

October 19, 2018

Sun Life Global Investments (Canada) Inc.

SIMPLIFIED PROSPECTUS

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 Simplified Prospectus 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.

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Introduction

This document contains selected important information to help you make an informed investment decision and understand your rights as an investor. Throughout this document:

- *we, us, our, Sun Life Global Investments Canada or the Manager* means Sun Life Global Investments (Canada) Inc.;
- *you* means each person who invests in the Funds;
- *advisor* means the registered representative who advises you on your investments;
- *dealer* means the company where your advisor works;
- *Fund* means a mutual fund listed on the front cover of this Simplified Prospectus;
- *intermediary* means a third party that your dealer may use to administer your account;
- *IRC* means the independent review committee established by the Manager under National Instrument 81-107 - *Independent Review Committee for Investment Funds*;
- *NAV* means net asset value;
- *securities* means units or shares, as applicable, including units of the Funds;
- *Sun Life Global Investments Mutual Funds* means all of the mutual funds managed by us and which are offered for sale under a prospectus and includes the Funds; and
- *underlying fund* means any mutual fund (including an exchange-traded fund) in which a Fund invests.

How to use this Simplified Prospectus

This Simplified Prospectus is divided into two parts. The first part, on pages 2 to 33, provides basic information about mutual funds and general information about all of the Funds. The second part, on pages 34 to 48, provides specific information about each Fund.

For more information

You can find more information about each Fund in each of the following documents (once available):

- the Annual Information Form (“**AIF**”);
- the Fund’s most recently filed fund facts;
- the Fund’s most recently filed annual financial statements;
- any interim financial report filed after those annual financial statements;
- the most recently filed annual management report of fund performance (“**MRFP**”); and
- any interim MRFP filed after that annual MRFP.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of it.

For a free copy of these documents, call us toll free at 1-877-344-1434 or ask your advisor. These documents and other information about the Funds are also available at www.sunlifeglobalinvestments.com and www.sedar.com.

What is a mutual fund and what are the risks of investing in a mutual fund?

What is a mutual fund?

The Funds are mutual funds. When you invest in a mutual fund, you contribute your cash to a pool of investments along with many other people. Professional money managers use the cash to buy securities on behalf of all the contributors.

A mutual fund invests in different kinds of securities based on its investment objectives. For example, a Canadian equity fund buys mainly shares of Canadian corporations, while a Canadian balanced fund buys a mix of Canadian equities and bonds.

These securities form the mutual fund's investment portfolio. The value of these securities changes from day to day, reflecting changes in economic and market conditions, interest rates and company news. See *Price fluctuation* for details.

How mutual funds are structured

A mutual fund can be set up as a mutual fund trust or as a mutual fund corporation. Both allow you to pool your money with other investors and share proportionally in the mutual fund's income, expenses and capital gains or losses with reference to the number of securities that you own. However, there are some differences between a mutual fund set up as a mutual fund trust and one set up as a mutual fund corporation. When you invest in a mutual fund trust, you buy units of the trust and you become a unitholder. When you invest in a mutual fund corporation, you buy shares of the corporation and you become a shareholder. A mutual fund corporation can issue several classes of shares. Simply, each share class works like a separate mutual fund with its own investment objectives.

The main difference between an investment in a mutual fund trust and an investment in a mutual fund corporation is in how your investment is taxed.

A mutual fund trust distributes sufficient income and net realized capital gains so that the mutual fund trust will not be subject to tax. A mutual fund corporation distributes its Canadian source dividends and sufficient net realized capital gains by declaring ordinary dividends and capital gains dividends so that the corporation will not be subject to tax on these earnings. Mutual fund corporations may be subject to tax on the income from other sources though steps are taken to eliminate or minimize tax at the corporate level.

Units of a mutual fund trust and shares of a mutual fund corporation may be issued in different series. Each series is intended for different kinds of investors and has different fees and expenses.

Structure of the Funds

Each Fund is an open end mutual fund trust governed by a Master Declaration of Trust under Ontario laws. We, as trustee, hold the property and investments of the Funds in trust for the unitholders.

Provided that you are eligible, you can buy an unlimited number of a series of units of a Fund.

Classes and series of securities

A 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. For some purposes, such as calculating fees and expenses, a class or a series of securities may be dealt with separately from other classes or series of securities of that Fund. In addition, the money that you and other investors pay to purchase securities of any series is tracked on a series-by-series basis in your Fund's administration records. For other purposes, such as the investment activity of the portfolio of a Fund, all classes and series of securities of the Fund are dealt with together.

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 Simplified Prospectus. 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.

See *Series of securities* for more details on the different series of securities available.

What are the general risks of investing in a mutual fund?

Risk is the chance that your investment may not perform as expected. There are different degrees and types of risk, but, in general, the more investment risk you are willing to accept, the higher your potential returns and the greater your potential losses.

The general risks include:

Price fluctuation

Mutual funds own different types of investments, depending on their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions and market and company news. As a result, the value of a mutual fund's securities may go up and down and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

Your investment is not guaranteed

The value of your investment in a mutual fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund securities are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Redemptions may be suspended

Under exceptional circumstances, your right to redeem your securities may be suspended. See *Suspending your right to redeem* for details.

What are the specific risks of investing in a mutual fund?

Each Fund also has specific risks. The description of each Fund, starting on page 34, sets out the risks that apply to that Fund as well as to the underlying funds in which that Fund invests. Following, in alphabetical order, is a description of each of those risks:

Asset-backed and mortgage-backed securities risk

Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. If there are changes in the market's perception of the issuers of these types of securities, in the creditworthiness of the underlying borrowers or in the assets backing the pools, then the value of the securities may be affected. In addition, the underlying loans may not be ultimately repaid in full, in some cases leading to holders of asset-backed and mortgage-backed securities not receiving full payment.

Capital depletion risk

Series T5 and Series F5 securities, as well as securities of other series of certain Funds or underlying funds, seek to provide investors with regular distributions. Series T5 and Series F5 securities are designed to provide investors with a fixed monthly cash flow based on a target annualized distribution rate of 5% of the NAV per security of the relevant series at the end of the prior year. Where the distribution rate on these securities, as well as the securities of certain underlying funds, is greater than the income and net realized capital gains on the Fund's or underlying fund's investments, a portion of the regular target distributions for these series will include a return of capital. These distributions should not be confused with "yield" or "income", and are not intended to reflect the Fund's or the underlying fund's investment performance. **If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.** A distribution of capital is not immediately taxable to you but will reduce the adjusted cost base of your securities. Please see *Income tax considerations for investors* for a discussion of the tax consequences of a distribution of capital.

Return of capital that is not reinvested will reduce the total NAV of the particular series on which it was paid and will reduce the total net assets of the mutual fund or underlying fund available for investment, which may reduce the ability of the Fund or underlying fund to generate future income.

Concentration risk

Some Funds or underlying funds may hold a large portion of their assets in securities of a single issuer or may invest in a relatively small number of securities. These Funds or underlying funds may be more volatile and will be strongly affected by changes in the market value of those securities.

Credit risk

Credit risk can have a negative impact on the value of a money market security or a debt security such as a bond. This risk includes:

- Default risk, which is the risk that the issuer of the debt will not be able to pay interest or repay the debt when it is due. Negative perceptions of the issuer's ability to make such payments may cause the price of the debt security to decline. Generally, the greater the risk of default, the lower the quality of the debt security.
- Credit spread risk, which is the risk that the difference in interest rates (called "**credit spread**") between the issuer's bond and a bond considered to have little associated risk (such as a treasury bill) will increase. An increase in credit spread decreases the value of a debt security.
- Downgrade risk, which is the risk that a specialized credit rating agency will reduce the credit rating of an issuer's securities. A downgrade in credit rating decreases the value of a debt security.
- Collateral risk, which is the risk that it will be difficult to sell the assets the issuer has given as collateral for the debt or that the assets may be deficient. This difficulty could cause a significant decrease in the value of a debt security.
- Low-rated security risk, which is the risk that an investment has a credit rating below investment grade or is sometimes not rated at all. These investments generally offer a higher interest to compensate for this risk and are sometimes referred to as "high yield" securities. However, they may also be less liquid and carry the risk of bigger losses than higher grade investments.

Currency risk

Some Funds may invest a portion of their investment portfolio in foreign securities; however, the assets and liabilities of each Fund are valued in Canadian dollars. If a Fund buys a security denominated in a foreign currency, during the time that the Fund owns that security, for the purposes of calculating the NAV of that Fund, we convert, on a daily basis, the value of the security into Canadian dollars. Similarly, an underlying fund may buy a security denominated in a foreign currency and convert the value of the security into Canadian dollars. Fluctuations in the value of the Canadian dollar relative to the foreign currency will impact the NAV of the Fund or the underlying fund, as the case may be. If the value of the Canadian dollar has increased relative to the foreign currency, the return on the foreign security may be reduced, eliminated or made negative. The opposite can also occur; that is, a Fund or an underlying fund holding a security denominated in a foreign currency may benefit from an increase in the value of the foreign currency relative to the Canadian dollar.

Some foreign governments may restrict currency exchange. If we or the manager of an underlying fund cannot exchange the currencies in which a Fund or an underlying fund is invested, we or the manager of an underlying fund, as the case may be, may be unable to make cash distributions or process redemptions.

Cyber security risk

As the use of technology has become more prevalent in the course of business, the Manager and the Funds have become potentially more susceptible to operational risks through breaches in cyber security. A breach in cyber security refers to both intentional and unintentional events that may cause the Manager or a Fund to lose proprietary information, suffer data corruption, or lose operational capacity. This in turn could cause the Manager or the Fund to incur regulatory penalties, reputational damage, additional compliance costs associated with corrective measures, and/or financial loss. Cyber security breaches may involve unauthorized access to the Manager's digital information systems (e.g., through "hacking" or malicious software coding), but may also result from outside attacks such as denial-of-service attacks (i.e., efforts to make network services unavailable to intended users). In addition, cyber security breaches of the Manager's or the Funds' third party service providers or issuers that a Fund invests in can also subject the Manager or the Funds to many of the same risks associated with direct cyber security breaches. Like with operational risk in general, the Manager has established risk management systems designed to reduce the risks associated with cyber security. However, there is no guarantee that such efforts will succeed, especially since the Manager does not directly control the cyber security systems of issuers or third party service providers.

Derivative risk

Derivatives are investments whose value is based on, or derived from, an underlying asset, such as a stock or a market index. Derivatives are not a direct investment in the underlying asset itself. Derivatives are often contracts with another party to buy or sell an asset at a later date. For example, common derivatives include: (a) futures and forward contracts, which are agreements to buy or sell currencies, commodities or securities for a set price at a future date; (b) options, which give the buyer the right, but not the obligation, to buy currencies, commodities or securities at a price within a certain time period and which require a seller, at the option of the buyer, to sell currencies, commodities or securities for a set price at a future date; and (c) swaps, which allow two parties to exchange the cash flows of a wide range of financial instruments. A Fund or an underlying fund may use derivatives to limit potential gains or losses caused by changes in factors that affect the value of its investments, such as foreign exchange rates, stock prices and interest rates. This is called hedging. The Funds or the underlying funds may also use derivatives for non-hedging purposes, such as reducing transaction costs, increasing liquidity, gaining exposure to specific securities, financial markets or indices or increasing speed and flexibility in making portfolio changes.

