

October 19, 2018

**Sun Life Global Investments (Canada) Inc.**

**ANNUAL INFORMATION FORM**

Offering Series A, Series T5, Series F, Series F5 and Series I securities of the following Funds, as indicated below:

**Sun Life Tactical Fixed Income ETF Portfolio** (Series A, F, I securities)

**Sun Life Tactical Conservative ETF Portfolio** (Series A, T5, F, F5, I securities)

**Sun Life Tactical Balanced ETF Portfolio** (Series A, T5, F, F5, I securities)

**Sun Life Tactical Growth ETF Portfolio** (Series A, F, I securities)

**Sun Life Tactical Equity ETF Portfolio** (Series A, F, I securities)



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

The Funds and the securities of the Funds offered under this document 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

	<u>Page</u>
NAME AND FORMATION OF THE FUNDS.....	1
INVESTMENT RESTRICTIONS OF THE FUNDS.....	2
DESCRIPTION OF SECURITIES .....	5
CALCULATION OF NET ASSET VALUE AND VALUATION OF PORTFOLIO SECURITIES.....	6
PURCHASE OF SECURITIES .....	9
SWITCHING PRIVILEGES .....	11
REDEMPTION OF SECURITIES .....	13
MANAGEMENT OF THE FUNDS .....	15
CONFLICTS OF INTEREST .....	20
FUND GOVERNANCE.....	22
FEE DISTRIBUTIONS.....	28
DISTRIBUTIONS.....	28
INCOME TAX CONSIDERATIONS.....	29
LEGAL AND ADMINISTRATIVE PROCEEDINGS.....	31
MATERIAL CONTRACTS .....	32
CERTIFICATE OF THE FUNDS AND THE MANAGER AND PROMOTER OF THE FUNDS.....	C-1

## NAME AND FORMATION OF THE FUNDS

Sun Life Tactical Fixed Income ETF Portfolio, Sun Life Tactical Conservative ETF Portfolio, Sun Life Tactical Balanced ETF Portfolio, Sun Life Tactical Growth ETF Portfolio and Sun Life Tactical Equity ETF Portfolio (each, a “**Fund**” and collectively, the “**Funds**”) are mutual fund trusts established under the laws of Ontario. The Funds are governed by a master declaration of trust dated September 10, 2010, as amended and restated on January 10, 2011, as amended and consolidated on June 1, 2012, as amended and restated on January 1, 2015, and as further amended and consolidated on July 13, 2018 (the “**Master Declaration of Trust**”). Sun Life Global Investments (Canada) Inc. (“**Sun Life Global Investments Canada**”) is the trustee and manager of the Funds.

In this document, “**Manager**”, “**us**” and “**we**” refer to Sun Life Global Investments Canada. “**Sun Life Global Investments Mutual Funds**” refers to all of the mutual funds managed by Sun Life Global Investments Canada, and includes the Funds. The Manager is a wholly-owned indirect subsidiary of Sun Life Financial Inc. Sun Life Financial Inc., a publicly traded company, is a global international financial services organization providing a diverse range of protection and wealth accumulation products and services as well as investment products to individuals and institutions.

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

### The Structure of Sun Life Global Investments Mutual Funds

A mutual fund may be set up as a trust or a corporation. We offer both types of mutual funds. Certain Sun Life Global Investments Mutual Funds that are separate classes of shares of Sun Life Global Investments Corporate Class Inc. (the “**Sun Life Global Investments Corporate Classes**”) and certain Sun Life Global Investments Mutual Funds that are trusts are offered under separate simplified prospectuses and are not covered by this document.

If an investor invests in a Fund or other Sun Life Global Investments Mutual Fund formed as a trust, the investor purchases units of a trust and is called a “**unitholder**”. If an investor invests in one of the Sun Life Global Investments Corporate Classes, the investor purchases shares of a class of a corporation and is called a “**shareholder**”. Shares and units are collectively called “**securities**” and holders of shares and units are collectively called “**securityholders**”.

### Constituting Documents for the Funds and Major Events in the Last 10 Years

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

<b>Fund</b>	<b>Date on which Fund was Established and Governing Document</b>	<b>Material Amendments to Governing Document</b>	<b>Major Events in the Last 10 Years</b>
Sun Life Tactical Fixed Income ETF Portfolio	October 19, 2018, pursuant to an amended and restated Schedule A dated October 19, 2018 to the Master Declaration of Trust.		
Sun Life	October 19, 2018, pursuant		

<b>Fund</b>	<b>Date on which Fund was Established and Governing Document</b>	<b>Material Amendments to Governing Document</b>	<b>Major Events in the Last 10 Years</b>
Tactical Conservative ETF Portfolio	to an amended and restated Schedule A dated October 19, 2018 to the Master Declaration of Trust.		
Sun Life Tactical Balanced ETF Portfolio	October 19, 2018, pursuant to an amended and restated Schedule A dated October 19, 2018 to the Master Declaration of Trust.		
Sun Life Tactical Growth ETF Portfolio	October 19, 2018, pursuant to an amended and restated Schedule A dated October 19, 2018 to the Master Declaration of Trust.		
Sun Life Tactical Equity ETF Portfolio	October 19, 2018, pursuant to an amended and restated Schedule A dated October 19, 2018 to the Master Declaration of Trust.		

## **INVESTMENT RESTRICTIONS OF THE FUNDS**

### **Investment Restrictions**

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

The fundamental investment objectives of each of the Funds are set out in the simplified prospectus of the Funds (the “**Simplified Prospectus**”). Any change in the investment objectives of a Fund requires the approval of a majority of investors at a meeting called for that purpose. We may change a Fund’s investment strategies from time to time at our discretion.

### **Exemptive Relief Obtained by the Funds**

#### *Transactions with Related Parties*

Each of the Funds obtained exemptive relief from the Canadian securities regulatory authorities to deviate from certain restrictions in securities legislation in order to invest in debt securities of related entities in the primary and secondary market, provided that the Fund’s independent review committee (“**IRC**”) has approved the transaction, the transaction complies with certain pricing requirements and provided that

certain other conditions are met. The Funds may also rely upon IRC approval to permit them to purchase and hold investments in related party securities that are traded on an exchange, in accordance with National Instrument 81-107 - *Independent Review Committee for Investment Funds* (“**NI 81-107**”).

#### *Investing in Silver*

Each of the Funds obtained exemptive relief from the Canadian securities regulatory authorities to invest in silver, silver certificates that are: (i) available for delivery in Canada, free of charge, to or to the order of the holder of the certificate; (ii) of a minimum fineness of 999 parts per 1000; (iii) held in Canada; (iv) in the form of either bars or wafers; and (v) if not purchased from a bank listed in Schedule I, II or III of the *Bank Act* (Canada), fully insured against loss and bankruptcy by an insurance company licensed under the federal laws of Canada or a province or territory of Canada (“**Permitted Silver Certificates**”) and specified derivatives the underlying interest of which is silver. Each Fund is permitted to invest up to 10% of its net asset value in gold, permitted gold certificates, silver, Permitted Silver Certificates and specified derivatives of which the underlying interest is gold or silver.

Currently, none of the Funds rely on this relief.

#### *Investing in Exchange-Traded Funds not Otherwise Permitted by NI 81-102*

The Funds obtained exemptive relief from the Canadian securities regulatory authorities (the “**ETF Exemption**”) to invest in the following exchange-traded funds (“**ETFs**”):

- ETFs that seek to provide daily results that replicate the daily performance of a specified widely-quoted market index (the ETF’s “**Underlying Index**”) by a multiple of 200%, by an inverse multiple of 200% or an inverse multiple of 100% (“**Inverse or Leveraged ETFs**”);
- ETFs that hold or seek to replicate the performance of gold, permitted gold certificates or specified derivatives of which the underlying interest is gold or permitted gold certificates on an unlevered basis (“**Gold ETFs**”);
- ETFs that hold or seek to replicate the performance of silver, permitted silver certificates or specified derivatives of which the underlying interest is silver or permitted silver certificates on an unlevered basis (“**Silver ETFs**”);
- Gold ETFs that are also Inverse or Leveraged ETFs, by a multiple of up to 200% (“**Leveraged Gold ETFs**”); and
- Silver ETFs that are also Inverse or Leveraged ETFs, by a multiple of up to 200% (“**Leveraged Silver ETFs**”).

