May 24, 2019

Sun Life Global Investments (Canada) Inc.

SIMPLIFIED PROSPECTUS

Offering Series A, Series F, Series I and Series O units of the following alternative mutual fund:

Sun Life Opportunistic Fixed Income Fund

(formerly, Sun Life Multi-Strategy Target Return Fund)

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

The Fund and the units of the Fund 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 Simplified Prospectus 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, Sun Life Global Investments Canada*** **or** ***the Manager*** means Sun Life Global Investments (Canada) Inc.;
- ***you*** or ***investor*** means each person who invests in the Fund;
- ***advisor*** means the registered representative who advises you on your investments;
- ***CRA*** means the Canada Revenue Agency;
- ***dealer*** means the company where your investment advisor works;
- ***Fund*** means the alternative mutual fund listed on the front cover of this Simplified Prospectus;
- ***intermediary*** means a third party that your dealer may use to administer your account;
- ***IRC*** means the independent review committee established by the Manager under National Instrument 81-107 - *Independent Review Committee for Investment Funds*;
- ***NAV*** means net asset value;
- ***NI 81-102*** means National Instrument 81-102 *Investment Funds;*
- ***Sun Life Global Investments Mutual Funds*** means all of the mutual funds managed by us and which are offered for sale under a prospectus and includes the Fund;
- ***Tax Act*** means the *Income Tax Act* (Canada) and the regulations thereunder;
- ***underlying fund*** means any mutual fund (including an exchange-traded fund) in which the Fund invests;
- ***Unitholder*** means a holder of units of the Fund; and
- ***units*** means units of the Fund.

This Simplified Prospectus contains information about the Fund as well as the benefits and risks of investing in mutual funds generally. It also identifies the firms responsible for the management of the Fund. Please read this Simplified Prospectus carefully before you invest and keep it for future reference.

For more information

You can find more information about the Fund in:

- the Annual Information Form ("**AIF**");
- the Fund's most recently filed fund facts;
- the Fund's most recently filed annual financial statements;

- any interim financial report filed after those annual financial statements;
- the most recently filed annual management report of fund performance ("**MRFP**"); 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 this document.

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 Fund are also available at **www.sunlifeglobalinvestments.com** and **www.sedar.com**.

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

What is a mutual fund?

The Fund is a mutual fund. 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

The Fund has been set up as a mutual fund trust. This structure allows 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. When you invest in a mutual fund trust, you buy units of the trust and you become a unitholder.

A mutual fund trust distributes sufficient income and net realized capital gains so that the mutual fund trust will not be subject to tax.

Units of a mutual fund trust may be issued in different series. Each series is intended for different kinds of investors and has different fees and expenses.

Structure of the Fund

The 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 Fund in trust for the unitholders.

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

Classes and series of units

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

Currently, the Fund has created one class of units and the series that the class is issued in are shown on the front cover of this Simplified Prospectus. The series of the 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 units* for more details on the different series of units 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 general risks include:

Price fluctuation

Mutual funds own different types of investments, depending on their 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 units may be suspended. See *Suspending your right to redeem* for details.

What are the risks of investing in the Fund?

Alternative Mutual Fund Risk

The Fund is considered an "alternative mutual fund" as defined in NI 81-102. This means the Fund is permitted to use investment strategies generally prohibited to be used by other types of mutual funds, such as the ability to invest up to 20% of its NAV in securities of a single issuer, the ability to borrow cash, to short sell beyond the limits prescribed for conventional mutual funds and to generally employ leverage. For more information regarding the risks associated with these strategies, see *Concentration Risk, Derivative Risk, Leverage Risk* and *Short Selling Risk* below.

Market Risk

This is the risk that the market value of the Fund's investments will rise or fall based on overall market conditions. The value of the market can vary with changes in the general economic and financial conditions. Political, social and environmental factors can also significantly affect the value of any investment.

Increased instability in the financial markets may expose the Fund to greater market and liquidity risk and create potential difficulty in valuing portfolio instruments that it holds. These risks may increase if governments become more involved in the markets by acquiring distressed assets from financial institutions and acquiring ownership interests in those institutions. Additional legislation or government regulation may also change the way in which investment funds are regulated, which could limit or preclude the Fund's ability to achieve its investment objective.

Interest Rate Risk

To the extent that the Fund holds fixed income securities, the value of the Fund 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 the Fund, but will affect the value of the units. 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.

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.
- High (yield) 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. The 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 market place, which is less transparent than the exchange-traded marketplace. In addition, the 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 the 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.

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.

Mortgage-Backed Securities Risk

Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. If there are changes in the market's perception of the issuers of these types of securities, in the creditworthiness of the underlying borrowers or in the assets backing the pools, then the value of the securities may be affected. In addition, the underlying loans may not be ultimately repaid in full, in some cases leading to holders of mortgage-backed securities not receiving full payment.

Convertible Securities Risk

Convertible securities are bonds, debentures, notes, preferred shares, rights, warrant or other securities that may be converted into, or exchanged for, a prescribed amount of common stock or other securities of the same or a different issuer or into cash within a particular period of time at a specified price or formula. A convertible security generally entitles the holder to receive interest paid or accrued on debt securities or the dividend paid on preferred shares until the convertible security matures or is redeemed, converted or exchanged. If a convertible security is called for redemption, the Fund may have to redeem the security, convert it into common stock or sell it to a third party at a price and time that is not beneficial for the Fund. The value of convertible securities tends to decline as interest rates rise and, because of the conversion feature, tends to vary with fluctuations in the market value of the underlying securities. Securities convertible into common stocks may have higher yields than common stocks, but lower yields than comparable nonconvertible securities.

Contingent Convertible Securities Risk

The weakening of the financial strength of an issuer of contingent convertible securities, or a regulatory action that impacts the issuer, could decrease the value of the securities held by the Fund or trigger a conversion event, respectively, both of which could result in an adverse effect on the value of the Fund's investments, perhaps significantly. Contingent convertible or contingent capital securities are a form of convertible securities that convert into equity or have their principal written down upon the occurrence of certain trigger events. One type of contingent convertible security is designed to absorb losses, where the value of the security may be adjusted downward to below its original par value or written off entirely under certain circumstances. For instance, if an issuer's capital levels fall below a specified threshold, the value of the security may be reduced in whole or in part. The reduction of the security's par value may occur automatically. Automatic reductions can also result in a reduced income rate if the dividend or interest payment associated with the security is based on the security's par value. Such securities may provide for circumstances under which the value of the security may be adjusted back up to par. Other contingent convertible securities provide for a mandatory conversion of the security into common shares of the issuer under certain circumstances. A mandatory conversion might occur as a result of the issuer's failure to maintain a minimum capital. Since the common shares of the issuer may not pay a dividend, investors in such instruments could experience reduced yields, or no yields at all, and conversion would deepen the subordination of the investor, effectively worsening the investor's standing in the case of an issuer's insolvency. An automatic write-down or conversion event with respect to a contingent convertible security will typically be triggered by a reduction in the issuer's capital level, but may also be triggered by regulatory actions, such as a change in regulatory capital requirements, or by other factors.

Derivative 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. The 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 currency exchange rates, stock prices and interest rates. This is called hedging. The Fund may also use derivatives as part of its overall investment and portfolio management strategy to gain or lessen exposure to various securities, markets, volatility, dividend payments and currencies.

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 the 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 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 the Fund wants to buy or sell;
- there is no guarantee that the 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 the Fund; to the extent that the 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, the Fund will endeavour to settle the contract with cash or an offsetting contract;
- a large percentage of the assets of the Fund may be placed on deposit with one or more counterparties, which exposes the Fund to the credit risk of those counterparties;
- securities exchanges may set daily trading limits or halt trading, which may prevent the Fund from selling a particular derivative contract;
- the price of a derivative may not accurately reflect the value of the underlying asset;
- 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 the 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 the Fund to use certain derivatives;
- costs relating to entering and maintaining derivatives contracts by the Fund may reduce the returns of the Fund; and

- 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.

Leverage Risk

When the Fund makes investments in derivatives, borrows cash or uses physical short sales on equities, fixed income securities or other portfolio assets, leverage may be introduced into the Fund. Leverage occurs when the Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavourable times. The Fund's aggregate exposure to derivatives used for non-hedging purposes, cash borrowing and short selling will not exceed the limits permitted under applicable securities legislation, and such exposure is measured on a daily basis. This will operate to limit the extent to which a Fund is leveraged. The Fund's maximum aggregate exposure to leverage, which includes, but is not limited to, the use of derivatives, as a multiple of its NAV, is 300%.

Borrowing Risk

Borrowing of cash or securities by the Fund could magnify the impact of any movements in the prices of the underlying investments of the Fund and, therefore, the value of your investment. Consequently, these, investments may produce more volatile gains or losses compared to investing in the same investments without making use of borrowings. The Fund is permitted to borrow cash to a maximum of 50% of its NAV.