Any use of derivatives has risks, including:

- a hedging or non-hedging strategy may not be effective and may not achieve the intended effect;
- derivatives may be less liquid than traditional securities and there is no guarantee that a market for a derivative contract will exist when a Fund or an underlying fund wants to buy or sell;

- there is no guarantee that the Fund or the underlying fund will be able to find an acceptable counterparty willing to enter into a derivative contract;
- the counterparty to the derivative contract may not be able to meet its obligations, which could result in a financial loss for the Fund or the underlying fund;
- where the derivatives contract is a commodity futures contract with an underlying interest in sweet crude oil or natural gas, a Fund or an underlying fund that is permitted to trade in commodities futures contracts will endeavour to settle the contract with cash or an offsetting contract. However, there is no guarantee that the Fund or underlying fund will be able to do so. This would result in the Fund or the underlying fund having to make or take delivery of the underlying commodity;
- a large percentage of the assets of a Fund or an underlying fund may be placed on deposit with one or more counterparties, which exposes the Fund or the underlying fund, as the case may be, to the credit risk of those counterparties;
- securities exchanges may set daily trading limits or halt trading, which may prevent a Fund or an underlying fund from selling a particular derivative contract;
- the price of derivatives may move in unexpected ways, especially in abnormal market conditions; the price of derivatives based on a stock index could be distorted if some or all of the stocks that make up the index temporarily stop trading;
- derivatives traded on certain foreign markets may be harder to price and/or close out than those traded in Canada;
- the regulation of derivatives is a rapidly changing area of law and is subject to modification by government and judicial action; the effect of any future regulatory changes may make it more difficult, or impossible, for a Fund or underlying fund to use certain derivatives;
- costs relating to entering and maintaining derivatives contracts by a Fund or an underlying fund may reduce the returns of the Fund or the underlying fund;
- the use of futures or other derivatives can amplify a gain but can also amplify a loss, which loss can be substantially more than the initial margin or collateral deposited by the Fund or the underlying fund; and
- the price of a derivative may not accurately reflect the value of the underlying asset.

Emerging markets risk

Emerging markets may be more likely to experience political, economic and social instability and may be subject to corruption or have lower business standards. Instability may result in the expropriation of assets or restrictions on payment of dividends, income or proceeds from the sale of securities held by a mutual fund or an underlying fund. In addition, accounting and auditing standards and practices may be less stringent than those of developed countries resulting in limited availability or potentially lower quality of information relating to a Fund's or an underlying fund's investments. Further, emerging market securities are often less liquid and custody and settlement mechanisms in emerging market countries may be less developed, resulting in delays and the incurring of additional costs to execute trades of securities. Emerging markets also have the risks described under *Currency risk*, *Foreign investment risk* and *Liquidity risk*.

Equity risk

Companies issue equities, or stocks, to help finance their operations and future growth. A company's performance outlook, market activity and the larger economic picture influence its stock price. When the economy is expanding, the outlook for many companies will be positive and the value of their stocks may rise. The opposite is also true. The value of a Fund or an underlying fund is affected by changes in the prices of the stocks it holds. Prices of equities may be more volatile than those of fixed income securities. The risks and potential rewards are usually greater for small companies, start-ups, resource companies and companies in emerging markets. Investments that are convertible into equity may also be subject to interest rate risk.

Certain issuers such as royalty trusts, real estate investment trusts, limited partnerships and income trusts, have varying degrees of risk depending on the applicable sector and the underlying assets. To the extent that an underlying business or investment in property is susceptible to industry risks, stock market conditions, interest rate fluctuations, commodity prices and other economic factors, investment returns from these issuers may be similarly affected. Where a Fund or underlying fund invests in these types of issuers, the distributions paid by the issuers on their securities determine to some extent the distributions available for payment to the investors in the Fund or underlying fund. In addition, if claims against an investment trust are not satisfied by the trust, investors in the trust (i.e., such as a mutual fund) could be held responsible for such obligations. Certain, but not all, jurisdictions have enacted legislation to protect investors from some of this liability. However, the extent to which a Fund or underlying fund remain at risk for the obligations of investment trusts ultimately depends on the local laws of the jurisdictions where the Fund or underlying fund invest in investment trusts.

Foreign investment risk

Some Funds or underlying funds invest in securities issued by corporations in, or governments of, countries other than Canada or in depository receipts and other similar investments that represent securities of foreign companies. Investing in foreign securities can be beneficial in expanding an investor's investment opportunities and portfolio diversification, but there are risks associated with foreign investments, including:

- certain countries may have lower standards for accounting, auditing and financial reporting than those of Canada or the United States;
- companies outside of Canada may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in Canada;
- less information may be available about foreign issuers or governments;
- foreign markets may be less liquid and, due to lower trading volumes, more volatile than securities of comparable issuers traded in North America or securities of governments in North America;
- the legal systems of some foreign countries may not adequately protect investor rights;
- political, social or economic instability may affect the value of foreign securities;
- foreign governments may make significant changes to tax policies, which could affect the value of foreign securities;
- foreign governments may impose nationalization or expropriation policies on certain industries or companies which may affect an issuer and/or its assets; and
- foreign governments may impose currency exchange controls that prevent a Fund or an underlying fund from taking money out of the country.

Geographic concentration risk

Some Funds or underlying funds may invest a relatively large portion of their assets in issuers located in a single country, a small number of countries, or a particular geographic region. As a result, the performance of these mutual funds could be closely tied to the market, currency, economic, political, regulatory, geopolitical or other conditions in such countries or region, and could be more volatile than the performance of mutual funds the holdings of which are more geographically-diversified.

Government securities risk

Some government agency securities may be subject to varying degrees of credit risk, particularly those not backed by the full faith and credit of the government. All government securities may be subject to price declines due to changing interest rates.

Inflation risk

There is a chance that the returns or cash flows from an investment will not be worth as much in the future because of a decrease in purchasing power due to inflation. Inflation causes money to lose value. For example, the value of fixed-income investments and currencies could depreciate as the level of inflation rises in the country of origin.

Interest rate risk

The value of Funds or underlying funds that hold fixed-income securities will rise and fall as interest rates change. When interest rates fall, the value of an existing bond will, generally, rise. When interest rates rise, the value of an existing bond will, generally, fall. Changes in a debt instrument's value usually will not affect the amount of interest income paid to a Fund or underlying fund, but will affect the value of the securities. Interest rate risk is generally greater for investments with longer maturities. The value of debt securities that pay a variable (or "**floating**") rate of interest is generally less sensitive to interest rate changes.

Large transaction risk

If an investor in a Fund or an underlying fund makes a large transaction, the cash flow of the Fund or the underlying fund, as the case may be, may be affected. For example, if an investor redeems a large number of securities of a Fund, that Fund may be forced to sell securities at unfavourable prices to pay for the proceeds of redemption. This unexpected sale may have a negative impact on the value of your investment in the Fund.

We or others may offer investment products that invest all or a significant portion of their assets in a Fund or an underlying fund. These investments may become large and could result in large purchases or redemptions of securities of a Fund or the underlying fund.

A Fund will generally be subject to a "loss restriction event" for tax purposes each time a person or partnership becomes a "majority interest beneficiary" (as defined in the *Income Tax Act* (Canada) (the "**Tax Act**")) of the Fund if, at the time, the Fund does not qualify as an "investment fund" by satisfying investment diversification and other conditions. If a Fund experiences a "loss restriction event", 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. As a result, the amount of distributions paid by the Fund after a loss restriction event may be larger than they otherwise would have been. Please see *Income tax considerations for investors* for a discussion of the tax consequences of a distribution.

Liquidity risk

A liquid asset trades on an organized market, such as a stock exchange, which provides price quotations for the asset. The use of an organized market means that it should be possible to convert the asset to cash at, or close to, the quoted price.

An asset is considered illiquid if it is more difficult to convert it to a liquid investment, such as cash. A company's securities may be illiquid if:

- the company is not well known;
- there are few outstanding securities;
- there are few potential buyers; or
- they cannot be resold because of a promise or an agreement.

The value of a Fund or an underlying fund that holds illiquid securities may rise and fall substantially because the Fund or the underlying fund may not be able to sell the securities for the value that is used in calculating the NAV of the Fund or the underlying fund, as the case may be. The sale of such securities may also require the Fund or underlying fund to incur expenses in addition to those normally associated with the sale of a security. There are restrictions on the amount of illiquid securities a Fund may hold.

Market risk

The market value of a Fund's or an underlying fund's investments could rise or fall based on overall stock market conditions rather than each company's performance. The value of the market can vary with changes in the general economic and financial conditions. Political, social and environmental factors can also significantly affect the value of any investment.

Passive management risk

Certain exchange-traded funds and any index funds in which a Fund or an underlying fund invests may not be "actively" managed. Passively managed funds would not necessarily sell a security if the security's issuer was in financial trouble, unless the security is removed from the applicable index being replicated. The passively managed fund must continue to invest in the securities of the index, even if the index is performing poorly. That means the passively managed fund won't be able to reduce risk by diversifying its investments into securities listed on other indices. It is unlikely that an underlying fund which uses an indexing strategy will be able to track an index perfectly because the underlying fund has its own operating and trading costs, which lower returns. Indices do not have these costs. As a result, the performance of a passively managed fund may differ significantly from the performance of an actively managed fund. This may in turn affect the performance of a Fund or an underlying fund that invests in such passively managed fund.

Regulatory risk

There can be no assurance that certain laws applicable to investment funds, including the Funds and the underlying funds, such as income tax and securities laws, and the administrative policies and practices of the applicable regulatory authorities will not be changed in a manner that adversely affects an investment fund or the investors in such investment funds.

Repurchase and reverse repurchase transactions and securities lending risk

A Fund or an underlying fund may engage in repurchase, reverse repurchase or securities lending transactions.

A repurchase transaction is where a Fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price. While the Fund retains its exposure to changes in the value of the portfolio securities, it also earns a return for participating in the repurchase transaction.

A reverse repurchase transaction is where a Fund purchases securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the Fund's purchase price for the securities and the resale price provides the Fund with a return.

A securities lending transaction is where a Fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the Fund at a later date an equal number of the same securities and to pay a fee to the fund for borrowing the securities. While the securities are borrowed, the borrower provides the Fund with collateral consisting of cash and/or securities. In this way, the Fund retains exposure to changes in the value of the borrowed securities while earning additional fees.

As indicated above, repurchase, reverse repurchase and securities lending transactions allow the Funds to earn additional income and thereby potentially enhance their performance.

Repurchase, reverse repurchase and securities lending transactions involve certain risks. The other party to these types of transactions may default under the agreement or go bankrupt. If that happens in a reverse repurchase transaction and the market value of the security has dropped, the Fund or an underlying fund may be unable to sell the security at the price it paid plus interest. If that happens in a repurchase or a securities lending transaction, the Fund or the underlying fund, as the case may be, may suffer a loss if the value of the security it sold or loaned has increased more than the value of the cash or collateral the mutual fund or the underlying fund holds.

To reduce these risks, the Fund and the underlying funds that are subject to National Instrument 81-102 - *Investment Funds* ("NI 81-102") require the other party to put up collateral. The value of the collateral must be at least 102% of the market value of the security sold (for a repurchase transaction), bought (for a reverse repurchase transaction) or loaned (for a securities lending transaction). The value of the collateral is checked and reset daily. The market value of securities sold under repurchase transactions and loaned under securities lending agreements must not exceed 50% of the net asset value of the Fund or underlying fund immediately after entering into the transaction. This calculation excludes cash held by a Fund or underlying fund for sold securities and collateral held for loaned securities.

