

SLC Management Long Term Core Fixed Income Plus Segregated Fund

The Fund seeks to achieve total return by providing income while preserving capital over the long 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 Long Term Overall Bond Index¹

	Fund	Benchmark
Yield to maturity	2.94%	2.77%
Effective duration	15.22 years	15.66 years
Average credit rating	A	AA
Net Asset Value	\$59.7 M	

Underlying pooled fund AUM

Long Term Core Fixed Income Fund	\$133.4 M
SLC Management Private Fixed Income Plus Fund	\$3,090.0 M

*Completion fund only

Strategy highlights

- A long 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

	Q3 2021	YTD (%)	One year (%)	Three years (%)	Since inception* (%)
SLC Management Long Term Core Fixed Income Plus Fund	(1.08)	(8.01)	(6.22)	6.15	4.58
Benchmark	(1.61)	(8.85)	(8.11)	5.40	3.78
Difference	0.53	0.84	1.89	0.75	0.80

*Performance inception date November 30, 2017

Fund Profile

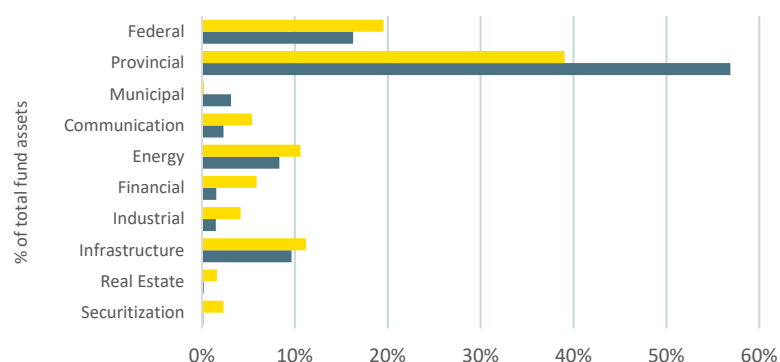
Current allocation⁵

Public fixed income	91.0%
Private fixed income	9.5%
Cash	-0.5%

Public fixed income by geography

Canadian fixed income	78.8%
U.S. fixed income	20.7%
International fixed income	1.0%
Cash	-0.5%

Diversification



*Mortgage are classified as real estate in the composition by sector

● SLC Management Long Term Core Fixed Income Plus Fund ● FTSE® Canada Long Term Overall Bond Index

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	0.90	0.86	0.60	0.31	0.15
U.S. equities	0.85	0.84	0.53	0.20	0.07
International equities	0.85	0.89	0.60	0.14	0.02

Correlations are on a 10-year basis ending December 31, 2020.

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: 20 | Years of industry experience: 30

Randall Malcolm, MSc. Finance, CFA

Senior Managing Director and Portfolio Manager,
Canadian Public Fixed Income

Years with firm: 8 | Years of industry experience: 28

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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 Capital Management (Canada) Inc. 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 Fund is a segregated fund offered and insured 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 Marc 31, 2020. 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. Information is subject to change without notice and Sun Life Capital Management (Canada) Inc. accepts no responsibility for any losses arising from any use of or reliance on the information herein. In the event of any inconsistency between information herein and information in the Fund Legal Documentation, audited financial statements and/or official client statements (collectively, “Fund legal documentation”), the information in such underlying Fund Legal Documentation shall prevail. There is no guarantee that the Sun Life Core Fixed Income Plus Segregated Fund will achieve its target returns. Past performance is not necessarily indicative of future returns. Performance is gross of investment management fees (includes both capital appreciation and income), net of administration fees, and is calculated using the geometrically linked time weighted rates of return methodology. Management fees are paid directly to Sun Life Assurance Company of Canada and should be considered when assessing performance.

This document may present materials or statements which reflect expectations or forecasts of future events. Such forward-looking statements are speculative in nature and may be subject to risks, uncertainties and assumptions and actual results which could differ significantly from the statements. As such, do not place undue reliance upon such forward-looking statements.

