

# SUN LIFE GRANITE MANAGED PORTFOLIOS

## Tactical Update

NOVEMBER 2017 | Opinions as of December 1, 2017

The views expressed in this tactical update apply broadly to all Sun Life Granite Managed Portfolios, whereas the tactical highlights and allocation data in the chart below are specific to Sun Life Granite Balanced Portfolio. For the latest information about other Sun Life Granite Managed Portfolios, including Sun Life Granite Managed Income Portfolios, please refer to our quarterly fund reviews published at [sunlifeglobalinvestments.com](http://sunlifeglobalinvestments.com).

The U.S. tax reform plan still faces a final hurdle before it potentially takes effect later this year or early in 2018. Once enacted (which we expect), it could boost the U.S. economy, extend the economic cycle and add to the S&P 500's extended rally. And we increased our weighting in U.S. equities in anticipation of an upward move when the legislation is finally ratified.

With solid economic growth in the region, we increased our exposure to European equities. While there are possible currency-driven headwinds, we believe the economic recovery will continue to support higher equity prices.

The Canadian economy has posted strong growth, but there are clouds on the horizon, including cracks in the housing market, record-high consumer debt and the possible collapse of NAFTA negotiations.

Until some of these issues play out, we don't believe the Bank of Canada will be quick to raise interest rates. As a result, we have added to our weighting in Canadian bonds in the belief that interest rates could remain stable in Canada, while they increase in the U.S.

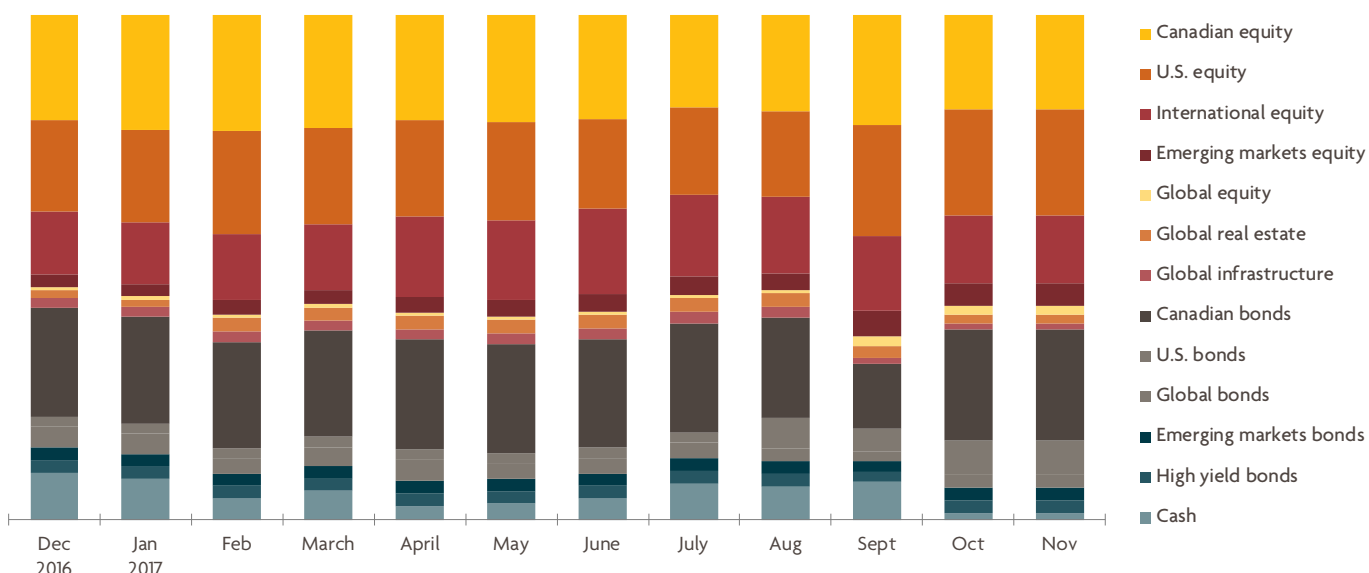
### TACTICAL HIGHLIGHTS

#### CHANGE

#### RATIONALE

Closed out energy options strategy	➤	Oil prices have reached our target level
Increased weighting in U.S. equities	➤	Economic growth is solid, tax reform may help the market
Increased exposure to Canadian bonds	➤	Economic concerns make it difficult to raise interest rates
Increased weighting in international equities	➤	More bullish outlook for the European and global economy

### TACTICAL ALLOCATIONS | Sun Life Granite Balanced Portfolio



Allocations are as of month-end and subject to change without notice.

Sun Life Granite Managed Portfolios invest in mutual funds and/or exchange traded funds (ETFs). Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Investors should read the prospectus before investing. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

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