Series risk

Each Fund may be issued in more than one series of securities. Similarly, an underlying fund may issue more than one series or class of securities. Each series of a Fund or underlying has its own fees and expenses, which are tracked separately. If the Fund or underlying fund cannot pay the expenses of one series using that series' share of the Fund or underlying fund, the Fund or the underlying fund will have to pay those expenses out of the other series' share of the assets of the Fund or underlying fund attributable to those series. This could lower the investment return of the other series.

Small company risk

A Fund or an underlying fund may make investments in smaller capitalization companies. These investments are generally riskier than investments in larger companies for several reasons. Smaller companies are often relatively new and/or may not have an extensive track record. This may make it difficult for the market to place a proper value on these companies. Some of these companies may not have extensive financial resources and, as a result, may be unable to react to events in an optimal manner. In addition, stocks of smaller companies are sometimes less liquid, meaning that there is less demand for such stocks in the marketplace at a price that is deemed fair by sellers.

Specialization risk

A Fund or an underlying fund that invests primarily in one industry or market capitalization range, or a Fund or an underlying fund that uses a specific investment approach such as growth or value, may be more volatile than a less specialized investment fund, and will be strongly affected by the overall economic performance of the area of specialization in which the mutual fund or the underlying fund invests. The Fund or the underlying fund, as the case may be, must continue to follow its investment objectives regardless of the economic performance of the area of specialization.

Tracking risk

A Fund may seek to have its returns linked to the performance of an underlying fund by purchasing securities of the underlying fund. The Fund may not be able to track the performance of the underlying fund to the extent desired for the following reasons:

- The Fund pays fees and expenses, which affects returns;
- The Fund may incur withholding tax from the income of the underlying fund, which affects returns;
- The level of subscription and redemption activity in securities of the Fund and the underlying fund differs;
- Under normal circumstances, there will be a delay of at least a one business day between the time an investor buys securities of the Fund and the time the Fund gets additional exposure to the underlying fund. The possible impact of such a delay will be increased if new purchases of securities are large compared to existing investments in the Fund. This “cash drag” is often generally more significant in Funds with relatively smaller assets under management; and
- A Fund may be permitted to invest in other assets.

Transaction costs risk

The asset allocation process used by a Fund may result in an increased number of portfolio transactions and potentially higher overall transaction costs. This process can have an adverse effect on the performance of the Fund during periods of increased market volatility. In addition, the investment strategy used by a Fund may result in the Fund having a higher portfolio turnover rate. Portfolio turnover refers to the frequency of portfolio transactions and the percentage of portfolio assets being bought and sold during the year, which may increase overall costs.

Underlying fund risk

Each Fund pursues its investment objectives by investing indirectly in securities of other mutual funds, including exchange-traded funds, in order to gain access to the strategies pursued by those underlying funds. There can be no assurance that any use of such multi-layered fund of fund structures will result in any gains for a Fund. If an underlying fund that is not traded on an exchange suspends redemptions, a Fund that invests in such underlying fund will be unable to value part of its portfolio and may be unable to redeem its securities.

Investment funds that are traded on an exchange (i.e. exchange-traded funds) are subject to the following risks that do not apply to conventional mutual funds: (i) an exchange-traded fund’s securities often trade on the exchange at a premium or discount to the net asset value of such securities; (ii) an active trading market for an exchange-traded fund’s securities may not develop or be maintained, and (iii) there is no assurance that the exchange-traded fund will continue to meet the listing requirements of the exchange. In addition, if the market or exchange upon which the exchange-traded fund trades is not open, the underlying fund may be unable to determine its net asset value per security, and so may be unable to satisfy redemption requests.

The Funds have obtained exemptive relief to invest in exchange-traded funds that may use leverage, seek to track an index on an inverse basis or seek to gain exposure to gold and/or silver, subject to certain conditions. Leveraged exchange-traded funds seek to deliver multiples of the performance of the index or benchmark they track. Leverage involves borrowing money to increase the size of an investment. Inverse exchange-traded funds seek to deliver the opposite of the performance of the index or benchmark they track. Leveraged exchange-traded funds and inverse exchange-traded funds generally use derivatives to achieve their investment objectives. The strategies used by such exchange-traded funds have the potential of magnifying the risk associated with the underlying market segments or indexes to which such exchange-traded funds are exposed, particularly in volatile market conditions.

To the extent that a Fund or an underlying fund invests in other investment fund(s), the Fund or the underlying fund is exposed to the risks to which such investment funds are exposed and the risks of investing in such investment funds.

Organization and management of the Funds

Who organizes and manages the Funds?

Sun Life Global Investments (Canada) Inc. is a Canadian investment management firm wholly-owned (indirectly) by Sun Life Financial Inc. Sun Life Financial Inc. 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.

Who works with the Funds?

MANAGER

Sun Life Global Investments (Canada) Inc.

One York Street, Suite 3300
Toronto, Ontario
M5J 0B6
1-877-344-1434
www.sunlifeglobalinvestments.com

The manager is responsible for the day to day business and operations of the Funds and for appointing portfolio managers and any sub-advisors. We may hire arm's length third parties or affiliates to perform some of the services required by the Funds.

TRUSTEE

Sun Life Global Investments (Canada) Inc.

Toronto, Ontario

The Funds are organized as mutual fund trusts. When you invest in one of the Funds, you buy units of the trust. The trustee holds title to the Funds' investments in trust for the unitholders.

PORTFOLIO MANAGER TO THE FUNDS

Sun Life Global Investments (Canada) Inc.

Toronto, Ontario

We are the portfolio manager of each Fund. In such capacity, we are responsible for managing the investment portfolio of the Funds. We may appoint sub-advisors for the Funds.

CUSTODIAN

RBC Investor Services Trust

Toronto, Ontario

The custodian holds all of the Funds' investments for safekeeping. The custodian is not an affiliate of the Manager.

RECORD KEEPER

International Financial Data Services (Canada) Limited

Toronto, Ontario

The record keeper maintains a record of the owners of securities of the Funds and processes changes in ownership. The record keeper is not an affiliate of the Manager.

INDEPENDENT AUDITORS

Ernst & Young LLP

Kitchener, Ontario

Ernst & Young LLP audit the Funds' annual financial statements and provide an opinion as to whether they present fairly the Funds' financial position, results and changes in net assets in accordance with applicable accounting principles. The auditors are independent of the Funds in accordance with the rules of professional conduct of the Chartered Professional Accountants of Ontario.

SECURITIES LENDING AGENT

RBC Investor Services Trust

Toronto, Ontario

In the event that a Fund engages in a securities lending or repurchase transaction, RBC Investor Services Trust will be appointed as the Fund's agent. The agent will act on behalf of the Fund in administering the securities lending and repurchase transactions entered into by the Fund.

The securities lending agent will be independent of us.

INDEPENDENT REVIEW COMMITTEE

The Manager has established an independent review committee for the Funds. The mandate of the Independent Review Committee ("IRC") is to review, and provide input on, our written policies and procedures that deal with conflict of interest matters in respect of the Funds and to review and, in some cases, approve conflict of interest matters. The IRC may also approve any change of the auditor of the Funds and, in certain circumstances, approve a fund merger. Investor approval will not be obtained in these circumstances, but you will be sent a written notice at least 60 days before the effective date of any such change of auditor or merger.

As at the date of this Simplified Prospectus, the IRC is composed of three members. Each member of the IRC is independent of us, the Funds and any party related to us. The IRC will prepare, at least annually, a report of its activities for investors. This report will be available on our website at www.sunlifeglobalinvestments.com, or you may request a copy, at no cost to you, by contacting us at info@sunlifeglobalinvestments.com.

Additional information about the IRC, including the names of the members, is available in the Funds' AIF.

Fund of funds

Each of the Funds (referred to in this context as a top fund) may buy securities of an underlying fund. Where we are the manager of both the top fund and an underlying fund, we will not vote for the securities of the underlying fund that are held by the top fund. However, in our discretion, we may decide to flow those voting rights to investors in the top fund.

Purchases, redemptions and switches

Series of securities

Each Fund may have an unlimited number of series of securities and may issue an unlimited number of securities of each series. The description of each Fund starting on page 37 sets out the series of securities currently offered by

that Fund. We may offer additional securities under separate simplified prospectuses or other offering documents. The offering of any series of securities can be terminated at any time and any additional series of securities may be offered at any time.

Each series of securities is intended for different types of investors. Investors must meet eligibility criteria established by us from time to time in order to hold certain series of securities of the Funds. We will publicly announce any new eligibility criteria or any change to existing eligibility criteria before such criteria or change becomes effective. If, at any time, you cease to be eligible to hold your series of a Fund, we may switch you to another series of securities of the same Fund (including a series that may be created in the future).

Series A securities

Series A securities are available to all investors.

Series T5 securities

Series T5 securities are available to all investors. Series T5 securities are designed to provide investors with a fixed monthly distribution based on a target annualized distribution rate of 5% of the NAV per security of the relevant series at the end of the prior year. The amount of the monthly distribution will be reset at the beginning of each calendar year. The monthly distributions are not intended to reflect a Fund's investment performance and should not be confused with "yield" or "income". **The target monthly distributions may be paid out of income, capital gains or capital of the Fund and the composition may vary from month to month. A portion of the monthly distribution for Series T5 securities is likely to include a return of capital.** The distribution rate on these series may be greater than the return on the Fund's investments. **If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.** A distribution of capital is not immediately taxable to you but will reduce the adjusted cost base of your securities. Please see *Income tax considerations for investors* for a discussion of the tax consequences of a distribution of capital. **Additional distributions of income and capital gains will be made in December if required.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series T5 securities will make any distributions in any particular month.

Series F securities

Series F securities are available to investors who have a fee-based account with their dealer and whose dealer has signed an agreement with us. Instead of paying sales charges, investors buying Series F securities pay fees to their dealer for investment advice and for other services. We do not pay any commissions to dealers in respect of Series F securities, so we can charge a lower management fee.

If you cease to be eligible to hold Series F securities, we may change your Series F securities for Series A securities of the same Fund under the Front End Sales Charge option.

Series F5 securities

Series F5 securities are available to investors who have a fee-based account with their dealer and whose dealer has signed an agreement with us. Instead of paying sales charges, investors buying Series F5 securities pay fees to their dealer for investment advice and for other services. We do not pay any commissions to dealers in respect of Series F5 securities, so we can charge a lower management fee.

Series F5 securities are designed to provide investors with a fixed monthly distribution based on a target annualized distribution rate of 5% of the NAV per security of the relevant series at the end of the prior year. The amount of the monthly distribution will be reset at the beginning of each calendar year. The monthly distributions are not intended to reflect a Fund's investment performance and should not be confused with "yield" or "income". **The target monthly distributions may be paid out of income, capital gains or capital of the Fund and the composition may vary from month to month. A portion of the monthly distribution for Series F5 securities is likely to**

include a return of capital. The distribution rate on these series may be greater than the return on the Fund's investments. **If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.** A distribution of capital is not immediately taxable to you but will reduce the adjusted cost base of your securities. Please see *Income tax considerations for investors* for a discussion of the tax consequences of a distribution of capital. **Additional distributions of income and capital gains will be made in December if required.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series F5 securities will make any distributions in any particular month. If you cease to be eligible to hold Series F5 securities, we may change your Series F5 securities to Series T5 securities of the same Fund under the Front End Sales Charge option.

Series I securities

Series I securities are special purpose securities that are currently only available to other mutual funds and eligible institutional investors. Series I securities are not sold to the general public. Each Series I investor negotiates its own management and advisory fee that is paid directly to us. Series I securities are not generally sold through dealers, and no sales commissions are payable to dealers for selling these securities. We must approve any switch to or from the Series I securities.

If you cease to be eligible to hold Series I securities, we may change your Series I securities for Series A securities of the same Fund under the Front End Sales Charge option.

