is calculated in accordance with International Financial Reporting Standards ("**IFRS**"). Under IFRS, the Fund's accounting policies for measuring the fair value of its investments and derivatives for the purposes of the financial statements are expected to be aligned with those used in measuring its NAV per security for the purpose of redemption and purchase of securities of the Fund.

Calculation of Net Asset Value

We calculate a separate NAV for each Fund. The NAV of each Fund is computed by deducting all expenses or liabilities of the Fund from the value of the assets of that Fund. All expenses or liabilities of each Fund are calculated on an accrual basis. We also calculate a separate NAV for each series of securities of each Fund, which is referred to as "**series NAV**".

For each Fund, the series NAV is based on the value of the proportionate share of the assets of the Fund attributable to the particular series less the liabilities of the Fund attributed only to that series and the proportionate share of the common liabilities of the Fund allocated to that series. The NAV for each security of a series is determined by dividing the series NAV by the total number of securities of that series outstanding at the time.

For each Fund, the series NAV per security of each series is normally determined as at the close of business on each day that the TSX is open for trading, or any other day determined from time to time by the Manager, unless the Manager has declared a suspension of the determination of the series NAV as described under

Purchases, redemptions and switches. The series NAV per security of each series so determined remains in effect until the time as at which the next determination of series NAV per security is made. The day on which series NAV is determined is referred to in this simplified prospectus as a "**valuation day**".

The NAV of the Funds is determined and reported in Canadian dollars.

Securities of each series of each of the Funds are issued or redeemed at the series NAV next determined after the receipt by the Fund of the purchase order or the redemption request. The daily NAV for each Fund and the series NAV per security of each Fund is available upon request, free of charge, by calling the Manager toll free at 1-877-344-1434, by sending an email to info@sunlifeglobalinvestments.com or by mailing SLGI Asset Management Inc. at One York Street, Suite 3300, Toronto, Ontario M5J 0B6.

Purchases, redemptions and switches

Series of securities

Each Fund may have an unlimited number of series of securities and may issue an unlimited number of securities of each series. Only Series I securities are currently offered by the Funds. We may offer additional securities under separate simplified prospectuses or other offering documents. The offering of any series of securities can be terminated at any time and any additional series of securities may be offered at any time.

Series I securities

Series I securities are special purpose securities that are only available to certain individuals, institutional clients or dealers who have entered into a Series I agreement with us, and mutual funds managed by us or an affiliate that uses a fund of fund structure. Series I securities are not sold to the general public. No management fee or advisory fee are charged in respect of Series I securities. Instead, each Series I investor negotiates its own management and advisory fee, that is paid directly to us. No sales commissions or trailing commissions are payable by us to dealers for investments in Series I securities. We must approve any switch to or from Series I securities.

If, at any time, you cease to be eligible to hold Series I securities, you may be required to redeem your Series I securities on 30 days written notice.

How to buy securities of the Funds

You can buy securities of the Funds through a registered dealer. You must be of the age of majority in the province or territory in which you live to buy securities of a mutual fund. You may hold securities in trust for a minor.

Purchase price

When you buy securities of a Fund, the price you pay is the series NAV of those securities. We calculate the series NAV for each Fund in Canadian dollars.

If we receive your purchase order before 4 p.m. Eastern Time ("**ET**") on a day that the TSX is open for business, we will process your order based on the NAV calculated on that day. If we receive your order after that time, we will process your order based on the NAV calculated on the next business day. If the TSX closes earlier than 4:00 p.m. ET, we may impose an earlier deadline.

Sales charges

There are no sales charges for the purchase of Series I securities.

Minimum investment

The minimum initial investment and each additional investment in Series I securities of a Fund is negotiated between each Series I investor and the Manager.

How we process your order

You must send all orders for securities to your dealer and such orders will then be forwarded by your dealer to the registered office of the Funds for acceptance or rejection. Each Fund reserves the right to reject any order in whole or in part. Your dealer must transmit an order for securities to the registered office of the Funds without charge to you. Your dealer must make such transmittal wherever practical by same day courier, priority post or telecommunications facility.

You and your advisor are responsible for ensuring that your purchase order is accurate and that we receive all the necessary documents or instructions. If we receive funds and a purchase order that fails to provide investment instructions but is otherwise valid, we will deem such order to be for Series A securities of Sun Life Money Market Fund and invest your money in such securities, under the Front-End Sales Charge option at a 0% sales charge**.** Once we receive instructions specifying the Fund and series that you have selected and we have received your documentation in good order, we will switch this investment into that Fund and series that you have selected, without additional charge, at the NAV per security of the series of the Fund you selected on the applicable switch date.

We must receive full payment within two business days of processing your order. If we do not receive payment within that time or if the payment is returned, we will sell your securities on the next business day. If the proceeds are greater than the amount you owe us, the Fund will keep the difference. If the proceeds are less than the amount you owe us, your dealer will pay the difference to the Fund and you may have to reimburse your dealer.

We can accept or reject your order within one business day of receiving it. If we accept your order, you will receive a written confirmation from us and/or your dealer or the intermediary. If we reject your order, we will return your money to you without interest.

How to redeem your securities

If you want to redeem any of your securities of the Funds, contact your advisor, who may ask you to complete a redemption request form.

Upon redemption we will pay you the current NAV for your securities, less any applicable short-term or excessive trading fee or large redemption penalty, as described below. If we receive your redemption request before 4 p.m. ET on a day that the TSX is open for business, we will calculate your redemption value as of that day. If we receive your redemption request after that time, we will calculate your redemption value as of the next business day. If the TSX closes earlier than 4:00 p.m. ET, we may impose an earlier deadline.

The Funds will pay redemption proceeds in Canadian dollars.

Redemption requests in any of the following cases are required to have signatures guaranteed by a Canadian chartered bank or trust company or by your dealer:

- your redemption proceeds are at least $50,000;
- you ask us to send your redemption proceeds to another person or to a different address than which is recorded for your account;
- your redemption proceeds are not payable to all joint owners on your account; or
- a corporation, partnership, agent, fiduciary or surviving joint owner is redeeming securities.

You should consult your advisor with respect to the documentation required.

Redemption fees

There is no redemption fee payable for Series I securities.

If you have held your securities for less than 30 days, you may pay a short-term or excessive trading fee. If we have notified you that you are a Large Investor (as defined below in ***Large investment***), and you wish to make a Large Redemption (as defined below in ***Large investment***) and you do not provide the required five business days' notice prior to completing the transaction, you will also pay a large redemption penalty. See *Short-term or excessive trading fees* and *Large investments*.

Short-term or excessive trading fees

In general, the Funds are long-term investments. Frequent trading or switching securities of the Funds by one or more investors can hurt a Fund's performance, affecting all the investors in a Fund by forcing the Fund to keep more cash than would otherwise be required or sell investments during unfavourable market conditions to meet redemptions.

Some investors may seek to trade or switch frequently to try to take advantage of the difference between the Fund's NAV and the value of the Fund's portfolio holdings. This activity is sometimes referred to as "market-timing".

We use a combination of measures to detect and deter market timing activity, including:

- monitoring trading activity in our client accounts and, through this monitoring, declining certain trades;
- imposing short-term or excessive trading fees; and
- applying fair value pricing to foreign portfolio holdings in determining the prices of our Funds.

While we actively take steps to monitor, detect and deter short-term or excessive trading, we cannot ensure that such trading activity will be completely eliminated. We may reassess what is inappropriate short-term or excessive trading in the Funds at any time and may charge short-term or excessive trading fees or exempt transactions from such fees in our discretion. The short-term or excessive trading fees are paid to the applicable Fund and not to us.

If you redeem or switch securities of a Fund within 30 days of purchase, the transaction may be subject to a short-term or excessive trading fee of 2% of the NAV of the securities redeemed or switched. The fee payable will be deducted from the amount you redeem or switch and will be paid to the applicable Fund. The short-term or excessive trading fee is in addition to any switch fees that you may pay. See *Fees and expenses payable directly by you*. Each additional switch counts as a new purchase for this purpose. No short-term or excessive trading fees are charged:

- for a redemption of securities when an investor fails to meet the minimum investment amount for the Funds;
- for a redemption of securities acquired through automatic reinvestment of all distributions by a Fund;
- for a redemption of securities in connection with a failed settlement of a purchase of securities;
- for a change of securities from one series to another of the same Fund (if, in the future, the Funds offer additional series);
- for a redemption of securities by another investment fund or investment product approved by us; or
- in the absolute discretion of the Manager.

In addition, we may also waive the short-term or excessive trading fee in certain extenuating circumstances including severe financial hardship or the death of an investor.

See also *Switch fees* and *Minimum investment* for details.

Large investments

Investors may make large investments in securities of the Funds. Where investors hold large investments in the securities of a Fund, their trading activities have the potential to disadvantage the Fund's other securityholders. The Manager has implemented policies and procedures for both retail and institutional investors to help minimize the potential impact of large transactions by an investor on a Fund's other securityholders.

An investor is deemed to be a "**Large Investor**" in a Fund under our policies and procedures when the investor owns Series I securities of a Fund valued at:

- $5,000,000 or more, where the Fund's total net assets are less than $100,000,000 and the Fund has been available for sale for at least two (2) years; or
- more than 5% of the Fund's total net assets, for Funds with total net assets greater than or equal to $100,000,000

  (either is considered a "**Large Investment**").

We will notify you once you become a Large Investor in a Fund.

Large Investors are required to provide us with five business days' prior notice of a redemption or switch that is greater than or equal to a Large Investment (a "**Large Redemption**"). Large Redemptions will be subject to a large redemption penalty of 1% of the NAV of the securities redeemed or switched, if the required notice is not provided. The large redemption penalty will be deducted from the amount redeemed or switched and will be paid to the applicable Fund and not to us.

If the Large Redemption would be subject to both a large redemption penalty and a short-term or excessive trading fee, only the short-term or excessive trading fee will apply.

See *Large transaction risk*.

Fair value pricing

The TSX generally closes at 4 p.m. ET. We price a Fund's portfolio holdings using the market values of those securities as of 4 p.m. ET. For securities traded on North American markets, the closing prices are generally an accurate reflection of market values at 4 p.m. ET. However, closing prices on foreign securities exchanges may, in certain cases, no longer accurately reflect market values. Events affecting the values of the Fund's foreign portfolio holdings may have occurred after the foreign market closed but before 4 p.m. ET. Our fair value pricing process makes adjustments to closing prices of foreign securities if there is a significant event which has occurred between the time the foreign market closed and the time at which the NAV for the Funds is calculated. The intent of fair value pricing is to increase the likelihood that a Fund's NAV truly reflects the value of its holdings at the time the Fund's price is determined and to deter market timing activity by decreasing the likelihood that an investor is able to take inappropriate advantage of market developments that occur following the foreign market close and prior to 4 p.m. ET.

How we process your redemption request

You must send redemption requests to your dealer for delivery to the Funds. Your dealer must transmit the particulars of such redemption request to the Fund without charge to you and must make such transmittal wherever practical by same day courier, priority post or telecommunications facility. You and your dealer are responsible for ensuring that your redemption request is accurate and that the Manager receives all necessary documents or instructions.

We will pay you the proceeds of your redemption request within two business days of receiving all the required documents or instructions. We will deduct any redemption fees and withholding tax from the payment. Payment for the securities that are redeemed shall be made as described above, provided that the investor's payment for the purchase of any of the securities being redeemed has cleared.

If your account is registered in the name of your dealer or an intermediary, we will send the proceeds to that account unless your dealer or the intermediary tells us otherwise. Redemption proceeds are paid only to registered holders of securities, so if you hold your securities through a financial intermediary, you should expect redemption proceeds to be paid into your account with your financial intermediary. As a convenience to investors of the Funds whose securities are registered in their own names, the Manager will, if the investor so requests, deliver by wire transfer the redemption proceeds to a designated Canadian dollar account of the investor at a Canadian bank, trust company or credit union on the day on which the redemption proceeds are made available by a Fund to the Manager. If you request that redemption proceeds be forwarded to you by courier or wire transfer, we may charge you for any cost incurred by us in connection with such delivery method. Other than these charges incurred to offset delivering redemption proceeds, there are no charges for this service.

If we do not receive all the necessary documents or instructions within ten business days of receiving your redemption order, we will buy back your securities on the tenth business day after the redemption. If the sale proceeds are greater than the cost, the Fund will keep the difference. If the sale proceeds are less than the cost, your dealer will pay the difference to the Fund and you may have to reimburse your dealer. Where no dealer has been involved in the redemption request, the Manager is entitled to collect the amounts described above from the investor who has failed to supply the proper redemption request.

Automatic redemption

Investors in Series I securities of the Funds must maintain investments worth at least $500.00 in their accounts. If your account falls below $500.00, we may notify you and give you 30 days to make another investment. If your account stays below $500.00 after those 30 days, we may redeem all of the securities in your account and send the proceeds to you.

We also intend to observe all redemption policies that may be implemented from time to time by industry participants such as Fundserv, which provides a transaction processing system used by most mutual funds in Canada.

Irrespective of the size of your investment in a Fund, we reserve the right to redeem all of the securities that you hold in a Fund if we believe it is in the best interest of the Fund to do so.

Suspending your right to redeem

Canadian securities regulators allow us to suspend your right to redeem your securities when:

- normal trading is suspended in any market where securities or derivatives that make up more than 50% of the Fund's total value are traded and there is no other market or exchange that represents a reasonable alternative; or

- Canadian securities regulatory authorities provide their consent.

If we suspend redemption rights after you have requested a redemption and before your redemption proceeds have been determined, you may either withdraw your redemption request or redeem your securities at the NAV determined after the suspension period ends. We will not accept orders to buy securities of a Fund during any redemption suspension period.

How to switch your securities

You may, at any time, switch all or part of your investment in a Fund to another SLGI Mutual Fund, provided that you are eligible to make the switch.

You must place all switch orders through your advisor.

Switching between Funds

You can switch your securities of one series of a Fund into securities of the same series or a different series of another SLGI Mutual Fund, provided you are qualified to purchase the series you are switching into.

Switching from a Fund to another Fund or another SLGI Mutual Fund involves both a redemption of securities of the Fund and a purchase of securities of the other Fund or SLGI Mutual Fund. A redemption is a disposition for tax purposes and will generally result in you realizing a taxable capital gain or capital loss if you hold your securities outside a registered plan. See *Income tax considerations* for more details.

Changing between series

An investor may change Series I securities of a Fund into securities of a different series of another SLGI Mutual Fund if the investor is eligible to purchase the new series. The following are some additional things an investor should keep in mind about changing between series:

- If an investor changes from Series I securities of the Fund into Series A, Series AH, Series AT5, Series T5, Series AT8 or Series T8 securities of another SLGI Mutual Fund, if available, the investor can choose to have any of the purchase options available at the time apply to the investor's new securities.

- Any change into or out of Series I securities is subject to the prior written approval of the Manager.