Liquidity Risk

A liquid asset trades on an organized market, such as a stock exchange, that 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 company's securities may be illiquid if the company is not well known, there are few outstanding securities, there are few potential buyers or they cannot be resold because of a promise or an agreement. If the Fund holds illiquid assets, the value of the Fund may rise and fall substantially because the Fund may not be able to sell the securities for the value that is used in calculating the NAV of the Fund. The sale of such securities may also require the 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 the Fund may hold.

Emerging Markets Risk

Emerging markets may be more likely to experience political, economic and social instability and may be subject to corruption or have lower business standards. Instability may result in the expropriation of assets or restrictions on payment of dividends, income or proceeds from the sale of securities held by the Fund. In addition, accounting and auditing standards and practices may be less stringent than those of developed countries resulting in limited availability or potentially lower quality of information relating to a mutual fund's or an underlying fund's investments. Further, emerging market securities are often less liquid and custody and settlement mechanisms in emerging market countries may be less developed, resulting in delays and the incurring of additional costs to execute trades of securities. Some countries may have policies that restrict investment by foreigners or that prevent foreign investors from withdrawing their money at will. Emerging markets also have the risks described under *Foreign Currency Risk*, *Foreign Investment Risk* and *Liquidity Risk*.

Foreign Investment Risk

The Fund may invest in securities issued by corporations in, or governments of, countries other than Canada or in depositary 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, but there are 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;
- 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 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 the Fund from taking money out of the country.

Foreign Currency Risk

The Fund may invest a portion of its investment portfolio in foreign securities; however, the assets and liabilities of the Fund are valued in Canadian dollars. If the 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 the Fund, the Manager converts, on a daily basis, 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. 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, if the Fund holds a security denominated in a foreign currency, it 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 the Manager cannot exchange the currencies in which the Fund is invested, the Manager may be unable to make cash distributions or process redemptions.

The Fund may engage in foreign currency derivative transactions, including foreign currency forward contracts, options, swaps and other similar strategic transactions. These transactions may be for the purposes of hedging or efficient portfolio management, or may be for investment purposes, and they may be exchange traded or traded directly with market counterparties. Such transactions may not prove successful or may have the effect of limiting gain from favourable market movements.

The Fund may use derivatives to acquire positions in various currencies, which presents the risk that the Fund could lose money on its exposure to a particular currency and also lose money on the derivative. The Fund may take positions in currencies that do not correlate to the currency exposure presented by the Fund's other investments. As a result, the Fund's currency exposure may differ, in some cases significantly, from the currency exposure of its other investments.

Income Risk

Any income that investors receive from the Fund is based primarily on the dividends and interest the Fund earns from its investments, which can vary widely over the short- and long-term.

Geographic Concentration Risk

The Fund may invest a relatively large portion of its assets in issuers located in a single country, a small number of countries, or a particular geographic region. As a result, the performance of the Fund 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 funds the holdings of which are more geographically-diversified.

Regulatory Risk

There can be no assurance that certain laws applicable to investment funds, including the Fund, 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 fund.

Taxation Risk

The Fund will be subject to certain tax risks generally applicable to Canadian investment funds, including the following.

If the Fund were to cease to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading *Income Tax Considerations* could be materially and adversely different in some respects. For example, if the Fund ceases to qualify as a mutual fund trust, units of the Fund will no longer be qualified investments for registered plans under the Tax Act.

There can be no assurance that the CRA will agree with the tax treatment adopted by the Fund in filing its tax return. The CRA could reassess the Fund on a basis that results in an increase in the net income of the Fund for tax purposes, and in the taxable component of distributions considered to have been paid to Unitholders. A reassessment by the CRA may result in the Fund being liable for unremitted withholding tax on prior distributions to non-resident Unitholders. Such liability may reduce the NAV of units of the Fund.

In certain circumstances, the Fund may experience a "loss restriction event" for tax purposes, which generally will occur each time any person, together with other persons with whom that person is affiliated within the meaning of the Tax Act, or any group of persons acting in concert, acquires units of the Fund having a fair market value that is greater than 50% of the fair market value of all of the units of the Fund. The Tax Act provides relief in the application of the "loss restriction event" rules for trusts that are "investment funds" as defined therein. The Fund will be considered an "investment fund" for this purpose if it meets certain conditions, including complying with certain asset diversification requirements. If the Fund fails to meet this definition, it may be deemed to have a year-end for tax purposes upon the occurrence of a "loss restriction event". Where such a deemed year end occurs, unitholders may receive unscheduled distributions of income and capital gains from the Fund. For units held in non-registered accounts, these distributions must be included in the calculation of the unitholder's income for tax purposes. Future distribution amounts in respect of the Fund may also be impacted by the expiry of certain losses at the deemed year end.

Large Transaction Risk

If an investor in the Fund subscribes for or redeems a large number of units, the transaction costs associated with such a large transaction may affect the series NAV per unit of the Fund. For example, if an investor redeems a large number of units of the Fund, the Fund may be forced to sell securities or close out positions at unfavourable prices to pay for the proceeds of redemption. This unexpected sale may have a negative impact on the value of an investment in the Fund.

The Manager or others may offer investment products that invest all or a significant portion of their assets in the Fund. These investments may become large and could result in large purchases or redemptions of units of the Fund.

Small Company Risk

The Fund may make investments in smaller capitalization companies. These investments are generally riskier than investments in larger companies for several reasons. Smaller companies are often relatively new and/or may not have an extensive track record. This may make it difficult for the market to place a proper value on these companies. Some of these companies may not have extensive financial resources and, as a result, may be unable to react to events in an optimal manner. In addition, stocks of smaller companies are sometimes less liquid, meaning that there is less demand for such stocks in the marketplace at a price that is deemed fair by sellers.

Series Risk

The Fund issues more than one series of units. Each series has its own fees and expenses, which are tracked separately. If the Fund cannot pay the expenses of one series using that series' share of the Fund's assets, the Fund will have to pay those expenses out of the other series' share of the Fund's assets attributable to those series. This could lower the investment return of the other series.

Having to pay any expense or liability of this kind could cause the value of an investment in the Fund to decline even though the value of the Fund's investments might have increased.

Repurchase and Reverse Repurchase Transactions and Securities Lending Risk

The Fund may engage in repurchase, reverse repurchase or securities lending transactions.

A repurchase transaction is where the 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 the 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 the 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 Fund to earn additional income and thereby potentially enhance its 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 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 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 Fund holds.

To reduce these risks, the Fund requires 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 fund's net asset value immediately after entering into the transaction. This calculation excludes cash held by the Fund for sold securities and collateral held for loaned securities.

Short Selling Risk

The Fund is permitted by Canadian securities legislation to engage in a limited amount of short selling, provided that certain conditions are met. A "short sale" is where the 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. The Fund will adhere to controls and limits that are intended to offset these risks in accordance with the requirements in Canadian securities legislation. The Fund is permitted to sell securities short up to a maximum of 50% of its NAV.

Cyber Security Risk

As the use of technology has become more prevalent in the course of business, the Manager and the Fund 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 the 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, 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 Fund's third party service providers or issuers that the Fund invests in can also subject the Manager or the Fund 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 directly control the cyber security systems of issuers or third party service providers.

Purchases, redemptions and switches

Series of units

The Fund may have an unlimited number of series of units and may issue an unlimited number of units of each series. The description of the Fund starting on page 35 sets out the series of units currently offered by the Fund. We may offer additional units under separate simplified prospectuses or other offering documents. The offering of any series of units can be terminated at any time and any additional series of units may be offered at any time.

Each series of units is intended for different types of investors. Investors must meet eligibility criteria established by us from time to time in order to hold certain series of units of the Fund. We will publicly announce any new eligibility criteria or any change to existing eligibility criteria before such criteria or change becomes effective. If, at any time, you cease to be eligible to hold your series of the Fund, we may switch you to another series of units of the same Fund (including a series that may be created in the future).

Private Client Program

Sun Life Global Investments Canada offers a program (the "**Private Client Program**"), which provides clients with a cost effective investment solution with enhanced reporting and services. Series A, Series AH, Series AT5, Series T5, Series AT8 and Series T8 securities of a Sun Life Global Investments Mutual Fund purchased or held under the Front End Sales Charge option (as described in *Choosing a purchase option*) and certain Series F, Series F5, Series F8, Series FT5, Series FT8, Series FH, Series O and Series OH securities of a Sun Life Global Investments Mutual Fund are eligible for the Private Client Program and collectively are referred to as "**Eligible Securities**".