How to buy securities of the Funds

You can buy securities of the Funds through a registered dealer. You must be of the age of majority in the province or territory in which you live to buy securities of a mutual fund. You may hold securities in trust for a minor.

Purchase price

When you buy securities of a Fund, the price you pay is the NAV of those securities. Each series of securities of a Fund has a separate NAV ("**series NAV**"). In general, we calculate the series NAV by:

- taking that series' proportionate share of the assets of the Fund; and
- subtracting that series' expenses and its proportionate share of the class expenses and the Fund's common expenses.

The NAV for each security in each series is calculated by dividing the series NAV by the total number of outstanding securities of that series.

We calculate the NAV for each series of each Fund in Canadian dollars.

If we receive your purchase order before 4 p.m. Eastern Time ("**ET**") on a day that the Toronto Stock Exchange ("**TSX**") is open for business or before the TSX closes for the day, whichever is earlier, we will process your order based on the NAV calculated on that day. If we receive your order after that time, we will process your order based on the NAV calculated on the next business day.

Sales Charges

Series A and Series T5 securities are generally available for purchase under the Front End Sales Charge option only. Under the Front-End Sales Charge option, you and your dealer negotiate a fee, which may be up to 5% of the cost of the securities, and you pay this fee to your dealer when you buy the securities. You will not pay a redemption fee when you redeem your securities.

There are no sales charges for the purchase of Series F, Series F5 or Series I securities. However, Series F and Series F5 investors may pay a separate fee to their dealer.

Minimum investment

The minimum initial investment in Series A, Series T5, Series F and Series F5 securities of the Funds is \$500. Each additional investment in Series A, Series T5, Series F or Series F securities 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 other series of the securities of the Funds and the consequences of failing to maintain such minimum.

How we process your order

You and your advisor are responsible for ensuring that your purchase order is accurate and that we receive all the necessary documents or instructions. If we receive a payment or a purchase order that is otherwise valid but fails to specify a Fund, or if any other documentation in respect of your purchase order is incomplete, we will deem such order to be for Series A securities of Sun Life Money Market Fund and invest your money in such securities, under the Front End Sales Charge option at a 0% sales charge. Once we know the Fund you have selected and we have received your documentation in good order, we will switch this investment into the Fund(s) and series that you have selected, without additional charge, at the NAV of the Fund(s) on the applicable switch date.

We must receive full payment within two business days of processing your order. If we do not receive payment within that time or if the payment is returned, we will sell your securities on the next business day. If the proceeds are greater than the amount you owe us, the Fund will keep 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.

We can accept or reject your order within one business day of receiving it. To reduce the adverse effect to existing investors of large redemptions in a Fund, we may reject your order if it makes you a holder of 10% or more of the Fund's net assets. If we accept your order, you will receive a written confirmation from us and/or your dealer or the intermediary. If we reject your order, we will return your money to you without interest.

How to redeem your securities

If you want to redeem any of your securities of the Funds, contact your advisor, who may ask you to complete a redemption request form.

Upon redemption, we will pay you the current NAV for your securities, less any applicable fees. If we receive your redemption request before 4 p.m. ET on a day that the TSX is open for business or before the TSX closes for the day, whichever is earlier, we will calculate your redemption value as of that day. If we receive your redemption request after that time, we will calculate your redemption value as of the next business day.

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

Redemption requests in any of the following cases are required to have signatures guaranteed by a Canadian chartered bank or trust company or by your dealer:

- your redemption proceeds are \$25,000 or more;
- you ask us to send your redemption proceeds to another person or to a different address than which is recorded for your account;
- your redemption proceeds are not payable to all joint owners on your account; or

- a corporation, partnership, agent, fiduciary or surviving joint owner is redeeming securities.

You should consult your advisor with respect to the documentation required.

Redemption fees

You do not pay a redemption fee for redeeming Series A, Series T5, Series F, Series F5 or Series I securities. However, you may have to pay a short-term or excessive trading fee if you redeem securities within 30 days of purchase. See *Short-term or excessive trading fees*. There is no redemption fee for securities received from reinvested distributions.

Short-term or excessive trading

In general, the Funds are long-term investments. Frequent trading or switching securities of the Funds by certain investors can hurt 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".

We use a combination of measures to detect and deter market timing activity, including:

- monitoring trading activity in our client accounts and, through this monitoring, declining certain trades;
- imposing short-term 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 Funds and not to us.

Short-term or excessive trading fees

If you redeem or switch securities of a Fund within 30 days of purchase, the transaction may be subject to a short-term or excessive trading fee of 2% of the NAV of the securities redeemed or switched. The fee payable will be deducted from the amount you redeem or switch and will be paid to the applicable fund. The short-term or excessive trading fee is in addition to any redemption or switch fees that you may pay. See *Fees and expenses payable directly by you*. Each additional switch counts as a new purchase for this purpose. No short-term or excessive trading fees are charged:

- for a redemption of securities when an investor fails to meet the minimum investment amount for the Funds;
- for a redemption of securities acquired through automatic reinvestment of all distributions by a Fund;
- for a redemption of securities in connection with a failed settlement of a purchase of securities;
- for a switch or a redemption from Sun Life Money Market Fund or from Sun Life Money Market Class (each a Sun Life Global Investments Mutual Fund offered under a separate simplified prospectus);
- for a switch under the Systematic Transfer Plan (as defined below);

- for a switch as a result of a rebalancing transaction under the Account Rebalancing Service (as defined below);
- for a change of securities from one series to another of the same fund;
- for a redemption of securities by another investment fund or investment product approved by us; or
- 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.

See also *Switch fees* and *Minimum investment* for details.

Fair value pricing

The TSX generally closes at 4 p.m. ET. We price a Fund's equity holdings using their market values as of 4 p.m. ET. For securities traded on North American markets, the closing prices are generally an accurate reflection of market values at 4 p.m. ET. However, closing prices on foreign securities exchanges may, in certain cases, no longer accurately reflect market values. Events affecting the values of the Fund's foreign portfolio holdings may have occurred after the foreign market closed but before 4 p.m. ET. Our fair value pricing process makes adjustments to closing prices of foreign securities if there is a significant event which has occurred between the time the foreign market closed and the time at which the NAV for the Funds is calculated. The intent of fair value pricing is to increase the likelihood that a Fund's NAV truly reflects the value of its holdings at the time the Fund's price is determined and to deter market timing activity by decreasing the likelihood that an investor is able to take inappropriate advantage of market developments that occur following the foreign market close and prior to 4 p.m. ET.

How we process your redemption request

We will pay you the proceeds of your redemption request within two business days of receiving all the required documents or instructions. We will deduct any redemption fees and withholding tax from the payment.

If your account is registered in the name of your dealer or an intermediary, we will send the proceeds to that account unless your dealer or the intermediary tells us otherwise.

If we do not receive all the necessary documents or instructions within 10 business days of receiving your redemption order, we will buy back your securities on the tenth business day after the redemption. If the sale proceeds are greater than the cost, the Fund will keep the difference. If the sale proceeds are less than the cost, your dealer will pay the difference to the Fund and you may have to reimburse your dealer.

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 your account falls below \$500, we may notify you and give you 30 days to make another investment. If your account stays below \$500 after those 30 days, we may redeem all of the securities in your account and send the proceeds to you.

In addition, we reserve the right to redeem, without notice to you, all of the securities that you hold in a Fund if your investment in that Fund falls below \$500. We also intend 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 most mutual funds in Canada.

Irrespective of the size of your investment in a Fund, we reserve the right to redeem all of the securities that you hold in a Fund if we believe it is in the best interest of the Fund to do so.

Suspending your right to redeem

Canadian securities regulators allow us to suspend your right to redeem your securities when:

- normal trading is suspended in any market where securities or derivatives that make up more than 50% of the Fund's total value are traded and there is no other market or exchange that represents a reasonable alternative; or
- Canadian securities regulators consent.

If we suspend redemption rights after you have requested a redemption and before your redemption proceeds have been determined, you may either withdraw your redemption request or redeem your securities at the NAV determined after the suspension period ends. We will not accept orders to buy securities of a Fund during any redemption suspension period.

How to switch your securities

You may, at any time, switch all or part of your investment in one Fund to a different Sun Life Global Investments Mutual Fund (provided that you are eligible to make the switch). You may also change between series of the same Fund (which is referred to as a “**redesignation**”), provided that you are eligible to purchase the new series.

You must place all switch orders through your advisor.

Switching between Sun Life Global Investments Mutual Funds

You can switch your securities of one series of a Fund into securities of the same series or a different series of another Sun Life Global Investments Mutual Fund, provided you are qualified for the series you are switching into. This 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. See *Income tax considerations for investors* for more details.

Changing between series

You may change your securities of one series of a Fund into securities of a different series of the same Fund if you are eligible to purchase the new series. See *Series of securities* for eligibility details. A change between series of the same Fund is processed as a redesignation, and is not considered to be a disposition of the securities for tax purposes. You will not realize a capital gain or loss upon a redesignation unless securities are redeemed to pay any fees or charges. See *Income tax considerations for investors* for more details.

The following are some more things you 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 you change 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, you can choose to have any of the three available purchase options apply to your 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 will likely result in a change in the number of securities of the Fund you hold since each series of a Fund generally has a different NAV per security.
- If you are no longer eligible to hold Series F, Series F5 or Series I securities, we may change your 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 you a switch fee of up to 2% of the amount switched to cover their time and processing costs associated with a switch transaction. Generally, dealers may charge you a switch fee for a switch to or from Series A or Series T5 securities of a Fund. You and your 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 you are no longer eligible to hold a certain series of securities and the Manager changes your securities to another series of the same Fund, the dealer will not receive a switch fee or a sales commission.

You may also have to pay a short-term or excessive trading fee if you switch from securities purchased within the last 30 days. See *Short-term or excessive trading* and *Short-term or excessive trading fees*.

No switch fees are charged when:

- you change securities of a series of a Fund to securities of another series of the same Fund;
- you are 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;
- you are switching securities as a result of a rebalancing transaction under the Account Rebalancing Service (as defined below); or
- you are switching under the Systematic Transfer Plan (as defined below).

Optional services

Pre-authorized chequing (PAC) plan

You can set up a PAC plan with us so that money is automatically withdrawn from your bank account at regular intervals and invested in the Funds that you choose. PAC plans allow you to take advantage of dollar cost averaging. Dollar cost averaging is investing a fixed dollar amount at regular intervals. You will buy fewer securities when the price is high and more securities when the price is low, averaging out the cost of your investment. Your dealer may offer a similar plan.

You can only buy securities in Canadian dollars through your PAC plan.

To set up a PAC plan, you must:

- provide us with an imprinted void cheque;
- tell us how much to withdraw;
- tell us when and how often to make the withdrawals; and
- tell us how to invest your contributions.

You may choose this option when you first buy securities or at any time afterwards. You must set up your PAC plan through your advisor. We require at least three business days' notice to set up a PAC plan.

We do not charge a fee for setting up your PAC plan. However, there is a minimum contribution amount of \$50 for each Fund you hold in a PAC plan. This minimum amount may be adjusted or waived in our absolute discretion and without notice to securityholders.

You may change your PAC plan instructions or cancel your PAC plan at any time as long as we receive at least two business days' notice. Most changes to accounts administered by us must be made through your dealer. If you redeem all of the securities in your account, we will terminate your PAC plan unless you tell us otherwise.

Systematic withdrawal plan (SWP)

You can set up a SWP with us so that we automatically make regular payments to you. We do this by redeeming securities in your account. Your dealer may offer a similar plan.