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

The Funds will only invest in Underlying ETFs if certain conditions are met, including: (i) the investment by a Fund in securities of an Underlying ETF is in accordance with the fundamental investment objective of the Fund; (ii) the Funds do not short sell securities of an Underlying ETF; (iii) the securities of the Underlying ETFs are traded on a stock exchange in Canada or the United States; (iv) a Fund may not purchase securities of an Underlying ETF if, immediately after the purchase, more than 10% of the net

asset value of the Fund, taken at market value at the time of the purchase, would consist of securities of the Underlying ETFs; (v) if a Fund engages in short selling, the Fund does not purchase securities of an Inverse or Leveraged ETF that tracks the inverse of its Underlying Index by no more than 200% (a “**Bear ETF**”) or sell any securities short if, immediately after the transaction, the aggregate market value of (A) all securities sold short by the Fund, and (B) all securities of Bear ETFs held by the Fund, would exceed 20% of the Fund’s net asset value, taken at market value at the time of the transaction; (vi) each Fund that intends to rely on the ETF Exemption will not purchase Gold and Silver Products if, immediately after the transaction, more than 10% of the Fund’s net asset value would consist of Gold and Silver Products; (vii) each Fund that intends to rely on the ETF Exemption will not purchase Gold and Silver Products if, immediately after the transaction, the market value exposure to gold or silver through the Gold and Silver Products is more than 10% of the Fund’s net asset value; and (viii) the securities of the Underlying ETFs are treated as specified derivatives for the purposes of NI 81-102.

Currently, none of the Funds rely on this relief.

#### *Investment in Closed-End Funds*

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

Currently, none of the Funds rely on this relief.

#### *Investment in Certain Cleared Swaps*

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

### **Eligibility under the *Income Tax Act* (Canada)**

Securities of each Fund are expected to be qualified investments at all times for trusts governed by registered retirement savings plans and registered retirement income funds (including the various types of locked-in registered plans such as locked-in retirement accounts and life income funds), tax free savings accounts, deferred profit sharing plans, registered disability savings plans and registered education savings plans (collectively referred to as “**Registered Plans**”).

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

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

## **DESCRIPTION OF SECURITIES**

### **General**

Each Fund may issue securities in one or more classes and a class may be issued in one or more series. An unlimited number of securities of each series may be issued. Currently, each Fund has created one class of securities and the series that the class is issued in are shown on the front cover of this Annual Information Form. The series of each Fund derive their return from a common pool of assets with a single investment objective and together constitute a single mutual fund.

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

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

All securities of a Fund are fully paid and non-assessable when issued. Details regarding switching of securities between different series of the same Fund or between the same series of different Sun Life Global Investments Mutual Funds are described below under “Switching Privileges”. Additional information and restrictions relating to switching between series of the same Fund and between series of different Funds is also available in the Simplified Prospectus of the Funds.

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

Securityholders of the Funds can redeem all or any of their securities at the then-current series NAV of those securities as described under “Redemption of Securities”.

All securities of the Funds are transferable without restriction.

The rights and conditions attaching to the securities of each of the Funds may be modified only in accordance with the provisions attaching to such securities and the provisions of the constating document of the Fund. A description of the series of securities offered by each Fund and the eligibility requirements attached to each series of securities is contained in the Simplified Prospectus of the Funds.

### **Meetings of Investors**

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

- a change to the basis of the calculation of a fee or expense that is charged to a Fund that could result in an increase in charges to the Fund or to its investors, and the entity charging the fee or expense is a non-arm’s length party to the Fund;
- an introduction of a fee or expense to be charged to a Fund or its investors by the Fund or the Manager in connection with holding securities of the Fund that could result in an increase in charges to the Fund or its investors, and the entity charging the fee or expense is a non-arm’s length party to the Fund;
- a change of the Manager, unless the new manager is an affiliate of the Manager;
- a change in the fundamental investment objectives of the Fund;
- a decrease in the frequency of the calculation of the NAV per each series of securities of the Fund; and
- certain material reorganizations of the Fund.

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

## **CALCULATION OF NET ASSET VALUE AND VALUATION OF PORTFOLIO SECURITIES**

### **Calculation of NAV**

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

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

The series NAV per security of each series is normally determined as at the close of business on each day that the Toronto Stock Exchange (the “**TSX**”) is open for trading, or any other day determined from time to time by the Manager, unless the Manager has declared a suspension of the determination of the series NAV as described under “Redemption of Securities”. The series NAV per security of each series so determined remains in effect until the time as at which the next determination of series NAV per security is made. The day on which series NAV is determined is referred to in this Annual Information Form as a “**valuation day**”.

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

Securities of each series of each of the Funds are issued or redeemed at the series NAV next determined after the receipt by the Fund of the purchase order or the redemption request.

The daily NAV for each Fund and the series NAV per security of each Fund is available upon request, free of charge, by calling the Manager toll free at 1-877-344-1434, by sending an email to [info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com) or by mailing Sun Life Global Investments (Canada) Inc. at One York Street, Suite 3300, Toronto, Ontario M5J 0B6.

### **Valuation of Portfolio Securities**

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

- the value of any cash or its equivalent on hand, on deposit or on call, bills and demand notes and accounts receivable, prepaid expenses, cash dividends declared, and interest accrued and not yet received is deemed to be the full amount thereof unless the Manager has determined that any such deposit, bill, demand note or account receivable is not worth the full amount, in which event the value thereof is deemed to be such value as the Manager determines to be the fair value;
- short term notes are valued at cost plus accrued interest which approximate their fair value;
- the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices as reported by an independent source on the day as of which the NAV of the Fund is being determined;
- the value of any security (including an exchange traded fund) which is listed on any recognized exchange is valued, subject to the principles set out below, by the closing sale price or, if there is no closing sale price, the average between the closing bid and the closing asked price on the day on which the NAV of the Fund is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; if the average between closing bid and closing ask cannot be determined then the previous day’s price will be used, provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;

- delisted securities are valued at the lower of the last reported trading price or the Manager's best estimate of fair value;
- if securities are interlisted or traded on more than one exchange or market, the Manager uses the last sale price reported on the exchange or market determined by the Manager to be the principal exchange or market for such securities;
- securities and other assets for which market quotations are, in the Manager's opinion, inaccurate, unreliable, not reflective of all available material information or not readily available are valued at their fair value, as determined by the Manager;
- private investments in reporting issuers are valued at the current market price of the corresponding publicly traded portfolio investment less a discount for illiquidity due to the existence of a restricted period, which is amortized on a degressive basis over the restricted period. Where the market price of the publicly traded portfolio investment is lower than the subscription price of the private investment, and no discount can be calculated, the minimum value of the portfolio investment during the restricted period will be the lower of its cost and the closing price of the unrestricted publicly traded portfolio investment;
- securities of non-reporting issuers are valued at the Manager's best estimate of fair value;
- if the underlying security is listed on a recognized public securities exchange, special warrants are priced at market value of the underlying security. If the underlying security is not listed on a recognized public securities exchange or if there is no underlying security, special warrants are valued at the Manager's best estimate of fair value;
- warrants for which the exercise price exceeds the current price of the underlying security ("**out of the money**") are valued at nil;
- long positions in options, clearing corporation options, options on futures, over-the-counter options and debt like securities are valued at the current market value of the position;
- where an option, clearing corporation option, option on futures or over-the-counter option is written by the Fund, the premium received by the Fund for those options is reflected as a liability that is valued at an amount equal to the current market value of the option that would have the effect of closing the position. Any difference resulting from revaluation is treated as an unrealized gain or loss on investment. The liability is deducted in arriving at the NAV of the Fund. The securities, if any, that are the subject of a written option are valued in the manner described above for listed securities;
- the value of any mutual fund security not listed on any stock exchange and held by a Fund will be the last available net asset value per security;
- the value of a forward contract or swap is the gain or loss on the contract that would be realized if, on that valuation date, the position in the forward contract or swap was closed out;
- credit default swaps are valued at the net present value of the current cost of protection, which represents the fair value of the credit risk exposure to the referenced asset;
- the value of a standardized future is:

