**PROSPECTUS**

*Initial Public Offering and Continuous Distribution* May 11, 2016

# Sun Life Multi-Strategy Target Return Fund

## Series A Units, Series F Units, Series I Units and Series O Units

Sun Life Multi-Strategy Target Return Fund (the "**Fund**") is a commodity pool established as a trust under the laws of the Province of Ontario. This prospectus qualifies the issuance of units (each, a "**Unit**" and collectively, the "**Units**") of four series of the Fund: Series A Units, Series F Units, Series I Units and Series O Units.

The Fund's investment objective is to seek long-term absolute return by delivering a positive return over rolling three-year periods, regardless of the prevailing market environment. See "Investment Objectives".

Sun Life Global Investments (Canada) Inc. (the "**Manager**"), a registered portfolio manager, commodity trading manager, investment fund manager and exempt market dealer, is the trustee, manager and portfolio manager of the Fund and is responsible for the administration of the Fund. See "Organization and Management Details of the Fund – Manager of the Fund" and "Organization and Management Details of the Fund – Portfolio Manager". The Manager has retained Aviva Investors Canada Inc. (the "**Sub-Advisor**") to act as the sub-advisor to the Fund. The Sub-Advisor has retained its affiliate, Aviva Investors Global Services Limited ("**AIGSL**"), to provide investment advice to the Sub-Advisor in respect of the investment portfolio of the Fund. See "Organization and Management Details of the Fund – Sub-Advisor and AIGSL".

### Purchases and Redemptions

The Fund issues Series A Units, Series F Units, Series I Units and Series O Units on a continuous basis. There is no maximum number of Units that may be issued. A separate series net asset value per Unit (the "**Series NAV per Unit**") is calculated for each series of Units. If the Manager receives a purchase order before 4 p.m. ET, or before the Toronto Stock Exchange (the "**TSX**") closes for the day, whichever is earlier (the "**Valuation Time**"), on a business day that the TSX is open for trading or any other day designated by the Manager that the Series NAV per Unit of each series of Units of the Fund is calculated (a "**Valuation Day**"), the Manager will process such order based on the applicable Series NAV per Unit calculated on that Valuation Day. If the Manager receives a purchase order after the Valuation Time, the Manager will process such order based on the applicable Series NAV per Unit calculated on the next Valuation Day.

Each series of Units is intended for different types of investors and investors must meet eligibility criteria established by the Manager from time to time in order to hold certain series of Units of the Fund. The Manager 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, a holder of Units ("**Unitholder**") ceases to be eligible to hold a series of the Fund, the Manager may switch the Unitholder to another series of Units (including a series that may be created in the future). The Series NAV per Unit of each series will not be the same because of the different fees and expenses charged or allocated to each series of Units. See "Purchases of Units".

The minimum amount for an initial investment in Series A, Series F or Series O Units is $500.00. Each additional investment in Series A, Series F or Series O Units must be at least $50.00. The minimum initial investment and each additional investment in Series I Units is negotiated between each Series I investor and the Manager. See "Purchases of Units".

A Unitholder may redeem his, her or its Units. To redeem Units, a Unitholder should contact his, her or its advisor or dealer, who may ask the Unitholder to complete a redemption request form. On redemption, Unitholders will receive the applicable Series NAV per Unit for the Units redeemed, less any applicable redemption fee. See "Fees and Expenses" and "Redemption of Units – Redemption Fee". If the Manager receives the redemption request before the Valuation Time on a Valuation Day, the Manager will calculate the redemption value as of that Valuation Day. If the Manager receives a Unitholder's redemption request after the Valuation Time, the Manager will calculate the redemption value as of the next Valuation Day. The Manager will pay redemption proceeds within three business days of receiving all of the required documents or instructions. The Manager will deduct any redemption fee and/or withholding tax from such payment. See "Redemption of Units".

A Unitholder may, at any time, switch all or part of his, her or its investment in the Fund to a different mutual fund managed by the Manager that is offered for sale under a prospectus, provided that the Unitholder is eligible to make the switch. A Unitholder may change between series of the Fund, provided that the Unitholder is eligible to purchase the new series, or may change between purchase options. It is generally not advisable to make changes between purchase options. See "Redemption of Units – How to Switch Units of the Fund".

**Risks**

**For a discussion of the risks associated with an investment in Units of the Fund, such as the risks associated with the use of derivatives and leverage, see "Risk Factors".**

A prospective investor should carefully consider whether his, her or its financial condition permits the investor to participate in this investment. The securities of this Fund are highly speculative and involve a high degree of risk. A prospective investor may lose a substantial portion or even all of the money placed in the Fund.

In order to seek to achieve its investment objective, the Fund mainly invests in derivatives and foreign securities. The risk of loss in trading derivatives and foreign securities can be substantial. In considering whether to participate in the Fund, a prospective investor should be aware that trading in derivatives and foreign securities can quickly lead to large losses as well as gains. Such trading losses can sharply reduce the net asset value ("NAV") of the Fund and, consequently, the value of a Unitholder's interest in the Fund. Also, at times market conditions may make it difficult or impossible for the Fund to liquidate a particular position.