To set up a SWP, you must:

- have a minimum initial purchase of \$5,000 in your SWP;
- complete the required form and give it to your advisor or send it to us; and
- tell us the frequency and amount of the withdrawals you want.

We require at least three business days' notice to set up a SWP. We do not charge a fee for setting up a SWP. However, there is a minimum withdrawal amount of \$50 for each withdrawal. This minimum withdrawal amount may be adjusted or waived in our absolute discretion and without notice to investors.

You may change your SWP instructions or cancel your SWP at any time as long as we receive at least two business days' notice. Most changes must be made through your advisor or dealer.

If your regular withdrawals are greater than the growth in your account, you will eventually exhaust your original investment. In certain circumstances, such as when the amount in your account falls below \$500, we may redeem all your securities and close your account. See *Automatic redemption* for more details.

Withdrawals from your registered retirement savings plan (“**RRSP**”) and withdrawals of more than the minimum amount required to be withdrawn from your registered retirement income fund (“**RRIF**”) in a year are generally subject to withholding tax. Withdrawals from a tax free savings account (“**TFSA**”) are not subject to withholding tax. The SWP is not offered on securities held within a registered education savings plan (“**RESP**”) or registered disability savings plan (“**RDSP**”). RRSPs, RRIFs, TFSAs, RESPs and RDSPs, together with deferred profit sharing plans, are collectively, the “**Registered Plans**”.

Systematic transfer plan (STP)

You can set up a STP with us so that we automatically switch a specified dollar amount (minimum \$50 for all series of securities of a Fund) of a series of securities from one Sun Life Global Investments Mutual Fund (the “first fund”) to the same series of securities of another Sun Life Global Investments Mutual Fund (if the same series is offered) (the “other fund”) on a weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annual or annual basis.

To set up a STP, you must:

- complete the required form and give it to your advisor or send it to us;
- tell us the Sun Life Global Investments Mutual Fund from which you wish to switch from and the Sun Life Global Investments Mutual Fund to which you wish to switch to; and
- tell us the frequency and amount of the switches you want.

We require at least three business days’ notice to set up a STP. We do not charge a fee for setting up a STP.

You may change your STP instructions or cancel your STP at any time as long as we receive at least three business days’ notice. Most changes must be made through your advisor or dealer.

All the rules with respect to switching into securities of the Sun Life Global Investments Mutual Fund, as described in the simplified prospectus of the applicable Sun Life Global Investments Mutual Fund apply to switches under the STP. However, switches under an STP are not subject to the switch fee or the short-term or excessive trading fee.

See *Income tax considerations for investors* for details on the tax consequences of switching securities of the Funds.

Account Rebalancing

You can set up account rebalancing (“**Account Rebalancing Service**”) with us and we will automatically rebalance the investments in your account. This service permits you to establish a target allocation for your investments within an account. You will tell us the applicable Sun Life Global Investments Mutual Funds, the target allocation for each fund, the percentage that you will allow the actual values of your investments in the funds to differ from your target allocations before a rebalancing occurs (i.e., the “variance percentage”), and the frequency at which you want the rebalancing to occur (monthly, quarterly, semi-annually or annually). Your account will be reviewed and, if necessary, rebalanced on the last business day in the calendar period of the frequency you selected.

All rebalancing transactions are subject to the rules related to switching as set out in the simplified prospectus of the applicable Sun Life Global Investments Mutual Funds, unless otherwise indicated. Short-term trading fees will not be applied to rebalancing transactions. There is no fee for the Account Rebalancing Service and a dealer must not charge a switch fee as a result of any rebalancing. The rebalancing service is not offered on securities held within a RESP.

Before an account is subject to the Account Rebalancing Service, a form must be completed. Please ask your advisor for more details.

Registered Plans

Generally, we can set up an RRSP, RRIF, any one of the various types of locked in registered plans (such as a locked in retirement account or a life income fund), RESP, RDSP or TFSA for you when you invest in the Funds. Please contact your advisor for more details.

Please see *Income tax considerations for investors* for details on holding securities of the Funds in Registered Plans.

Fees and expenses

The following tables show the fees and expenses you may have to pay if you invest in the Funds. You may pay some of these fees and expenses directly. The Funds may pay some of these fees and expenses, which reduces the value of your investment.

If the basis of the calculation of a fee or expense that is charged to a Fund is changed in a way that could result in an increase in charges to the Fund or to its investors, or if a fee or expense to be charged to a Fund or directly to the Fund's investors by the Fund or us in connection with holding securities of the Fund that could result in an increase in charges to the Fund or its investors is introduced, and, in both cases, when this fee or expense is charged by an entity that is at arm's length to the Fund, the approval of such Fund's investors will not be obtained. Instead, investors in the Fund will be sent a written notice at least 60 days before the effective date of the change.

Fees and expenses payable by the Funds

The Funds generally pay two types of fees: Management Fees and Administration Fees.

Management fees Each Fund pays us a management fee based on the NAV of each series of the Fund, plus HST and other applicable taxes.

Management fees pay for the services we provide to the Funds, including the following:

- Portfolio and investment advisory services
- Oversight of any service providers to the Funds
- General administration of fund operations
- Marketing and other promotional activities
- Arranging for the distribution and sale of securities of the Funds
- Commissions to advisors and dealers

This list is not exhaustive.

The annual rate of the fee, excluding HST and other applicable taxes, if any, but before any management fee reduction that may be applicable to you, is set out below. The fee is accrued daily and paid monthly.

Fund name	Series A securities	Series T5 securities	Series F securities	Series F5 securities
Sun Life Tactical Fixed Income ETF Portfolio	0.95%	--	0.45%	--
Sun Life Tactical Conservative ETF Portfolio	1.20%	1.20%	0.45%	0.45%
Sun Life Tactical Balanced ETF Portfolio	1.50%	1.50%	0.50%	0.50%
Sun Life Tactical Growth ETF Portfolio	1.55%	--	0.55%	--
Sun Life Tactical Equity ETF Portfolio	1.55%	--	0.55%	--

We may, at our discretion, waive a portion or the entire amount of the management fee chargeable to a series of a Fund at any given time.

For Series I securities, investors negotiate and pay the management fees directly. The Series I management fees are described below under *Fees and expenses payable directly by you*.

Generally, we may reduce the fees and expenses charged to a Fund (including the management fee and the administration fee) for the benefit of institutional and individual investors who invest large amounts in a Fund. These reductions are negotiable by institutional investors or their advisor and us. To achieve the reduction, we reduce the fee and/or expenses charged to the Fund and then, 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 (a “**fee distribution**”). Fee distributions are generally reinvested in additional securities. However, some institutional investors may choose to receive these amounts in cash. Depending on your investment amount, management fee reductions may be available.

Administration fees and operating expenses

We pay certain of the operating expenses of each Fund, other than Fund Costs (as defined below) (the “**Administration Expenses**”), in return for a fixed-rate annual administration fee paid to us by each Fund (“**administration fee**”). The administration fee is based on the NAV of each series of the Fund. The annual rate of the administration fee, excluding HST and other applicable taxes, if any, is set out below. The fee is accrued daily and paid monthly. The Administration Expenses include, but are not limited to, record keeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, administrative and systems costs, costs of reports to investors, prospectuses and other disclosure documents, regulatory filing fees (including any regulatory fees and expenses payable by the Manager in connection with acting as manager of the Funds) and trustee fees for Registered Plans.

Fund name	Series A securities	Series T5 securities	Series F securities	Series F5 securities	Series I securities
Sun Life Tactical Fixed Income ETF Portfolio	0.20%	--	0.15%	--	0.03%
Sun Life Tactical Conservative ETF Portfolio	0.20%	0.20%	0.15%	0.15%	0.03%
Sun Life Tactical Balanced ETF Portfolio	0.20%	0.20%	0.15%	0.15%	0.03%
Sun Life Tactical Growth ETF Portfolio	0.20%	--	0.15%	--	0.03%
Sun Life Tactical Equity ETF Portfolio	0.20%	--	0.15%	--	0.03%

Each Fund also pays certain operating expenses directly (the “**Fund Costs**”). Fund Costs are: (a) borrowing costs incurred by the Funds from time to time; (b) fees and expenses payable to or in connection with the Funds’ IRC; (c) taxes payable by the Funds; and (d) the costs of complying with any new regulatory or legal requirement imposed on the Funds commencing after the inception date of the applicable Fund. Each Fund also pays costs in connection with brokerage commissions and other portfolio transaction costs, including any tax applicable to such costs, which are expenses of the Fund, but are not included in the MER of a series of a Fund.

We may, at our discretion, (i) waive a portion or the entire amount of the administration fee chargeable to a Fund at any given time; and (ii) pay certain Fund Costs for a Fund.

We may reduce the administration fee and Fund Costs charged to a Fund for the benefit of institutional and individual investors who invest large amounts in a Fund. These reductions are negotiable by the institutional investor or your advisor and us. To achieve this reduction, we make a payment directly to the investors, which is generally invested in additional securities. However, some institutional investors may choose to receive cash.

Each member of the IRC is currently entitled to an annual retainer of \$25,000 (\$29,000 for the Chair). A quarterly meeting fee is also payable to each IRC member (\$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. Members are also entitled to be reimbursed for all reasonable expenses incurred in the performance of their duties.

Fund of funds fees and expenses

When a Fund invests in securities of an underlying fund, the underlying fund may pay a management fee and other expenses in addition to the fees and expenses payable by the Fund. In certain cases, a fee equivalent to the portfolio management fees arising at the underlying fund level will be charged at the underlying fund level. The Manager anticipates that this fee will be in the 0.10% to 0.65% range. The fees and expenses of the underlying fund will have an impact on the management expense ratio of a Fund that invests in such underlying fund, as the Fund is required, in determining its management expense ratio, to take into account the expenses incurred by the Fund that are attributable to its investment in the underlying fund. However, the Fund will not pay management fees on the portion of its assets that it invests in the underlying fund that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service. In addition, the Fund will not pay duplicate sales charges or redemption fees for its purchase or redemption of securities of the underlying fund.

Fees and expenses payable directly by you

- | | |
|------------------------|---|
| Management fees | Series I investors negotiate and pay the annual management fees for Series I securities, plus any applicable taxes, to us directly. The fee is accrued daily and paid monthly. These fees will not exceed 1.50% or the Series A management fee of the same Fund, whichever is less. |
| Sales charges | Under the Front End Sales Charge option, you may have to pay up to 5% of the purchase price of the Series A or Series T5 securities you buy to your dealer. You negotiate the sales charges with your advisor. |
| Switch fees | Dealers may charge you a switch fee of up to 2% of the value of the securities switched to cover their time and processing costs associated with a switch transaction. Generally, dealers may charge you a switch fee for a switch to or from Series A or Series T5 securities. You and your advisor negotiate the fee. See <i>Switch fees</i> for details. |

Redemption fees None.

Series F and Series F5 service fees If you invest in Series F or Series F5 securities, you may have to pay your dealer a fee for investment advice and for other services. Investors in Series F and Series F5 securities do not pay sales charges and we do not pay any commissions to dealers in respect of Series F or Series F5 securities. In certain cases, we may collect the fee for investment advice on behalf of your dealer. The fee is negotiated between you and your advisor and agreed to by way of a signed agreement.

Short-term or excessive trading fees You may pay 2% of the current value of the securities if you redeem or switch them within 30 days of purchase. No short-term or excessive trading fees are 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 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 a 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 STP; (vi) for a switch as a result of a rebalancing transaction under the Account Rebalancing Service; (vii) for a change of securities from one series to another; (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.