Investors participating in the Private Client Program benefit from reduced management fees. Investors with Eligible Securities of Sun Life Global Investments Mutual Funds having a minimum market value in their account are automatically enrolled in the Private Client Program. Qualifying investors who link their account to a master account with a minimum market value of Eligible Securities may also enrol in the Private Client Program. The securities of certain Sun Life Global Investments Mutual Funds are ineligible for reduced management fees, but have been deemed eligible for the calculation to determine the market value of Eligible Securities in the Private Client Program. For all series of units of the Fund, other than Series O units, management fees are paid by the Fund. Any management fee reduction in respect of the Fund that is paid to a Private Client Program investor as a distribution will generally be reinvested in additional units of the Fund. Private Client Program Fees are calculated on a monthly basis and you must be eligible for the Private Client Program for the entire month in order to benefit from reduced management fees. If you switch your securities to a series that is not eligible for the Private Client Program, redeem your securities or if the market value of your Eligible Securities falls below the minimum market value for the Private Client Program at any time during a month, you will no longer be eligible for the Private Client Program and the management fee reduction will not be applied to the securities that you held during that month. For Series O units of the Fund, no management fees are paid by the Fund. Management fees are paid directly by Series O investors, after subtracting any management fee reduction, and will be paid by redeeming a sufficient amount of the investor's units from the Fund to pay the amount owing.

Please contact us or your advisor for more information on our Private Client Program.

We may modify or discontinue the Private Client Program at any time at our discretion. Existing clients in the Private Client Program will receive at least 90 days' prior notice of the discontinuance of the Private Client Program.

Series A units

Series A units are available to all investors.

Series F units

Series F units are available to investors who have a fee-based account with their dealer and whose dealer has signed an agreement with us. Instead of paying sales charges, investors buying Series F units pay fees to their dealer for investment advice and other services. We do not pay any commissions to dealers in respect of Series F units, so we can charge a lower management fee.

If you cease to be eligible to hold Series F units, we may change your Series F units for Series A units of the same Fund under the Front End Sales Charge option.

Series I units

Series I units are special purpose units that are currently only available to other mutual funds and eligible institutional investors. Series I units are not sold to the general public. Each Series I investor negotiates its own management and advisory fee that is paid directly to us. Series I units are not generally sold through dealers, and no sales commissions are payable to dealers for selling these units. We must approve any switch to or from the Series I units. Series I units are not eligible for the Private Client Program.

If you cease to be eligible to hold Series I units, we may change your Series I units for Series A units of the same Fund under the Front End Sales Charge option.

Series O units

Series O units are only available to investors through the Private Client Program and to investors whose dealer has signed a Series O dealer agreement with us. Each Series O investor pays a management fee directly to us and is eligible for management fee reductions, if any, based on the value of Series O units held in the investor's account. The Series O management fee is paid, after subtracting any management fee reductions, by a redemption of Series O units held in the investor's account.

If your account ceases to qualify for the Private Client Program, we may change the Series O units held in your account for Series A units of the same Fund under the Front End Sales Charge option.

How to buy units of the Fund

You can buy units of the Fund 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 units of the Fund, the price you pay is the NAV of those units. Each series of units of the Fund has a separate NAV ("**series NAV**"). In general, we calculate the series NAV by:

- taking that series' proportionate share of the assets of the Fund; and
- subtracting that series' expenses and its proportionate share of the class expenses and the Fund's common expenses.

The NAV for each unit in each series is calculated by dividing the series NAV by the total number of outstanding units of that series.

We calculate the NAV for each series of each Fund in Canadian dollars.

If we receive your purchase order before 4 p.m. Eastern Time ("**ET**") on a day that the Toronto Stock Exchange ("**TSX**") is open for business or before the TSX closes for the day, whichever is earlier, 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.

Choosing a purchase option

Certain series of the Fund are available for purchase under different purchase options. The purchase option you choose determines the amount of the fee and when you pay it. You and your advisor should decide which purchase option is appropriate for you. Your choice of purchase option will require you to pay different fees and will affect the amount of compensation your dealer will receive. Not all dealers may make all series or all purchase options available. See *Fees and expenses* and *Dealer compensation* for more information.

Generally, there are three different purchase options:

- **Front End Sales Charge option**. You and your dealer negotiate the fee, which may be up to 5% of the cost of the units, and you pay this fee to your dealer when you buy the units. You will not pay a redemption fee when you redeem your units.
- **Deferred Sales Charge option**. You do not pay a fee when you buy the units. However, if you redeem the units within seven years of buying them, you will pay a redemption fee that starts at 5.5% of the original cost of the units at the time they were purchased and declines over time. See *Fees and expenses payable directly you* for the redemption fee schedule.

- **Low Load Sales Charge option**. You do not pay a fee when you buy the units. However, if you redeem the units within three years of buying them, you will pay a redemption fee that starts at 2.5% of the original cost of the units at the time they were purchased and declines over time.

Series A units are generally available for purchase under the Front End Sales Charge option, the Deferred Sales Charge option and the Low Load Sales Charge option. Series O units are available for purchase under the Front End Sales Charge option.

There are no sales charges for the purchase of Series F or Series I units. However, Series F investors pay a separate fee to their dealer. In addition, Series F, Series I and Series O units are not available under the Deferred Sales Charge option or the Low Load Sales Charge option.

Units must be purchased or held under either the Front End Sales Charge option or in Series F or Series O units to be eligible for the Private Client Program.

For units purchased under the Deferred Sales Charge option or the Low Load Sales Charge option, upon the completion of the redemption fee schedule applicable to those units, such units will be automatically changed to Front End Sales Charge option units without increased costs to you. Your dealer may, from the time your units are changed, receive the higher level of service fees or trailing commissions that are applicable to units purchased under the Front End Sales Charge option. See *Fees and expenses* and *Dealer compensation* for more information.

Minimum investment

The minimum initial investment in Series A, Series F, or Series O units of the Fund is $500.00. Each additional investment in Series A, Series F, or Series O units must be at least $50.00. These minimum investment amounts may be adjusted or waived in our absolute discretion and without notice to Unitholders.

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

Please see *Automatic redemption* for more information on the minimum balance that must be maintained for investments in other series of the units of the Fund and the consequences of failing to maintain such minimum.

How we process your order

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 a payment or a purchase order that is otherwise valid but fails to specify the Fund, or if any other documentation in respect of your purchase order is incomplete, we will deem such order to be for Series A units of Sun Life Money Market Fund and invest your money in such units, under the Front End Sales Charge option at a 0% sales charge. Once we know that you have selected the Fund and we have received your documentation in good order, we will switch this investment into the Fund and series that you have selected, without additional charge, at the NAV of the Fund 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 units 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. To reduce the adverse effect to existing investors of large redemptions in the Fund, we may reject your order if it makes you a holder of 10% or more of the Fund’s net assets. 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 units

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

Upon redemption, we will pay you the current NAV for your units, less any applicable redemption fees described below. If we receive your redemption request before 4 p.m. ET on a day that the TSX is open for business or before the TSX closes for the day, whichever is earlier, 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.

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 $25,000.00 or more;
- 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 units.

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

Redemption fees

When you redeem Series A, you may be charged redemption fees. The amount of those fees depends on the purchase option you chose when you bought the units. If you have held the units for less than 30 days, you may also pay a short term or excessive trading fee. See *Short-term or excessive trading fees*.

Deferred Sales Charge and Low Load Sales Charge options

When you redeem Series A units that you bought under the Deferred Sales Charge option within seven years of buying them, you may pay a redemption fee. The fee is calculated as a percentage of the amount you originally paid for the units, and that percentage declines over the period that you hold the units. See *Deferred Sales Charge option* and the redemption fee schedule under *Fees and expenses payable directly by you* for details.

When you redeem Series A units that you bought under the Low Load Sales Charge option within three years of buying them, you may pay a redemption fee. The fee is calculated as a percentage of the amount you paid for the units, and that percentage declines over the period that you hold the units. See *Low Load Sales Charge option* and the redemption fee schedule under *Fees and expenses payable directly by you* for details.

If you chose either of the Deferred Sales Charge or Low Load Sales Charge options for the Fund and then switched into another Sun Life Global Investments Mutual Fund, the redemption fee for the securities you receive upon switching will generally be based on the original cost of the securities and the original purchase date.

There is no redemption fee for Series F, Series I or Series O units. However, if you have held the units for less than 30 days, you may pay a short-term or excessive trading fee. See *Short-term or excessive trading fees*. In addition, there is no redemption fee for units received from reinvested distributions.

Order of redemption

Your Series A units bought under the Deferred Sales Charge or the Low Load Sales Charge options are redeemed in the following order:

- units that qualify for free redemption entitlement (in order of maturity date) – see *10% free redemption entitlement* below;
- matured units (units that are no longer subject to a redemption fee); then
- units for which a redemption fee is payable, starting with those that will mature first.

10% free redemption entitlement

If you bought Series A units under the Deferred Sales Charge or the Low Load Sales Charge options, each year you can generally redeem the following at no charge:

- up to 10% of the number of Series A units you held on December 31 of the previous year; plus
- up to 10% of the number of Series A units you bought during the current year prior to the date of redemption.

You cannot carry forward your unused free redemption entitlement to the next year.

We may modify or discontinue this free redemption entitlement at any time in our sole discretion.

Redemption of Deferred Sales Charge and Low Load Sales Charge Units Following death of an investor

We may waive the redemption fee for units purchased under the Deferred Sales Charge or the Low Load Sales Charge options if units are redeemed following the death of the holder of an individual account. Once we receive the required estate documentation in good order, we will process the redemption as requested, and in accordance with our current policies. Please contact us or your advisor for more information.