- A change from one series of a Fund to another series will likely result in a change in the number of securities of the Fund you hold since each series of a Fund generally has a different NAV per security.

- If you are no longer eligible to hold Series I securities, you may be required to redeem your Series I securities on 30 days written notice if the Fund does not offer Series A securities.

Switch fees

Dealers may charge you a switch fee of up to 2% of the amount switched to cover their time and processing costs associated with a switch transaction. Generally, dealers may charge you a switch fee for a switch to or from Series A, Series AH, Series AT5, Series T5, Series AT8, Series T8, Series O or Series OH securities of a Fund. You and your advisor negotiate the fee.

Switch fees and sales commissions are exclusive of each other. Dealers may receive a switch fee or a sales commission for a switch transaction, but not both.

If you are no longer eligible to hold a certain series of securities and the Manager changes your securities to another series of the same Fund, the dealer will not receive a switch fee or a sales commission.

You may also have to pay a short-term or excessive trading fee if you switch from securities purchased within the last 30 days. See *Short-term or excessive trading fees*.

No switch fees are charged when you are switching from Series I securities of a Fund to Series D, Series F, Serie FH, Series F5, Series F8, Series FT5, Series FT8, Series I or Series IH securities of another Fund or SLGI Mutual Fund.

Optional services

Registered Plans

Generally, we can set up any type of registered plan, including a retirement savings plan ("**RRSP**"), registered retirement income fund ("**RRIF**"), tax free savings account ("**TFSA**"), registered education savings plan ("**RESP**"), deferred profit sharing plan ("**DPSP**") and first home savings account ("**FHSA**" and together with RRSP, RRIF, TFSA, RESP, DPSP, each a "**Registered Plan**" and collectively re "**Registered Plans**") and any type of locked in Registered Plan (such as a locked in retirement account or a life income fund) for you when you invest in a Fund that may be held in Registered Plans. Please contact your advisor for more details.

Please see *Income tax considerations* for details on holding securities of the Funds in Registered Plans.

Fees and expenses

The following tables show the fees and expenses you may have to pay if you invest in the Funds. You may pay some of these fees and expenses directly. The Funds may pay some of these fees and expenses, which reduces the value of your investment.

If the basis of the calculation of a fee or expense that is charged to a Fund is changed in a way that could result in an increase in charges to the Fund or to its investors, or if a fee or expense to be charged to a Fund or directly to the Fund's investors by the Fund or us in connection with holding securities of the Fund that could result in an increase in charges to the Fund or its investors is introduced, and, in both cases, when this fee or expense is charged by an entity that is at arm's length to the Fund, the approval of such Fund's investors will not be obtained. Instead, investors in the Fund will be sent a written notice at least 60 days before the effective date of the change.

For Series I of a Fund, we may change the basis of the calculation of a fee or expense, or introduce a new fee or expense, in each case in a way that could result in an increase in charges to the series or to their securityholders upon providing at least 60 days' written notice before the effective date of any such change.

Fees and expenses payable by the Funds

Administration fees and operating expenses

We pay certain of the operating expenses of each Fund, other than Fund Costs (as defined below) (the "**Administration Expenses**"), in return for a fixed-rate annual administration fee paid to us by each Fund ("**administration fee**"). The administration fee is based on the NAV of each series of the Fund. The annual rate of the administration fee, excluding GST/HST and other applicable taxes, if any, is set out below. The fee is accrued daily and paid monthly. The Administration Expenses include, but are not limited to, record keeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, administrative and systems costs, costs of reports to investors, prospectuses and other disclosure documents, regulatory filing fees (including any regulatory fees and expenses payable by the Manager in connection with acting as manager of the Funds) and trustee fees for Registered Plans.

Fund Name	Series I Securities
Sun Life Risk Managed U.S. Equity Fund	0.05%
Sun Life Net Zero Target Bond Fund	0.03%

Each Fund also pays certain operating expenses directly (the "**Fund Costs**"). Fund Costs are: (a) borrowing costs incurred by the Funds from time to time; (b) fees and expenses payable to or in connection with the Funds' IRC; (c) taxes payable by the Funds; (d) contingent fees for foreign tax reclaim filings; and (e) the costs of complying with any new regulatory or legal requirement imposed on the Funds commencing after the inception date of the Funds. Fund Costs are allocated to the series to which they apply in a manner that, in the Manager's view, is considered fair and reasonable. Each Fund also pays costs in connection with brokerage commissions, prime broker fees (if applicable) including borrowing costs for short sales, and other portfolio transaction costs, including any taxes applicable to such costs, which are expenses of the Fund, but are not included in the management expense ratio ("**MER**") of a series of a Fund.

We may, at our discretion, (i) waive a portion or the entire amount of the administration fee chargeable to a Fund at any given time; and (ii) pay certain Fund Costs for a Fund.

We may reduce the administration fee and Fund Costs charged to a Fund for the benefit of institutional and individual investors who invest large amounts in a Fund. These reductions are negotiable by the institutional investor or your advisor and us. To achieve this reduction, we make a payment directly to the investors, which is generally invested in additional securities. However, some institutional investors may choose to receive cash.

Each member of the IRC is currently entitled to an annual retainer of $35,000.00 ($41,000.00 for the Chair). A quarterly meeting fee is also payable to each IRC member ($1,250.00 for the Chair, $1,000.00 for individual members) for attending regularly scheduled quarterly meetings. In the event that additional or special meetings are held, each IRC member is entitled to a special meeting fee of $1,250.00. Members are also entitled to be reimbursed for all reasonable expenses incurred in the performance of their duties. The fees and expenses of IRC members are allocated among the SLGI Mutual Funds by the Manager in a manner that the Manager considered as fair and reasonable.

Fund of funds fees and expenses

When a Fund invests in securities of an underlying fund, the underlying fund may pay a management fee and other expenses in addition to the fees and expenses payable by the Fund. In certain cases, a fee equivalent to the portfolio management fees arising at the underlying fund level will be charged at the underlying fund level. The Manager anticipates that this fee will be in the 0.10% to 0.65% range. The fees and expenses of the underlying fund will have an impact on the management expense ratio of a Fund that invests in such underlying fund, as the Fund is required, in determining its management expense ratio, to take into account the expenses incurred by the Fund that are attributable to its investment in the underlying fund. However, the Fund will not pay management fees on the portion of its assets that it invests in the underlying fund that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service. In addition, the Fund will not pay duplicate sales charges or redemption fees for its purchase or redemption of securities of the underlying fund.

Fees and expenses payable directly by you

Management fees

Series I investors and dealers or discretionary managers who have entered into a Series I Agreement with us, negotiate and pay an annual management fee, plus any applicable taxes, to us directly. Management fees pay for the services we provide in respect of the Fund, including the following:

- Portfolio and investment advisory services
- Oversight of any service providers to the Fund

- General administration of fund operations
- Marketing and other promotional activities
- Arranging for the distribution and sale of securities of the Fund
- Commissions to advisors and dealers

This list is not exhaustive.

The fee is accrued daily and paid monthly. These fees will not exceed 1.50%.

For dealers or discretionary managers who offer separately managed accounts or similar programs, the dealer or discretionary manager may negotiate a separate fee applicable to all dealers or discretionary manager accounts under such program. Any such aggregated fee, or fee determined on another basis, would be paid directly to us by the dealer or discretionary manager. If the agreement between us and the dealer or discretionary manager is terminated, or if an investor chooses to withdraw from the dealer's program, the Series I securities held by the investor may be redeemed.

Switch fees	Dealers may charge you a switch fee of up to 2% of the value of the securities switched to cover the time and processing costs associated with a switch transaction. You and your advisor negotiate the fee. See *Switch fees* for details.
Short-term or excessive trading fees	You may pay 2% of the current value of the securities if you redeem or switch them within 30 days of purchase. No short-term or excessive trading fees are charged (i) for a redemption of securities when an investor fails to meet the minimum investment amount for the Funds; (ii) for a redemption of securities acquired through automatic reinvestment of all distributions by a Fund; (iii) for a redemption of securities in connection with a failed settlement of a purchase of securities; (iv) for a change of securities from one series to another of the same Fund (if the Fund offers additional series in the future); (v) for a redemption of securities by another investment fund or investment product approved by us; or (vi) in the absolute discretion of the Manager. See *Short-term or excessive trading fees* for details.
Large redemption penalties	If we have notified you that you are a Large Investor, and you wish to make a Large Redemption, you will pay 1% of the NAV of the securities redeemed or switched, if you do not provide the required five business days' notice prior to completing the transaction. If the Large Redemption would be subject to both a large redemption penalty and a short-term or excessive trading fee, only the short-term or excessive trading fee will apply. See *Large transaction risk* and *Large investments* for details.

Registered plan fees	None.
Other fees and expenses	We will charge you an NSF fee ($30 for each returned item) should any cheque or purchase order be returned because of insufficient funds in your account. If you request that redemption proceeds be forwarded to you by courier or wire transfer, we may charge you for any cost incurred by us in connection with such delivery method.

Management fee and administration fee distribution programs

The Manager encourages large investments in the Funds and tries to achieve competitive management fees, administration fees and other operating expenses. From time to time, the Manager may agree to arrange for the fees and expenses (including the management fee and/or the administration fee) to be reduced in respect of a particular investor's investment in the Fund. Generally, for an administration fee, the reduction will be paid by a Fund to the particular investor in the form of a "fee distribution", where the Fund makes a special distribution to the investor of income, capital gains and/or capital of the Fund equal to the amount of the reduction. Fee distributions will generally be reinvested in additional securities of the applicable Fund; however, certain institutional investors may be eligible to elect to receive their fee distributions in cash. Fee distributions are calculated and credited daily. Fee reductions, if any, are paid at such times as may be determined by the Manager. The income tax consequences of fee distributions will generally be borne by the qualifying investors receiving them.

For Series I securities, the reduction of fees and expenses are negotiated on a case by case basis by the investor or the investor's dealer with the Manager and are based primarily on the size of the investment in the Funds. Generally, these arrangements would not be considered for investments less than $250,000.00, and the Manager will confirm in writing to an investor or the investor's dealer the details of any arrangement.

Any reduction of fees or expenses is in the sole and absolute discretion of the Manager. At all times, the Manager is entitled to charge the Fund or the investor, as applicable, the maximum rate of fees, as set out in this simplified prospectus or, in the case of the management fee of Series I securities, as negotiated with the investor. Management fee reductions may not be applied in the event that the Manager chooses to waive part or all of the management fees on a security of the Fund. The Manager may reduce the rate of any fee reductions or cancel any fee reduction at any time.

Dealer compensation

Commissions we pay to your Dealer

Sales commission

No sales commissions are payable by us to dealers for investments in Series I securities of the Funds.

Trailing commission

No trailing commissions are payable by us to dealers for investments in Series I securities of the Funds.

Other sales incentives

We may from time to time pay the permitted marketing expenses of participating dealers on a co-operative basis. We may also hold educational conferences that sales representatives of participating dealers may attend and may pay certain of the expenses incurred by participating dealers in holding such educational conferences for sales representatives. In addition, we may provide promotional items of minimal value to representatives of participating dealers.

These activities are in compliance with applicable laws and regulations and any costs incurred by them will be paid by us and not the Funds.

Equity interest

Each of SLGI Asset Management Inc. and Sun Life Financial Investment Services (Canada) Inc. are indirect wholly-owned subsidiaries of Sun Life Financial Inc. Sun Life Financial Investment Services (Canada) Inc. is a participating dealer of the Funds.

Income tax considerations

The following is a summary of the principal Canadian federal income tax considerations under the Tax Act, as at the date hereof, for the Funds and for natural individuals who are prospective purchasers of securities of the Funds (either directly or in their Registered Plans) and who, for the purposes of the Tax Act, are resident in Canada, deal at arm's length with the Funds and hold their securities as capital property. This summary is based on the current provisions of the Tax Act in force on the date hereof, all specific proposals to amend the Tax Act publicly announced by or on behalf of the Minister of Finance (Canada) prior to the date hereof (the "**Tax Proposals**") and our understanding of the current published administrative practices and assessing policies of the CRA. This summary does not otherwise take into account or anticipate any changes in law, whether by legislative, government or judicial decision or action or changes in the administrative practices of the CRA, nor does it take into account or consider any provincial, territorial or foreign income tax considerations.

This summary is of a general nature only, is not exhaustive of all possible income tax considerations, and is not intended to be legal or tax advice. Accordingly, prospective investors should consult their own tax advisors about their particular circumstances.

This summary is based on the assumption that Sun Life Risk Managed U.S. Equity Fund will qualify as a "mutual fund trust" and/or a "registered investment", as such terms are defined in the Tax Act, at all material times. Sun Life Net Zero Target Bond Fund is a "unit trust", but is not expected to qualify as a "mutual fund trust" or a "registered investment" under the Tax Act. This summary assumes that no more than 50% of the fair market value of Sun Life Net Zero Target Bond Fund will at any time be held by one or more "financial institutions", as defined for the purposes of the mark-to-market rules in the Tax Act, and that no securities of Sun Life Net Zero Target Bond Fund will be held by a non-resident or other "designated beneficiary" as such term is defined for the purposes of Part XII.2 of the Tax Act.

Income tax considerations for the Funds

Each Fund will distribute a sufficient amount of its net income and net realized capital gains to investors in each taxation year so that the Fund will not be liable for ordinary income tax under Part I of the Tax Act after taking into account applicable losses, if any.

Where a Fund has been a mutual fund trust under the Tax Act throughout a taxation year, the Fund will be allowed for such year to reduce its liability, if any, for tax on its net realized taxable capital gains by an amount determined under the Tax Act based on various factors, including redemption of its securities during the year (the "**capital gains refund mechanism**").

Each Fund calculates its net income, including net taxable capital gains, in Canadian dollars, for each taxation year according to the rules in the Tax Act. Generally, in the calculation of a Fund's income, interest is included as it accrues, dividends when they are received and capital gains and losses when they are realized. Trust income that is paid or payable to a Fund during a calendar year is generally included in the calculation of the Fund's income for the taxation year of the Fund that ends in that calendar year. Each year, in the calculation of the Fund's income for the taxation year, an amount is included as notional interest accrued on strip bonds, zero-coupon bonds and certain other prescribed debt obligations held by the Fund even though the Fund is not entitled to receive interest on the bond. Foreign source income received by a Fund (whether directly or indirectly from an underlying trust) will generally be net of any taxes withheld in the foreign jurisdiction. The foreign taxes so withheld will be included in the calculation of the Fund's income. Gains and losses from cash-settled options, futures and other derivatives may be treated as ordinary income and loss or as capital gains and capital losses, depending on the circumstances.

The Sun Life Risk Managed U.S. Equity Fund will report the returns earned from writing and holding options relating to capital property on capital account in accordance with the CRA's administrative position. See *What are the general risks of investing in a mutual fund?* - *Tax risk* below for more details.