See *Short-term or excessive trading fees* for details.

Registered plan fees None.

Other fees and expenses We will charge you an NSF fee (\$30 for each returned item) should any cheque or purchase order be returned because of insufficient funds in your account.

If you request that redemption proceeds be forwarded to you by courier or wire transfer, we may charge you for any cost incurred by us in connection with such delivery method.

Impact of sales charges

The following table shows the maximum sales charge you would pay under the Front End Sales Charge option if you made an investment of \$1,000 in a Fund, held that investment for one, three, five or ten years and redeemed immediately before the end of the period.

The table assumes you are paying the maximum possible sales charge under the Front End Sales Charge option, although you may negotiate a lower sales charge with your advisor.

Option	At purchase	1 year	3 years	5 years	10 years
Front End Sales Charge ¹	\$50.00	None	None	None	None
Deferred Sales Charge	N/A	N/A	N/A	N/A	N/A
Low Load Sales Charge	N/A	N/A	N/A	N/A	N/A

¹ There are no sales charges for Series F, Series F5 and Series I securities. However, Series F and Series F5 investors pay a separate fee to their dealer.

Dealer compensation

Commissions we pay to your Dealer

We pay your dealer (including your discount broker when you purchase securities through a discount brokerage account) an ongoing trailing commission when you hold Series A or Series T5 securities of the Funds.

We do not pay your dealer (including your discount broker when you purchase securities through a discount brokerage account) a sales commission if you buy Series F, Series F5 or Series I securities.

Sales commission

If you buy Series A or Series T5 securities of the Funds under the Front End Sales Charge option, the commission you negotiate (up to 5% of your purchase amount) is deducted from your purchase amount and paid by you to your dealer.

Trailing commission

We may pay a trailing commission to your dealer (including to your discount broker when you purchase securities through a discount brokerage account) monthly based upon a percentage of the value of the Series A or Series T5 securities of the Funds you hold. No trailing commission is paid on Series F, Series F5 or Series I securities of the Funds. We may change the terms of the trailing commission program at any time. You can contact us at any time to confirm the amount of trailing commissions paid to your dealer on a series of securities of the Funds.

The tables below show the sales and trailing commissions payable for each Fund.

Series A and Series T5 Trailing Commissions

Fund	Front End Sales Charge Option	
	Sales commission (%)	Annual trailing commission (%)
Sun Life Tactical Fixed Income ETF Portfolio	Up to 5.0	0.5
Sun Life Tactical Conservative ETF Portfolio	Up to 5.0	0.75
Sun Life Tactical Balanced ETF Portfolio	Up to 5.0	1.0
Sun Life Tactical Growth ETF Portfolio	Up to 5.0	1.0
Sun Life Tactical Equity ETF Portfolio	Up to 5.0	1.0

Other sales incentives

We may from time to time pay the permitted marketing expenses of participating dealers on a co-operative basis. We may also hold educational conferences that sales representatives of participating dealers may attend and may pay certain of the expenses incurred by participating dealers in holding such educational conferences for sales

representatives. In addition, we may provide promotional items of minimal value to representatives of participating dealers.

These activities are in compliance with applicable laws and regulations and any costs incurred by them will be paid by us and not the Funds.

Equity interest

Each of Sun Life Global Investments (Canada) Inc. and Sun Life Financial Investment Services (Canada) Inc. are indirect wholly-owned subsidiaries of Sun Life Financial Inc. Sun Life Financial Investment Services (Canada) Inc. is a participating dealer of the Funds.

Dealer compensation from management fees

During the financial year ended December 31, 2017, we paid dealers compensation of approximately 39% of the total management fees we received from the Sun Life Global Investments Mutual Funds (other than the Funds, which are new). This includes amounts we paid to dealers for commissions, trailing commissions, and marketing support programs.

Income tax considerations for investors

This information is a general summary of Canadian federal income tax rules applicable to a natural individual who is a Canadian resident who holds securities in the Funds as capital property either directly or in his or her Registered Plan. It is not intended to be legal or tax advice.

We do not describe the tax rules in detail or cover all the tax consequences that may apply. We recommend you consult your tax advisor for advice about your individual situation.

Mutual fund earnings

Mutual funds may earn income and capital gains in a number of ways. For example, a mutual fund is generally required to include in income for tax purposes, interest as it accrues, dividends when received, trust income in the year that it is received or receivable, and capital gains and losses when realized. A mutual fund is required to include in income for tax purposes an amount as notional interest on zero-coupon securities. 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 by a mutual fund as a hedge to limit gains and losses on a specific capital asset or group of capital assets held by the mutual 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 loss rather than capital gains and capital losses. A mutual fund realizes a capital gain (or loss) if it sells an investment for more (or less) than the adjusted cost base (“ACB”) of the investment. However, a capital loss realized on a security will be suspended if the mutual fund purchases an identical security within a certain period of time. There are other loss restriction rules that may prevent a mutual fund from deducting losses. Each Fund will distribute enough of its income and capital gains so that it does not have to pay normal income tax.

How your investment is taxed

The tax you pay on your mutual fund investment depends on whether the securities are held in a non-registered account or Registered Plan.

Non-registered accounts

Distributions

If you hold your securities in a non-registered account, you must include in your income for tax purposes the taxable portion of all distributions (including fee distributions) paid to you by a Fund. This is the case whether you receive them in cash or reinvest them in additional securities. The amount of any reinvested distributions is added to your ACB and thus reduces your capital gain or increases your capital loss when you redeem those securities, so that you do not pay tax twice on the same amount. The Funds will take steps so that capital gains and Canadian dividends will retain their character when paid to you as a distribution by a Fund. One half of a capital gain distribution is included in income as a taxable capital gain. Canadian dividends are subject to the dividend gross up and tax credit rules. The Funds will take steps to pass on to you the benefit of the enhanced dividend tax credit when it is available. A Fund may take steps so that you are able to claim a foreign tax credit in respect of foreign source income distributed to you.

Distributions from the Funds may include payments of capital. A distribution of capital is not included in your income for tax purposes, but will reduce the ACB of your securities on which it was paid. Where the reductions to the ACB of your securities causes the ACB to become negative, the negative amount is treated as a capital gain realized by you and the ACB of your securities will then be nil.

Sales charges paid on the purchase of securities are not deductible in computing your income, but are added to the ACB of your securities. Management fees paid on Series I securities by an investor are generally not deductible by the investor. We will provide you with tax slips showing the amount and type of distributions (ordinary income, Canadian dividends other than eligible dividends, Canadian dividends eligible for the enhanced dividend tax credit, foreign income, capital gains and/or returns of capital) you received from each Fund, and showing any related foreign tax credits.

Buying securities before a distribution date

You must include in income the taxable portion of any distribution paid to you by a Fund even though the Fund may have earned the income or realized the capital gains that gave rise to the distribution before you owned your securities and were reflected in the purchase price of the securities. This may be of particular relevance to you if you purchase securities late in the year or before a distribution date.

Portfolio turnover rate

The portfolio turnover rate is how often the portfolio manager/portfolio management team bought and sold securities for the Fund. A higher portfolio turnover rate in a year will result in greater trading costs payable by the Fund, and a greater chance that you will receive a distribution of capital gains. Gains realized by the Fund are generally offset by any losses realized on its portfolio transactions. There is not necessarily a relationship between a high portfolio turnover rate and the performance of a Fund.

Switching your securities

A redesignation of units of a Fund for units of the same Fund is not considered to be a disposition for tax purposes and should not result in a capital gain or loss unless units are redeemed to pay fees. The total cost of the securities you receive on a redesignation is the same as the total ACB of the securities that you redesignated or converted. See *Redeeming or disposing of your securities* below.

Any other switch involves a redemption and purchase of securities. See *Redeeming or disposing of your securities* below.

Redeeming or disposing of your securities

If you redeem or otherwise dispose of securities with a NAV that is greater than the ACB, you realize a capital gain. If you redeem or otherwise dispose of securities with a NAV that is less than the ACB, you realize a capital loss. You may deduct any redemption fees or other expenses of disposition when calculating your capital gains or losses. You must include one-half of a capital gain in your income as a taxable capital gain, and, generally, may deduct one-half of your capital losses from your taxable capital gains. In certain circumstances, loss restriction rules will limit or eliminate the amount of a capital loss that you may deduct. For example, a capital loss that you realize on a redemption 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 redemption, you acquired identical securities (including on the reinvestment of distributions) and you continue to own these identical securities at the end of that period. The amount of this denied capital loss is added to your ACB.

We will provide you with details of your proceeds of redemption. However, you must keep a record of the price you paid for your securities, any distributions you receive and the NAV of securities redeemed or switched. These records will allow you to calculate your ACB and the capital gains or capital losses when you redeem or switch your securities.

Adjusted cost base (ACB)

The total ACB of your securities of a series of a Fund is made up of:

- the amount you paid for all your securities of the series, including sales commissions
- plus any reinvested distributions
- minus any distributions of capital
- in the case of securities redesignated or converted on a tax-deferred basis, plus the ACB of the securities that were changed into securities of the series and minus the ACB of the securities changed out of the series
- in the case of securities switched on a taxable basis, plus the NAV of securities of the series acquired on the switch and minus the ACB of the securities of the series that were redeemed on a switch out of the Fund
- minus the ACB of securities of the series already redeemed.

The ACB of a single security is the average of the ACB of all identical securities. Your tax advisor can help you with these calculations.

International Tax Reporting

Generally, you will be required to provide your advisor or dealer with information related to your citizenship, tax residence and, if applicable, your foreign tax identification number. If you are identified as a U.S. citizen (including a U.S. citizen living in Canada) or foreign tax resident, details about you and your investment in a Fund will generally be reported to the Canada Revenue Agency unless securities are held in your Registered Plan. The Canada Revenue Agency is expected to provide the information to the relevant foreign tax authority if the relevant foreign country has signed an exchange of financial account information agreement with Canada.

Registered Plans

If securities of a Fund are held in your Registered Plan, generally neither you nor your Registered Plan is subject to tax on distributions paid by a Fund on those securities or on capital gains realized on the disposition of those securities unless the securities are a non-qualified investment or a prohibited investment under the Tax Act for your Registered Plan.

The securities of each Fund are expected to be a qualified investment for Registered Plans at all times. Securities of a Fund may be a prohibited investment for your Registered Plan (other than a deferred profit sharing plan) even if

the securities are a qualified investment. If your Registered Plan holds a prohibited investment, you become liable to a 50% potentially refundable tax on the value of the prohibited investment and a 100% tax on income and capital gains attributable to, and capital gains realized on the disposition (or deemed disposition) of, the prohibited investment. Under a safe harbour rule for newly established mutual funds, securities of a Fund will not be a prohibited investment for your Registered Plan 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.

You should consult your own tax advisor for advice regarding the implications of acquiring, holding and disposing of securities of a Fund in your Registered Plan, including whether or not securities of a Fund would be a prohibited investment for your Registered Plans.

What are your legal rights?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days after you receive the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours after you receive confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund securities and get your money back, or to make a claim for damages, if the Simplified Prospectus, AIF, Fund Facts, MRFP or financial statements misrepresent any facts about the Fund. You must usually exercise these rights within a certain time period.

You can get more information from the securities legislation of your province or territory or from your lawyer.

Specific information about each of the mutual funds described in this document

You will find detailed descriptions of each of the Funds in this part of the Simplified Prospectus. Here are explanations of what you will find under each heading.