Front End Sales Charge option

You do not pay a redemption fee for redeeming units that you bought under the Front End Sales Charge option. You may have to pay a short-term or excessive trading fee if you redeem units within 30 days of purchase. See *Short-term or excessive trading fees*.

Series F, Series I and Series O units

You do not pay a redemption fee for redeeming Series F, Series I or Series O units. You may have to pay a short-term or excessive trading fee if you redeem units within 30 days of purchase. See *Short-term or excessive trading fees*.

Short-term or excessive trading

In general, the Fund is long-term investment. Frequent trading or switching units of the Fund by one or more investors can hurt the Fund's performance, affecting all the investors in the 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 Fund.

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 Fund 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.

Short-term or excessive trading fees

If you redeem or switch units of the 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 units redeemed or switched. The fee payable will be deducted from the amount you redeem or switch and will be paid to the Fund. The short-term or excessive trading fee is in addition to any redemption or 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 units when an investor fails to meet the minimum investment amount for the Fund;
- for a redemption of units acquired through automatic reinvestment of all distributions by the Fund;
- for a redemption of units in connection with a failed settlement of a purchase of units;
- for a switch or a redemption from Sun Life Money Market Fund (a Sun Life Global Investments Mutual Fund offered under a separate simplified prospectus);
- for a switch under a systematic transfer plan (as described below);
- for a switch as a result of a rebalancing transaction under the Account Rebalancing Service (as defined below);
- for a change of units from one series to another of the Fund;
- for a redemption of units by another investment fund or investment product approved by us;
- for a transfer of units from the deferred sales charge or low load sales charge options to the front end sales charge option; 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.

Fair value pricing

The TSX generally closes at 4 p.m. ET. We price the Fund's portfolio holdings using their market values 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 Fund is calculated. The intent of fair value pricing is to increase the likelihood that the 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

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.

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.

If we do not receive all the necessary documents or instructions within 10 business days of receiving your redemption order, we will buy back your units 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.

Automatic redemption

Investors in Series A, Series F, and Series I units of the Fund must keep 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 units in your account and send the proceeds to you.

In addition, we reserve the right to redeem, without notice to you, all of the units that you hold in the Fund if your investment in the Fund falls below $500.00. 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.

Please see *Minimum investment* for more information on the minimum balance that must be maintained for investments in Series O units of the Fund and the consequences of failing to maintain such minimum.

Irrespective of the size of your investment in the Fund, we reserve the right to redeem all of the units that you hold in the 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 units 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 regulators 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 units at the NAV determined after the suspension period ends. We will not accept orders to buy units of the Fund during any redemption suspension period.

How to switch your units

You may, at any time, switch all or part of your investment in the Fund to a different Sun Life Global Investments Mutual Fund (provided that you are eligible to make the switch). You may also change between series of the Fund (which is referred to as a "**redesignation**"), provided that you are eligible to purchase the new series or change between purchase options. It is generally not advisable to make changes between purchase options. You, by retaining the original purchase option, will avoid any unnecessary additional charges. See *Changing between purchase options*.

You must place all switch orders through your advisor.

Switching between Sun Life Global Investments Mutual Funds

You can switch your units of one series of the Fund into securities of the same series or a different series of another Sun Life Global Investments Mutual Fund, provided you are qualified for the series you are switching into. This involves both a redemption of units of the Fund and a purchase of securities of the other Sun Life Global Investments Mutual Fund. The redemption is a disposition for tax purposes and will generally result in realizing a capital gain or capital loss. See *Income tax considerations for investors* for more details.

If you switch from units of the Fund purchased under the Deferred Sales Charge option or the Low Load Sales Charge option to securities of another Sun Life Global Investments Mutual Fund under the same purchase option, your new securities will generally have the same redemption fee schedule as your original securities.

Changing between series

You may change your units of one series of the Fund into units of a different series of the Fund if you are eligible to purchase the new series. See *Series of units* for eligibility details. This change is processed as a redesignation and is not considered to be a disposition of the units for tax purposes. You will not realize a capital gain or loss upon a redesignation unless units are redeemed to pay any fees or charges. See *Income tax considerations for investors* for more details.

The following are some more things you should keep in mind about changing between series:

- If you change Series A units of the Fund purchased under the Deferred Sales Charge option or the Low Load Sales Charge option into Series F, Series I or Series O units of the Fund, you will have to pay any applicable redemption fees.
- If you change from Series F, Series I or Series O units of the Fund into Series A, Series AH, Series AT5, Series T5, Series AT8 or Series T8 securities of another Sun Life Global Investments Mutual Fund, you can choose to have any of the three available purchase options apply to your new securities.
- Any change into or out of Series I units is subject to the prior written approval of the Manager.
- A change from one series of the Fund to another series will likely result in a change in the number of units of the Fund you hold since each series of the Fund generally has a different NAV per unit.
- If you are no longer eligible to hold Series F, Series I or Series O units of the Fund, we may change your Series F, Series I or Series O units to Series A units of the Fund under the Front End Sales Charge option.

Changing between purchase options

Changes in purchase options may involve a change in the compensation paid to your dealer. For the reasons set out below, it is generally not advisable to make changes between purchase options.

Changes between purchase options will generally be permitted only if you provide the Manager with instructions to redeem your original units of the Fund and buy new securities under a different purchase option. A redemption is a disposition for tax purposes and will generally result in realizing a capital gain or loss. See *Income tax considerations for investors* for more details. If your original units are subject to a redemption fee or do not have a free redemption amount (as described above), such a change will trigger any applicable redemption fees. In addition, if you are changing to either of the Deferred Sales Charge option or the Low Load Sales Charge option from a different purchase option, a new redemption fee schedule will be imposed on your new securities. See *Choosing a purchase option* for more details.

A change from units purchased under the Deferred Sales Charge option or the Low Load Sales Charge option that are not subject to redemption fees to securities purchased under the Front End Sales Charge option will generally result in an increase in the trailing commissions being paid to your dealer, although no incremental charges will be payable by you, other than any switch fee as described in *Switch fees*. See *Trailing commission* under *Dealer compensation* for more details. If the units are registered in your own name, we generally require written authorization from you through your dealer. If your units are registered in the name of your dealer or an intermediary, we generally require written authorization from your dealer or intermediary. Your dealer or intermediary will generally be required to make certain disclosures to you and to obtain your written consent to a change between purchase options.

We automatically change units purchased under the Deferred Sales Charge option or the Low Load Sales Charge option to Front End Sales Charge option units upon the completion of the redemption fee schedule of those units. This change is a redesignation of units of the Fund and is not a disposition of the units for tax purposes. This will result in an increase in the trailing commissions being paid to your dealer, although no incremental charges to you. See *Trailing commission* under *Dealer compensation* for more details.

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 or Series O securities of a Sun Life Global Investments Mutual 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 units and the Manager changes your units to another series of the 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 units purchased within the last 30 days. See *Short-term or excessive trading and Short-term or excessive trading fees.*

No switch fees are charged when:

- you change units of a series of the Fund to units of another series of the Fund;
- you are switching Series A units of the Fund purchased under the Deferred Sales Charge option or the Low Load Sales Charge option to the Front End Sales Charge option, and your dealer charges you a sales commission for the switch transaction;
- you are switching *from* Series F or Series I units of the Fund to Series D, Series F, Series F5, Series F8, Series FT5 or Series I securities of another Sun Life Global Investments Mutual Fund;
- you are switching *from* Series D, Series F, Series F5, Series F8, Series FT5 or Series I securities of another Sun Life Global Investments Mutual Fund to Series F or Series I units of the Fund;
- you are switching units as a result of a rebalancing transaction under the Account Rebalancing Service (as defined below); or
- you are switching under a systematic transfer plan (as described below).

Optional services

Pre-authorized chequing (PAC) plan

You can set up a PAC plan with us so that money is automatically withdrawn from your bank account at regular intervals and invested in the Fund. PAC plans allow you to take advantage of dollar cost averaging. Dollar cost averaging is investing a fixed dollar amount at regular intervals. You will buy fewer units when the price is high and more units when the price is low, averaging out the cost of your investment. Your dealer may offer a similar plan.

You can only buy units of the Fund in Canadian dollars through your PAC plan.

To set up a PAC plan, you must:

- provide us with an imprinted void cheque;
- tell us how much to withdraw;
- tell us when and how often to make the withdrawals; and
- tell us how to invest your contributions.

You may choose this option when you first buy securities or at any time afterwards. You must set up your PAC plan through your advisor. We require at least three business days' notice to set up a PAC plan.

We do not charge a fee for setting up your PAC plan. However, there is a minimum contribution amount of $50.00 ($500.00 for Series O) for each Fund you hold in a PAC plan. This minimum amount may be adjusted or waived in our absolute discretion and without notice to Unitholders.