- if daily limits imposed by the futures exchange through which the standardized future was issued are not in effect, the gain or loss on the standardized future that would be realized if, on that valuation date, the position in the standardized future was closed out; or
- if daily limits imposed by the futures exchange through which the standardized future was issued are in effect, based on the current market value of the underlying interest of the standardized futures;
- margin paid or deposited on standardized futures or forward contracts is reflected as an account receivable and margin consisting of assets other than cash is noted as held as margin;
- securities quoted in foreign currencies are translated to Canadian dollars using the prevailing rate of exchange as quoted on the day as of which the NAV of the Fund is being determined by independent pricing sources acceptable to the Manager; and
- if an asset cannot be valued under the above principles or under any valuation principles set out in securities legislation, or if any valuation principles adopted by the Manager but not set out in securities legislation are at any time considered by the Manager to be inappropriate in the circumstances, then the Manager applies fair value pricing based on valuation principles that it considers to be appropriate in the circumstances.

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

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

## **PURCHASE OF SECURITIES**

### **General**

Securities of each of the Funds are offered for sale on a continuous basis. Please see the cover of this Annual Information Form for the series of securities that are offered by each Fund under this Annual Information Form. Purchase orders must be placed with registered dealers in an investor’s province or territory. The Manager generally does not accept any purchase orders directly from individual investors.

### **Purchase Price**

Securities of the Funds may be purchased at their series NAV from time to time, computed as described under “Calculation of Net Asset Value and Valuation of Portfolio Securities”. The purchase price per security is the series NAV per security next determined following receipt by the Fund of a complete subscription. Any subscription received on a valuation day after the cut off time or on any day that is not a valuation day is deemed to have been received on the following valuation day. The purchase price per security is then the series NAV per security established on the valuation day following the day of actual receipt of the subscription. The cut off time for receipt of subscriptions is 4 p.m. ET, except on days that the TSX closes early, when the cut off time is such earlier closing time. The Manager may, in its sole discretion and in accordance with applicable securities legislation, accept securities as purchase payment for securities of a Fund.

The investor’s dealer may provide in any arrangements it has with the investor that the investor is required to compensate the investor’s dealer for any losses suffered by it in connection with a failed settlement of a purchase order caused by the investor.

### **Minimum Investment**

The minimum amount for an initial investment in Series A, Series T5, Series F and Series F5 securities of the Funds is \$500. Each subsequent investment in Series A, Series T5, Series F or Series F5 securities of the Funds must be at least \$50. These minimum investment amounts may be adjusted or waived in our absolute discretion and without notice to securityholders. The minimum initial investment and each additional investment in Series I securities of any of the Funds 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 each series of securities of the Funds and the consequences of failing to maintain such minimum.

### **Sales Options**

Investors purchasing Series A or Series T5 securities of the Funds, where available, must pay a sales charge negotiable at the time of purchase (the “**Front End Sales Charge option**”) to their dealer.

Series F, Series F5 and Series I securities of the Funds, where available, have special attributes as described in the Simplified Prospectus. These series of securities are sold with no sales charge and no fee payable on redemption. All series of securities are subject to a short-term trading fee, if applicable (see “Short Term Trading Fees” for more information).

### **Processing Orders**

An investor must send all orders for securities to his, her or its dealer and such orders will then be forwarded by the dealer to the registered office of the Funds for acceptance or rejection. Each Fund reserves the right to reject any order in whole or in part. Dealers must transmit an order for securities to the registered office of the Funds without charge to the investor. They must make such transmittal wherever practical by same day courier, priority post or telecommunications facility. The investor and the investor’s dealer are responsible for ensuring that the investor’s purchase order is accurate and that the Manager receives all the necessary documents or instructions. The decision to accept or reject any order for securities will be made within one business day of receipt of the order by the Fund. In the event that any purchase order is rejected, all monies received with the order are returned to the subscriber. Full and

proper payment for all orders of securities must be received at a Fund's registered office on or before the settlement date. The settlement date is generally the second business day from (but not including) the day on which the subscription price for the securities so ordered is determined.

Orders placed must be settled within the time periods described above. Where payment of the subscription price is not received on a timely basis or where the payment is returned or dishonoured, the Manager, on behalf of the Fund, redeems the securities ordered by the cut off time on the first business day following such period. The redemption proceeds reduce the amount owing to the Fund in respect of the failed purchase transaction. If the proceeds are greater than the amount you owe us, the Fund keeps 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. Where no dealer has been involved in an order for securities, the Manager is entitled to collect the amounts described above from the investor who has failed to make payment for the securities ordered.

## **SWITCHING PRIVILEGES**

### **General**

An investor may, at any time, switch all or part of the investor's investment in one Fund to a different Sun Life Global Investments Mutual Fund, provided that the investor is eligible to make the switch. Subject to certain exceptions, an investor may also change between series of the same Fund (which is referred to as "**redesignation**"), provided that the investor is eligible for the new series.

Investors must place all switch orders through their advisor.

### **Switching Between Funds**

An investor can switch securities of a Fund into securities of the same series or a different series of another Sun Life Global Investments Mutual Fund, provided that the investor is qualified for the series switched into.

Switching securities of a Fund for securities of another Sun Life Global Investments Mutual Fund involves both a redemption of securities 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. Please refer to "Income Tax Considerations" for more details.

### **Changing Between Series**

An investor may change securities of one series of a Fund into securities of a different series of the same Fund if the investor is eligible to purchase the new series. The eligibility details of the different series of the Funds are described in the Simplified Prospectus. A change between series of the same Fund is processed as a redesignation. A redesignation of securities is not considered to be a disposition of the securities for tax purposes and does not result in realizing a capital gain or loss unless securities are redeemed to pay any fees or charges. Please refer to "Income Tax Considerations" for more details.

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

- Certain series of other Sun Life Global Investments Mutual Funds are offered under different purchase options (in addition to the Front End Sales Charge option, they may offer a deferred sales charge option and a low load sales charge option). If an investor changes from Series A,

Series T5, Series F, Series F5 or Series I securities of one of the Funds into Series A, Series AH, Series AT5, Series T5, Series AT8 or Series T8 securities of another Sun Life Global Investments Mutual Fund, the investor can choose to have any of the three available purchase options apply to the new securities. These purchase options will be described in the simplified prospectus of the other Sun Life Global Investments Mutual Fund.

- Any change into or out of Series I securities is subject to the prior written approval of the Manager.
- A change from one series of a Fund to another series of the same Fund will likely result in a change in the number of securities of the Fund an investor holds since each series of a Fund generally has a different NAV per security.
- If an investor is no longer eligible to hold Series F, Series F5 or Series I securities, the Manager may change the investor's Series F, Series F5 or Series I securities to Series A or Series T5 securities, as applicable, of the same Fund under the Front End Sales Charge option.

### **Switch Fees**

Dealers may charge an investor a switch fee of up to 2% of the value of the securities switched to cover the time and processing costs involved in a switch. Generally, dealers may charge an investor a switch fee for a switch to or from Series A or Series T5 securities. The investor and 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 an investor is no longer eligible to hold a certain series of securities and the Manager changes that investor out of that series to another series of securities of the same Fund, the dealer will not receive a fee or a sales commission.