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Long Term Core Fixed Income Plus Composite

30/11/2017 – 30/9/2021

3 Year Ex-Post Standard
Deviation

Year	Total return	FTSE Canada Long Term Overall Bond Index Return	Number of portfolios	Internal dispersion %	Composite	FTSE Canada Long Term Overall Bond Index	Total composite assets end of period (CAD\$ million)	Total firm assets (CAD\$ million)
2017	-0.02%	0.00%	1	-	-	-	5	N/A
2018	1.57%	0.31%	1	-	-	-	18	N/A
2019	13.53%	12.71%	1	-	-	-	17	163,000
2020	11.97%	11.90%	1	-	8.99	8.72	69	180,869
2021 YTD	-8.01%	-8.85%	1	-	9.96	9.62	60	181,114

Important information

SLC Management ("the Firm") is an institutional asset management group comprising Sun Life Capital Management (Canada) Inc. and Sun Life Capital Management (U.S.) LLC. Sun Life Capital Management (Canada) Inc. ("the Firm") is registered as a Portfolio Manager ("PM"), Investment Funds Manager ("IFM"), and Exempt Market Dealer ("EMD") in all provinces and territories in Canada. The Firm is also registered as a Commodity Trading Manager ("CTM") in Ontario. The principle regulator is the Ontario Securities Commission ("OSC"). The Firm is primarily responsible for managing portfolios for institutional third parties through Funds that invest in various asset classes and separately managed accounts that may include liability-driven investment strategies. Sun Life Capital Management (U.S.) LLC is a registered investment adviser with the United States Securities and Exchange Commission, in accordance with the Investment Advisers Act of 1940. Sun Life Capital Management (U.S.) LLC is also a Commodity Trading Advisor and Commodity Pool Operator registered with the Commodity Futures Trading Commission under the Commodity Exchange Act and a Member of the National Futures Association.

Compliance statement

The Firm claims compliance with the Global Investment Performance Standards (GIPS®) and has prepared and presented this report in compliance with the GIPS standards. The Firm has not been independently verified.

Firm information

The Firm is predominantly accountable for managing portfolios for institutional clients that invest in a broad range of diverse products including, public debt, private debt, mortgage loans, and liability driven investments. The Firm's fee schedule is as follows: 0.21%-0.45% for the first \$50 million under management; 0.19%-0.45% for the next \$50 million; 0.10%-0.45% for the next \$100 million; and 0.05%-0.45% for the balance in excess of \$200 million. Additionally, fees may be subject to negotiation where circumstances warrant.

Composite characteristics

The inception date is November 30, 2017. The composite was created on November 30, 2019. The portfolios invest primarily in a diverse portfolio of public fixed income assets and seeks to achieve total return by providing income while preserving capital over the long term. The strategy may also seek additional income and return from private fixed income sources, Canadian commercial mortgages, and/or non-Canadian investment-grade public and private fixed income assets. The strategy intends to achieve exposure to public fixed income securities, and private assets, such as private debt or commercial mortgage debt, by investing in one or more of the SLC Management Private Fixed Income Plus Fund, SLC Management Long Term Private Fixed Income Plus Fund and SLC Management Canadian Commercial Mortgage Fund. A complete list and description of all Firm composites is available upon request.

Benchmarks

The strategy's benchmark is the FTSE Canada Long Term Overall Bond Index. The Index is a comprehensive, transparent, rule-based index designed to measure the performance of fixed-rate, investment grade long-term (10+ Years) domestic government and corporate bonds denominated in Canadian dollars.

Calculation methodology

Valuations and returns are calculated and stated in Canadian dollars. Portfolio is valued daily. Return is calculated monthly based on the change in the Net Asset Value per share. Returns presented are gross of Investment Management fees and net of operating expenses. The internal dispersion measure is the asset-weighted standard deviation of accounts in the Composite and is calculated only for Composite with 6 or more portfolios with full year returns. The three-year annualized standard deviation is not applicable to the composite, as it measures the variability of the composite return and the benchmark returns over the preceding 36-month period. Presented risk measures are calculated using the gross of fee returns.

Other disclosures

Policies for valuing investments, calculating performance, and preparing GIPS Reports are available upon request. Performance for the period 30/11/2017 – 30/6/2019 occurred while the investment management team was affiliated with another firm. The investment management team has managed the composite since its inception, and the investment process has not changed. The historical performance has been linked to performance earned at SLC Management. Past performance does not guarantee future results. GIPS® is a registered trademark of CFA Institute. CFA Institute does not endorse or promote this organization, nor does it warrant the accuracy or quality of the content contained herein.