You may change your PAC plan instructions or cancel your PAC plan at any time as long as we receive at least two business days' notice. Most changes to accounts administered by us must be made through your dealer. If you redeem all of the securities in your account, we will terminate your PAC plan unless you tell us otherwise.

Systematic withdrawal plan (SWP)

You can set up a SWP with us so that we automatically make regular payments to you. We do this by redeeming securities in your account. Your dealer may offer a similar plan.

To set up a SWP, you must:

- have a minimum initial purchase of $5,000.00 in your SWP;
- complete the required form and give it to your advisor or send it to us; and
- tell us the frequency and amount of the withdrawals you want.

We require at least three business days' notice to set up a SWP. We do not charge a fee for setting up a SWP. However, there is a minimum withdrawal amount of $50.00 for each withdrawal ($500.00 for each withdrawal of Series O securities). This minimum withdrawal amount may be adjusted or waived in our absolute discretion and without notice to investors. Your redemption fees will depend on the purchase option that applies to the securities redeemed.

You may change your SWP instructions or cancel your SWP at any time as long as we receive at least two business days' notice. Most changes must be made through your advisor or dealer.

If your regular withdrawals are greater than the growth in your account, you will eventually exhaust your original investment. In certain circumstances, such as when the amount in your account falls below $500.00, we may redeem all your securities and close your account. See *Automatic redemption* for more details.

Withdrawals from your registered retirement savings plan ("**RRSP**") and withdrawals of more than the minimum amount required to be withdrawn from your registered retirement income fund ("**RRIF**") in a year are generally subject to withholding tax. Withdrawals from a tax-free savings account ("**TFSA**") are not subject to withholding tax. The SWP is not offered on securities held within a registered education savings plan ("**RESP**") or registered disability savings plan ("**RDSP**"). RRSPs. RRIFs, TFSAs, RESPs and RDSPs, together with deferred profit sharing plans, are collectively, the "**Registered Plans**".

Systematic transfer plan (STP)

You can set up a STP with us so that we automatically switch a specified dollar amount (minimum $50.00 for all series of securities other than Series O securities or $500.00 for Series O securities) of a series of units from the Fund to the same series of securities of another Sun Life Global Investments Mutual Fund (if the same series is offered) on a weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annual or annual basis.

To set up a STP, you must:

- complete the required form and give it to your advisor or send it to us;
- tell us the Sun Life Global Investments Mutual Fund to which you wish to switch to; and
- tell us the frequency and amount of the switches you want.

We require at least three business days' notice to set up a STP. We do not charge a fee for setting up a STP.

You may change your STP instructions or cancel your STP at any time as long as we receive at least three business days' notice. Most changes must be made through your advisor or dealer.

All the rules with respect to switching units of the Fund, as described under *How to switch your units* apply to switches under a STP. However, switches under a STP are not subject to the switch fee or the short-term or excessive trading fee.

See *Income tax considerations for investors* for details on the tax consequences of switching units of the Fund.

Account Rebalancing

You can set up account rebalancing ("**Account Rebalancing Service**") with us and we will automatically rebalance the investments in your account. This service permits you to establish a target allocation for your investments within an account. You will tell us the applicable Sun Life Global Investments Mutual Funds, the target allocation for each fund, the percentage that you will allow the actual values of your investments in the funds to differ from your target allocations before a rebalancing occurs (i.e, the "variance percentage"), and the frequency at which you want the rebalancing to occur (monthly, quarterly, semi-annually or annually). Your account will be reviewed and, if necessary, rebalanced on the last business day in the calendar period of the frequency you selected.

All rebalancing transactions are subject to the rules related to switching as set out in the simplified prospectus of the applicable Sun Life Global Investments Mutual Funds, unless otherwise indicated. Short-term or excessive trading fees will not be applied to rebalancing transactions. There is no fee for the Account Rebalancing Service and a dealer must not charge a switch fee as a result of any rebalancing. The rebalancing service is not offered on securities held under the Deferred Sales Charge option or the Low Load Sales Charge option or within a RESP.

Before an account is subject to the Account Rebalancing Service, a form must be completed. Please ask your advisor for more details.

Registered Plans

Generally, we can set up an RRSP, RRIF, any one of the various types of locked in registered plans (such as a locked in retirement account or a life income fund), RESP, RDSP or TFSA for you when you invest in the Fund. Please contact your advisor for more details.

Please see *Income tax considerations for investors* for details on holding units of the Fund in Registered Plans.

Fees and expenses

The following tables show the fees and expenses you may have to pay if you invest in the Fund. You may pay some of these fees and expenses directly, depending on the purchase option you select. The Fund 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 the 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 the Fund or directly to the Fund's investors by the Fund or us in connection with holding units 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.

Fees and expenses payable by the Fund

The Fund pays two types of fees: management fees and administration fees.

Fees and Expenses Payable by the Fund

Type of Fee	Amount and Description
Management fee	The Fund pays us a management fee based on the NAV of each series of the Fund, plus HST and other applicable taxes. Management fees pay for the services we provide to 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 annual rate of the management fee, excluding HST and other applicable taxes, if any, but before any management fee reduction that may be applicable to you, is set out below. The management fee is accrued daily and paid monthly.

Series of the Fund	Annual management fee
Series A	1.55% of NAV
Series F	0.80% of NAV

We may, at our discretion, waive a portion or the entire amount of the management fee chargeable to a series of a Fund at any given time.

For Series I securities, investors negotiate and pay the management fees directly. The Series I management fees are described below under *Fees and expenses payable directly by you*.

For Series O securities, investors pay the management fee directly to us. The management fee is paid from the redemption of securities held in the applicable Private Client account. The Series O management fees are described below under *Fees and expenses payable directly by you*.

Generally, we may reduce the fees and expenses charged to the Fund (including the management fee and the administration fee) for the benefit of institutional and individual investors who invest large amounts in the Fund. These reductions are negotiable by institutional investors or their advisor and us. To achieve the reduction, we reduce the fee and/or expenses charged to the Fund and then 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 (a "**fee distribution**"). Fee distributions result in the distribution of additional income, capital gains and/or capital to an investor, and are paid first out of net income and net realized capital gains, and thereafter, out of capital. Fee distributions are generally reinvested in additional units. However, some institutional investors may choose to receive these amounts in cash. Investors participating in the Private Client Program benefit from reduced management fees. Depending on your investment amount, management fee reductions may be available. **Please contact us or your advisor for more information on our Private Client Program.**

Administration fees and operating expenses

We pay certain of the operating expenses of the Fund, other than Fund Costs (as defined below) (the "**Administration Expenses**"), in return for a fixed-rate annual administration fee paid to us by the 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 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 Fund) and trustee fees for Registered Plans.

Administration Fees		
Series A	**Series F and O**	**Series I**
0.15% of NAV	**0.10% of NAV**	**0.05% of NAV**

The Fund also pays certain operating expenses directly (the "**Fund Costs**"). Fund Costs are: (a) borrowing costs incurred by the Fund from time to time; (b) fees and expenses payable to or in connection with the Fund's IRC; (c) taxes payable by the Fund; and (d) the costs of complying with any new regulatory or legal requirement imposed on the Fund commencing after the inception date of the Fund. The Fund also pays costs in connection with brokerage commissions and other portfolio transaction costs, including any tax applicable to such costs, which are expenses of the Fund, but are not included in the MER of a series of the Fund.

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

We may reduce the administration fee and Fund Costs charged to the Fund for the benefit of institutional and individual investors who invest large amounts in the 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 units. However, some institutional investors may choose to receive cash.

Each member of the IRC is currently entitled to an annual retainer of $25,000 ($29,000 for the Chair). A quarterly meeting fee is also payable to each IRC member ($1,000 for the Chair, $750 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 $1,000. Members are also entitled to be reimbursed for all reasonable expenses incurred in the performance of their duties.

Fund of funds fees and expenses

When the 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. The fees and expenses of the underlying fund will have an impact on the management expense ratio of the 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 fee

Series I investors negotiate and pay the management fees for Series I units, plus any applicable taxes, to the Manager directly. The fee is accrued daily and paid monthly. The fee will not exceed 1.50% of the series NAV of the Series I units.

Series O investors pay an annual management fee, based on the NAV of the Series O units, plus any applicable taxes, to us directly. This fee is paid, after subtracting any management fee reductions offered as part of the Private Client Program, by a redemption of Series O units held in the investor’s account. The rate of the fee, excluding HST and any other applicable taxes, is 0.80% of the series NAV of the Series O units. The fee is calculated daily and paid monthly. By investing in Series O units, the investor agrees to the automatic redemption of such units from their account by the Manager to pay the management fee.

For Series O units, you are eligible for management fee reductions if your account meets the criteria of our Private Client Program. Please contact us or your advisor for more information on our Private Client Program.