Investors may also have to pay a short term trading fee (as further described below) if they switch from securities purchased or switched into within the last 30 days. See "Short Term Trading Fees" below.

No switch fees are charged when:

- an investor changes securities of a series of a Fund to securities of another series of the same Fund;
- an investor is switching from Series F, Series F5 or Series I securities to Series F, Series F5 or Series I securities of the same or another Sun Life Global Investments Mutual Fund;
- an investor is switching securities as a result of a rebalancing transaction under the Account Rebalancing Service, as described in the Simplified Prospectus of the Funds; or
- an investor is switching under the Systematic Transfer Plan, as described in the Simplified Prospectus of the Funds.

## REDEMPTION OF SECURITIES

### Price on Redemption

Securities of a Fund may be redeemed at the series NAV per security next determined after receipt of a redemption request at the registered office of the Funds.

Redemption requests received on any day that is not a valuation day or received after the cut off time on a valuation day are deemed to have been received on the following valuation day. In that case, the price on redemption will be the series NAV per security established on the valuation day following the day of actual receipt. The cut off time for receipt of redemption requests is 4 p.m. ET, except that on days that the TSX closes early, the cut off time is such earlier closing time.

All series of the Funds will pay redemption proceeds in Canadian dollars.

### Processing Redemptions

Redemption requests from investors must be sent to dealers for delivery to the Funds. Dealers must transmit the particulars of such redemption request to the Fund without charge to an investor and must make such transmittal wherever practical by same day courier, priority post or telecommunications facility. The investor and the investor's dealer are responsible for ensuring that the investor's redemption request is accurate and that the Manager receives all necessary documents or instructions. The investor's dealer may provide in any arrangement it has with the investor that the investor is required to compensate the investor's dealer for any losses suffered by it in connection with the investor's failure to satisfy the requirements for a redemption of securities of a Fund.

No payment of redemption proceeds is made until a duly completed redemption request has been received from the registered holder of the securities. Redemption requests:

- for redemption proceeds of \$25,000 or more;
- that direct redemption proceeds to be paid to someone other than the registered investor or to an address other than the registered address of the investor;
- for redemption proceeds not payable to all joint owners on an investor's account; or
- from a corporation, partnership, agent, fiduciary or surviving joint owner

are, in each case, required to have signatures guaranteed by a Canadian chartered bank or trust company or by the investor's dealer. Investors should consult their advisors with respect to the documentation required.

Where a Fund has received a duly completed redemption request, the Fund pays the redemption proceeds within two business days of receipt of such documents. If an investor fails to provide the Fund with a duly completed redemption request within ten business days of the date on which the series NAV is determined for the purposes of the redemption, the Manager, on behalf of the Fund, purchases the securities redeemed on the tenth business day after the redemption. The redemption proceeds which would have been paid on the failed transaction are used to pay the purchase price. If the redemption proceeds are more than the purchase price, the difference belongs to the Fund. If the redemption proceeds are less than the purchase price, the dealer placing the redemption request pays the difference to the Fund and the investor may have to reimburse the dealer. Where no dealer has been involved in the redemption

request, the Manager is entitled to collect the amounts described above from the investor who has failed to supply the proper redemption request.

Payment for the securities that are redeemed shall be made as described above, provided that the investor's cheque in payment for the purchase of any of the securities being redeemed has cleared. Any redemption fees are deducted from the payment.

Unless an investor otherwise requests, the cheque representing the redemption proceeds is mailed to the address of the investor as shown on the register of the Fund. As a convenience to investors of the Funds whose securities are registered in their own names, the Manager will, if the investor so requests, deliver by wire transfer the redemption proceeds to a designated Canadian dollar account of the investor at a Canadian bank, trust company or credit union on the day on which the redemption proceeds are made available by a Fund to the Manager. There are no charges for this service, other than any costs or other fees in connection with a wire transfer that may be charged by the investor's financial institution.

Investors whose securities are registered in the name of their dealer, broker or other intermediary must instruct their advisor to provide the Manager with a redemption request. Redemption proceeds are paid only to registered holders of securities, so investors holding through financial intermediaries should expect redemption proceeds to be paid into their account with their financial intermediary.

### **Automatic Redemption**

Investors in Series A, Series T5, Series F, Series F5 and Series I securities of the Funds must keep at least \$500 in their accounts. If an investor's account falls below \$500, the Manager may notify the investor and give the investor 30 days to make another investment. If the investor's account stays below \$500 after those 30 days, the Manager may redeem all of the securities in the investor's account and send the proceeds to the investor.

The Manager reserves the right to redeem, without notice to the investor, all of the securities that the investor holds in a Fund if the investor's investment in that Fund falls below \$500. The Manager also intends 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 some mutual funds in Canada.

Please see "Minimum Investment" for more information on the minimum balance that must be maintained for investments in the Funds and the consequences of failing to maintain such minimum.

Irrespective of the size of an investor's investment in a Fund, the Manager reserves the right to redeem all of the securities that an investor holds in their account if the Manager believes it is in the best interest of the Fund to do so.

Investors should also refer to "Switching Privileges – Switch Fees" above and "Short-Term or Excessive Trading Fees" below in connection with any redemption of securities.

### **Redemption Fees**

No redemption fees are payable on the redemption of Series A, Series T5, Series F, Series F5 or Series I securities. In certain circumstances, a short-term or excessive trading fee may be charged. There is no redemption fee on securities acquired through reinvested distributions, although these securities are the last to be redeemed. All series of securities are subject to a short-term trading fee, if applicable (see "Short-Term or Excessive Trading Fees" for more information).

### **Suspension of Redemption Rights**

The Manager reserves the right to suspend the right of redemption and to postpone the date of payment upon redemption for any period, but only in compliance with applicable securities legislation. The right of redemption with respect to securities of a Fund may be suspended during any period when normal trading is suspended on any exchange on which are traded portfolio securities or specified derivatives representing more than 50% of a Fund's total asset value without allowance for liabilities, provided that those portfolio securities or specified derivatives are not traded on another exchange that represents a reasonably practical alternative for the Fund. In addition, the right of redemption may be suspended with the consent of securities regulatory authorities. In the case of suspension of the right of redemption before the redemption proceeds have been determined, a securityholder may either withdraw a redemption request or receive payment based on the applicable series NAV per security next determined after the termination of such suspension. During any period of suspension of redemption rights, orders to purchase securities will not be accepted.

### **MANAGEMENT OF THE FUNDS**

#### **The Manager**

Sun Life Global Investments (Canada) Inc. is the manager of the Funds. The head office of the Manager is located at One York Street, Suite 3300, Toronto, Ontario M5J 0B6. The phone number for the Manager is 1-877-344-1434, the e mail address is info@sunlifeglobalinvestments.com and the website address is www.sunlifeglobalinvestments.com. The Manager is responsible for the day to day business, operations and affairs of the Funds, and provides investment advisory, marketing and administrative services to the Funds. As the portfolio manager of the Funds, the Manager is responsible for the management of the investment portfolios, the establishment of investment policies and guidelines and the provision of investment analysis relating to the Funds. The Manager is also responsible for furnishing the office space and facilities, clerical help, bookkeeping and the internal accounting services required by each of the Funds. All investor reporting and servicing requirements are also furnished by or on behalf of the Manager. In addition, the Manager has arranged for recordkeeping and related services to be provided to the Funds by International Financial Data Services (Canada) Limited.