Premiums received on covered call options written by Sun Life Risk Managed U.S. Equity Fund which are not exercised prior to the end of the year will constitute capital gains of Sun Life Risk Managed U.S. Equity Fund in the year received, unless such premiums are received as income from a business. The treatment of covered call option transactions as giving rise to capital gain (or loss), or business income (or loss) is a question of fact to be determined having regard to all the circumstances. It is relevant for purposes of that determination that Sun Life Risk Managed U.S. Equity Fund purchases securities with the objective of receiving dividends and other distributions thereon and writes covered call options with the objective of increasing the yield on its portfolio beyond the dividends and other distributions received on its portfolio. Having regard to the foregoing, and in accordance with the CRA's published administrative policies, transactions undertaken by Sun Life Risk Managed U.S. Equity Fund in respect of options on the securities held by Sun Life Risk Managed U.S. Equity Fund will be treated and reported by Sun Life Risk Managed U.S. Equity Fund as arising on capital account.

Premiums received by Sun Life Risk Managed U.S. Equity Fund on covered call options which are subsequently exercised will be added in computing the proceeds of disposition to Sun Life Risk Managed U.S. Equity Fund of the securities disposed of by Sun Life Risk Managed U.S. Equity Fund upon the exercise of such call options. In addition, where a covered call option is exercised after the end of the year in which it was granted, the capital gain reported by Sun Life Risk Managed U.S. Equity Fund in the previous year in respect of the receipt of the option premium will be reversed.

A Fund that invests in foreign denominated securities must calculate its adjusted cost base ("**ACB**") and proceeds of disposition in Canadian dollars based on the conversion rate on the date the securities were purchased and sold, as applicable. When a Fund disposes of those securities, it may realize capital gains and losses due to changes in the value of foreign currency relative to the Canadian dollar. Capital gains realized during a taxation year are reduced by capital losses realized during the year, subject to the application of loss restriction rules. For example, a capital loss will be suspended, if, during the period that begins 30 days before and ends 30 days after the date on which the capital loss was realized, the Fund (or a person affiliated with the Fund for the purposes of the Tax Act) acquires a property that is, or is identical to, the particular property on which the loss was realized and the substituted property continues to be held at the end of the relevant period.

In calculating each Fund's income, all of a Fund's deductible expenses, including expenses common to all series of the Fund and management fee and other expenses specific to a particular series of the Fund, will be taken into account for the Fund as a whole. However, the deductibility of interest and financing expenses incurred by a Fund may be subject to limitations in certain circumstances pursuant to Tax Proposals.

A Fund will generally be subject to a "loss restriction event" each time a person or partnership becomes a "majority-interest beneficiary" (as defined in the Tax Act) of the Fund if, at that time, the Fund does not qualify as an "investment fund" (as defined in the Tax Act for the purposes of these rules) by satisfying investment diversification and other conditions. If the loss restriction event rules apply, the taxation year of the Fund will be deemed to end, and investors may automatically receive an unscheduled distribution of income and capital gains from the Fund. The Fund will be deemed to realize its capital losses and may elect to realize capital gains. Unused capital losses will expire and the ability of the Fund to carry forward non-capital losses will be restricted.

Sun Life Net Zero Target Bond Fund is not expected to qualify as a mutual fund trust or a registered investment under the Tax Act. If, at any time in a year, a Fund is not a mutual fund trust under the Tax Act, it (i) may become liable for alternative minimum tax under the Tax Act, (ii) may be subject to a special tax under Part XII.2 of the Tax Act, (iii) may be subject to rules applicable to financial institutions, and (iv) will not be entitled to the capital gains refund mechanism.

Sun Life Risk Managed U.S. Equity Fund is expected to apply to be a registered investment under the Tax Act. If Sun Life Risk Managed U.S. Equity Fund is accepted as a registered investment but is not a mutual fund trust under the Tax Act, it may be subject to the same tax consequences identified above in respect of the Sun Life Net Zero Target Bond Fund. In addition, a Fund that is a registered investment but not a mutual fund trust is also subject to a special tax under Part X.2 of the Tax Act if at the end of any month it holds property that is not a "qualified investment" under the Tax Act for Registered Plans. If applicable, Sun Life Risk Managed U.S. Equity Fund will restrict its investments so that it will not be liable for a material amount of tax under Part X.2 of the Tax Act.

Income tax considerations for Investors

The tax you pay on your mutual fund investment depends on whether you hold your securities of a Fund in a Registered Plan or in a non-registered account.

Securities of the Funds held in a Registered Plan

If securities of a Fund are held in your Registered Plan, generally neither you nor your Registered Plan is subject to tax on distributions paid by a Fund on those securities or on capital gains realized on the disposition of those securities, provided the distributions or proceeds of disposition remain in the Registered Plan, unless the securities are a non-qualified investment or a prohibited investment under Tax Act for your Registered Plan.

Securities of Sun Life Risk Managed U.S. Equity Fund are expected to be a qualified investment for Registered Plans at all times. Securities of a Fund may be a prohibited investment for your Registered Plan (other than a deferred profit sharing plan) even if the securities are a qualified investment. If your Registered Plan holds a prohibited investment, you become liable to a 50% potentially refundable tax on the value of the prohibited investment and a 100% tax on income and capital gains attributable to, and capital gains realized on the disposition (or deemed disposition) of, the prohibited investment.

Under a safe harbour rule for newly established mutual funds, securities of a Fund will not be a prohibited investment for a Registered Plan of any planholder at any time during the first 24 months of the Fund's existence provided the Fund qualifies as a mutual fund trust under the Tax Act and the Fund either remains in substantial compliance with NI 81-102 or follows a reasonable policy of investment diversification during the safe harbour period.

Securities of Sun Life Net Zero Target Bond Fund are not expected to be qualified investments for Registered Plans and such Registered Plans and their annuitants, holders, or subscribers, as the case may be, may be subject to significant adverse tax consequences as a result of holding such securities. **Accordingly, it is recommended that securities of Sun Life Net Zero Target Bond Fund not be held in Registered Plans.**

You should consult your own tax advisor for advice regarding the implications of acquiring, holding and disposing of securities of a Fund in your Registered Plan, including whether or not securities of a Fund would be a prohibited investment for your Registered Plans.

Securities of the Funds held in a non-registered account

Distributions

If you hold your securities in a non-registered account, you must include in your income for tax purposes the taxable portion of all distributions paid to you by a Fund. This is the case whether you receive them in cash or reinvest them in additional securities. The amount of any reinvested distributions is added to your ACB and thus reduces your capital gain or increases your capital loss when you redeem those securities, so that you do not pay tax twice on the same amount. The Funds will take steps so that capital gains and Canadian dividends will retain their character when paid to you as a distribution by a Fund. One half of a capital gain distribution is included in income as a taxable capital gain. The Funds will take steps to pass on to you the benefit of the enhanced dividend tax credit when it is available. A Fund may take steps so that you are able to claim a foreign tax credit in respect of foreign source income distributed to you.

Distributions from the Funds may include returns of capital. A distribution of capital is not included in your income for tax purposes, but will reduce the ACB of your securities on which it was paid. Where the reductions to the ACB of your securities causes the ACB to become negative, the negative amount is treated as a capital gain realized by you and the ACB of your securities will then be nil.

Sales charges paid on the purchase of securities are not deductible in computing your income, but are added to the ACB of your securities. See *Adjusted cost base* below.

Management fees paid on Series I securities by an investor are generally not deductible by the investor.

Switching your securities

Switch of securities involves a redemption and purchase of securities. A redemption is a disposition for tax purposes. See *Redeeming or disposing of your securities* below.

Redeeming or disposing of your securities

If you redeem or otherwise dispose of securities with a NAV that is greater than the ACB, you realize a capital gain. If you redeem or otherwise dispose of securities with a NAV that is less than the ACB, you realize a capital loss. You may deduct any redemption fees or other expenses of disposition when calculating your capital gains or losses. You must include one-half of a capital gain in your income as a taxable capital gain, and, generally, may deduct one-half of your capital losses from your taxable capital gains.

When you redeem securities of a Fund, the Fund may distribute capital gains to you as partial payment of the redemption price. This is the Redeemer's Gain. The taxable portion of the Redeemer's Gain must be included in your income as described above, but the full amount of the Redeemer's Gain will be deducted from your proceeds of disposition of the securities redeemed. Recent amendments to the Tax Act will restrict the ability of a Fund to distribute capital gains to you as partial payment of your redemption price to an amount not exceeding your accrued gain on the securities redeemed.

In certain circumstances, loss restriction rules will limit or eliminate the amount of a capital loss that you may deduct. For example, a capital loss that you realize on a redemption or other disposition of securities will be deemed to be nil if, during the period that begins 30 days before and ends 30 days after the day of that disposition, you acquired identical securities (including on the reinvestment of distributions or dividends) and you continue to own these identical securities at the end of that period. The amount of this denied capital loss is added to your ACB of your securities.

We will provide you with details of your proceeds of redemption. However, you must keep a record of the price you paid for your securities, any distributions you receive and the NAV of securities redeemed or switched. These records will allow you to calculate your ACB and the capital gains or capital losses when you redeem or switch your securities. See *Adjusted cost base* below.

Alternative minimum tax

Individuals may be subject to alternative minimum tax under the Tax Act in respect of Canadian dividends and realized capital gains.

Buying securities before a distribution date

When buying securities, some of your purchase price may reflect income and capital gains of the Fund that have accrued and/or been realized but have not been made payable or distributed. You must include in your income the taxable portion of any distribution paid to you by a Fund, even where the Fund may have earned the income or realized the capital gains that gave rise to the distribution before you owned your securities and which was included in the purchase price of your securities. This could be particularly significant if you purchase securities of a Fund late in the year, or on or before the date on which a distribution is paid.

Portfolio turnover rate

The portfolio turnover rate is how often the portfolio manager/portfolio management team bought and sold securities for the Fund. The higher a Fund's portfolio turnover rate is, the greater the trading costs payable by the Fund in the year and the greater the chance that you will receive a distribution of capital gains or a capital gain dividend. Gains realized by the Fund are generally offset by any losses realized on its portfolio transactions. There is not necessarily a relationship between a high portfolio turnover rate and the performance of a Fund.

Adjusted cost base

The total ACB of your securities of a series of a Fund is made up of:

- the amount you paid for all your securities of the series, including sales commissions
- plus any reinvested distributions

- minus any distributions that were a return of capital
- in the case of securities redesignated on a tax-deferred basis, plus the ACB of the securities that were changed into securities of the series and minus the ACB of the securities changed out of the series
- in the case of securities redesignated or switched on a taxable basis, plus the NAV of securities of the series acquired on the redesignation or switch and minus the ACB of the securities of the series that were redeemed on the redesignation or switch
- minus the ACB of securities of the series already redeemed.

The ACB of a single security is the average of the ACB of all identical securities. Your tax advisor can help you with these calculations.

Tax information

We will provide you with tax slips showing the amount and type of distributions (ordinary income, Canadian dividends other than eligible dividends, Canadian dividends eligible for the enhanced dividend tax credit, foreign income, capital gains and/or returns of capital) you received from each Fund, and showing any related foreign tax credits.

International tax reporting

The Funds have due diligence and reporting obligations under the Foreign Account Tax Compliance Act (as implemented in Canada by the Canada-United States Enhanced Tax Information Exchange Agreement and Part XVIII of the Tax Act, collectively "**FATCA**") and the OECD's Common Reporting Standard (as implemented in Canada by Part XIX of the Tax Act, "**CRS**"). Generally, you will be required to provide your advisor or dealer with information related to your citizenship and tax residence, including your foreign taxpayer identification number (if applicable). If you (i) are identified as a U.S. Person (including a U.S. resident or a U.S. citizen (including a U.S. citizen living in Canada)); (ii) are identified as a tax resident of a country other than Canada or the U.S.; or (iii) do not provide the required information and indicia of U.S. or non-Canadian status is present, information about you and your investment in a Fund will generally be reported to the CRA unless securities are held in your Registered Plan other than, subject to the current administrative position of the CRA and certain Tax Proposals, an FHSA. The CRA will provide that information to the U.S. Internal Revenue Service (the "**IRS**") in the case of U.S. Persons or the relevant tax authority of any country that is a signatory of the *Multilateral Competent Authority Agreement on Automatic Exchange of Financial Account Information* or that has otherwise agreed to a bilateral information exchange with Canada under the CRS. Based on the current administrative position of the CRA and certain Tax Proposals, FHSAs are currently not required to be reported to the CRA under FATCA and CRS.

What are your legal rights?

Under securities law in some provinces and territories, you have the right to withdraw from an agreement to buy mutual funds within two business days after you receive the simplified prospectus or Fund Facts document, or cancel your purchase within 48 hours after you receive confirmation of the purchase.

In some provinces and territories, you also have the right to cancel a purchase, or in some jurisdictions, claim damages, if the simplified prospectus, Fund Facts document, or financial statements contain a misrepresentation. You must act within the time limits set by law in the applicable province or territory.

For more information, see the securities law of your province or territory or seek legal advice.

Exemptions and approvals

Please see *Investment restrictions* below for a description of all exemptions from, or approvals in relation to, NI 81-102, obtained by the Funds or the Manager that continue to be relied on by the Funds or the Manager.

CERTIFICATE OF THE FUNDS AND THE MANAGER AND THE PROMOTER OF THE FUNDS

Sun Life Risk Managed U.S. Equity Fund
Sun Life Net Zero Target Bond Fund

(collectively, the "Funds")

This simplified prospectus and the documents incorporated by reference into the simplified prospectus, constitute full, true and plain disclosure of all material facts relating to the securities offered by the simplified prospectus, as required by the securities legislation of each province and territory of Canada and do not contain any misrepresentations.

DATED the 22nd day of November, 2023.

(Signed) "Oricia Smith"	*(Signed) "Kari Holdsworth"*
Oricia Smith President, signing in the capacity of Chief Executive Officer of SLGI Asset Management Inc. as Trustee and Manager of the Funds	Kari Holdsworth Chief Financial Officer of SLGI Asset Management Inc. as Trustee and Manager of the Funds

On behalf of the Board of Directors of SLGI Asset Management Inc.,
as Trustee and Manager of the Funds

(Signed) "Thomas Reid"	*(Signed) "Michael Schofield"*
Thomas Reid Director	Michael Schofield Director

SLGI ASSET MANAGEMENT INC.
as Promoter of the Funds

(Signed) "Oricia Smith"
Oricia Smith
President

Specific information about each of the mutual funds described in this document

What is a mutual fund and what are the risks of investing in a mutual fund?

What is a mutual fund?

The Funds are mutual funds. When you invest in a mutual fund, you contribute your cash to a pool of investments along with many other people. Professional money managers use the cash to buy securities on behalf of all the contributors.

A mutual fund invests in different kinds of securities based on its investment objectives. For example, a Canadian equity fund buys mainly shares of Canadian corporations, while a Canadian balanced fund buys a mix of Canadian equities and bonds.