	The availability of management fee reductions on Series O units is in our sole and absolute discretion. Such management fee reductions may be changed or cancelled by us at any time. At all times, we are entitled to charge a Series O investor an annual management fee on Series O units. We will provide investors in Series O units with at least 90 days' prior written notice before we reduce the rate of management fee reductions on Series O units or cancel the management fee reduction program.
Sales charges	Under the Front End Sales Charge option, an investor may have to pay up to 5% of the purchase price of the Series A or Series O units purchased. For Series O units, the investor negotiates the sales charges with his, her or its advisor.
Switch fees	Dealers may charge an investor a switch fee of up to 2% of the value of the units switched to cover the time and processing costs involved in a switch. Generally, dealers may charge a switch fee for a switch to or from Series A and Series O units of the Fund. Dealers may also charge a switch fee for a switch to or from Series A, Series AH, Series AT5, Series T5, Series AT8, Series T8 or Series O securities of the other Sun Life Global Investments Mutual Funds. Such switch fees are more particularly described in the prospectuses of the other Sun Life Global Investments Mutual Funds. The investor and his, her or its advisor negotiate the fee. See *Switch fees* for details.
Redemption Fees	
Deferred Sales Charge option	You pay up to 5.5% of the original cost of the Series A units if the investor redeems such units within seven years, as follows:

<u>If redeemed during</u>:	<u>Investor pays:</u>
Year 1	5.5%
Year 2	5.0%
Year 3	5.0%
Year 4	4.0%
Year 5	4.0%
Year 6	3.0%
Year 7	2.0%
After year 7	Nil

Low Load Sales Charge option:	You pay up to 2.5% of the original cost of the Series A units if the investor redeems such units within three years, as follows:

<u>If redeemed during</u>:	<u>Investor pays:</u>
Year 1	2.5%
Year 2	2.0%
Year 3	2.0%
After year 3	Nil

Series O service fee	If you invest in Series O units, you may have to pay your dealer a Series O service fee of up to 1.00% based on the value of the Series O units held your account (the "**Series O Service Fee**"). The Series O Service Fee rate is negotiated between you and you advisor and agreed to by way of a signed agreement. If we do not receive an agreement evidencing a negotiated Series O Service Fee, the default Series O Service Fee will be 0%. Any negotiated Series O Service Fee will be subject to applicable taxes. The Series O Service Fee, plus applicable taxes, is payable you, calculated daily and paid monthly, by redeeming Series O units held in your account. By purchasing Series O units and completing a Series O service fee agreement, you expressly authorizes the

	Manager to automatically redeem such units from your account for the purposes of remitting payment of the Series O Service Fee to your dealer.
Short-term or excessive trading fee	You may pay 2% of the current value of the units if you redeem or switch such units within 30 days of purchase. No short-term or excessive trading fees are charged (i) for a redemption of units when an investor fails to meet the minimum investment amount for the Fund; (ii) for a redemption of units acquired through automatic reinvestment of all distributions by the Fund; (iii) for a redemption of units in connection with a failed settlement of a purchase of units; (iv) for a switch or a redemption from Sun Life Money Market Fund (a Sun Life Global Investments Mutual Fund offered under a separate simplified prospectus); (v) for a switch under a STP; (vi) for a switch as a result of a rebalancing transaction under the Account Rebalancing Service; (vii) for a change of units from one series to another; (viii) for a redemption of securities by another investment fund or investment product approved by us; or (ix) in the absolute discretion of the Manager. See *Short-term or excessive trading fees* 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.

Impact of sales charges

The following table shows the maximum sales charge or redemption fee you would pay under the different purchase options if you made an investment of $1,000.00 in the Fund, held that investment for one, three, five or ten years and redeemed immediately before the end of the period.

The table assumes you are paying the maximum possible sales charge under the Front End Sales Charge option, although you may negotiate a lower sales charge with your advisor.

For Series A units purchased under the Deferred Sales Charge option or the Low Load Sales Charge option, redemption fees apply only if you redeem such Series A units in a particular year and if those units do not qualify for free redemption. The following table does not take into account the free redemption amounts.

Option	**At purchase**	**1 year**	**3 years**	**5 years**	**10 years**
Front End Sales Charge[1]	$50	None	None	None	None
Deferred Sales Charge[2]	None	$55	$50	$40	None
Low Load Sales Charge[3]	None	$25	$20	None	None

1 There are no sales charges for Series F and Series I units. However, Series F investors pay a separate fee to their dealer.
2 Series F, Series I and Series O units are not available under the Deferred Sales Charge option.
3 Series F, Series I and Series O units are not available under the Low Load Sales Charge option.

Dealer compensation

Commissions we pay to your Dealer

We pay your dealer a sales commission when you buy Series A units of the Fund under the Deferred Sales Charge or the Low Load Sales Charge purchase options. In addition, we pay your dealer (including your discount broker when you purchase securities through a discount brokerage account) an ongoing trailing commission when you hold Series A units of the Fund.

We do not pay your dealer (including your discount broker when you purchase securities through a discount brokerage account) a sales commission if you buy Series F, Series I or Series O units. Series F investors pay a fee to their dealer directly. Series O investors may pay a Series O Service Fee to their dealer. The Series O Service Fee is based on the value of the Series O securities held in the investor's account and is paid by a redemption of Series O securities held in such account.

Sales commission

If you buy Series A or Series O units of the Fund under the Front End Sales Charge option, the commission you negotiate (up to 5% of your purchase amount) is deducted from your purchase amount and paid by you to your dealer.

If you buy Series A units under the Deferred Sales charge option, we will pay your dealer up to 5% of your purchase amount.

If you buy Series A units under the Low Load Sales Charge option, we will pay your dealer up to 2.5% of your purchase amount.

Trailing commission

We may pay a trailing commission to your dealer (including to your discount broker when you purchase securities through a discount brokerage account) monthly based upon a percentage of the value of the Series A units of the Fund you hold. No trailing commission is paid on Series F, Series I or Series O units of the Fund. We may change the terms of the trailing commission program at any time. You can contact us at any time to confirm the amount of trailing commissions paid to your dealer on a series of securities of a Fund.

The tables below show the sales and trailing commissions payable for the Fund, which vary depending on the purchase option you chose.

Series A Trailing Commissions

Front End Sales Charge Option[1]		**Deferred Sales Charge Option**[2]		**Low Load Sales Charge Option**[2]	
Sales commission (%)	Annual trailing commission (%)	Sales commission (%)	Annual trailing commission[2] (%)	Sales commission (%)	Annual trailing commission[2] (%)
Up to 5.0%	Up to 0.75%	Up to 5.0%	Up to 0.375%	Up to 2.5%	Up to 0.375%

[1] Series A or Series O units may be purchased under the Front End Sales Charge option.
[2] Only Series A units may be purchased under the Deferred Sales Charge option or the Low Load Sales Charge option. We automatically change units purchased under the Deferred Sales Charge option or the Low Load Sales Charge option to Front End Sales Charge option units upon the

completion of the redemption fee schedule of those units. This change is not a disposition of the units for tax purposes. This will result in an increase in the trailing commissions being paid to the investor's dealer (or discount broker), there will be no incremental charges to the investor.

Series O Service Fees

You may have to pay your dealer a Series O Service Fee of up to 1.00% based on the value of the Series O units held in your account. The Series O Service Fee rate is negotiated between you and your advisor and agreed to by way of a signed agreement. If we do not receive the signed agreement evidencing a negotiated Series O Service Fee, the default Series O Service Fee will be 0%. Any negotiated Series O Service Fee will be subject to any applicable taxes.

The Series O Service Fee, plus applicable taxes, is payable by you, calculated daily and paid monthly, by a redemption of Series O units held in your account. By purchasing Series O units and completing a Series O service fee agreement, you expressly authorize us to automatically redeem such units from your account for the purposes of remitting payment of the Series O Service Fee to your dealer.

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 Fund.

Equity interest

Each of Sun Life Global Investments (Canada) 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 Fund.

Dealer compensation from management fees

During the financial year ended December 31, 2018, we paid dealers compensation of approximately 39% of the total management fees we received from the Sun Life Global Investments Mutual Funds. This includes amounts we paid to dealers for commissions, trailing commissions, and marketing support programs.

Income tax considerations for investors

This information is a general summary of Canadian federal income tax rules applicable to a natural individual who is a Canadian resident who holds units in the Fund as capital property either directly or in his or her Registered Plan. It is not intended to be legal or tax advice.

We do not describe the tax rules in detail or cover all the tax consequences that may apply. We recommend you consult your tax advisor for advice about your individual situation.

Mutual fund earnings

Mutual funds may earn income and capital gains in a number of ways. For example, a mutual fund is generally required to include in income for tax purposes, interest as it accrues, dividends when received, trust income in the year that it is received or receivable, and capital gains and losses when realized. A mutual fund is required to include in income for tax purposes an amount as notional interest on zero-coupon securities. Gains and losses from cash-settled options, futures and other derivatives are generally treated as income and losses rather than capital gains and capital losses, though in certain situations, gains and losses on derivatives used by a mutual fund as a hedge to limit gains and losses on a specific capital asset or group of capital assets held by the mutual fund may be a capital gain or capital loss. Gains and losses from the disposition of commodities such as gold, silver and other metals, are treated as income and loss rather than capital gains and capital losses. A mutual fund realizes a capital gain (or loss) if it sells an investment for more (or less) than the adjusted cost base ("**ACB**") of the investment. However, a capital loss realized on a security will be suspended if the mutual fund purchases an identical security within a certain period of time. There are other loss restriction rules that may prevent a mutual fund from deducting losses.

