

SLC Management Long Term Private Fixed Income Plus Fund

The Fund seeks to achieve total return by providing income while preserving capital over the long term, by investing primarily in a diverse portfolio of long-term private and public fixed income assets.

Strategy highlights

- Access to high quality deal flow through one of the largest and most tenured private fixed income teams in North America¹
- Institutional quality core investment grade² portfolio that is well diversified by issuer, sector and asset type
- Highly negotiated and customized transactions, which may provide investors with a sustainable excess yield over comparably rated public market investments
- Rigorous risk controls through tight covenants, credit enhancements and collateral packages

Fund highlights

Vehicle type: limited partnership – open-ended pool

Net Asset Value: \$1,012.4 M

Benchmark: FTSE® Canada Long Term Overall Bond Index³

	Fund	Benchmark
Yield to maturity	5.22%	4.25%
Effective duration	14.64 years	14.77 years
Average credit rating ⁴	A	AA

Fund performance⁵

	Q3 2022	YTD (%)	One year (%)	Three years (%)	Five years (%)	Since inception* (%)
SLC Management Long Term Private Fixed Income Plus Fund	4.53	(19.80)	(15.46)	(5.16)	0.64	1.16
Benchmark	1.51	(20.96)	(17.20)	(6.09)	0.09	0.27
Difference	3.02	1.16	1.74	0.93	0.55	0.89

*Performance inception date April 30, 2016

Fund profile

Asset mix – current allocation⁶

Private fixed income	66.0%
Public fixed income	28.0%
Derivatives contracts %	5.1%
Cash & other**	0.9%

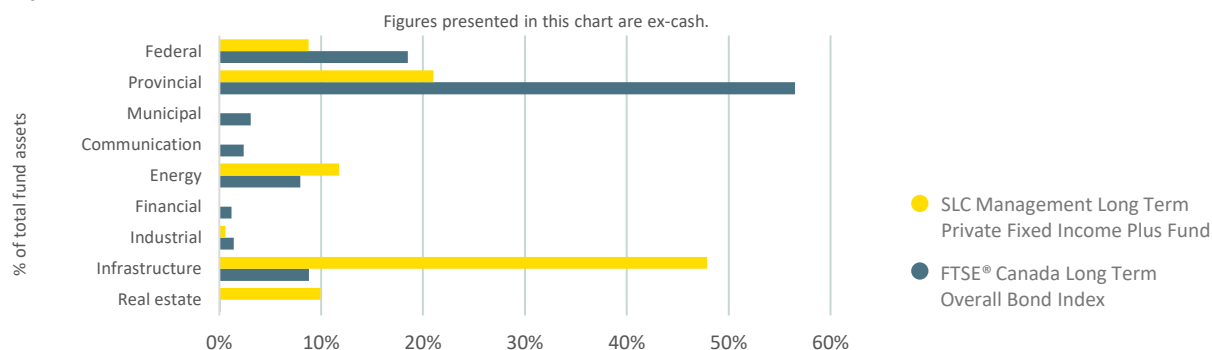
Currency mix – current allocation

CAD	72.8%
USD	13.0%
GBP	13.3%
AUD	1.0%

Credit rating⁴

	Fund	Benchmark
AAA	13.8%	19.1%
AA	21.9%	52.5%
A	41.1%	19.3%
BBB	22.4%	9.1%
Non-investment grade	0.9%	0%

Composition



Summary of investment guidelines⁷

- Single issuer restriction: no greater than 10% of the Fund's assets at the time of investment
- Duration: within +/- 2 year of the duration of the FTSE® Canada Long Term Overall Bond Index
- Foreign currency exposure: intent is to hedge to Canadian dollars; non-Canadian dollar assets limited to less than 30% of the Fund; unhedged non- Canadian dollar investment limited to a maximum 10% of the Fund
- Credit quality: all holdings must be internally rated as investment grade at purchase

Portfolio Managers

Elaad Keren, MBA, CFA

Portfolio Manager and Head of Mid-Market Finance
Years with firm: 3 | Years of industry experience: 19

Douglas J. Gardiner, CFA

Portfolio Manager and Head of Public Fixed Income
Years with firm: 21 | Years of industry experience: 31

Maurice Primeau, BComm

Portfolio Manager and Managing Director, Private Fixed Income
Years with firm: 14 | Years of industry experience: 34

Randall Malcolm, MSc. Finance, CFA

Senior Managing Director and Portfolio Manager, Canadian Public Fixed Income
Years with firm: 9 | Years of industry experience: 29

Petra Wendroth, MBA, BBM

Portfolio Manager and Senior Director, Private Fixed Income
Years with firm: 10 | Years of industry experience: 14

Nicolas Delisle, CFA, CPA, CMA

Portfolio Manager and Managing Director, Private Fixed Income
Years with firm: 8 | Years of industry experience: 25

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¹ According to PPIA Private Placement investors Association 2021 Survey Results

² Investment-grade credit ratings of our private placements portfolio are based on a proprietary, internal credit rating methodology that was developed using both externally-purchased and internally developed models. This methodology is reviewed regularly. More details can be shared upon request. There is no guarantee that the same rating(s) would be assigned to portfolio asset(s) if they were independently rated by a major credit ratings organization.

³ "FTSE®" is a trademark of FTSE International Limited and is used under license.

⁴ Ratings presented include credit ratings one tier above and one below alphabetical classification and are determined based on an internal credit rating process. For a description of the credit rating methodology, please see the Fund's offering memorandum, available on request.

⁵ Returns shown are net of Fund expenses and gross of management fees. Management fees paid directly to Sun Life Assurance Company of Canada should be considered when assessing net performance. Returns greater than one year are annualized.

⁶ Asset mix graph based on Committed amounts (Fund assets committed but not funded). Cash includes other net assets such as payables and receivables.

⁷ More information about the Fund's investment guidelines and associated risks is in the Fund's offering memorandum, available on request.

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