These securities form the mutual fund's investment portfolio. The value of these securities changes from day to day, reflecting changes in economic and market conditions, interest rates and company news. See *Price fluctuation* for details.

How mutual funds are structured

A mutual fund can be set up as a trust or as a corporation. Both allow you to pool your money with other investors and share proportionally in the mutual fund's income, expenses and capital gains or losses with reference to the number of securities that you own. However, there are some differences between a mutual fund set up as a trust and one set up as a corporation. When you invest in a trust, you buy units of the trust and you become a unitholder. When you invest in a corporation, you buy shares of the corporation and you become a shareholder. A corporation can issue several classes of shares. Simply, each share class works like a separate mutual fund with its own investment objectives.

The main difference between an investment in a trust and an investment in a corporation is in how your investment is taxed.

A trust distributes sufficient income and net realized capital gains so that the trust will not be subject to ordinary income tax. A corporation distributes its Canadian source dividends and sufficient net realized capital gains by declaring ordinary dividends and capital gains dividends so that the corporation will not be subject to tax on these earnings. Corporations may be subject to tax on the income from other sources though steps are taken to eliminate or minimize tax at the corporate level.

Classes of units of a trust and classes of shares of a corporation may be issued in different series. Each series is intended for different kinds of investors and has different fees and expenses.

Structure of the Funds

Each Fund is an open-end unit trust governed by a Master Declaration of Trust under Ontario laws. We, as trustee, hold the property and investments of the Funds in trust for the securityholders.

Provided that you are eligible, you can buy an unlimited number of securities of a series of a Fund.

Classes and series of securities

A Fund may issue securities in one or more classes and a class may be issued in one or more series. An unlimited number of securities of each series may be issued. For some purposes, such as calculating fees and expenses, a class or a series of securities may be dealt with separately from other classes or series of securities of that Fund. In addition, the money that you and other investors pay to purchase securities of any series is tracked on a series-by-series basis in your Fund's administration records. For other purposes, such as the investment activity of the portfolio of a Fund, all classes and series of securities of the Fund are dealt with together.

Each Fund has created one class of securities that offers, at this time, one series of securities. The series of each Fund derive their returns from a common pool of assets with a single investment objective and together constitute a single mutual fund.

See *Series of securities* for more details on the different series of securities available.

What are the general risks of investing in a mutual fund?

Risk is the chance that your investment may not perform as expected. There are different degrees and types of risk, but, in general, the more investment risk you are willing to accept, the higher your potential returns and the greater your potential losses.

The risks associated with investing in a mutual fund are the risks associated with the securities in which the mutual fund invests. If a mutual fund invests in underlying funds, it bears the same risks as the underlying funds in proportion to the amount the mutual fund is invested in each underlying fund. The risks presented below may apply directly to the Fund or indirectly to the underlying funds in which it invests.

The general risks include:

Price fluctuation

Mutual funds own different types of investments, depending on the fund's investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions and market and company news. As a result, the value of a mutual fund's securities may go up and down and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

Your investment is not guaranteed

The value of your investment in a mutual fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund securities are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Redemptions may be suspended

Under exceptional circumstances, your right to redeem your securities may be suspended. See *Suspending your right to redeem* for details.

Tax risk

There can be no assurance that the tax laws applicable to the Funds, including the treatment of certain gains and losses as capital gains and losses, will not be changed in a manner which could adversely affect the Funds or its investors. Furthermore, there can be no assurance that the CRA will agree with the Manager's characterization of the gains and losses of the Funds as capital gains and losses or ordinary income and losses in specific circumstances. For example, in determining its income for tax purposes, Sun Life Risk Managed U.S. Equity Fund will treat option premiums received on the writing of call options and put options and any gains or losses sustained on closing out such options in accordance with the CRA's published administrative practice. The CRA's practice is not to grant advance income tax rulings on the characterization of items as capital or income and no advance income tax ruling has been applied for or received from the CRA. Accordingly, there is a risk that the CRA may not agree with the tax treatment adopted by Sun Life Risk Managed U.S. Equity Fund. In such case, the net income of Sun Life Risk Managed U.S. Equity Fund for tax purposes and the taxable component of distributions to securityholders of Sun Life Risk Managed U.S. Equity Fund could increase, and Sun Life Risk Managed U.S. Equity Fund could be liable for income tax. Any such redetermination by the CRA may also result in Sun Life Risk Managed U.S. Equity Fund being liable for unremitted withholding taxes on prior distributions made to securityholders who were not resident in Canada for the purposes of the Tax Act at the time of the distribution. Such potential liability may reduce NAV of the Fund.

Sun Life Net Zero Target Bond Fund is not expected to qualify as a mutual fund trust or a registered investment under the Tax Act. Whereas, in respect of Sun Life Risk Managed U.S. Equity Fund, it is our intention that the conditions prescribed under the Tax Act for qualification as a mutual fund trust once achieved will be satisfied on a continuing basis. In any year throughout which a Fund does not qualify as a mutual fund trust, the Fund could be subject to alternative minimum tax ("**AMT**") under the Tax Act, which is computed by reference to an adjusted taxable income amount. Under the existing rules in the Tax Act, eighty percent of capital gains (net of capital losses) are included in adjusted taxable income. On August 4, 2023, the Department of Finance released draft legislative proposals (the "**August 4 Proposals**") that included proposed amendments first introduced in the 2023 Federal Budget to broaden the base of the AMT. These tax proposals, should they be passed by Parliament, are intended to apply to tax years after 2023. The tax proposals relating to the AMT would, *inter alia*, (i) increase the AMT rate from 15% to 20.5%; (ii) increase the AMT capital gains inclusion rate from 80% to 100%; (iii) disallow 50% of a number of deductions, including interest on funds borrowed to earn income from property, non-capital loss carryforwards, and limited partnership losses of other years; and (iv) disallow 50% of most non-refundable tax credits. The August 4 Proposals also introduced new exclusions from the AMT regime, including an exception for a trust that meets the definition of an "investment fund" for purposes of the loss restriction event rules in the Tax Act (as described in further detail below under ***Large transaction risk***), and an exception for a trust that meets certain prescribed conditions, including a restriction on the status of its beneficiaries to beneficiaries that are exempt from AMT, or beneficiaries that are trusts, all of the beneficiaries of which are exempt from AMT. No assurances can be given that the Funds will meet or continue to meet either of these exclusions.

Currency risk

Currency risk, sometimes referred to as exchange rate risk, is the risk that the value of an investment held by a mutual fund is affected by changes in the value of the currency in which the investment is denominated. Movements in exchange rates can affect the day-to-day value of a mutual fund, especially if it holds a large proportion of foreign investments.

A Fund may invest a portion of its investment portfolio in foreign securities; however, the assets and liabilities of each Fund are valued in Canadian dollars. If a Fund buys a security denominated in a foreign currency, during the time that the Fund owns that security, for the purposes of calculating the NAV of that Fund, we convert, on a daily basis, the value of the security into Canadian dollars. Similarly, an underlying fund may buy a security denominated in a foreign currency and convert the value of the security into Canadian dollars. Fluctuations in the value of the Canadian dollar relative to the foreign currency will impact the NAV of the Fund or the underlying fund, as the case may be. If the value of the Canadian dollar has increased relative to the foreign currency, the return on the foreign security may be reduced, eliminated or made negative. The opposite can also occur; that is, a Fund or an underlying fund holding a security denominated in a foreign currency may benefit from an increase in the value of the foreign currency relative to the Canadian dollar.

Some foreign governments may restrict currency exchange. If we or the manager of an underlying fund cannot exchange the currencies in which a Fund or an underlying fund is invested, we or the manager of an underlying fund, as the case may be, may be unable to make cash distributions or process redemptions.

Cyber security risk

As the use of technology has become more prevalent in the course of business, the Manager and the Funds have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Manager or a Fund to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause the Manager or the Fund to incur regulatory penalties, reputational damage, interference with the Fund's ability to calculate its NAV, impediments to trading, inability of the Fund to process transactions including the redemption of securities, violations of applicable privacy and other laws, reimbursement or other compensation costs, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to the Manager's digital information systems (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of the Manager's or the Funds' third party service providers or issuers that a Fund invests in can also subject the Manager or the Funds to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, the Manager has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially since the Manager does not control the cyber security systems of issuers or third party service providers.

Liquidity risk

A liquid asset trades on an organized market, such as a stock exchange, which provides price quotations for the asset. The use of an organized market means that it should be possible to convert the asset to cash at, or close to, the quoted price.

An asset is considered illiquid if it is more difficult to convert it to a liquid investment, such as cash. A security may be or become illiquid if:

- the company that issued such securities is not well known;
- there are few outstanding securities;
- there are few potential buyers;
- there are sudden changes in the market due to economic and political conditions that affect securities markets generally;

- there are unanticipated market disruptions due to factors including but not limited to pandemics, wars, natural disasters, international or country-specific emergencies – and which may cause exchanges to suspend trading and can affect all or certain issuers, industries or types of securities;

- there is no active market through which the securities may be disposed of;

- there are redemption restrictions on the securities; or

- they cannot be resold because of a promise or an agreement.

The value of a Fund or an underlying fund that holds illiquid securities may rise and fall substantially because the Fund or the underlying fund may not be able to sell the securities for the value that is used in calculating the NAV of the Fund or the underlying fund, as the case may be. The sale of such securities may also require the Fund or underlying fund to incur expenses in addition to those normally associated with the sale of a security. There are restrictions on the amount of illiquid securities a Fund may hold.

Market risk

The market value of a Fund's or an underlying fund's investments could rise or fall based on overall stock market conditions rather than each company's performance. The value of the market can vary with changes in the general economic and financial conditions. Political, health, social and environmental factors can also significantly affect the value of any investment.

In addition to changes in the condition of markets generally, unexpected and unpredictable events such as war, a widespread health crisis or global pandemic, terrorism and related geopolitical risks may lead to increased market volatility in the short-term and may have adverse more general long-term effects on world economies and markets, including U.S., Canadian and other economies and securities markets. These types of unexpected and unpredictable events could have a significant impact on a Fund or an underlying fund and their investments and could also result in fluctuations in the value of a Fund or an underlying fund.

If the constituent securities of an index tracked by a Fund or an underlying fund are cease traded at any time by a securities regulatory authority or other relevant regulator or stock exchange, SLGI or the manager of the underlying fund may suspend the exchange or redemption of securities of the Fund or underlying fund until such time as the transfer of the securities is permitted. Any suspension of the exchange or redemption of securities of the Fund or the underlying fund would be subject to applicable securities laws**.** As a result, a Fund or an underlying fund that holds securities traded on an exchange or other organized market bears the risk of those securities being cease traded.

Regulatory risk

There can be no assurance that certain laws applicable to investment funds, including the Funds and the underlying funds, such as income tax and securities laws, and the administrative policies and practices of the applicable regulatory authorities will not be changed in a manner that adversely affects an investment fund or the investors in such investment funds.

Series risk

Although the Funds currently offer one series, each Fund may be issued in more than one series of securities. Similarly, an underlying fund may issue more than one series or class of securities. Each series of a Fund or underlying fund has its own fees and expenses, which are tracked separately. If a Fund or underlying fund cannot pay the expenses of one series using that series' share of the Fund's or underlying fund's assets, the Fund or the underlying will have to pay those expenses out of the other series' share of the assets of the Fund or underlying fund attributable to those series. This could lower the investment return of the other series.

What are the specific risks of investing in a mutual fund?

Each Fund also has specific risks. The description of each Fund, starting on page 65, sets out the risks that apply to that Fund, as well as to any underlying fund in which that Fund invests. Following, in alphabetical order, is a description of each of those risks:

Concentration risk

A Fund or an underlying fund may hold a large portion of their assets in securities of a single issuer, may invest in a relatively small number of securities, may concentrate their investments in a particular industry or market capitalization range, or may use a specific investment approach such as growth or value. These Funds or underlying funds may be more volatile than a less specialized investment fund, and will be strongly affected by changes in the market value of those securities or by the overall economic performance of the area of specialization in which the mutual fund or the underlying fund invests. When required to invest in a particular industry by their investment objectives, these Funds must continue to invest in that industry, even if the industry is performing poorly. Therefore, these Funds will not be able to reduce risk by diversifying their investments into other industries.

Credit risk

Credit risk can have a negative impact on the value of a money market security or a debt security such as a bond. This risk includes:

- Default risk, which is the risk that the issuer of the debt will not be able to pay interest or repay the debt when it is due. Negative perceptions of the issuer's ability to make such payments may cause the price of the debt security to decline. Generally, the greater the risk of default, the lower the quality of the debt security.

- Credit spread risk, which is the risk that the difference in interest rates (called "**credit spread"**) between the issuer's bond and a bond considered to have little associated risk (such as a treasury bill) will increase. An increase in credit spread decreases the value of a debt security.

- Downgrade risk, which is the risk that a specialized credit rating agency will reduce the credit rating of an issuer's securities. A downgrade in credit rating decreases the value of a debt security.

- Collateral risk, which is the risk that it will be difficult to sell the assets the issuer has given as collateral for the debt or that the assets may be deficient. This difficulty could cause a significant decrease in the value of a debt security.

- Low-rated security risk, which is the risk that an investment has a credit rating below investment grade or is sometimes not rated at all. These investments generally offer a higher interest to compensate for this risk and are sometimes referred to as "high yield" securities. However, they may also be less liquid and carry the risk of bigger losses than higher grade investments. A Fund may invest in high yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter marketplace, which is less transparent than the exchange-traded marketplace. In addition, a Fund may invest in bonds of issuers that do not have publicly traded equity securities, which may make it more difficult to hedge the risks associated with such investments. The market values of certain of these lower-rated and unrated debt securities tend to reflect changes in the issuer's own circumstances to a greater extent than do high-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are lower-rated securities. It is possible that a major economic recession could disrupt severely the market for such high-yield securities and may have an adverse impact on the value of such securities or the ability of the issuers of such securities to pay interest and repay principal thereon.

- Call risk, which is the risk that the issuer will prepay fixed rate obligations when interest rates fall, which may force a Fund to reinvest in obligations with lower interest rates than the original obligations and otherwise may not benefit fully from the increase in value that other fixed income securities experience when rates decline.

- Prepayment risk, which arises from the premature return of principal on investment often associated with bonds and mortgage-backed securities and other debt instruments. Securities subject to prepayment risk may offer less potential for gains when the credit quality of the issuer improves.

Some government agency securities may be subject to varying degrees of credit risk, particularly those not backed by the full faith and credit of the government. All government securities may be subject to price declines due to changing interest rates.