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

<b>Name and Municipality of Residence</b>	<b>Position with the Manager</b>	<b>Principal Occupation Within the Preceding Five Years</b>
Sadiq S. Adatia Mississauga, Ontario	Chief Investment Officer	<p>Since July 2011, Chief Investment Officer, Sun Life Global Investments (Canada) Inc., Sun Life Assurance Company of Canada;</p> <p>Since January 2018, Chief Investment Officer &amp; Director, Excel Funds Management Inc.;</p> <p>Since January 2018, Chief Investment Officer &amp; Director, Excel Investment Counsel Inc.</p>

<b>Name and Municipality of Residence</b>	<b>Position with the Manager</b>	<b>Principal Occupation Within the Preceding Five Years</b>
Jacques Goulet Toronto, Ontario	Director and Chairman of the Board	<p>Since January 2018, President, Sun Life Financial Canada, Sun Life Assurance Company of Canada;</p> <p>Since January 2018, President, Sun Life Financial Canada, Sun Life Financial Inc.;</p> <p>From January 2017 to December 2017, President, Health and Wealth, Mercer, Inc.;</p> <p>From October 2014 to December 2016, President, Retirement, Health and Benefits, Mercer Inc.;</p> <p>From March 2013 to October 2014, President, Retirement, Mercer Inc.</p>
Rick C. Headrick Toronto, Ontario	President, Director and Ultimate Designated Person	<p>Since June 2010, President, Sun Life Global Investments (Canada) Inc., Sun Life Assurance Company of Canada;</p> <p>Since July 2008, Vice President, Sun Life Global Investments Inc., Sun Life Financial Inc.;</p> <p>Since January 2018, President, Director and Ultimate Designated Person, Excel Funds Management Inc.;</p> <p>Since January 2018, President, Director and Ultimate Designated Person, Excel Investment Counsel Inc.</p>
Marcy Einarsson Toronto, Ontario	Chief Compliance Officer	<p>Since April 2018, Chief Compliance Officer, Sun Life Global Investments (Canada) Inc.;</p> <p>From June 2016 to April 2018, Chief Compliance Officer and Senior Director of Operations, SEI Investments Canada Company;</p> <p>From September 2014 to June 2016, Director, Asset Management Compliance, Canadian Imperial Bank of Commerce;</p> <p>From November, 2004 to September 2014, Director, Regulatory Reporting, CIBC Asset Management Inc.</p>
Lori Landry Mississauga, Ontario	Chief Marketing Officer	<p>Since April 2011, Vice President, Marketing and Institutional Business, Sun Life Global Investments (Canada) Inc., Sun Life Assurance Company of Canada.</p>
Patricia Callon Toronto, Ontario	Director	<p>Since December 2014, Senior Vice-President &amp; General Counsel, Sun Life Financial Canada, Sun Life Assurance Company of Canada;</p> <p>From August 2009 to December 2014, Chief Legal Officer and Director, Stakeholder Outreach and Communication, Canadian Securities Transition Office.</p>

Name and Municipality of Residence	Position with the Manager	Principal Occupation Within the Preceding Five Years
Leo Grepin Kitchener, Ontario	Director	Since May 2016, Senior Vice-President, Individual Insurance and Wealth, Sun Life Assurance Company of Canada;  From January 2014 to February 2016, Department Head, Account Management, Bridgewater Associates;  From September 1998 to December 2013, Senior Partner, McKinsey & Company.
Brennan Kennedy Waterloo, Ontario	Director	Since November 2016, Vice-President, Chief Actuary and Chief Risk Officer, Sun Life Assurance Company of Canada;  From May 2016 to November 2016, Vice-President, Individual Wealth, Sun Life Assurance Company of Canada;  From June 2011 to May 2016, Vice-President Asset Liability Management, Canada, Sun Life Assurance Company of Canada.
Kari Holdsworth Tavistock, Ontario	Chief Financial Officer	Since April 2018, Chief Financial Officer, Sun Life Global Investments (Canada) Inc.;;  Since May 2016, Vice President, Individual Wealth Actuarial, Sun Life Assurance Company of Canada;  From September 2011 to April 2016, Vice President, Individual Wealth Business Management, Sun Life Assurance Company of Canada.

The Manager acts as manager of the Funds pursuant to a master management agreement dated as of September 10, 2010, as amended and restated as of January 10, 2011 and as further amended and restated effective June 1, 2012, August 29, 2013 and January 1, 2015, as the same may be amended from time to time (the “**Management Agreement**”). In consideration of the services provided to the Funds, each Fund pays the Manager management fees in respect of Series A, Series T5, Series F and Series F5 securities of the Fund. The management fees are calculated and accrued daily and paid monthly. Each Fund also pays the Manager administration fees in exchange for payment by us of certain of the operating expenses of each Fund. The administration fees are calculated and accrued daily and paid monthly. The Management Agreement may be terminated by the Manager or a Fund on 90 days’ prior written notice. Any change in the manager of a Fund (other than to an affiliate of the Manager) may be made only with the approval of the investors of that Fund and, where applicable, in accordance with securities legislation.

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

### **Trustee**

The Manager has been appointed the trustee of the Funds under the Master Declaration of Trust, which establishes the fundamental operating structure for the Funds. In its capacity as trustee, the Manager has ultimate responsibility for the business and undertaking of the Funds and must carry out the terms of the Master Declaration of Trust. Currently, the Manager receives no compensation in its capacity as trustee.

The Manager may resign as trustee of a Fund by giving 90 days' prior written notice to securityholders. If a successor trustee can be found and agrees to accept the appointment, such successor trustee will assume the duties and obligations of the incumbent trustee within the notice period. If a successor trustee cannot be found or is not appointed by investors in accordance with the provisions of the Master Declaration of Trust, then the Fund will be terminated at the expiry of the notice period.

### **Portfolio Manager**

Pursuant to the Management Agreement, the Manager is also the portfolio manager of the Funds and, in such capacity, is responsible for the management of the investment portfolios, the establishment of investment policies and guidelines and the provision of investment analysis relating to the Funds. While the Manager has policies and procedures in place to supervise the investment decisions made on behalf of the Funds, such investment decisions are not subject to the oversight, approval or ratification of a committee.

Founded in 2007, Sun Life Global Investments Canada has grown its assets under management worldwide to over CAD \$22.27 billion in a number of mandates as at May 31, 2018.

Investment decisions for the Funds are made by a team of portfolio managers employed by Sun Life Global Investments Canada. The individuals who are principally responsible for the management of a material portion of the portfolio, implementing a particular material strategy or managing a particular segment of the portfolio of each Fund are:

<b>Fund</b>	<b>Name and Title</b>	<b>Firm</b>	<b>Years with Firm and other business experience in the last five years (if any)</b>
Sun Life Tactical Fixed Income ETF Portfolio Sun Life Tactical Conservative ETF Portfolio Sun Life Tactical Balanced ETF	Sadiq Adatia Chief Investment Officer	Sun Life Global Investments (Canada) Inc.	7  Since July 2011, Chief Investment Officer, Sun Life Global Investments (Canada) Inc., Sun Life Assurance Company of Canada;

Fund	Name and Title	Firm	Years with Firm and other business experience in the last five years (if any)
Portfolio Sun Life Tactical Growth ETF Portfolio  Sun Life Tactical Equity ETF Portfolio	Chhad Aul Vice-President and Portfolio Manager	Sun Life Global Investments (Canada) Inc.	4  Since March 2014, Assistant Vice-President and Portfolio Manager, Sun Life Global Investments (Canada) Inc., Sun Life Assurance Company of Canada.  From January 2009 to August 2013, Vice-President and Senior Portfolio Manager, Active and Enhanced Equities, State Street Global Advisors.

### Brokerage Arrangements

All decisions as to the purchase and sale of portfolio securities and all decisions as to the execution of these portfolio transactions, including the selection of market and dealer and the negotiation of commissions, where applicable, will be made by, and are the ultimate responsibility of, the Manager.

In effecting portfolio transactions, the Manager seeks to obtain best execution of orders as required by applicable securities regulations.

In effecting portfolio transactions, the Manager may direct brokerage commissions paid by a Fund in return for the provision of certain goods or services by the dealer or third-party as permitted by securities legislation.