Fund details

This tells you:

- **Fund type:** the type of mutual fund
- **Securities offered:** the series of securities that the Fund offers
- **Start date:** the date each series of securities could first be bought by the public
- **Registered plan eligibility:** whether the Fund is, or is expected to be, a qualified investment for a Registered Plan. You should consult your own tax advisor to determine whether securities of a Fund would be a prohibited investment for your Registered Plan.
- **Portfolio manager:** Sun Life Global Investments Canada is the portfolio manager for each Fund
- **Sub-advisor(s):** the name of any sub-advisor(s) we have retained to manage some or all of the investment portfolio of the Fund

What does the Fund invest in?

This tells you the Fund's:

- **Investment objectives:** the goals of the Fund, including any specific focus it has, and the kinds of securities it may invest in
- **Investment strategies:** how the portfolio manager and/or sub-advisor tries to meet the Fund's objectives

What are the risks of investing in the fund?

This tells you the specific risks of investing in the Fund. You'll find details about what each risk means in *What are the specific risks of investing in a mutual fund?* beginning on page 3.

Fund risk classification

We assign an investment risk rating to each Fund to provide you with further information to help you determine whether the Fund is appropriate for you. Each Fund is assigned an investment risk rating in one of the following categories: low, low-to-medium, medium, medium-to-high, or high risk.

The investment risk level of each Fund is required to be determined in accordance with a standardized risk classification methodology set out in NI 81-102. This risk methodology is based on the Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Fund. Standard deviation is used to quantify the historical dispersion of returns around the average returns over a recent 10-year period. In this context, it can provide an indication of the amount of variability of returns that occurred relative to the average return over the 10-year measurement period. The higher the standard deviation of a Fund, the greater the range of returns it experienced in the past. In general, the greater the range of observed or possible returns, the higher the risk.

As the Funds do not have a 10-year return history, we calculate the investment risk level by imputing the return history of one or more reference indices for the 10-year period. If a Fund either, invests substantially all of its assets in an underlying fund that has existed for at least 10 years, or there is another mutual fund with 10 years of performance history that has the same manager, portfolio manager, objectives and strategies as the Fund, then we use the returns of the underlying fund or other fund to complete a 10-year return history of the Fund for the purpose of estimating its 10-year standard deviation.

The following chart sets out a description of the reference index used for each Fund:

Fund	Reference index
Sun Life Tactical Fixed Income ETF Portfolio	10% FTSE TMX Canada 91 Day T-Bill Index, 50% FTSE TMX Canada Universe Bond Index, 40% Barclays Capital Global Aggregate C\$ Hedged Index
Sun Life Tactical Conservative ETF Portfolio	5% FTSE TMX Canada 91 Day T-Bill Index, 35.5% FTSE TMX Canada Universe Bond Index, 24.5% Barclays Capital Global Aggregate C\$ Hedged Index, 11% S&P/TSX Capped Composite Index, 24% MSCI World C\$ Index
Sun Life Tactical Balanced ETF Portfolio	2.5% FTSE TMX Canada 91 Day T-Bill Index, 21.5% FTSE TMX Canada Universe Bond Index, 16% Barclays Capital Global Aggregate C\$ Hedged Index, 19% S&P/TSX Capped Composite Index, 41% MSCI World C\$ Index
Sun Life Tactical Growth ETF Portfolio	2.5% FTSE TMX Canada 91 Day T-Bill Index, 9% FTSE TMX Canada Universe Bond Index, 8.5% Barclays Capital Global Aggregate C\$ Hedged Index, 25.5% S&P/TSX Capped Composite Index, 54.5% MSCI World C\$ Index
Sun Life Tactical Equity ETF Portfolio	31.5% S&P/TSX Capped Composite Index, 68.5% MSCI World C\$ Index

Benchmark Definitions:

The **Barclays Capital Global Aggregate Index** measures global investment grade debt from twenty-four local currency markets. This multi-currency benchmark includes treasury, government-related, corporate and securitized fixed-rate bonds from both developed and emerging markets issuers.

The **FTSE TMX Canada 91 Day T-Bill Index** measures the performance of the 91 day Treasury Bill market.

The **FTSE TMX Canada Universe Bond Index** is a market capitalization weighted index composed of investment grade, fixed coupon, government and corporate bonds, issued in Canada and denominated in Canadian dollars, with a remaining term to maturity of at least one year.

The **MSCI World Index** is a free float adjusted market capitalization index that is designed to measure global developed market equity performance.

The **S&P/TSX Capped Composite Index** imposes capped weights of 10% on all of the constituents included in the S&P/TSX Composite. The S&P/TSX Composite covers approximately 95% of the Canadian equities market, and has been the primary gauge for Canadian-based, Toronto Stock Exchange-listed companies since 1977.

We assign a risk rating category that is at, or higher than, the applicable rating indicated by the standard deviation ranges in the standardized risk classification methodology, as outlined in the table below.

Standard deviation range	Risk rating
0 to less than 6	Low
6 to less than 11	Low-to-medium
11 to less than 16	Medium
16 to less than 20	Medium-to-high
20 or greater	High

It is important to note that other types of risks, both measurable and non-measurable, may exist. It is also important to note that a Fund's historical volatility may not be indicative of future volatility. We may exercise our discretion and assign a Fund a higher risk classification than indicated by the 10-year annualized standard deviation and the prescribed ranges if we believe that the Fund may be subject to other foreseeable risks that the 10-year annualized standard deviation does not reflect.

The risk rating assigned to each Fund is approved by our fund risk classification committee. The committee also reviews the risk rating for each Fund at least annually, as well as if there is a material change in a Fund's risk profile that may affect its classification, or a change in the Fund's investment objective or investment strategy.

You can request a copy of our policy that describes the standardized risk classification methodology we use to determine the investment risk level of each Fund, at no cost to you, by calling us at 1-877-344 1434, by writing to us at One York Street, Suite 3300, Toronto Ontario M5J 0B6 or by emailing us at info@sunlifeglobalinvestments.com.

Who should invest in this fund?

This section will help you decide whether a Fund is right for you. This information is only a guide. When you are choosing investments, you should, together with your investment and tax adviser, consider your whole portfolio, your investment objectives and your risk tolerance level.

Distribution policy

This tells you how often you will receive a distribution and how it is paid. Each Fund makes distributions if and when it has amounts to distribute.

Fund expenses indirectly borne by investors

Each Fund pays us a management fee and an administration fee. In addition, each Fund also pays certain operating expenses directly. These amounts are paid for out of the assets of the Fund, which means that you indirectly pay for these amounts and that may lower returns.

No information is included under this section for the Funds because they are new and the expenses for the Funds are not yet known.

See *Fees and expenses* for more information about the cost of investing in the Funds.

Sun Life Tactical Fixed Income ETF Portfolio

Fund details

Fund type	Global Fixed Income
Securities offered	Series A, Series F and Series I units of a mutual fund trust
Start date	Series A: October 19, 2018 Series F: October 19, 2018 Series I: October 19, 2018
Registered plan eligibility	Expected to be a qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario

- may invest up to 100% of the Fund's assets in foreign securities;
- invests up to 100% of the Fund's assets in securities of exchange traded funds and/or other investment funds which may be managed by the Manager, its affiliates and/or other investment fund managers;
- monitors and periodically rebalances the Fund's assets based on the portfolio manager's assessment of market conditions in light of the Fund's investment objectives; and
- may, in its sole discretion, change the Fund's asset allocation among domestic and international fixed income funds and change the underlying funds in which the Fund invests from time to time in order to meet the investment objectives of the Fund.

What does the Fund invest in?

Investment objectives

The Fund's investment objective is to seek income, by investing primarily in fixed income exchange traded funds and other fixed income mutual funds.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

Investment strategies

In pursuing the Fund's investment objective, the portfolio manager:

- invests primarily in fixed income exchange traded funds and/or other fixed income mutual funds;
- typically selects fixed income underlying funds with exposure to Canadian debt instruments and international debt instruments;
- may also invest directly in fixed income securities;
- may invest a portion of the Fund's assets in equity exchange traded funds and/or other equity investment funds, and/or directly in equity securities;

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives for hedging purposes such as to hedge some or all of its foreign currency exposure, or to provide protection for the Fund's portfolio. The Fund may also use derivatives for non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, or to generate income. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 5.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the

Sun Life Tactical Fixed Income ETF Portfolio (continued)

discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 9.

What are the risks of investing in the Fund?

The Fund invests in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds. The Fund will be exposed to the following risks:

- Asset-backed and mortgage-backed securities risk
- Concentration risk
- Credit risk
- Currency risk
- Cyber security risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Specialization risk
- Tracking risk
- Transactions costs risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 3.

We have classified this Fund's risk level as low. Please see *Fund risk classification* on page 34 for a description of the methodology we use to classify this Fund's risk level.

Who should invest in this Fund?

This Fund may be suitable for investors who:

- seek income and potential for capital appreciation;

- seek diversification through a broad range of asset classes, geographies and investment styles;
- are medium to long term investors; and
- are comfortable with low investment risk.

Distribution policy

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

Fund expenses indirectly borne by investors

This information is not available because the Fund is new and therefore its expenses are not yet known.

Sun Life Tactical Conservative ETF Portfolio

Fund details

Fund type	Global Fixed Income Balanced
Securities offered	Series A, Series T5, Series F, Series F5 and Series I units of a mutual fund trust
Start date	Series A: October 19, 2018 Series T5: October 19, 2018 Series F: October 19, 2018 Series F5: October 19, 2018 Series I: October 19, 2018
Registered plan eligibility	Expected to be a qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario

What does the Fund invest in?

Investment objectives

The Fund's investment objective is to seek income and capital appreciation, with a bias towards income, by investing primarily in a mix of fixed income and equity exchange traded funds and other mutual funds, with a bias toward fixed income exchange traded funds and other fixed income mutual funds.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

Investment strategies

In pursuing the Fund's investment objective, the portfolio manager:

- invests primarily in a mix of fixed income and equity exchange traded funds and other mutual funds, with a bias toward fixed income exchange traded funds and other fixed income mutual funds;
- typically selects fixed income exchange traded funds and other mutual funds with exposure to Canadian debt instruments and international debt instruments;

- typically selects equity exchange traded funds and other mutual funds with exposure to Canadian equity securities, U.S. equity securities and international equity securities;
- may also invest directly in equity and/or fixed income securities;
- may invest up to 100% of the Fund's assets in foreign securities;
- typically invests between 55% and 75% of the Fund's assets in fixed income exchange traded funds, other fixed income mutual funds and fixed income securities, and between 25% and 45% of the Fund's assets in equity exchange traded funds, other equity mutual funds and equity securities;
- uses an asset allocation strategy to determine the balance between the portion of the Fund exposed to equities and the portion of the Fund exposed to fixed income;
- may review and adjust the asset allocation strategy, in its sole discretion, depending on economic conditions and relative value of equity and fixed income securities;
- invests up to 100% of the Fund's assets in securities of exchange traded funds and/or other investment funds which may be managed by the Manager, its affiliates and/or other investment fund managers;
- monitors and periodically rebalances the Fund's assets based on the portfolio manager's assessment of market conditions in light of the Fund's investment objectives; and
- may, in its sole discretion, change the Fund's allocation to each asset class and change the underlying funds in which the Fund invests from time to time in order to meet the investment objectives of the Fund.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt

Sun Life Tactical Conservative ETF Portfolio (continued)

securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives for hedging purposes such as to hedge some or all of its foreign currency exposure, or to provide protection for the Fund's portfolio. The Fund may also use derivatives for non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, or to generate income. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 5.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 9.

What are the risks of investing in the Fund?