Derivatives risk

Derivatives are investments whose value is based on, or derived from, an underlying asset, such as a stock or a market index. Derivatives are not a direct investment in the underlying asset itself. Derivatives are often contracts with another party to buy or sell an asset at a later date. For example, common derivatives include: (a) futures and forward contracts, which are agreements to buy or sell currencies, commodities or securities for a set price at a future date; (b) options, which give the buyer the right, but not the obligation, to buy currencies, commodities or securities at a price within a certain time period and which require a seller, at the option of the buyer, to sell currencies, commodities or securities for a set price at a future date; and (c) swaps, which allow two parties to exchange the cash flows of a wide range of financial instruments. A Fund or an underlying fund may use derivatives to limit potential gains or losses caused by changes in factors that affect the value of its investments, such as foreign exchange rates, stock prices and interest rates. This is called hedging. The Funds or the underlying funds may also use derivatives for non-hedging purposes, such as reducing transaction costs, increasing liquidity, gaining exposure to specific securities, financial markets or indices or increasing speed and flexibility in making portfolio changes.

A put option is a type of a derivative instrument. A Fund or an underlying fund may collect premiums on writing put options, which exposes such Fund or underlying fund to the risk of loss if one or more of its options is exercised and expires in-the-money. This risk of loss may substantially outweigh the gains from the receipt of such option premiums. A Fund that writes put options will either earmark or segregate sufficient liquid assets to cover its obligations under each option on an ongoing basis. While the put option strategy is intended to be profitable in neutral, rising and moderately declining markets, large market declines may negatively impact the performance of a Fund or underlying fund that writes put options. There can be no assurance that a liquid exchange or over-the-counter market will exist to permit a Fund or an underlying fund to write put options on desired terms or to close out option positions should it desire to do so. The ability of a Fund or an underlying fund to close out its positions may also be affected by exchange-imposed daily trading limits. In addition, exchanges may suspend the trading of options in volatile markets. If a Fund or an underlying fund is unable to repurchase a put option that is in-the money, it will be unable to realize its profits or limit its losses until such time as the option it has written becomes exercisable or expires.

Any use of derivatives has risks, including:

- a hedging or non-hedging strategy may not be effective and may not achieve the intended effect;
- derivatives entered into for hedging purposes may expose a Fund to losses if the derivatives do not correlate with the assets, indices or rates they were designed to hedge; gains and losses from hedging transactions are, therefore, dependent upon the Manager's or sub-advisor's ability to correctly predict the movement of the underlying asset prices, indices or rates;
- derivatives may be less liquid than traditional securities and there is no guarantee that a market for a derivative contract will exist when a Fund or an underlying fund wants to buy or sell;
- there is no guarantee that the Fund or the underlying fund will be able to find an acceptable counterparty willing to enter into a derivative contract;
- the counterparty to the derivative contract may not be able to meet its obligations, which could result in a financial loss for a Fund; to the extent that a Fund enters into multiple transactions with a single or limited number of counterparties, the Fund will be subject to increased levels of risk;
- where the derivatives contract is a commodity futures contract with an underlying interest in sweet crude oil or natural gas, a Fund or an underlying fund that is permitted to trade in commodities futures contracts will endeavour to settle the contract with cash or an offsetting contract. However, there is no guarantee that the Fund or underlying fund will be able to do so. This would result in the Fund or the underlying fund having to make or take delivery of the underlying commodity;
- a large percentage of the assets of a Fund or an underlying fund may be placed on deposit with one or more counterparties, which exposes the Fund or the underlying fund, as the case may be, to the credit risk of those counterparties;
- securities exchanges may set daily trading limits or halt trading, which may prevent a Fund or an underlying fund from selling a particular derivative contract;
- many derivatives, particularly those that are privately negotiated, are complex and often valued subjectively; improper valuations can result in increased cash payment requirements to counterparties or a loss of value to a Fund;
- the price of derivatives may move in unexpected ways, especially in abnormal market conditions; the price of derivatives based on a stock index could be distorted if some or all of the stocks that make up the index temporarily stop trading;
- derivatives traded on certain foreign markets may be harder to price and/or close out than those traded in Canada;
- the regulation of derivatives is a rapidly changing area of law and is subject to modification by government and judicial action; the effect of any future regulatory changes may make it more difficult, or impossible, for a Fund or underlying fund to use certain derivatives;
- costs relating to entering and maintaining derivatives contracts by a Fund or an underlying fund may reduce the returns of the Fund or the underlying fund;

- the use of futures or other derivatives can amplify a gain but can also amplify a loss, which loss can be substantially more than the initial margin or collateral deposited by the Fund or the underlying fund;
- the price of a derivative may not accurately reflect the value of the underlying asset; and
- the Tax Act, or its interpretation, may change in respect of the income tax treatment of derivatives.

Environmental, social and governance ("ESG") risk

Views may differ on what constitutes positive, negative or material ESG traits and/or criteria, socially responsible norms, as well as the ESG assessment of an issuer or industry. As a result, the securities or industries in which a Fund using an ESG investing approach invests, directly or indirectly, may not reflect the values or assessment of any particular investor. The information and data used to evaluate the ESG characteristics of an issuer may be incomplete, inaccurate, unavailable or subjective, causing a portfolio manager or sub-advisor to incorrectly assess the ESG characteristics of an issuer and/or come to varying conclusions. A Fund's ESG methodology may not eliminate the possibility of its exposure to issuers that exhibit negative or unattractive ESG characteristics. There is no assurance that a Fund using an ESG investing approach will outperform other funds that do not incorporate ESG characteristics. The ESG methodology applicable to a Fund, including ESG criteria, may be amended from time to time, at the discretion of the Fund's portfolio manager or sub-advisor.

Equity risk

Companies issue equities, or stocks, to help finance their operations and future growth. A company's performance outlook, market activity and the larger economic picture influence its stock price. When the economy is expanding, the outlook for many companies will be positive and the value of their stocks may rise. The opposite is also true. The value of a Fund or an underlying fund is affected by changes in the prices of the stocks it holds. Prices of equities may be more volatile than those of fixed income securities. The risks and potential rewards are usually greater for small companies, start-ups, resource companies and companies in emerging markets. Investments that are convertible into equity may also be subject to interest rate risk.

Certain issuers such as royalty trusts, real estate investment trusts, limited partnerships and income trusts, have varying degrees of risk depending on the applicable sector and the underlying assets. To the extent that an underlying business or investment in property is susceptible to industry risks, stock market conditions, interest rate fluctuations, commodity prices and other economic factors, investment returns from these issuers may be similarly affected. Where a Fund or underlying fund invests in these types of issuers, the distributions paid by the issuers on their securities determine to some extent the distributions available for payment to the investors in the Fund or underlying fund. In addition, if claims against an investment trust are not satisfied by the trust, investors in the trust (i.e., such as a mutual fund) could be held responsible for such obligations. Certain, but not all, jurisdictions have enacted legislation to protect investors from some of this liability. However, the extent to which a Fund or underlying fund remain at risk for the obligations of investment trusts ultimately depends on the local laws of the jurisdictions where the Fund or underlying fund invest in investment trusts.

Foreign investment risk

A Fund or an underlying fund may invest in securities issued by corporations in, or governments of, countries other than Canada or in depository receipts and other similar investments that represent securities of foreign companies. Investing in foreign securities can be beneficial in expanding an investor's investment opportunities and portfolio diversification, however, in addition to the *Currency risk* discussed above, and while the amount of risk varies from country to country, there are other risks associated with foreign investments, including:

- certain countries may have lower standards for accounting, auditing and financial reporting than those of Canada or the United States;
- companies outside of Canada may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in Canada;
- less information may be available about foreign issuers or governments;
- foreign markets may be less liquid and, due to lower trading volumes, more volatile than securities of comparable issuers traded in North America or securities of governments in North America;
- a small number of companies could make up a large part of the foreign market and if one of these companies performs poorly, the whole market could drop;
- for fixed income securities bought on foreign markets, including some government bonds, there's a risk that the issuer does not pay off the debt, or that the price of the securities drops rapidly;
- the legal systems of some foreign countries may not adequately protect investor rights;
- political, social or economic instability may affect the value of foreign securities;
- foreign governments may make significant changes to tax policies, which could affect the value of foreign securities;
- foreign governments could increase the rate of withholding tax which may have a significant impact on returns of a Fund;
- foreign governments may impose nationalization or expropriation policies on certain industries or companies which may affect an issuer and/or its assets; and
- foreign governments may impose currency exchange controls that prevent a Fund or an underlying fund from taking money out of the country.

Certain foreign governments have conflicting and changing instructions and restrictive timing requirements that may cause a Fund not to receive the reduced withholding tax rates or potential reclaims to which it may be entitled under Canada's global tax treaties. In some instances it may be more costly to pursue tax reclaims than the value of the benefits received by a Fund. Where foreign tax reclaims have a high degree of specialization or uncertainty, the manager may arrange foreign reclaims utilizing tax experts who charge on a contingent basis. Where the fund receives a foreign tax refund on a contingent basis, it will receive the net of the reclaim amount and the contingent fee. If a Fund obtains a refund of foreign taxes that was previously written off the NAV of the Fund will not be restated and the amount will remain in the Fund to the benefit of the then-existing securityholders.

Fannie Mae and Freddie Mac risk

The Funds have obtained an exemption from certain provisions of NI 81-102 to permit each Fund to invest more than 10% of its net assets in debt obligations, including mortgage-backed securities, that are issued or guaranteed by either Federal National Mortgage Association ("**Fannie Mae**") or the Federal Home Loan Mortgage Corporation ("**Freddie Mac**"), or enter into specified derivative transactions or purchase index participation units the underlying securities of which are issued or guaranteed by either Fannie Mae or Freddie Mac. Fannie Mae and Freddie Mac are U.S. government-sponsored enterprises that provide liquidity to the U.S. residential mortgage market by issuing securities and using the proceeds primarily to purchase mortgages from financial institutions. Fannie Mae and Freddie Mac securities are not expressly guaranteed by the U.S. government, but are widely believed to be implicitly guaranteed by the U.S. government and have the same credit rating as the U.S. government. If Fannie Mae or Freddie Mac default on their obligations, there is a risk that the U.S. government will not guarantee payment of those obligations. A Fund that holds Fannie and Freddie securities has credit risk. This risk is greater for a Fund that invests more than 10% of its assets in the securities of Fannie Mae or Freddie Mac because of the concentration of the Fund's assets in these securities.

Geographic concentration risk

A Fund or an underlying fund may invest a relatively large portion of their assets in issuers located in a single country, a small number of countries, or a particular geographic region. As a result, the performance of these mutual funds could be closely tied to the market, currency, economic, political, regulatory, geopolitical or other conditions in such countries or region, and could be more volatile than the performance of mutual funds which have more geographically-diversified holdings.

Inflation risk

There is a chance that the returns or cash flows from an investment will not be worth as much in the future because of a decrease in purchasing power due to inflation. Inflation causes money to lose value. For example, the value of fixed-income investments and currencies could depreciate as the level of inflation rises in the country of origin.

Interest rate risk

The value of a Fund or an underlying fund that holds fixed-income securities will rise and fall as interest rates change. When interest rates fall, the value of an existing bond will, generally, rise. When interest rates rise, the value of an existing bond will, generally, fall. Changes in a debt instrument's value usually will not affect the amount of interest income paid to a Fund or underlying fund, but will affect the value of the securities. Interest rate risk is generally greater for investments with longer maturities. The value of debt securities that pay a variable (or "**floating**") rate of interest is generally less sensitive to interest rate changes.

Large transaction risk

If an investor in a Fund or an underlying fund makes a large transaction, the cash flow of the Fund or the underlying fund, as the case may be, may be affected. For example, if an investor redeems a large number of securities of a Fund, that Fund may be forced to sell securities at unfavourable prices to pay for the proceeds of redemption. This unexpected sale may have a negative impact on the value of your investment in the Fund.

We or others may offer investment products that invest all or a significant portion of their assets in a Fund or an underlying fund. These investments may become large and could result in large purchases or redemptions of securities of a Fund or the underlying fund.

Large purchases and redemptions may result in:

- a Fund maintaining an abnormally high cash balance in order to satisfy redemptions or while the portfolio manager or sub-advisor finds suitable investment opportunities, which may negatively impact a Fund's return;

- a need to sell large volumes of portfolio securities at potentially unfavourable prices, to satisfy large redemptions, which may negatively impact a Fund's return;

- increased transaction costs (e.g., commissions); and

- capital gains being realized, which may increase taxable distributions to investors.

If this should occur, the returns of investors, including other investment funds, that invest in the Fund may also be adversely affected.

A Fund will generally be subject to a "loss restriction event" for tax purposes each time a person or partnership becomes a "majority interest beneficiary" of the Fund if, at any time, the Fund does not qualify as an "investment fund" for purposes of the loss restriction event rules in the Tax Act. An "investment fund" for this purpose includes a trust that meets certain conditions, including satisfying certain of the conditions necessary to qualify as a mutual fund trust for purposes of the Tax Act, not using property in the course of carrying on a business and complying with certain asset diversification requirements. If a Fund does not qualify or ceases to qualify as an "investment fund" and experiences a "loss restriction event", the Fund will be deemed to have a year-end for tax purposes which may result in investors receiving an unscheduled distribution of income and capital gains from the Fund. Also, the amount of distributions paid by the Fund after a loss restriction event may be larger than they otherwise would have been as a result of the expiry of certain losses at the deemed year end. Generally, a majority-interest beneficiary of the Fund will be a beneficiary who, together with the other persons and partnerships with whom the beneficiary is affiliated within the meaning of the Tax Act, or any group of persons acting in concert, acquires securities of the Fund having a fair market value that is greater than 50% of the fair market value of all the securities of the Fund. Please see *Income tax considerations* for a discussion of the tax consequences of a distribution.

Passive management risk

Certain exchange-traded funds and any mutual funds (including index mutual funds) in which a Fund or an underlying fund invests may not, in whole or in part, be "actively" managed. Passively managed funds would not sell a security if the security's issuer was in financial trouble, unless the security is removed from the applicable index being replicated. The passively managed fund or aspect of a fund will continue to invest in the securities of the index, even if the index is performing poorly. That means the passively managed fund won't be able to reduce risk by diversifying its investments into securities listed on other indices. It is unlikely that an underlying fund which uses an indexing strategy will be able to track an index perfectly because the underlying fund has its own operating and trading costs, which lower returns. Indices do not have these costs.

Deviations in the tracking of the applicable index by an underlying fund could occur for a variety of other reasons. For example, where an underlying fund tenders securities under a successful takeover bid for less than all the securities of an issuer in the index and the issuer is not removed from the applicable index, the underlying fund may be required to buy replacement securities at a purchase price that may be more than the takeover bid price due to timing variances. Other reasons for tracking error include the temporary unavailability of the securities of certain issuers in the index in the secondary market and the investment strategies and investment restrictions applicable to the underlying fund, including the use of a sampling methodology.