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

- advice relating to the value of a security or the advisability of effecting the transaction in a security;
- an analysis, or report, concerning a security, portfolio strategy, issuer, industry, or an economic or political factor or trend; and
- a database, or software, to the extent that it supports goods or services described above

(collectively, “**Research Goods and Services**”), or

- order execution and goods or services to the extent that they are directly related to order execution

(collectively, “**Order Execution Goods and Services**”).

As at the date of this Annual Information Form, no companies affiliated with the Manager have provided Research Goods and Services or Order Execution Goods and Services to the Manager in return for the allocation of brokerage transactions.

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

### **Custodian**

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

### **Auditors**

Ernst & Young LLP of Kitchener, Ontario are the independent auditors of each Fund. The auditors audit the Funds and provide an opinion on whether the annual financial statements of the Funds are fairly presented in accordance with applicable accounting principles. Ernst & Young LLP has confirmed that it is independent with respect to the Funds within the meaning of the CPA Code of Professional Conduct of the Chartered Professional Accountants of Ontario.

### **Record keeper**

International Financial Data Services (Canada) Limited, the record keeper of the Funds, maintains the register of securities of the Funds at its principal office in Toronto, Ontario.

### **Securities lending agent**

In the event that a Fund engages in securities lending or repurchase transactions, RBC Investor Services Trust of Toronto, Ontario will be appointed as the Fund’s agent. The securities lending agent will not be an affiliate of the Manager.

## **CONFLICTS OF INTEREST**

### **Principal Holder of the Manager**

The Manager is an indirect wholly-owned subsidiary of Sun Life Financial Inc., a widely-held publicly traded company. To the knowledge of Sun Life Financial Inc., no person owns more than 10% of the common shares of Sun Life Financial Inc.

### Principal Holders of Securities

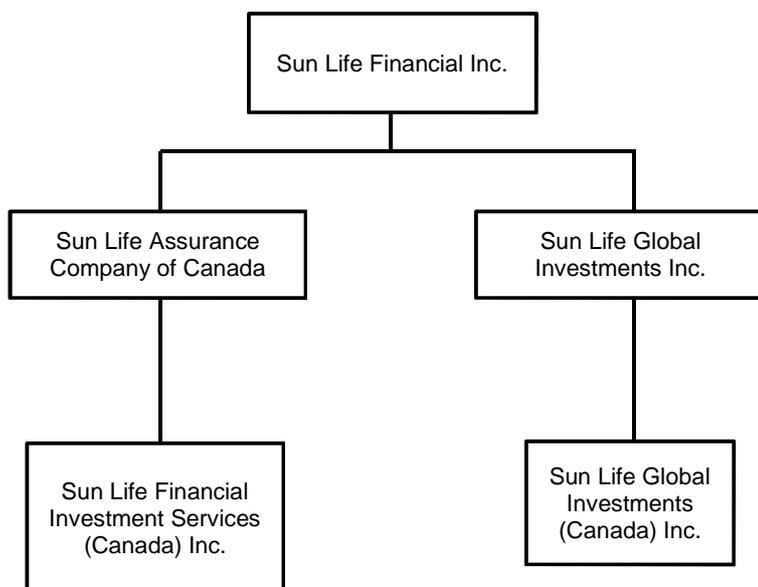
As at the date of this Annual Information Form, the Manager owned 100% of the issued and outstanding securities of the Funds.

As at the date of this Annual Information Form, none of the directors and senior officers of the Manager owned, in the aggregate, more than 10% of a series of a Fund.

As at the date of this Annual Information Form, none of the members of the IRC owned any securities of the Funds.

### Affiliated Entities

The following diagram shows the relationship between the Manager and affiliated entities that provide services to the Funds and/or to the Manager. All entities below are wholly-owned by Sun Life Financial Inc., directly or indirectly, unless otherwise indicated:



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

The following individuals are a director and/or officer of the Manager and also a director and/or officer of one or more of the affiliated entities that provide services to the Funds or to the Manager in respect of the Funds:

Name and Position with the Manager	Position with Affiliated Entities that Provide Services to the Funds or to the Manager
Jacques Goulet Director and Chairman of the Board	<ul style="list-style-type: none"> <li>● President, Sun Life Financial Canada, Sun Life Financial Inc.</li> </ul>

<b>Name and Position with the Manager</b>	<b>Position with Affiliated Entities that Provide Services to the Funds or to the Manager</b>
Rick C. Headrick President and Director	<ul style="list-style-type: none"> <li>● Vice-President, Sun Life Global Investments Inc.;</li> <li>● President, Sun Life Global Investments, Canada, Sun Life Assurance Company of Canada</li> </ul>
Lori Landry Chief Marketing Officer	<ul style="list-style-type: none"> <li>● Vice-President, Marketing and Institutional Business, Sun Life Global Investments Canada, Sun Life Assurance Company of Canada</li> </ul>
Patricia Callon Director	<ul style="list-style-type: none"> <li>● Senior Vice-President and General Counsel, Sun Life Financial Canada, Sun Life Assurance Company of Canada</li> </ul>
Leo Grepin Director	<ul style="list-style-type: none"> <li>● Senior Vice-President, Individual Insurance and Wealth, Sun Life Assurance Company of Canada</li> </ul>
Brennan Kennedy Director	<ul style="list-style-type: none"> <li>● Vice-President, Chief Actuary and Chief Risk Officer, Sun Life Assurance Company of Canada</li> </ul>

## **FUND GOVERNANCE**

### **General**

Sun Life Global Investments Canada, as manager and trustee of the Funds, is responsible for fund governance matters relating to the Funds. Senior officers of the Manager are responsible for developing, implementing and monitoring day-to-day fund governance practices. The board of directors of the Manager reviews these fund governance practices at regular intervals and is ultimately responsible for overall fund governance matters. Members of the Manager’s board of directors are listed above under “Management of the Funds”.

### **Policies**

In managing the day to day operations of the Funds, the Manager has adopted certain policies as standard practice to comply with applicable legislation and regulations, including NI 81-102 and National Instrument 81-105 – *Mutual Fund Sales Practices*, relating to permitted compensation and trailing commissions, internal dealer incentive practices, marketing and education practices, sales disclosure and portfolio transactions.

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

### **Independent Review Committee**

In accordance with NI 81-107, the Manager has established an IRC for all the Sun Life Global Investments Mutual Funds. The IRC is composed of three individuals, each of whom is independent of the Sun Life Global Investments Mutual Funds, the Manager and its affiliates. As at the date of this

document, the current members of the IRC are Nancy Church (Chair), Andrew Smith and André Fok Kam.

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

Each IRC member is entitled to receive compensation for the duties he or she performs as an IRC member, consisting of an annual retainer of \$25,000 (\$29,000 for the Chair) and a quarterly meeting fee (\$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. For the financial year ended December 31, 2017, the IRC members received, in the aggregate, approximately \$94,500 as annual fees from the Sun Life Global Investments Mutual Funds managed by the Manager during 2017 and approximately \$3,611 as reimbursements of expenses from the Manager. Certain of these fees and expenses were paid to former IRC members who have since resigned and been replaced by the current IRC members. These amounts were allocated among the relevant Sun Life Global Investments Mutual Funds by the Manager in a manner that the Manager considered as fair and reasonable. No compensation or reimbursements made to an IRC member have been allocated to the Funds because they are new.

The IRC will report annually to securityholders of the Funds on its activities, as required by NI 81-107. The reports of the IRC will be available free of charge from the Manager on request by contacting the Manager at [info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com) and will be posted on the Manager's website at [www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com). The annual report of the IRC for the Funds will be available on or about March 31 in each year.

### **Use of Derivatives**

The Funds may use derivatives from time to time as described in the Simplified Prospectus. The Manager effects derivatives trading on behalf of the Funds. The Manager has written policies and procedures relating to the use of derivatives for the Funds.