The Fund will distribute enough of its income and capital gains so that it does not have to pay normal income tax.

How your investment is taxed

The tax you pay on your mutual fund investment depends on whether the securities are held in a non-registered account or Registered Plan.

Non-registered accounts

Distributions

If you hold your units in a non-registered account, you must include in your income for tax purposes the taxable portion of all distributions (including fee distributions) paid to you by the Fund. This is the case whether you receive them in cash or reinvest them in additional units. 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 units, so that you do not pay tax twice on the same amount. The Fund will take steps so that capital gains will retain their character when paid to you as a distribution by the Fund. One half of a capital gain distribution is included in income as a taxable capital gain. The 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 Fund may include payments of capital. A distribution of capital is not included in your income for tax purposes, but will reduce the ACB of your units on which it was paid. Where the reductions to the ACB of your units causes the ACB to become negative, the negative amount is treated as a capital gain realized by you and the ACB of your units will then be nil.

Sales charges paid on the purchase of units are not deductible in computing your income, but are added to the ACB of your units. Management fees paid on Series I and Series O units by an investor are generally not deductible by the investor. We will provide you with tax slips showing the amount and type of distributions or dividends (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 the Fund, and showing any related foreign tax credits.

Buying units before a distribution date

When units are acquired by purchasing or switching into the Fund, a portion of the acquisition price may reflect income and capital gains of the Fund that have not yet been realized or distributed. You must include in income the taxable portion of any distribution paid to you by the Fund even though the amount of that distribution was reflected in the purchase price of the units. In particular, this may be the case when units are acquired 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 the 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. 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 the Fund.

Switching your units

A redesignation of units of the Fund for securities of another series of the Fund is not considered to be a disposition for tax purposes and should not result in a capital gain or loss unless units are redeemed to pay fees. The total cost of the units you receive on a redesignation is the same as the total ACB of the units that you redesignated or converted.

Any other switch involves a redemption and purchase of units. See *Redeeming or disposing of your units* below.

Redeeming or disposing of your units

If you redeem or otherwise dispose of units with a NAV that is greater than the ACB, you realize a capital gain. If you redeem or otherwise dispose of units 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. 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 of units will be deemed to be nil if, during the period that begins 30 days before and ends 30 days after the day of that redemption, you acquired identical units (including on the reinvestment of distributions) and you continue to own these identical units at the end of that period. The amount of this denied capital loss is added to your ACB.

We will provide you with details of your proceeds of redemption. However, you must keep a record of the price you paid for your units, any distributions you receive and the NAV of units 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 units.

Adjusted cost base (ACB)

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

- the amount you paid for all your units of the series, including sales commissions
- plus any reinvested distributions (including fee distributions)
- minus any capital distributions
- in the case of units redesignated on a tax-deferred basis, plus the ACB of the units that were changed into units of the series and minus the ACB of the units changed out of the series
- in the case of units switched on a taxable basis, plus the NAV of units of the series acquired on the switch and minus the ACB of the units of the series that were redeemed on a switch out of the Fund
- minus the ACB of units of the series already redeemed.

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

International Tax Reporting

Generally, you will be required to provide your advisor or dealer with information related to your citizenship, tax residence and, if applicable, your foreign tax identification number. If you do not provide the information or are identified as a U.S. citizen (including a U.S. citizen living in Canada) or foreign tax resident, information about you and your investment in the Fund will generally be reported to the CRA unless units are held in your Registered Plan. The CRA will provide the information to the U.S. Internal Revenue Service (in the case of U.S. citizens or tax residents) 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 exchange with Canada under the Common Reporting Standard.

Registered Plans

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

The units of the Fund are expected to be a qualified investment for Registered Plans at all times. Units of the Fund may be a prohibited investment for your Registered Plan (other than a deferred profit sharing plan) even if the units 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.

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

What are your legal rights?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days after you receive the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours after you receive confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund securities and get your money back, or to make a claim for damages, if the Simplified Prospectus, AIF, Fund Facts, MRFP or financial statements misrepresent any facts about the Fund. You must usually exercise these rights within a certain time period.

You can get more information from the securities legislation of your province or territory or from your lawyer.

Specific information about the Fund

Organization and Management of the Fund

Sun Life Global Investments (Canada) Inc. 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.

Who works with the Fund?

MANAGER	
Sun Life Global Investments (Canada) Inc. One York Street, Suite 3300 Toronto, Ontario M5J 0B6 1-877-344-1434 www.sunlifeglobalinvestments.com	The manager is responsible for the day-to-day business and operations of the Fund and for appointing portfolio manager and any sub-advisor. We may hire arm's length third parties or affiliates to perform some of the services required by the Fund.
TRUSTEE	
Sun Life Global Investments (Canada) Inc. Toronto, Ontario	The Fund is organized as a mutual fund trust. When you invest in the Fund, you buy units of the trust. The trustee holds title to the Fund's investments in trust for the Unitholders.
PORTFOLIO MANAGER TO THE FUND	
Sun Life Global Investments (Canada) Inc. Toronto, Ontario	We are the portfolio manager of the Fund. In such capacity, we are responsible for managing the investment portfolio of the Fund. We may appoint one or more sub-advisors for the Fund.
SUB-ADVISOR	
Wellington Management Canada ULC Toronto, Ontario	We have retained Wellington Management Canada ULC ("**Wellington**") to act as a sub-advisor for the Fund. In this capacity, Wellington manages the investment portfolio for the Fund. Wellington is sub-advised by Wellington Management Company LLP, Wellington Management International Ltd, Wellington Management Hong Kong Ltd, Wellington Management Japan Pte Ltd, and/or Wellington Management Singapore Pte Ltd. Wellington is a registered portfolio manager in Ontario and is not an affiliate of the Manager.

CUSTODIAN	
RBC Investor & Treasury Services Toronto, Ontario	The custodian holds all of the Fund's investments for safekeeping. The custodian is not an affiliate of the Manager.
RECORD KEEPER	
International Financial Data Services (Canada) Limited Toronto, Ontario	The record keeper maintains a record of the owners of units of the Fund and processes changes in ownership. The record keeper is not an affiliate of the Manager.
INDEPENDENT AUDITOR	
Ernst & Young LLP Waterloo, Ontario	The auditors audit the Fund's annual financial statements and provide an opinion as to whether they present fairly the Fund's financial position, results and changes in net assets in accordance with applicable accounting principles. The auditors are independent of the Fund in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.
SECURITIES LENDING AGENT	
RBC Investor & Treasury Services Toronto, Ontario	In the event that the Fund engages in a securities lending or repurchase transaction, RBC Investor & Treasury Services 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 be independent of us.
INDEPENDENT REVIEW COMMITTEE (IRC)	
The Manager has established an independent review committee for the Fund. The mandate of the IRC is to review, and provide input on, our written policies and procedures that deal with conflict of interest matters in respect of the Fund and to review and, in some cases, approve conflict of interest matters. The IRC may also approve any change of the auditor of the Fund 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.	As at the date of this Simplified Prospectus, the IRC is composed of three members. Each member of the IRC is independent of us, the Fund and any party related to us. The IRC will prepare, at least annually, a report of its activities for investors. This report will be available on our website at **www.sunlifeglobalinvestments.com**, or you may request a copy, at no cost to you, by contacting us at info@sunlifeglobalinvestments.com. Additional information about the IRC, including the names of the members, is available in the Fund's AIF.

Fund of funds

The 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.

Sun Life Opportunistic Fixed Income Fund

Fund details

Fund type	Alternative Credit Focused
Units offered	Series A, Series F, Series I and Series O units of a mutual fund trust
Start date	Series A: June 6, 2016 Series F: June 6, 2016 Series I: June 6, 2016 Series O: June 6, 2016
Registered plan eligibility	Qualified investment for Registered Plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub-advisor	Wellington Management Canada ULC, as sub-sub-advised by Wellington Management Company LLP, Wellington Management International Ltd, Wellington Management Hong Kong Ltd, Wellington Management Japan Pte Ltd, and/or Wellington Management Singapore Pte Ltd.

What does the Fund invest in?

Investment objectives

The Fund's investment objective is to seek long-term capital appreciation and income by investing primarily in a diversified portfolio of global fixed income securities. The Fund may use derivatives to gain exposure to its portfolio and may engage in cash borrowing and short selling. The Fund's aggregate exposure to derivatives used for non-hedging purposes, cash borrowing and short selling will not exceed the limits permitted under applicable securities legislation.