A Fund may seek to have its returns linked to the performance of an underlying fund by purchasing securities of the underlying fund. The Fund may not be able to track the performance of the underlying fund to the extent desired for the following reasons:

- the Fund pays fees and expenses, which affects returns;
- the Fund may incur withholding tax from the income of the underlying fund, which affects returns;
- the level of subscription and redemption activity in securities of the Fund and the underlying fund differs;
- under normal circumstances, there will be at least a one business day delay between the time an investor buys securities of the Fund and the time the Fund gets additional exposure to the underlying fund. The possible impact of such a delay will be increased if new purchases of securities are large compared to existing investments in the Fund. This “cash drag” is often generally more significant in Funds with relatively smaller assets under management; and
- a Fund may be permitted to invest in other assets.

As a result, the performance of a passively managed fund or aspect of a fund may differ significantly from the performance of an actively managed fund. This may in turn affect the performance of a Fund or an underlying fund that invests in such passively managed fund.

Repurchase and reverse repurchase transactions and securities lending risk

A Fund or an underlying fund may engage in repurchase, reverse repurchase or securities lending transactions.

A repurchase transaction is where a Fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price. While the Fund retains its exposure to changes in the value of the portfolio securities, it also earns a return for participating in the repurchase transaction.

A reverse repurchase transaction is where a Fund purchases securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the Fund’s purchase price for the securities and the resale price provides the Fund with a return.

A securities lending transaction is where a Fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the Fund at a later date an equal number of the same securities and to pay a fee to the Fund for borrowing the securities. While the securities are borrowed, the borrower provides the Fund with collateral consisting of cash and/or securities. In this way, the Fund retains exposure to changes in the value of the borrowed securities while earning additional fees.

As indicated above, repurchase, reverse repurchase and securities lending transactions allow the Funds to earn additional income and thereby potentially enhance their performance.

Repurchase, reverse repurchase and securities lending transactions involve certain risks. The other party to these types of transactions may default under the agreement or go bankrupt. If that happens in a reverse repurchase transaction and the market value of the security has dropped, the Fund or an underlying fund may be unable to sell the security at the price it paid plus interest. If that happens in a repurchase or a securities lending transaction, the Fund or the underlying fund, as the case may be, may suffer a loss if the value of the security it sold or loaned has increased more than the value of the cash or collateral the mutual fund or the underlying fund holds.

To reduce these risks, the Fund and the underlying funds that are subject to NI 81-102 require the other party to put up collateral. The value of the collateral must be at least 102% of the market value of the security sold (for a repurchase transaction), bought (for a reverse repurchase transaction) or loaned (for a securities lending transaction). The value of the collateral is checked and reset daily. The market value of securities sold under repurchase transactions and loaned under securities lending agreements must not exceed 50% of the NAV of the Fund or underlying fund immediately after entering into the transaction. This calculation excludes cash held by a Fund or underlying fund for sold securities and collateral held for loaned securities.

Short selling risk

The Funds are permitted by securities legislation to engage in a limited amount of short selling, provided certain conditions are met. A “short sale” is where a Fund borrows securities from a lender which are then sold in the open market (or “sold short”). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities, the Fund makes a profit for the difference (less any interest the Fund is required to pay to the lender). Short selling involves certain risks. There is no assurance that securities will decline in value during the period of the short sale to an extent sufficient to offset the interest paid by the Fund and make a profit for the Fund, and securities sold short may instead appreciate in value. The Fund also may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender from whom the Fund has borrowed securities may recall the securities, may go bankrupt and the Fund may lose the collateral it has deposited with the lender. Each Fund that engages in short selling will adhere to controls and limits that are intended to offset these risks in accordance with the requirements in securities legislation, as modified by any exemptive relief. Sun Life Wellington Opportunistic Fixed Income Private Pool has obtained exemptive relief to permit it to sell securities short up to a maximum of 100% of its NAV.

Funds that invest in underlying funds may be indirectly exposed to short selling risk if the underlying funds in which they invest engage in short selling.

Underlying fund risk

A Fund may pursue its investment objectives by investing indirectly in securities of other investment funds, including exchange-traded funds, and pooled investment vehicles in order to gain access to the strategies pursued by those underlying funds. There can be no assurance that any use of such multi-layered fund of fund structures will result in any gains for a Fund. If an underlying fund that is not traded on an exchange suspends redemptions, a Fund that invests in such underlying fund will be unable to value part of its portfolio and may be unable to redeem its securities.

Exchange-traded funds are subject to the following risks that do not apply to conventional mutual funds: (i) an exchange-traded fund’s securities often trade on the exchange at a premium or discount to the NAV of such securities; (ii) an active trading market for an exchange-traded fund’s securities may not develop or be maintained, (iii) there is no assurance that an exchange-traded fund will continue to meet the listing requirements of the exchange, (iv) trading of an exchange-traded fund’s securities may be halted by the activation of individual or marketwide trading halts (which halt trading for a specific period of time when the price of a particular security or overall market prices decline by a specified percentage), and (v) the performance of an exchange-traded fund may be different from the performance of any index, commodity, or financial instrument that the exchange-traded fund may seek to track. There are several reasons that this might occur, including transaction costs and other expenses that are borne by the exchange-traded fund, the exchange-traded fund's securities may trade at a premium or a discount to their NAV, or the exchange-traded fund may employ complex strategies, such as leverage, making accurate tracking difficult.

The Funds have obtained exemptive relief to invest in exchange-traded funds that may use leverage, seek to track an index on an inverse basis or seek to gain exposure to gold and/or silver, subject to certain conditions. Leveraged exchange-traded funds seek to deliver multiples of the performance of the index or benchmark they track. Leverage involves borrowing money to increase the size of an investment. Inverse exchange-traded funds seek to deliver the opposite of the performance of the index or benchmark they track. Leveraged exchange-traded funds and inverse exchange-traded funds generally use derivatives to achieve their investment objectives. The strategies used by such exchange-traded funds have the potential of magnifying the risk associated with the underlying market segments or indexes to which such exchange-traded funds are exposed, particularly in volatile market conditions.

To the extent that a Fund invests in an underlying fund, the Fund would be exposed to the same risks that the underlying fund is exposed to.

Each Fund has obtained relief to invest up to 10% of its NAV at time of purchase in securities of one or more Affiliate Investment Vehicles.

Affiliate Investment Vehicles are considered illiquid assets. Affiliate Investment Vehicles may have various restrictions on redemptions, including the requirement to provide prior written notice of redemption, and in certain cases redemptions from Affiliate Investment Vehicles may only be permitted if the applicable Affiliate Investment Vehicle has sufficient available cash to satisfy the redemption.

Additionally, Affiliate Investment Vehicles may be valued less frequently than the Funds that invest in such Affiliate Investment Vehicles. Accordingly, for the purposes of calculating the NAV of a Fund, there may be instances where the Manager needs to rely upon external sources to determine the fair value of an Affiliate Investment Vehicle until the next NAV of the Affiliate Investment Vehicle is determined. In order to arrive at the fair value of an Affiliate Investment Vehicle on a daily basis for the purposes of calculating the NAV of the applicable Fund, the Manager monitors the applicable markets daily for indications of changes in market factors since the most recent NAV of the Affiliate Investment Vehicle that may result in a change to the fair value of the securities of the Affiliate Investment Vehicle. Where the Manager or the manager of the applicable Affiliate Investment Vehicle expects that, due to changes in the valuation of securities of the Affiliate Investment Vehicle, the NAV of the Fund has been impacted by more than 0.5%, the manager of the applicable Affiliate Investment Vehicle will calculate a new NAV for such Affiliate Investment Vehicle within three days of the Manager or the applicable manager making such a determination.

Investment restrictions

The Funds are subject to certain standard investment restrictions and practices contained in securities legislation, including NI 81-102. This legislation is designed, in part, to ensure that the investments of the Funds are diversified and relatively liquid and to ensure the proper administration of the Funds. Each of the Funds adheres to these standard investment restrictions and practices, except to the extent a Fund has obtained exemptive relief from such investment restrictions and practices. A copy of these investment restrictions and practices may be obtained from the Manager upon request.

Tax-related investment restrictions

The Funds will not engage in any undertaking other than the investment of its funds in property for purposes of the Tax Act. Each of the Funds which is or becomes a registered investment will not acquire an investment which is not a "qualified investment" under the Tax Act if, as a result thereof, the Fund would become subject to a material amount of tax under Part X.2 of the Tax Act.

Exemptive relief obtained by the Funds

Transactions with related parties

Each of the Funds obtained exemptive relief from the Canadian securities regulatory authorities to deviate from certain restrictions in securities legislation in order to invest in debt securities of related entities in the primary and secondary market, provided that the Fund's IRC has approved the transaction, the transaction complies with certain pricing requirements and provided that certain other conditions are met. The Funds may also rely upon IRC approval to permit them to purchase and hold investments in related party securities that are traded on an exchange, in accordance with NI 81-107.

Investing in Exchange-Traded Funds not otherwise permitted by NI 81-102

The Funds obtained exemptive relief from the Canadian securities regulatory authorities (the "**ETF Exemption**") to invest in the following ETFs:

- ETFs that seek to provide daily results that replicate the daily performance of a specified widely-quoted market index (the ETF's "**Underlying Index**") by a multiple of 200%, by an inverse multiple of 200% or an inverse multiple of 100% ("**Inverse or Leveraged ETFs**");

- ETFs that hold or seek to replicate the performance of gold, permitted gold certificates or specified derivatives of which the underlying interest is gold or permitted gold certificates on an unlevered basis ("**Gold ETFs**");

- ETFs that hold or seek to replicate the performance of silver, permitted silver certificates or specified derivatives of which the underlying interest is silver or permitted silver certificates on an unlevered basis ("**Silver ETFs**");

- Gold ETFs that are also Inverse or Leveraged ETFs, by a multiple of up to 200% ("**Leveraged Gold ETFs**"); and

- Silver ETFs that are also Inverse or Leveraged ETFs, by a multiple of up to 200% ("**Leveraged Silver ETFs**").

(the ETFs described above are collectively referred to as the "**Underlying ETFs**", and the Gold ETFs, Silver ETFs, Leveraged Gold ETFs, Leveraged Silver ETFs, together with gold, silver, permitted gold certificates, Permitted Silver Certificates and specified derivatives the underlying interest of which is gold or silver are collectively referred to as the "**Gold and Silver Products**").

The Funds will only invest in Underlying ETFs if certain conditions are met, including: (i) the investment by a Fund in securities of an Underlying ETF is in accordance with the fundamental investment objective of the Fund; (ii) the Funds do not short sell securities of an Underlying ETF; (iii) the securities of the Underlying ETFs are traded on a stock exchange in Canada or the United States; (iv) a Fund may not purchase securities of an Underlying ETF if, immediately after the purchase, more than 10% of the net asset value of the Fund, taken at market value at the time of the purchase, would consist of securities of the Underlying ETFs; (v) if a Fund engages in short selling, the Fund does not purchase securities of an Inverse or Leveraged ETF that tracks the inverse of its Underlying Index by no more than 200% (a "**Bear ETF**") or sell any securities short if, immediately after the transaction, the aggregate market value of (A) all securities sold short by the Fund, and (B) all securities of Bear ETFs held by the Fund, would exceed 20% of the Fund's net asset value, taken at market value at the time of the transaction; (vi) each Fund that intends to rely on the ETF Exemption will not purchase Gold and Silver Products if, immediately after the transaction, more than 10% of the Fund's net asset value would consist of Gold and Silver Products; (vii) each Fund that intends to rely on the ETF Exemption will not purchase Gold and Silver Products if, immediately after the transaction, the market value exposure to gold or silver through the Gold and Silver Products is more than 10% of the Fund's net asset value; and (viii) the securities of the Underlying ETFs are treated as specified derivatives for the purposes of NI 81-102.

Currently, the Funds do not intend to rely on this relief.

Investment in Closed-End Funds

Each of the Funds obtained exemptive relief from the Canadian securities regulatory authorities to invest in non-redeemable investment funds that are not subject to NI 81-102 and are listed on a stock exchange in the U.S. ("**Closed-End Funds**"). A Fund will only invest in Closed-End Funds if certain conditions are met, including: (i) the securities of each Closed-End Fund must trade on a stock exchange in the U.S.; (ii) the Fund may not purchase securities of a Closed-End Fund if, immediately after the purchase, more than 10% of the Fund's net asset value would consist of securities of Closed-End Funds; (iii) subject to (iv) below, each Closed-End Fund complies with the investment restrictions of NI 81-102 applicable to mutual funds, subject to certain exemptions; (iv) the weighted average leverage exposure of each Fund does not exceed 10% of the net asset value of the Fund; and (v) the Manager uses pre-trade compliance controls to monitor the restrictions in (iii) and (iv).

Currently, the Funds do not intend to rely on this relief.

Investment in certain cleared swaps

The Funds obtained exemptive relief from the Canadian securities regulatory authorities from the counterparty credit rating requirement, the counterparty exposure threshold and the custodian requirements set out in NI 81-102 in order to permit the Funds to clear certain swaps, such as interest rate and credit default swaps, entered into with futures commission merchants that are subject to U.S. and European clearing requirements ("**Futures Commission Merchants**") and to deposit cash and other assets directly with the Futures Commission Merchants, and indirectly with a clearing corporation, as margin for such swaps. The relief was granted on the basis that: (i) for Futures Commission Merchants based in Canada, the Futures Commission Merchant must be a member of a self-regulatory organization and a participating member of the Canadian Investor Protection Plan, and the amount of margin deposited and maintained with the Futures Commission Merchant must not, when aggregated with the other amount of margin already held by the Futures Commission Merchant, exceed 10% of the net asset value of the Fund at the time of deposit; and (ii) for Futures Commission Merchants based outside of Canada, the Futures Commission Merchant must be a member of a clearing corporation and subject to regulatory audit, the Futures Commission Merchant must have a net worth (determined from audited financial statements or other publicly available information) in excess of $50 million, and the amount of margin deposited and maintained with the Futures Commission Merchant must not, when aggregated with the other amount of margin already held by the Futures Commissions Merchant, exceed 10% of the net asset value of the Fund at the time of deposit.