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

As part of their ongoing review of Fund activity, compliance personnel employed by the Manager review the use of derivatives. Compliance personnel are not members of the investment and trading group of the Manager and report to a different functional area.

Limits and controls on the use of derivatives are part of the Manager's fund compliance regime and include reviews by analysts who ensure that the derivative positions of the Funds are within applicable policies. Risk measurements or simulations are not used to test the portfolio under stress conditions.

### **Securities Lending, Repurchase or Reverse Repurchase Transactions**

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

- hold collateral equal to a minimum of 102% of the market value of the securities loaned (for securities lending transactions), sold (for repurchase transactions) or purchased (for reverse repurchase transactions) as the case may be;
- adjust the amount of collateral each business day to ensure the collateral's value relative to the market value of the securities loaned, sold or purchased remains within the 102% limit; and
- limit the aggregate value of all securities loaned or sold through securities lending and repurchase transactions to under 50% of the total assets (without including the collateral) of the Fund.

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

- assess the creditworthiness of potential counterparties to these transactions (typically, registered brokers and/or dealers);
- negotiate the actual securities lending, repurchase and reverse repurchase agreements with such counterparties;
- collect lending and repurchase fees and provide such fees to the Manager;
- monitor (daily) the market value of the securities sold, loaned or purchased and the collateral and ensure that each Fund holds collateral equal to at least 102% of the market value of the securities sold, loaned or purchased; and
- ensure that each Fund does not loan or sell more than 50% of the total market value of its assets (not including the collateral held by the Fund) through lending and repurchase transactions.

Currently, none of the Funds engage in securities lending, repurchase or reverse repurchase transactions. Before a Fund engages in such transactions, the Manager will have policies and procedures in place to monitor compliance with the restrictions in NI 81-102 with respect to these transactions and types of investments. The compliance team of the Manager would be responsible for establishing and maintaining these policies and procedures. The Chief Compliance Officer would be required to report to the Ultimate Designated Person of the Manager on any instances of non-compliance with the policies and procedures and report to the board of directors of the Manager on his or her compliance assessments. The board of directors of the Manager would review and approve the Manager's proposed policies and procedures in connection with these types of transactions and would have the ultimate responsibility of ensuring that

proper policies and procedures relating to these types of transactions are in place. Any agreements, policies and procedures that are applicable to securities lending, repurchase and reverse repurchase transactions would be reviewed by the compliance team of the Manager at least annually. There are no limits or controls restricting these transactions other than those in NI 81-102 and risk measurements or simulations are not used to test the Funds' portfolios under stress conditions. The Manager is responsible for reviewing these matters on an as-needed basis and will be independent to the agent.

### **Short Selling**

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

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

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

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

### **Short-Term or Excessive Trading**

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

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

The Manager uses a combination of measures to detect and deter market timing activity, including but not limited to:

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

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

### **Short-Term or Excessive Trading Fees**

If an investor redeems or switches securities of a Fund within 30 days of purchase, the Manager may charge a short-term or excessive trading fee on the proceeds of the redemption or switch. The fee payable will be paid to the applicable Fund. This is in addition to any redemption or switch fees that the investor may pay. Each additional switch counts as a new purchase for this purpose. Short-term or excessive trading fees will not be charged (i) for a redemption of securities when an investor fails to meet the minimum investment amount for the Funds; (ii) for a redemption of securities acquired through automatic reinvestment of all distributions of net income or capital gains by a Fund; (iii) for a redemption of securities in connection with a failed settlement of a purchase of securities; (iv) for a switch or redemption from Sun Life Money Market Fund or Sun Life Money Market Class (each a Sun Life Global Investments Mutual Fund offered under a separate simplified prospectus); (v) for a switch under the Systematic Transfer Plan, as described in the Simplified Prospectus of the Funds; (vi) for a switch as a result of a rebalancing transaction under the Account Rebalancing Service, as described in the Simplified Prospectus of the Funds; (vii) for a change of securities from one series to another of the same Fund; (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.

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.

### **Proxy Voting Policies and Procedures**

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

A summary of the proxy voting policies and procedures of the Manager is set out below. Copies of the complete proxy voting policies and procedures for the Funds are available to investors on request, free of charge, by calling the Manager toll free at 1-877-344-1434, by sending an email to [info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com) or by mailing Sun Life Global Investments (Canada) Inc. at One York Street, Suite 3300, Toronto, Ontario M5J 0B6.

Each Fund's proxy voting record for the most recent period ended June 30 of each year will be available free of charge to any securityholder of the Fund upon request at any time after August 31 of that year by

calling 1-877-344-1434. The proxy voting record is also available on the Funds' website at [www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com).

### **Proxy Voting at Sun Life Global Investments Canada**

In general, there will be no proxies for the Funds to vote as they generally hold securities of other mutual funds, which typically provide voting rights in very limited circumstances. To the extent these Funds invest in exchange-traded funds, the Manager is responsible for voting any proxies received. For units of other mutual funds managed by the Manager or an affiliate of the Manager held by a Fund, the Fund would be prohibited from voting such units. The Manager may, in its discretion, choose to flow-through any voting rights regarding such units to investors in the Funds. In the event that there are proxies for the Funds to vote, the Manager will vote the proxies using the process described below.

#### ***Sun Life Proxy Voting Guidelines***

For routine and non-routine matters, the Manager will vote the proxies in accordance with its determination of the best interest of each Fund. To the extent that any conflict of interest matters arise, the Manager will refer the conflict of interest matter to the IRC for its recommendation of the Manager's proposed voting of such proxies and shall vote the relevant proxies in the manner that it believes is consistent with the best interests of the Fund.

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

- (a) **Boards and Directors** – Votes on board nominees will be determined on a case-by-case basis. The Manager will consider various factors, including independence, whether the compensation is excessive, attendance records, long-term performance, age and term limits, staggered terms, cumulative voting for directors, limits on director removal, majority vote requirements and the separation of chairman and chief executive officer positions.
- (b) **Auditors and Audit Related Issues** – The Manager recognizes the critical importance of financial statements that provide a complete and accurate portrayal of a fund or corporation's financial condition, and executes proxy votes accordingly. Appointment of auditors is a routine business matter and the Manager will generally vote with management with respect to the appointment of auditors. However, the Manager may vote against management if the fees for services are excessive, the quality and independence are being questioned, and if cases of significant financial restatements or material weakness in the disclosure exists.
- (c) **Capital Structure, Mergers, Asset Sales and Other Special Transactions** – Changes in a charter, articles of incorporation or by-laws are technical and administrative in nature, and the Manager will generally vote with management on such proposals. However, the Manager may consider any non-routine matters on a case-by-case basis, especially if the proposals would impact the structure or operations of the relevant fund or corporation, or would have a material economic effect on the fund or corporation. Key factors typically used to evaluate these proposals include market premium, strategic reason for transaction, board approval/transaction history and financial advisors' fairness opinions.

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

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

Should a material conflict of interest arise with respect to proxy voting, the matter will be brought to the attention of the Manager’s Chief Compliance Officer, who will refer the matter to the Fund’s IRC for recommendation as to whether the Manager’s proposed course of action achieves a fair and reasonable result for the affected Fund, in accordance with NI 81-107.

### **FEE DISTRIBUTIONS**

The Manager encourages large investments in the Funds and tries to achieve competitive management fees, administration fees and other operating expenses. From time to time, the Manager may agree to arrange for the fees and expenses (including the management fee and/or the administration fee) of a Fund to be effectively reduced in respect of a particular investor’s investment in the Fund. Generally, the reduction will be paid by a Fund to the particular investor in the form of a “fee distribution”, where the Fund makes a special distribution to the investor of income, capital gains and/or capital of the Fund equal to the amount of the reduction. Fee distributions will generally be reinvested in additional securities of the applicable Fund; however, certain institutional investors may be eligible to elect to receive their fee distributions in cash.

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

### **DISTRIBUTIONS**

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

Each Fund’s distribution policy is more specifically set out in the Simplified Prospectus for the Fund.