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

Investment strategies

In order to achieve its investment objective, the sub-advisor seeks to:

- invest across multiple asset types, geographies, credit tiers, and time horizons;
- provide timely and dynamic exposure to a portfolio of high conviction global fixed income securities consisting of sovereign debt, inflation-linked bonds, corporate / high yield credit, securitized debt, bank loans, emerging markets debt, and convertible securities;

- actively manage risk with the goal of aligning long-term volatility of the portfolio with the Bloomberg Barclays Global Aggregate Bond Index (hedged to Canadian dollars);
- generate total returns through three main approaches: strategic sector positioning, market-neutral strategies, and tactical asset allocation:
  - the strategic sector component of the portfolio provides exposure to non-core investment opportunities (e.g. emerging markets debt, high yield credit, bank loans etc.) that are designed to capture the repricing of long-term structural themes in the business cycle;
  - the market neutral component of the portfolio is primarily expressed via relative value positioning, aimed at providing incremental return with low correlation to the direction of global fixed income markets. Market neutral positions are typically taken on interest rates, currencies, corporate / high yield credit, and emerging market debt positions; and
  - tactical asset allocation is used to capture both short and medium term dislocations in the market. Tactical opportunities are primarily expressed via sector rotation, country selection, security selection, currency management strategies and duration management strategies.
- combine the three approaches noted above in a holistic manner while managing aggregate portfolio risk.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities for defensive or other purposes.

The Fund may engage in active trading and may have a high portfolio turnover rate. Portfolio turnover refers to the frequency of portfolio transactions and the percentage of portfolio assets being bought and sold during the year, which may increase overall costs. A high portfolio turnover rate may result in correspondingly greater brokerage commission expenses and the distribution to Unitholders of additional capital gains for tax purposes, some of which may be taxable at ordinary income rates. There is not necessarily a relationship between a high portfolio turnover rate and the Fund's performance.

The Fund makes significant use of derivative instruments and may take both long and short positions in securities. Derivatives may be used for purposes of hedging, efficient portfolio management and/or investment purposes. In its use of derivatives, the Fund aims to contribute to the target return and the volatility strategies of the Fund. The use of derivative instruments as part of the investment strategy means that the Fund may, from time to time, have substantial holdings in liquid assets, including deposits and money market instruments.

The Fund will only use derivatives as permitted by securities regulatory authorities, including pursuant to any exemptive relief obtained by the Fund.

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 *Derivative risk*.

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*.

Use of Leverage

The Fund's leverage resulting from the use of derivatives is calculated using either the aggregate notional value or the market value of the Fund's derivatives positions excluding any derivatives used for hedging purposes. The Fund then calculates its overall leverage exposure by adding to its calculation of leverage from the use of derivatives for non-hedging purposes, the total amount of any outstanding cash borrowed and the market value of any securities sold short. Using this calculation, the maximum total amount of leverage that the Fund will use, which includes, but is not limited to, the use of derivatives, as a multiple of its NAV, is 300% or 3:1. If the Fund's leverage exposure exceeds 300% of its NAV, the Fund will, as quickly as is commercially reasonable, take all necessary steps to reduce its leverage exposure to 300% of its NAV or less.

What are the risks of investing in the Fund?

The Fund will be exposed to the following risks:

- Alternative mutual fund risk
- Market risk
- Interest rate risk
- Credit risk
- Inflation risk
- Mortgage-backed securities risk
- Convertible securities risk
- Contingent convertible securities risk
- Derivative risk
- Leverage risk
- Borrowing risk
- Liquidity risk
- Emerging markets risk
- Foreign investment risk
- Foreign currency risk
- Income risk
- Geographic concentration risk
- Regulatory risk
- Taxation risk
- Large transaction risk
- Small company risk
- Series risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Short selling risk
- Cyber security risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?*

Fund Risk Classification

The Manager assigns an investment risk rating to the Sun Life Global Investments Mutual Funds to provide investors with further information to help them determine whether the applicable Sun Life Global Investments Mutual Fund is appropriate. The Fund has been assigned the investment risk rating of low.

The investment risk level of each Sun Life Global Investments Mutual 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 Sun Life Global Investments Mutual Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Sun Life Global Investments Mutual 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 Sun Life Global Investments Mutual 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 Sun Life Global Investments Mutual Funds that do not have a 10-year return history, such as the Fund, the Manager calculates the investment risk level by using the actual return history of the Sun Life Global Investments Mutual Fund, and imputing the return history of one or more reference indices for the remainder of the 10-year period. Since the Fund does not have a 10-year return history, the Manager has based the investment risk level on the 10-year standard deviation of the returns of the Fund's reference index, being the Bloomberg Barclays Global Aggregate Bond Index (hedged to Canadian dollars). The Bloomberg Barclays Global Aggregate Bond Index measures global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

The Manager assigns 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 Sun Life Global Investments Mutual Fund's historical volatility may not be indicative of future volatility. The Manager may exercise its discretion and assign a Sun Life Global Investments Mutual Fund a higher risk classification than indicated by the 10-year annualized standard deviation and the prescribed ranges if the Manager believes that the applicable Sun Life Global Investments Mutual Fund may be subject to other foreseeable risks that the 10-year annualized standard deviation does not reflect.

The risk rating assigned to each Sun Life Global Investments Mutual Fund is approved by the Manager's fund risk classification committee. The committee also reviews the risk rating for each Sun Life Global Investments Mutual Fund at least annually, as well as if there is a material change in a Sun Life Global Investments Mutual Fund's risk profile that may affect its classification, or a change in a Sun Life Global Investments Mutual Fund's investment objective or investment strategy.

Investors can request a copy of the Manager's policy that describes the standardized risk classification methodology used to determine the investment risk level of each Sun Life Global Investments Mutual Fund, at no cost, by calling the Manager at 1 877 344 1434, by writing to the Manager at One York Street, Suite 3300, Toronto Ontario M5J 0B6 or by emailing the Manager at info@sunlifeglobalinvestments.com.

Who should invest in this Fund?

This Fund may be suitable for investors who:

- seek capital appreciation and income;
- seek diversification through a broad range of asset types, geographies, credit tiers, and time horizons;
- are medium to long term investors; and
- are comfortable with low investment risk.

Distribution policy

The Fund intends to make monthly distributions, which may be comprised of net income, net realized capital gains or capital. If necessary, the Fund will make an additional distribution of net income and net realized capital gains in December of each year, though the Fund may make distributions of net income, net realized capital gains or capital at any other time as we consider appropriate.

Distributions on units held in a Registered Plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a Registered Plan are automatically reinvested in additional units of the Fund unless you provide us a written request that you wish to receive them in cash. 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 units of the Fund issued on reinvestment. However, these units are the last to be redeemed.

A portion of the monthly distribution on your units may include return of capital. **The distribution rate on your units may be greater than the return on the Fund's investments. If the cash distributions to you are greater than the net increase in the value of your investment, the distribution will erode the value of your original investment.**

We reserve the right to adjust the amount of monthly distribution if we consider it appropriate, without notice. There can be no assurance that the Fund will make any distributions in any particular month.

The Manager provides each investor of the Fund with an annual statement and, in the case of taxable investors, tax slips showing income distributions, capital gains distributions, 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 units of the 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 units, or report distributions received. The investor may also use this information to calculate the adjusted cost base of the units.

The tax treatment to Unitholders of distributions is discussed under the heading *Income Tax Considerations.*

Fund expenses indirectly borne by investors

The Fund pays us a management fee and an administration fee. In addition, the Fund also pays certain operating expenses directly. These amounts are paid for out of the assets of the Fund, which means that you indirectly pay for these amounts through lower returns.

The chart in this section lets you compare the cost of investing in each series of units of the Fund with the cost of investing in other mutual funds. The chart shows the cumulative fees and expenses you would have paid if:

- you invested $1,000.00 for the period shown (without any sales charges);
- the Fund's return was 5% each year;
- you did not use the 10% free redemption entitlement; and
- the Fund paid the same management expense ratio ("**MER**") in each period shown as it did in its last completed financial year.

Expenses payable over:

	1 year	**3 years**	**5 years**	**10 years**
Series A	$34	$100	$163	$310
Series F	$22	$65	$104	$192
Series I*	$1	$3	$4	$8
Series O	$3	$8	$13	$23

* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

See *Fees and expenses* for more information about the cost of investing in the Fund.

SIMPLIFIED PROSPECTUS

Sun Life Opportunistic Fixed Income Fund

(formerly, Sun Life Multi-Strategy Target Return Fund)

Series A, Series F, Series I, and Series O units

You can find more information about the Fund in the Annual Information Form, fund facts, management report of fund performance and financial statements of the Fund. These documents are incorporated by reference into this Simplified Prospectus, which means that they legally form part of this Simplified Prospectus 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 Fund, such as information circulars and material contracts, are also available at **www.sunlifeglobalinvestments.com** or **www.sedar.com.**

Sun Life Global Investments (Canada) Inc.
One York Street, Suite 3300, Toronto, Ontario M5J 0B6
Telephone: 1-877-344-1434
Facsimile: 416-979-2859
info@sunlifeglobalinvestments.com www.sunlifeglobalinvestments.com