Investing in Affiliate Investment Vehicles

Each Fund has obtained exemptive relief to invest up to 10% of its NAV at time of purchase in securities of one or more Affiliate Investment Vehicles. Securities regulatory approval was granted to permit a Fund to invest in an Affiliate Investment Vehicle on the condition that:

- an independent external valuator values the assets held by the Affiliate Investment Vehicle or, in the case of an Affiliate Investment Vehicle that invests in mortgages, the assets are valued in accordance with National Policy 29 *Mutual Funds Investing in Mortgages*;
- the investment in an Affiliate Investment Vehicle is compatible with the investment objective and strategy of the Fund and is included as part of the Fund's calculation for the purposes of the illiquid assets restriction in section 2.4 of NI 81-102;
- the Fund's IRC reviews and provides its approval, including by way of standing instructions, prior to an investment by the Fund in an Affiliate Investment Vehicle;
- the Manager complies with Section 5.1 of NI 81-107 and the Manager and the Fund's IRC comply with Section 5.4 of NI 81-107 for any standing instructions the IRC provides in connection with the Fund's investment in an Affiliate Investment Vehicle;
- if the IRC becomes aware of an instance where the Manager did not comply with the terms of the relief or a condition imposed by applicable law or the IRC in its approval, the IRC will notify in writing the securities regulatory authority;
- no management fees or incentive fees will be payable by the Fund to invest in an Affiliate Investment Vehicle that, to a reasonable person, would duplicate a fee payable by the Affiliate Investment Vehicle for the same service;
- no sales fees or redemption fees will be payable by a Fund in relation to its purchases or redemptions of securities of an Affiliate Investment Vehicle, unless the Fund redeems its securities of an Affiliate Investment Vehicle during a lock-up period, in which case an early redemption fee may be payable by the Fund;
- subject to certain exceptions, at the time of purchase by the Fund of securities of the Affiliate Investment Vehicle, it holds no more than 10% of its NAV in securities of other investment funds;
- the Manager does not cause the securities of an Affiliate Investment Vehicle held by the Fund to be voted at any meeting of the holders of such securities, except that the Manager may arrange for the securities of the Affiliate Investment Vehicle to be voted by the beneficial owners of the Fund;
- this simplified prospectus discloses that the Fund may invest in an Affiliate Investment Vehicle, which is an investment vehicle managed by the Manager or an affiliate of the Manager;
- if applicable, the Fund's investment in an Affiliate Investment Vehicle will be disclosed to investors in the Fund's quarterly portfolio holding reports, financial statements and Fund Facts;
- the Fund's annual and interim management reports of fund performance will disclose the name of each Affiliate Investment Vehicle and the fact that it is a related party to the Manager;

- the Fund's records of portfolio transactions maintained will include the name of the Affiliate Investment Vehicle, being a related person in which an investment is made;

- if the Affiliate Investment Vehicle is an investment fund, it complies with Parts 2 and 4 of NI 81-102 and Part 14 of NI 81-106 for so long as it is held by a Fund; and

- the Fund is provided with the audited annual financial statements of the Affiliate Investment Vehicle.

Currently, the Funds do not intend to rely on this relief.

Sales communications relief

The Funds have obtained exemptive relief from the Canadian securities regulatory authorities to permit the FundGrade A+ Awards, FundGrade Ratings, Lipper Awards and Lipper Leaders ratings to be referenced in sales communications relating to the applicable Fund(s).

Exemption in connection with investments in Rule 144A Securities

The Funds have obtained relief from certain provisions relating to purchasing and holding illiquid assets under NI 81-102 with respect to fixed income securities that qualify for, and may be traded pursuant to, the exemption from the registration requirements of the Securities Act of 1933, as amended (the "**US Securities Act**"), as set out in Rule 144A of the US Securities Act for resales of certain fixed income securities to "qualified institutional buyers" (as defined in the US Securities Act). To permit the Funds to rely on this relief, certain conditions must be met including: (i) that the Fund qualifies as a "qualified institutional buyer" at the time of purchase, (ii) the securities are not illiquid assets under part (a) of the section 1.1 definition of an "illiquid asset" in NI 81-102 and (iii) the securities are traded on a mature and liquid market.

Exemption in connection with investments in Debt Obligations Issued or Guaranteed by Fannie Mae or Freddie Mac

The Funds have obtained an exemption from certain provisions of NI 81-102 to permit each Fund to invest more than 10% of its net assets in debt obligations, including mortgage-backed securities, that are issued or guaranteed by either Fannie Mae or Freddie Mac or enter into specified derivative transactions or purchase index participation units the underlying securities of which are issued or guaranteed by either Fannie Mae or Freddie Mac, which is subject to certain conditions, including:

- that the Fannie Mae and Freddie Mac securities have and maintain a credit rating assigned by Standard & Poor's Rating Services (Canada), or an equivalent rating assigned by one or more other designated rating organizations, that is not less than BBB- (the Minimum Rating) and not less than the credit rating then assigned by such designated rating organization to the debt of the United States government of approximately the same term as the remaining term to maturity of, and denominated in the same currency as, the Fannie Mae or Freddie Mac security (the "**U.S. Government Equivalent Rating**");

- if the rating of a Fannie Mae and Freddie Mac securities cease to have a U.S. Government Equivalent Rating or declines below the Minimum Rating, the applicable Funds will take the steps that are reasonably required to dispose of such Fannie Mae and Freddie Mac securities in an orderly and timely fashion to a level that complies with the investment restrictions in NI 81-102; and

- if the U.S. Congress (i) proposes legislation intended to change or remove the implied guarantee by the U.S. government of Fannie Mae and/or Freddie Mac and the Manager determines in its judgement that, as a result of the announced proposed legislation, there is a significant risk that the Fannie and Freddie securities held by the Funds could cease to have a U.S. Government Equivalent Rating or their credit ratings could decline below the Minimum Rating; or (ii) enacts legislation that removes the implied guarantee by the U.S. government of Fannie Mae and/or Freddie Mac or specifies a future effective date on which the implied guarantee by the U.S. government of Fannie Mae and/or Freddie Mac will end, the applicable Funds will take the steps that are reasonably required to dispose of such Fannie Mae and Freddie Mac securities in an orderly and timely fashion to a level that complies with the investment restrictions in NI 81-102.

Currently, the Funds do not intend to rely on this relief.

Eligibility under the Tax Act

Securities of Sun Life Risk Managed U.S. Equity Fund are expected to be "qualified investments" for purposes of the Tax Act at all times for Registered Plans (including the various types of locked-in Registered Plans such as locked-in retirement accounts and life income funds).

Securities of a Fund may be a "prohibited investment" under the Tax Act for a Registered Plan (other than a deferred profit sharing plan) even when the securities are a qualified investment. Generally, securities of a Fund will not be a prohibited investment for a Registered Plan if the planholder, annuitant or subscriber, as the case may be, of the Registered Plan and person(s) (and partnerships) who do not deal at arm's length with the planholder, annuitant or subscriber do not, in total, own directly or indirectly 10% or more of the value of the Fund. Under a safe harbour rule for newly established mutual funds, securities of a Fund will not be a prohibited investment for a Registered Plan of any planholder at any time during the first 24 months of the Fund's existence provided the Fund qualifies as a mutual fund trust under the Tax Act and the Fund either remains in substantial compliance with NI 81-102 or follows a reasonable policy of investment diversification during the safe harbour period.

Investors should consult their own tax advisor for advice on whether or not an investment in a Fund would be a prohibited investment for their Registered Plan.

Description of securities offered by the Funds

General

Each Fund may issue securities in one or more classes and a class may be issued in one or more series. An unlimited number of securities of each series may be issued. Currently, each Fund has created one class of securities issued in one series. The series of each of these Funds derive their return from a common pool of assets with a single investment objective and together constitute a single mutual fund.

Each Fund generally derives its value from the portfolio assets held by that Fund and the income earned in respect thereof. A separate NAV is calculated daily in respect of each series of securities issued by each Fund. The NAV of each Fund and of each series of securities is determined as described under *Calculation of Net Asset Value* and *Valuation of portfolio securities*.

Each holder of a whole security of a Fund is entitled to one vote per security at meetings of securityholders of that Fund, other than meetings at which the holders of one series of securities of that Fund are entitled to vote separately as a series. Subject to the fee distributions described under *Management fee distribution programs* and the distribution of capital gains to redeeming securityholders, all securities of each series of a Fund are treated equally with respect to distributions and on any winding up of a Fund based on the relative NAV of each series.

All securities of a Fund are fully paid and non-assessable when issued. Details, information and restrictions relating to switching between series of the same Fund and between series of different Funds are described above under *How to switch your securities*.

Fractions of securities may be issued. Fractional securities carry the rights and privileges, and are subject to the restrictions and conditions, applicable to whole securities in the proportions which they bear to one security; however, the holder of a fractional security is not entitled to vote in respect of such fractional security.

Securityholders of the Funds can redeem all or any of their securities at the then-current series NAV of those securities as described under *Purchases, redemptions and switches*.

All securities of the Funds are transferable without restriction.

The rights and conditions attaching to the securities of each of the Funds may be modified only in accordance with the provisions attaching to such securities and the provisions of the constating document of the Fund.

See *Series of securities* for a description of the series of securities offered by each Fund and the eligibility requirements attached to each series of securities.

Meetings of securityholders

The Funds do not hold regular meetings. Securityholders of a Fund are entitled to vote on all matters that require securityholder approval under NI 81-102 or under the constating documents of the Fund. Some of these matters are:

- a change of the Manager, unless the new manager is an affiliate of the Manager;
- a change in the fundamental investment objectives of the Fund;
- a decrease in the frequency of the calculation of the NAV per each series of securities of the Fund; and
- certain material reorganizations of the Fund.

Approval of these matters requires an affirmative vote by at least a majority of the votes cast at a meeting of the securityholders of a Fund called to consider these matters.

Distributions

For each taxation year, each Fund distributes a sufficient amount of its net income and net realized capital gains to investors so that the Fund is not liable for ordinary income taxes after taking into account any available capital gains refund. If necessary, a Fund will typically distribute income and/or capital gains on one of the business days in the final three weeks of a calendar year to investors of record at the close of business on the business day immediately preceding the payment date of the distribution (a "**record date**"). Each Fund may distribute its net income, net realized capital gains and/or capital at any other time or times as the Fund, in its sole discretion, determines. These other distributions may include *pro rata* distributions to the investors of a series of securities, fee distributions and/or capital gains distributions to an investor who redeems securities. **Any distribution could include a return of capital. Returns of capital will result in an encroachment upon an investor's original investment and may result in the return to the investor of the entire amount of the investor's original investment.**

Each Fund's distribution policy is more specifically set out in the description of each Fund starting on page 65.

The Manager automatically reinvests any distributions made by the Fund on its securities (other than distributions of realized capital gains paid at the time securities of a Fund are redeemed) unless an investor holds securities of the Fund outside a Registered Plan and requests that distributions from that Fund or Funds be paid in cash by cheque or direct deposit to a bank account.

Any reinvestment of distributions will occur at the applicable series NAV thereof without payment of sales charges. No redemption fee is payable on the redemption of securities of the Fund issued on reinvestment. However, these securities are the last to be redeemed.

The Manager provides each investor of a Fund with an annual statement and, in the case of taxable investors, tax slips showing income distributions, capital gains distributions, ordinary dividends, capital gains dividends and, if applicable, capital distributed to such investor. These annual statements, together with the confirmation that the investor received on a purchase of or reinvestment of distributions of securities of a Fund, should be retained by the investor, so that the investor may accurately compute, for tax purposes, any gain or loss on a redemption of securities, or report distributions received. The investor may also use this information to calculate the ACB of the securities.

Name, formation and history of the Funds

The Funds are mutual funds established as trusts under the laws of the Province of Ontario under the Master Declaration of Trust.

The registered office of the Funds and of the Manager is located at One York Street, Suite 3300, Toronto, Ontario M5J 0B6.

Constating documents for the Funds and major events in the last 10 years

Details of the date of establishment and the governing document for each Fund, any material amendment to such governing document, and any major event affecting the Funds in the last 10 years, are set out below:

Fund	Date on which Fund was Established and Governing Document	Material Amendment to Governing Document	Major Event in the Last 10 Years
Sun Life Risk Managed U.S. Equity Fund	November 22, 2023 pursuant to an amended and restated Schedule A dated November 22, 2023 to the SLGI Funds Master Declaration of Trust.	N/A	N/A
Sun Life Net Zero Target Bond Fund	November 22, 2023 pursuant to an amended	N/A	N/A

Fund	Date on which Fund was Established and Governing Document	Material Amendment to Governing Document	Major Event in the Last 10 Years
	and restated Schedule A dated November 22, 2023 to the SLGI Funds Master Declaration of Trust.		

Explanatory information

You will find detailed descriptions of each of the Funds in this part of the simplified prospectus. Here are explanations of what you will find under each heading.

Fund details

This tells you:

- **Fund type**: the type of mutual fund
- **Securities offered**: the series of securities that the Fund offers
- **Start date**: the date each series of securities could first be bought by the public
- **Registered plan eligibility**: whether the Fund is, or is expected to be, a qualified investment for a Registered Plan. You should consult your own tax advisor to determine whether securities of a Fund would be a prohibited investment for your Registered Plan.
- **Portfolio manager**: SLGI is the portfolio manager for each Fund.
- **Sub-advisor(s)**: the name of any sub-advisor(s) we have retained to manage some or all of the investment portfolio of the Fund.

What does the Fund invest in?

This tells you the Fund's:

- **Investment objectives**: the goals of the Fund, including any specific focus it has, and the kinds of securities it may invest in.
- **Investment strategies**: how the portfolio manager and/or sub-advisor tries to meet the Fund's objectives

Important Information about Environmental, Social, and Governance (ESG) Practices

SLGI's Approach to Selecting Sub-Advisors

As a manager of portfolio managers, our selection of sub-advisors is at the core of our investment process. We assess potential sub-advisors based on a number of factors, including organizational resilience, strategic alignment, systems and analytics, team/resources, and more. Our assessment includes considering a sub-advisor's approach to ESG.

Our assessments of a sub-advisor's ESG approach focuses on three key pillars: their firm-wide commitment, the implementation of their ESG strategy, and their approach to active stewardship. The three pillars allow us to better understand where a sub-advisor is on their ESG or sustainability journey. Individually, each pillar can allow us to identify a sub-advisor's strengths and weaknesses.

Our proprietary framework strives to use qualitative and quantitative information obtained from both internal and external sources. Considerations may include whether the firm has/is:

- put in place an executive-led governance and oversight structure,
- working towards solidifying existing data and support systems,
- committing to broadening and deepening awareness of ESG and ESG-related considerations (including upskilling of investment professionals),
- fostering a culture of collaboration.

ESG Approach of SLC Management

SLC Management has adopted the ESG factors set out below as part of the investment objective of Sun Life Net Zero Target Bond Fund. These ESG factors are fundamental to the investment objectives of the Fund and may be amended from time to time, at the discretion of SLC Management.

Net Zero Alignment Trajectory

SLC Management uses net zero alignment trajectory in its portfolio management of Sun Life Net Zero Target Bond Fund. Net zero alignment trajectory involves employing strategies and standards endorsed by, or derived from, widely recognized guidelines for achieving net zero greenhouse gas emissions or carbon emissions by 2050. Current strategies include implementation of the alignment trajectories set out below. SLC Management may periodically adjust its strategies or adopt additional strategies as industry frameworks evolve.