The Fund invests in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds. The Fund will be exposed to the following risks:

- Asset-backed and mortgage-backed securities risk
- Capital depletion risk (for Series T5 and Series F5 investors only)
- Concentration risk
- Credit risk
- Currency risk
- Cyber security risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk

- Passive management risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Specialization risk
- Tracking risk
- Transactions costs risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 3.

We have classified this Fund's risk level as low. Please see *Fund risk classification* on page 34 for a description of the methodology we use to classify this Fund's risk level.

Who should invest in this Fund?

This Fund may be suitable for investors who:

- seek income and capital appreciation, with a bias towards income;
- seek diversification through a broad range of asset classes, geographies and investment styles;
- are medium to long term investors; and
- are comfortable with low investment risk.

Series T5 and Series F5 units may be suitable for investors holding units outside of a registered plan and wishing to receive monthly distributions.

Distribution policy

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series T5 and Series F5 units, the Fund will make

Sun Life Tactical Conservative ETF Portfolio (continued)

monthly distributions based on a target annualized rate of 5% of the NAV per unit of the relevant series at the end of the prior year. The target monthly distributions on Series T5 and F5 units may be comprised of income, capital gains or capital. During 2018, the monthly distribution will be \$0.0625 per Series T5 and Series F5 unit.

The monthly distributions on Series T5 and Series F5 units are not intended to reflect the Fund's investment performance and should not be confused with "yield" or "income". A portion of the monthly distribution for Series T5 and Series F5 units is likely to include a return of capital. **The distribution rate on these series may be greater than the return on the Fund's investments. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series T5 and Series F5 units will make any distributions in any particular month.

Fund expenses indirectly borne by investors

This information is not available because the Fund is new and therefore its expenses are not yet known.

Sun Life Tactical Balanced ETF Portfolio

Fund details

Fund type	Global Neutral Balanced
Securities offered	Series A, Series T5, Series F, Series F5 and Series I units of a mutual fund trust
Start date	Series A: October 19, 2018 Series T5: October 19, 2018 Series F: October 19, 2018 Series F5: October 19, 2018 Series I: October 19, 2018
Registered plan eligibility	Expected to be a qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario

What does the Fund invest in?

Investment objectives

The Fund's investment objective is to seek capital appreciation and income, with a small bias towards capital appreciation, by investing primarily in a mix of equity and fixed income exchange traded funds and other mutual funds.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

Investment strategies

In pursuing the Fund's investment objective, the portfolio manager:

- invests primarily in a mix of equity and fixed income exchange traded funds and other mutual funds;
- typically selects equity exchange traded funds and other mutual funds with exposure to Canadian equity securities, U.S. equity securities and international equity securities;
- typically selects fixed income exchange traded funds and other mutual funds with exposure to Canadian debt instruments and global debt instruments;

- may also invest directly in equity and/or fixed income securities;
- may invest up to 100% of the Fund's assets in foreign securities;
- typically invests between 50% and 70% of the Fund's assets in equity exchange traded funds, other equity mutual funds and equity securities, and between 30% and 50% of the Fund's assets in fixed income exchange traded funds, other fixed income mutual funds and fixed income securities;
- uses an asset allocation strategy to determine the balance between the portion of the Fund exposed to equities and the portion of the Fund exposed to fixed income;
- may review and adjust the asset allocation strategy, in its sole discretion, depending on economic conditions and relative value of equity and fixed income securities;
- invests up to 100% of the Fund's assets in securities of exchange traded funds and/or other investment funds which may be managed by the Manager, its affiliates and/or other investment fund managers;
- monitors and periodically rebalances the Fund's assets based on the portfolio manager's assessment of market conditions in light of the Fund's investment objectives; and
- may, in its sole discretion, change the Fund's allocation to each asset class and change the underlying funds in which the Fund invests from time to time in order to meet the investment objectives of the Fund.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives for hedging purposes such as to hedge some or all of its foreign currency exposure, or to provide protection for the Fund's

Sun Life Tactical Balanced ETF Portfolio (continued)

portfolio. The Fund may also use derivatives for non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, or to generate income. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 5.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 9.

What are the risks of investing in the Fund?

The Fund invests in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds. The Fund will be exposed to the following risks:

- Asset-backed and mortgage-backed securities risk
- Capital depletion risk (for Series T5 and Series F5 investors only)
- Concentration risk
- Credit risk
- Currency risk
- Cyber security risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk

- Specialization risk
- Tracking risk
- Transactions costs risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 3.

We have classified this Fund's risk level as low to medium. Please see *Fund risk classification* on page 34 for a description of the methodology we use to classify this Fund's risk level.

Who should invest in this Fund?

This Fund may be suitable for investors who:

- seek capital appreciation and income, with a small bias towards capital appreciation;
- seek diversification through a broad range of asset classes, geographies and investment styles;
- are medium to long term investors; and
- are comfortable with low to medium investment risk.

Series T5 and Series F5 units may be suitable for investors holding units outside of a registered plan and wishing to receive monthly distributions.

Distribution policy

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series T5 and Series F5 units, the Fund will make monthly distributions based on a target annualized rate of 5% of the NAV per unit of the relevant series at the end of the prior year. The target monthly distributions on Series T5 and F5 units may be comprised of income, capital gains or capital. During 2018, the monthly distribution will be \$0.0625 per Series T5 and Series F5 unit.

Sun Life Tactical Balanced ETF Portfolio (continued)

The monthly distributions on Series T5 and Series F5 units are not intended to reflect the Fund's investment performance and should not be confused with "yield" or "income". A portion of the monthly distribution for Series T5 and Series F5 units is likely to include a return of capital. **The distribution rate on these series may be greater than the return on the Fund's investments. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series T5 and Series F5 units will make any distributions in any particular month.

Fund expenses indirectly borne by investors

This information is not available because the Fund is new and therefore its expenses are not yet known.

Sun Life Tactical Growth ETF Portfolio

Fund details

Fund type	Global Equity Balanced
Securities offered	Series A, Series F and Series I units of a mutual fund trust
Start date	Series A: October 19, 2018 Series F: October 19, 2018 Series I: October 19, 2018
Registered plan eligibility	Expected to be a qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario

What does the Fund invest in?

Investment objectives

The Fund's investment objective is to seek capital appreciation by investing primarily in equity exchange traded funds and other equity mutual funds, and, to a lesser extent, fixed income exchange traded funds and other fixed income mutual funds.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

Investment strategies

In pursuing the Fund's investment objective, the portfolio manager:

- invests primarily in equity exchange traded funds and other equity mutual funds, and, to a lesser extent, fixed income exchange traded funds and other fixed income mutual funds;
- typically selects equity exchange traded funds and other mutual funds with exposure to Canadian equity securities, U.S. equity securities and international equity securities;
- typically selects fixed income exchange traded funds and other mutual funds with exposure to Canadian debt instruments and global debt instruments;

- may also invest directly in equity and/or fixed income securities;
- may invest up to 100% of the Fund's assets in foreign securities;
- typically invests between 70% and 90% of the Fund's assets in equity exchange traded funds, other equity mutual funds and equity securities, and between 10% and 30% of the Fund's assets in fixed income exchange traded funds, other fixed income mutual funds and fixed income securities;
- uses an asset allocation strategy to determine the balance between the portion of the Fund exposed to equities and the portion of the Fund exposed to fixed income;
- may review and adjust the asset allocation strategy, in its sole discretion, depending on economic conditions and relative value of equity and fixed income securities;
- invests up to 100% of the Fund's assets in securities of exchange traded funds and/or other investment funds which may be managed by the Manager, its affiliates and/or other investment fund managers;
- monitors and periodically rebalances the Fund's assets based on the portfolio manager's assessment of market conditions in light of the Fund's investment objectives; and
- may, in its sole discretion, change the Fund's allocation to each asset class and change the underlying funds in which the Fund invests from time to time in order to meet the investment objectives of the Fund.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives for hedging purposes such as to hedge some or all of its foreign currency exposure, or to provide protection for the Fund's

portfolio. The Fund may also use derivatives for non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, or to generate income. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 5.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 9.

What are the risks of investing in the Fund?

The Fund invests in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds. The Fund will be exposed to the following risks:

- Asset-backed and mortgage-backed securities risk
- Concentration risk
- Credit risk
- Currency risk
- Cyber security risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Specialization risk
- Tracking risk
- Transactions costs risk

- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 3.

We have classified this Fund's risk level as low to medium. Please see *Fund risk classification* on page 34 for a description of the methodology we use to classify this Fund's risk level.

Who should invest in this Fund?

This Fund may be suitable for investors who:

- seek capital appreciation;
- seek diversification through a broad range of asset classes, geographies and investment styles;
- are long term investors; and
- are comfortable with low to medium investment risk.

Distribution policy

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

Fund expenses indirectly borne by investors

This information is not available because the Fund is new and therefore its expenses are not yet known.

Sun Life Tactical Equity ETF Portfolio

Fund details

Fund type	Global Equity
Securities offered	Series A, Series F and Series I units of a mutual fund trust
Start date	Series A: October 19, 2018 Series F: October 19, 2018 Series I: October 19, 2018
Registered plan eligibility	Expected to be a qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario

What does the Fund invest in?

Investment objectives

The Fund's investment objective is to seek capital appreciation by investing primarily in equity exchange traded funds and other equity mutual funds.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

Investment strategies

In pursuing the Fund's investment objective, the portfolio manager:

- invests primarily in securities of equity exchange traded funds and/or other equity mutual funds;
- typically selects equity exchange traded funds and other mutual funds with exposure to Canadian equity securities, U.S. equity securities and international equity securities;
- may also invest directly in equity securities;
- may invest a portion of the Fund's assets in fixed income exchange traded funds and/or other fixed income investment funds, and/or directly in fixed income securities;
- may invest up to 100% of the Fund's assets in foreign securities;
- invests up to 100% of the Fund's assets in securities of exchange traded funds and/or

other investment funds which may be managed by the Manager, its affiliates and/or other investment fund managers;

- monitors and periodically rebalances the Fund's assets based on the portfolio manager's assessment of market conditions in light of the Fund's investment objectives; and
- may, in its sole discretion, change the Fund's allocation among domestic and international equity funds and change the underlying funds in which the Fund invests from time to time in order to meet the investment objective of the Fund.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives for hedging purposes such as to hedge some or all of its foreign currency exposure, or to provide protection for the Fund's portfolio. The Fund may also use derivatives for non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, or to generate income. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 5.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 9.

What are the risks of investing in the Fund?

The Fund invests in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the

Sun Life Tactical Equity ETF Portfolio (continued)

underlying funds. The Fund will be exposed to the following risks:

- Asset-backed and mortgage-backed securities risk
- Concentration risk
- Credit risk
- Currency risk
- Cyber security risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Specialization risk
- Tracking risk
- Transactions costs risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 3.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 34 for a description of the methodology we use to classify this Fund's risk level.

Who should invest in this Fund?

This Fund may be suitable for investors who:

- seek capital appreciation;
- seek diversification through a broad range of asset classes, geographies and investment styles;
- are long term investors; and
- are comfortable with medium investment risk.

Distribution policy

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

Fund expenses indirectly borne by investors

This information is not available because the Fund is new and therefore its expenses are not yet known.

SIMPLIFIED PROSPECTUS

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 Annual Information Form, fund facts, management report of fund performance and financial statements of each Fund. These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of it.

For a free copy of these documents, call us toll free at 1-877-344-1434 or ask your advisor. These documents and other information about the Funds, such as information circulars and material contracts, are also available at www.sunlifeglobalinvestments.com or www.sedar.com.



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