

SLC Management Core Fixed Income Plus Segregated Fund

The Fund seeks to achieve total return by providing income while preserving capital over the medium term, and by investing primarily in a diverse portfolio of public fixed income assets. The Fund may seek additional income and return from Canadian commercial mortgage and/or global investment-grade private and public fixed income assets.

Fund highlights

Benchmark: FTSE® Canada Universe Bond Index¹

	Fund	Benchmark
Yield to maturity	3.50%	3.01%
Effective duration	7.70 years	7.88 years
Average credit rating	A	AA
Net Asset Value	\$9.5 M	

Underlying pooled fund AUM

SLC Management Core Fixed Income Fund*	\$191.3 M
SLC Management Private Fixed Income Plus Fund	\$3,114.2 M
SLC Management Canadian Commercial Mortgage Fund	\$532.8 M

*Completion fund only

Strategy highlights

- A mid-duration, investment grade² portfolio invested solely in SLC Management pooled funds
- Investment grade assets may reduce expected volatility versus typical core plus strategies
- Greater diversification through an expanded opportunity set, including our global public and private credit and commercial mortgages platforms.

Fund performance⁴

	Q1 2022	YTD (%)	One year (%)	Three years (%)	Since inception* (%)
SLC Management Core Fixed Income Plus Fund	(7.02)	(7.02)	(3.56)	1.66	2.51
Benchmark	(6.97)	(6.97)	(4.52)	0.45	1.43
Difference	(0.05)	(0.05)	0.96	1.22	1.08

*Performance inception date November 30, 2017

Fund Profile

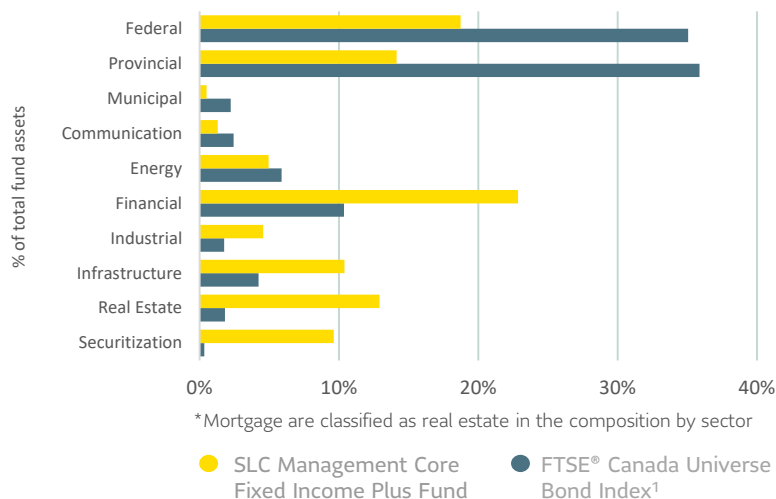
Current allocation⁵

Public fixed income	81.8%
Commercial mortgages	9.6%
Private fixed income	7.6%
Cash	1.0%

Public fixed income by geography

Canadian fixed income	68.5%
U.S. fixed income	19.7%
International fixed income	10.9%
Cash	1.0%

Diversification



Investment grade private assets in the SLC Management Core Plus strategy may offer lower correlations to equities than typical “plus” components of other funds that use high yield and emerging market debt

	U.S. high yield	Global high yield	Emerging markets debt	Private fixed income	Commercial mortgages
Canadian equities	0.88	0.81	0.55	0.40	0.27
U.S. equities	0.80	0.78	0.48	0.33	0.23
International equities	0.81	0.87	0.58	0.31	0.19

Correlations are on a 10-year basis ending December 31, 2021.

Summary of investment guidelines⁵

Asset type	Percentage range of Fund's net assets
Public Fixed Income Securities	80% to 100%
Corporate Fixed Income Securities	Up to 70%
Foreign-Denominated Public and Private Fixed Income Securities	Up to 30%
Private Assets	0% to 20%*
Cash or Money Market Instruments	0% to 10%**

*At the time of purchase of securities of the SLC Management Private Fund(s) by the Fund. The maximum percentage that may be invested in aggregate in non-daily valued SLC Management Private Funds is 10%.

**The Fund may, from time to time, hold cash or money market instruments in excess of 10% in order to match timing inflows/outflows of investments, Fund payments to investors, or for other purposes.

Portfolio managers

Douglas J. Gardiner, CFA
Portfolio Manager and Head of Public Fixed Income
Years with firm: 21 | Years of industry experience: 31

Randall Malcolm, MSc. Finance, CFA
Senior Managing Director and Portfolio Manager,
Canadian Public Fixed Income
Years with firm: 9 | Years of industry experience: 29

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¹ “FTSE®” is a trade mark of FTSE International Limited and is used under license.

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 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.

⁴ 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

⁵ 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 underlying Funds' offering memorandum, available on request.

SUN LIFE CAPITAL MANAGEMENT (CANADA) INC. offers pooled funds, separately managed accounts and other securities-based investment advisory services. The SLC Management Core Fixed Income Plus Segregated Fund is a segregated fund offered by Sun Life Assurance Company of Canada (Sun Life) and subadvised by Sun Life Capital Management (Canada) Inc. Contributions allocated to the Segregated Fund are accumulated under a Group Annuity Policy issued by Sun Life. The assets within the Segregated Funds are owned by Sun Life.

IMPORTANT INFORMATION:

This fund fact sheet is prepared for information purposes and is intended for Canadian institutional investors only. The information contained herein is not intended to provide specific financial, tax, investment, insurance, legal or accounting advice and should not be relied upon and does not constitute a specific offer to buy and/or sell securities, insurance or investment services. Investors should consult with their professional advisors before acting upon any information contained in this report.

Unless otherwise stated, the information is in Canadian dollars. Efforts are made to ensure that the information herein is reliable and accurate at the time of publication. However, Sun Life Capital Management (Canada) Inc. does not guarantee its accuracy or completeness.

Correlations calculated using unhedged quarterly returns over a 10-year period ending December 31, 2021. Canadian Private Fixed Income represents the returns of Sun Life's general account investments in private fixed income loans less than 10 years in tenure and excluding leases. Canadian Commercial Mortgages represents the returns of Sun Life's general account investments in non-CHMC insured commercial mortgages. Canadian Equities represents the CAD-denominated returns of the S&P/TSX Composite Index. U.S. Equities represents the USD-denominated returns of the S&P 500 Index. International Equities represents the USD-denominated returns of the MSCI EAFE Index. U.S. High Yield represents the USD-denominated returns of the BofA Merrill Lynch U.S. High Yield Master II Index. Emerging Markets Debt represents the USD-denominated returns of the JPMorgan EMBI Plus Index.

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