SLC Management will seek to reduce the greenhouse gas ("**GHG**") emissions intensity of the Fund's corporate bond exposure to at least 50% of the baseline levels by 2030 and will seek to achieve further reductions in a manner that is consistent with achieving global net zero greenhouse gas emissions or carbon emissions by 2050. The Fund's baseline GHG emissions intensity is the Carbon Emissions to Value Invested (CEVI) metric using 2019 year-end data. CEVI is the total carbon emissions for a portfolio normalized by the portfolio value, expressed in tons of carbon emissions equivalent per million dollars invested. The Fund's CEVI will be calculated annually using third-party data or estimates based on available sector information where third party data is not available. SLC Management may, in its sole discretion, choose to adopt an alternative measurement of GHG emissions intensity.

In determining a company's carbon emissions, SLC Management will use Scope 1 emissions, which includes carbon emissions from sources owned or controlled by the company, and Scope 2 emissions, which includes indirect carbon emissions attributed to the company from its consumption of purchased electricity, heat, or steam.

In addition, as part of its net zero alignment trajectory, SLC Management will seek to incorporate one or multiple strategies as included in the Net Zero Investment Framework methodology for sovereign and sub-sovereign bonds. The Net Zero Investment Framework's primary objective is to enable investors to decarbonize investment portfolios and increase investment in climate solutions, in a way that is consistent with achieving global net zero emissions by 2050 or sooner. Sub-sovereign bonds include provincial and municipal bonds. SLC Management will incorporate the Net Zero Investment Framework target setting methodology for sovereign and sub-sovereign bonds with respect to the target to increase allocation to verified green or SDG climate bonds. To achieve this, the Fund aims to increase its allocation to labelled green, sustainability, or SDG climate bonds, such that the allocation will represent at least 10% of the total portfolio by 2030. Alternative strategies included in the Net Zero Investment Framework or in other widely accepted Net Zero frameworks in respect of sovereign and sub-sovereign bonds may be adopted as an alternative or supplementary frameworks or as enhancements are made.

ESG considerations (or indicators) are integrated into the analysis of securities as deemed relevant. SLC uses proprietary research and/or third-party data to evaluate ESG issues that are financially material.

SLC Management does not utilize any exclusionary screens, nor does it apply any ESG oriented positive screens in managing this Fund.

What are the risks of investing in the Fund?

This tells you the specific risks of investing in the Fund. You'll find details about what each risk means in *What are the specific risks of investing in a mutual fund?* beginning on page 44.

Investment risk classification methodology

We assign an investment risk rating to each Fund to provide you with further information to help you determine whether the Fund is appropriate for you. Each Fund is assigned an investment risk rating in one of the following categories: low, low to medium, medium, medium to high, or high risk.

The investment risk level of each Fund is required to be determined in accordance with a standardized risk classification methodology set out in NI 81-102. This risk methodology is based on the Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Fund. Standard deviation is used to quantify the historical dispersion of returns around the average returns over a recent 10-year period. In this context, it can provide an indication of the amount of variability of returns that occurred relative to the average return over the 10-year measurement period. The higher the standard deviation of a Fund, the greater the range of returns it experienced in the past. In general, the greater the range of observed or possible returns, the higher the risk.

For those Funds that do not have a 10-year return history, we calculate the investment risk level by using the actual return history of the Fund, and imputing the return history of one or more reference indices for the remainder of the 10-year period. In certain cases where a Fund either invests substantially all of its assets in an underlying fund that has existed for at least 10 years, or there is another mutual fund with 10 years of performance history that has the same manager, portfolio manager, objectives and strategies as the Fund, then we use the returns of the underlying fund or other fund to complete a 10-year return history of the Fund for the purpose of estimating its 10-year standard deviation.

Where a Fund has undergone a fundamental change, such as a change in investment objective, historical data is reset, meaning the Fund cannot use its historical returns prior to the fundamental change to calculate the standard deviation. In such cases, the Fund is treated as if it does not have any history prior to the date of the fundamental change and one or more references indices is used as described above to calculate its investment risk level.

The following chart sets out a description of the reference index or other fund used for each Fund.

Fund	Reference index or fund
Sun Life Risk Managed U.S. Equity Fund	CBOE S&P 500 Zero-Cost Put Spread Collar Index (CAD)
Sun Life Net Zero Target Bond Fund	FTSE Canada Universe Bond Index

Benchmark definitions:

The **FTSE Canada Universe Bond Index** is a market capitalization weighted index composed of investment grade, fixed coupon, government and corporate bonds, issued in Canada and denominated in Canadian dollars, with a remaining term to maturity of at least one year.

The **CBOE S&P 500 Zero-Cost Put Spread Collar Index (CAD)** is designed to track the value of a portfolio that protects an investment in S&P 500 stocks with a long 2.5% - 5% out-of-the money put option on the S&P 500. The index is based on collar strategy to reduce the cost of hedging negative stock returns.

We assign a risk rating category that is at, or higher than, the applicable rating indicated by the standard deviation ranges in the standardized risk classification methodology, as outlined in the table below

Standard deviation range	Risk rating
0 to less than 6	Low
6 to less than 11	Low to medium
11 to less than 16	Medium
16 to less than 20	Medium to high
20 or greater	High

It is important to note that other types of risks, both measurable and non-measurable, may exist. It is also important to note that a Fund's historical volatility may not be indicative of future volatility. We may exercise our discretion and assign a Fund a higher risk classification than indicated by the 10-year annualized standard deviation and the prescribed ranges if we believe that the Fund may be subject to other foreseeable risks that the 10-year annualized standard deviation does not reflect.

The risk rating assigned to each Fund adheres to the Manager's Fund Risk Classification Methodology. The Fund Risk Classification Methodology describes the Manager's standardized approach in determining the investment risk level of each Fund. The risk rating for each Fund is reviewed at least annually, as well as if there is a material change in a Fund's risk profile that may affect its classification, or a change in the Fund's investment objective or investment strategy.

You can request a copy of our Fund Risk Classification Methodology that we use to determine the investment risk level of each Fund, at no cost to you, by calling us at 1-877-344-1434, by writing to us at One York Street, Suite 3300, Toronto Ontario M5J 0B6 or by emailing us at info@sunlifeglobalinvestments.com.

Distribution policy

This tells you how often you will receive a distribution and how it is paid. Each Fund makes distributions if and when it has amounts to distribute.

Sun Life Risk Managed U.S. Equity Fund

Fund details

Fund type	U.S. Equity
Securities offered	Series I units of a trust
Start date	Series I: December 6, 2023
Registered plan eligibility	Expected to be qualified investments for Registered Plans
Portfolio manager	SLGI Asset Management Inc. Toronto, Ontario
Sub-advisor (cash portion)	Sun Life Capital Management (U.S.) LLC

What does the Fund invest in?

Investment objectives

The Fund's investment objective is to seek long-term capital appreciation by investing primarily in U.S. equity securities, or by investing in securities of other investment funds (including mutual funds and exchange-traded funds) that invest in such securities, while aiming to reduce volatility.

The investment objectives of the Fund can only be changed with the approval of a majority of the securityholders at a meeting called for such purpose.

Investment strategies

In pursuing the Fund's investment objective, the portfolio manager:

- invests primarily in U.S. equity securities, directly or indirectly through investment vehicles such as equity exchange traded funds with exposure to U.S. securities;
- may purchase options and write cash-covered put options in respect of the equity securities held by the Fund in order to manage the Fund's risk exposure, reduce overall portfolio volatility and reduce the cost of options purchased.
- may hold cash or fixed income securities as cash cover for the writing of cash covered put options;
- may invests up to 100% of the Fund's assets in securities of other investment funds (including mutual funds and exchange traded funds), including investment funds managed by the Manager and/or an affiliate or associate of the Manager; and
- may invest up to 100% of the Fund's assets in foreign securities.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, for strategic reasons or for defensive or other purposes, which may result in the Fund temporarily deviating from its investment objectives.

In addition to the strategy set out above, the Fund may use derivatives for hedging purposes such as to hedge some or all of its foreign currency exposure, or to provide protection for the Fund's portfolio. The Fund may also use derivatives for non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, or to generate income. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivatives risk* beginning on page 45.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 51.

The Fund may also engage in short selling in a manner which is consistent with the investment objective of the Fund and as permitted by Canadian securities regulatory authorities. In determining whether securities of a particular issuer should be sold short, the Manager utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces, in the Manager's view, a favourable outlook, the issuer is a candidate for purchase. Where the analysis generally produces, in the Manager's view, an unfavourable outlook, the issuer is a candidate for a short sale. The Fund may engage in short selling as a complement to the Fund's current primary discipline of buying securities with the expectation that they will appreciate in market value. Please see the discussion under *Short selling risk* on page 52.

What are the risks of investing in the Fund?

The following are the risks associated with an investment in the Fund:

- Credit risk
- Derivatives risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Large transaction risk
- Passive management risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Short selling risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 44.

In addition to the above risks, certain general risks also apply to the Fund. See *What are the general risks of investing in a mutual fund?* beginning on page 40 for a detailed description of the general risks associated with an investment in the Fund.

We have classified this Fund's risk level as low to medium. Please see *Investment risk classification methodology* on page 63 for a description of the methodology we use to classify this Fund's risk level.

Distribution policy

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on securities held in a Registered Plan are automatically reinvested in additional securities of the Fund. Distributions on securities held outside a Registered Plan are automatically reinvested in additional securities of the Fund, unless you provide us a written request that you wish to receive them in cash.**

Sun Life Net Zero Target Bond Fund

Fund details

Fund type	Canadian Fixed Income
Securities offered	Series I units of a trust
Start date	Series I: December 6, 2023
Registered plan eligibility	Not a qualified investment for Registered Plans
Portfolio manager	SLGI Asset Management Inc. Toronto, Ontario
Sub-advisor	Sun Life Capital Management (Canada) Inc. Toronto, Ontario

What does the Fund invest in?

Investment objectives

The Fund's investment objective is to seek long-term total return by investing primarily in a portfolio of Canadian debt securities, or by investing in securities of other investment funds (including mutual funds and exchange-traded funds) that invest in such securities, in a manner that is consistent with achieving net zero greenhouse gas emissions or carbon emissions by 2050.

The investment objectives of the Fund can only be changed with the approval of a majority of the securityholders at a meeting called for such purpose.

Investment strategies

The Fund seeks to achieve its objectives by investing in a well-diversified portfolio of primarily Canadian debt securities, comprising of, but not limited to, corporate debt, federal, provincial and corporate real return bonds, federal and provincial nominal bonds and inflation-protected securities.

In pursuing the Fund's investment objective, the sub-advisor will seek to employ strategies and standards endorsed by, or derived from, widely recognized guidelines for achieving net zero greenhouse gas emissions or carbon emissions by 2050. The sub-advisor will periodically seek to adjust such strategies or adopt additional strategies as industry guidelines evolve. Current strategies include implementation of the following alignment trajectories:

- seeking to reduce the GHG emission intensity of the Fund's corporate bond exposure to at least 50% of the Fund's baseline levels by 2030 and seeking to achieve further reductions in a manner that is consistent with achieving global net zero greenhouse gas emissions or carbon emissions by 2050, by investing in issuers that are expected to reduce carbon emissions intensity of the Fund, and/or issuers that the sub-advisor expects will reduce their carbon emissions intensity over time, as described under *ESG Approach of SLC Management* beginning on page 62;

- in managing the Fund's sovereign and sub-sovereign bond exposure, seeking to attain a greater than 10% portfolio allocation to green or sustainability bonds by 2030, as described under *ESG Approach of SLC Management beginning* on page 62. This strategy is recommended under the Net Zero Investment Framework as a strategy to be used by portfolios seeking to invest in a manner consistent with achieving net zero greenhouse gas emissions or carbon emissions by 2050.

Additionally, the sub-advisor:

- takes into consideration ESG factors as set out under *ESG Approach of SLC Management* beginning on page 62;

- utilizes both a top-down and bottom-up approach to identify opportunities that capture favourable risk-adjusted returns – top-down the sub-advisor seeks to establish and put into action views on interest rates, inflation, credit markets, as well as other quantitative and qualitative economic / capital markets data while bottom-up the sub-advisor considers the security's expected return, credit quality, liquidity, term, unique security attributes, and expected transactions costs;

- allocates the Fund's assets among issuers in different market sectors, industries, and maturities, based on its view of the relative value;
- may invest up to 50% of the Fund's assets in foreign denominated debt securities primarily hedged back to the Canadian dollar;
- seeks to generally maintain a weighted average credit rating of investment grade;
- may opportunistically allocate to debt securities of any quality and term; and
- may invest in securities of other investment funds (including mutual funds and exchange-traded funds), including investment funds managed by the Manager, the sub-advisor and/or an affiliate or associate of the Manager and/or the sub-advisor and, in selecting these underlying funds, uses the same criteria as it uses for selecting individual securities as described above.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes, which may result in the Fund temporarily deviating from its investment objectives.

The Fund may use derivatives for hedging purposes such as to hedge some or all of its foreign currency exposure, or to provide protection for the Fund's portfolio. The Fund may also use derivatives for non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, or to generate income. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivatives risk* beginning on page 45.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 51 .

The Fund may also engage in short selling in a manner which is consistent with the investment objective of the Fund and as permitted by Canadian securities regulatory authorities. In determining whether securities of a particular issuer should be sold short, the sub-advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces, in the sub-advisor's view, a favourable outlook, the issuer is a candidate for purchase. Where the analysis generally produces, in the sub-advisor's view, an unfavourable outlook, the issuer is a candidate for a short sale. The Fund may engage in short selling as a complement to the Fund's current primary discipline of buying securities with the expectation that they will appreciate in market value. Please see the discussion under *Short selling risk* on page 52.

What are the risks of investing in the Fund?

The Fund may invest in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds. The Fund will be exposed to the following risks:

- Concentration risk
- Credit risk
- Derivatives risk
- Environmental, social and governance ("ESG") risk
- Foreign investment risk
- Geographic concentration risk
- Inflation risk

- Interest rate risk
- Large transaction risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Short selling risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 44.

In addition to the above risks, certain general risks also apply to the Fund. See *What are the general risks of investing in a mutual fund?* beginning on page 40 for a detailed description of the general risks associated with an investment in the Fund.

We have classified this Fund's risk level as low. Please see *Investment risk classification methodology* on page 63 for a description of the methodology we use to classify this Fund's risk level.

Distribution policy

The Fund normally distributes income monthly. If necessary, the Fund will make an additional distribution of income and capital gains in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions are automatically reinvested in additional securities of the Fund, unless you provide us a written request that you wish to receive them in cash.**

SIMPLIFIED PROSPECTUS

Offering Series I securities of the following Funds:

Sun Life Risk Managed U.S. Equity Fund

Sun Life Net Zero Target Bond Fund

You can find more information about each Fund in the Fund Facts document, management report of fund performance and financial statements of each Fund. These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of it.

For a free copy of these documents, call us toll free at 1-877-344-1434 or ask your advisor. These documents and other information about the Funds, such as information circulars and material contracts, are also available on the Funds' designated website at **www.sunlifeglobalinvestments.com** or **www.sedarplus.ca**.

Sun Life Global Investments

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