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

Any reinvestment of distributions will occur at the applicable series NAV thereof without payment of sales charges. No redemption fee is payable on the redemption of securities of the Fund issued on reinvestment.

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

### INCOME TAX CONSIDERATIONS

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

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

Each Fund is expected to qualify as a mutual fund trust under the Tax Act at all material times. This summary is based on the assumption that each Fund will so qualify.

#### Taxation of the Funds

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

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

In calculating each Fund's income, all of a Fund's deductible expenses, including expenses common to all series of the Fund and management fee and other expenses specific to a particular series of the Fund, will be taken into account for the Fund as a whole.

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

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

### **Taxation of the Investors**

Generally, an investor who does not hold securities in a Registered Plan will be required to include in computing his or her income for a year the amount (computed in Canadian dollars) of any net income and the taxable portion of any net realized capital gains that is paid or payable to him or her by a Fund in the year (including by way of fee distribution or redemption distribution), whether or not the amount is reinvested in additional securities. Distributions of capital by a Fund will not be taxable to the investor but will reduce the ACB of the investor's securities. To the extent that the ACB of an investor's securities would otherwise be reduced to less than zero, the investor will be deemed to realize a capital gain and subsequently the ACB will be increased to nil.

To the extent permitted by the Tax Act, each Fund will designate the portion of the income distributed to investors as may reasonably be considered to consist of taxable dividends received by the Fund from taxable Canadian corporations and net taxable capital gains. The designated amounts will effectively retain their character for tax purposes and will be treated, respectively, as ordinary taxable dividends and taxable capital gains of the investors. Similarly, a Fund may make a designation of its foreign source income so that investors are able to claim a foreign tax credit for foreign taxes paid (but not deducted) by the Fund.

Ordinary taxable dividends will be subject to the gross-up and dividend tax credit rules applicable to taxable dividends payable by taxable Canadian corporations. An enhanced gross-up and dividend tax credit is available for eligible dividends.

An investor must include in income the taxable portion of any distributions paid to them by a Fund even though the Fund may have earned the income or realized the capital gains that gave rise to the distribution before the investor owned the securities. If an investor invests in a Fund late in the year, the investor may have to pay tax on its earnings for the whole year.

Sales charges paid by an investor on the purchase of securities are not deductible in computing income, but are added to the ACB of the investor's securities. Management fees paid on Series I securities by an investor are generally not deductible by the investor.

Upon the actual or deemed disposition of a security of a Fund, whether by redemption, switch or otherwise, an investor will realize a capital gain (or a capital loss) to the extent that the proceeds of disposition for the security, net of any expenses of disposition, exceed (or are exceeded by) the investor's ACB of the security as determined for the purposes of the Tax Act. The redesignation of a security of one series of a Fund for securities of another series of the same Fund should not be recognized as a disposition and the cost of the new securities should be equal to the ACB of the switched securities.

One-half of a capital gain realized by an investor will be included in the investor's income as a taxable capital gain and generally, one-half of a capital loss realized by an investor may be deducted from taxable capital gains. In certain circumstances, loss restriction rules will limit or eliminate the amount of a capital loss that an investor may deduct. For example, a capital loss realized on a redemption or other disposition of securities will be deemed to be nil if, during the period that begins 30 days before and ends 30 days after the day of that disposition, the investor acquired identical securities (including on the reinvestment of distributions) and continues to own the identical securities at the end of that period. The amount of this denied capital loss is added to the ACB of the investor's securities.

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

### **Registered Plan Investors**

A Registered Plan that holds securities of a Fund and the planholder, annuitant or subscriber of that Registered Plan, as the case may be, will generally not be subject to tax on the value of the securities, or on distributions paid by the Fund on the securities, or on a gain realized on the disposition of the securities provided the securities are a "qualified investment" under the Tax Act and in the case of a Registered Plan (other than a deferred profit sharing plan) not a "prohibited investment" for the Registered Plan. See "Investment Restrictions of the Funds – Eligibility" under the Tax Act for further information about the Funds' status under the Tax Act.

**Investors should consult their own tax advisor for advice regarding the implications of acquiring, holding or disposing of any securities of a Fund in their Registered Plan, including whether or not securities of a Fund would be a "prohibited investment" under the Tax Act for their Registered Plans.**

### **LEGAL AND ADMINISTRATIVE PROCEEDINGS**

The Manager is not aware of any material litigation outstanding, threatened or pending by or against the Funds, the Manager or Sun Life Global Investments Canada, as the trustee of the Funds.

## MATERIAL CONTRACTS

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

- Master Declaration of Trust dated as of September 10, 2010, as amended and restated on January 10, 2011, as amended and consolidated as of June 1, 2012, as amended and restated as of January 1, 2015, and as amended and consolidated on July 13, 2018, together with an amended and restated Schedule A as it may be amended from time to time, by the Manager, in its capacity as trustee, in respect of the Funds;
- Amended and Restated Master Management Agreement dated as of January 1, 2015, amending and restating the Amended and Restated Master Management Agreement dated as of August 29, 2013, amending and restating the Amended and Restated Master Management Agreement dated as of June 1, 2012, amending and restating the Amended and Restated Master Management Agreement dated as of January 10, 2011, amending and restating the Master Management Agreement dated as of September 10, 2010, as it may be amended from time to time, together with an amended and restated Schedule A thereto as it may be amended from time to time, between the Manager and each of the Funds, as described under “Management of the Funds”; and
- Amended and Restated Custodian Agreement dated as of July 20, 2016, and effective as of October 1, 2016, between the Manager as manager of the Sun Life Global Investments Mutual Funds and RBC Investor Services Trust, amending and restating the Custodian Agreement dated July 30, 2010, as it may be amended from time to time, together with Schedule “A” as it may be amended in the future, as described under “Management of the Funds”.

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

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

Sun Life Tactical Fixed Income ETF Portfolio  
Sun Life Tactical Conservative ETF Portfolio  
Sun Life Tactical Balanced ETF Portfolio  
Sun Life Tactical Growth ETF Portfolio  
Sun Life Tactical Equity ETF Portfolio

(collectively, the “**Funds**”)

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

DATED the 19<sup>th</sup> day of October, 2018.

(signed) “Rick C. Headrick”  
Rick C. Headrick  
President, signing in the capacity of chief  
executive officer  
Sun Life Global Investments (Canada) Inc.

(signed) “Kari Holdsworth”  
Kari Holdsworth  
Chief Financial Officer  
Sun Life Global Investments (Canada) Inc.

On behalf of the Board of Directors of Sun Life Global Investments (Canada) Inc.,  
as Trustee and Manager of the Funds

(signed) “Brennan Kennedy”  
Brennan Kennedy  
Director

(signed) “Patricia Callon”  
Patricia Callon  
Director

SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.  
as Promoter of the Funds

(signed) “Rick C. Headrick”  
Rick C. Headrick  
President

## ANNUAL INFORMATION FORM

Offering Series A, Series T5, Series F, Series F5 and Series I securities of the following Funds, as indicated below:

**Sun Life Tactical Fixed Income ETF Portfolio** (Series A, F, I securities)

**Sun Life Tactical Conservative ETF Portfolio** (Series A, T5, F, F5, I securities)

**Sun Life Tactical Balanced ETF Portfolio** (Series A, T5, F, F5, I securities)

**Sun Life Tactical Growth ETF Portfolio** (Series A, F, I securities)

**Sun Life Tactical Equity ETF Portfolio** (Series A, F, I securities)

You can find more information about each Fund in the Fund's Simplified Prospectus, fund facts, management report of fund performance and financial statements.

For a free copy of these documents, call us toll free at 1-877-344-1434 or ask your advisor. You may find these documents and other information about the Funds, such as information circulars and material contracts, at [www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com) or at [www.sedar.com](http://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

TOR01: 7616016: v3