The Fund is subject to certain conflicts of interest. The Fund will be subject to the charges payable by it as described in this prospectus that must be offset by revenues and trading gains before a Unitholder is entitled to a return on his, her or its investment. It may be necessary for the Fund to make substantial trading profits to avoid depletion or exhaustion of its assets before a Unitholder is entitled to a return on his, her or its investment.

The Fund is newly organized. The success of the Fund will depend upon a number of conditions that are beyond the control of the Fund. There is substantial risk that the goals of the Fund will not be met. While the Manager has not previously operated any other publicly offered commodity pools, AIGSL and its affiliates operate other publicly offered investment funds with similar investment objectives and strategies.

Participation in transactions in derivatives and foreign securities by the Fund involves the execution and clearing of trades on or subject to the rules of a foreign market.

None of the Canadian securities regulatory authorities or Canadian exchanges regulates activities of any foreign markets, including the execution, delivery and clearing of transactions, or has the power to compel enforcement of the rule of a foreign market or any applicable foreign law. Generally, any foreign transaction will be governed by applicable foreign laws. This is true even if the foreign market is formally linked to a Canadian market so that a position taken on a market may be liquidated by a transaction on another market. Moreover, such laws or regulations will vary depending on the foreign country in which the transaction occurs.

For these reasons, entities such as the Fund that trade in derivatives and foreign securities may not be afforded certain of the protective measures provided by Canadian legislation and the rules of Canadian exchanges. In particular, funds received from customers for transactions may not be provided the same protection as funds received in respect of transactions on Canadian exchanges.

The Fund is a mutual fund, but certain provisions of securities legislation designed to protect investors who purchase securities of mutual funds do not apply to the Fund.

These brief statements do not disclose all the risks and other significant aspects of investing in the Fund. A prospective investor should therefore carefully study this prospectus, including a description of the principal risk factors, before deciding to invest in the Fund. See “Risk Factors”.

**Documents Incorporated by Reference**

Additional information about the Fund is available in the most recently filed annual financial statements, if any, any interim financial report filed after those annual financial statements, the most recently filed annual management report of fund performance (“**MRFP**”), if any, and any interim MRFP filed after that annual MRFP. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. See “Documents Incorporated by Reference” for further details.

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## IMPORTANT TERMS

*Unless otherwise indicated, all references to dollar amounts in this prospectus are to Canadian dollars and all references to times in this prospectus are to Toronto time.*

***Administration Fee*** – the fixed-rate annual administration fee paid to the Manager by the Fund in respect of each series of Units in return for the Manager paying certain of the operating expenses of the Fund.

***AIGSL*** – Aviva Investors Global Services Limited or its successor.

***AIGSL Advisory Agreement*** – the sub-advisory agreement dated May 3, 2016 between Aviva Investors Canada Inc., as sub-advisor of the Fund, and AIGSL, as the same may be amended or restated from time to time.

***Bank of Canada Overnight Lending Rate*** – the target interest rate set by the Bank of Canada in its efforts to influence short-term interest rates as part of its monetary policy strategy.

***Canadian securities legislation*** – the securities legislation in force in each province and territory of Canada, all regulations, rules, orders and policies made thereunder and all multilateral and national instruments adopted by the securities regulatory authorities, as the same may be amended, restated or replaced from time to time.

***CFTC*** – the U.S. Commodity Futures Trading Commission.

***Clearing Corporation*** – any clearing organization registered with the CFTC or central counterparty authorized by the European Securities and Markets Authority, as the case may be, that, in either case, is also recognized or exempt from recognition in Ontario.

***CRA*** – the Canada Revenue Agency.

***Custodian*** – RBC Investor Services Trust or its successor.

***Custodian Agreement*** – the custodian agreement dated as of July 30, 2010 between the Manager, as manager of, among others, the Fund, and the Custodian, as the same may be amended or restated from time to time.

***Declaration of Trust*** – the master declaration of trust establishing, among others, the Fund dated as of September 10, 2010, as amended January 10, 2011, as further amended and consolidated as of June 1, 2012 and as further amended and restated as of January 1, 2015, together with an amended and restated Schedule A dated March 30, 2016, as the same may be further amended or restated from time to time.

***Eligible Securities*** – Series F and Series O securities of, or Series A securities purchased or held under the Front End Sales Charge option of, a Sun Life Global Investments Mutual Fund.

***Fund Costs*** – the operating expenses paid directly by the Fund.

***Futures Commission Merchant*** – any futures commission merchant that is registered with the CFTC and/or is a clearing member for purposes of the European Market Infrastructure Regulation, as applicable, and is a member of a Clearing Corporation.

***Household Group*** – the account linking service that is available to investors in the Private Client Program.

***HST*** – harmonized sales tax.

***IRC*** – the Independent Review Committee of, among others, the Fund.

***Management Agreement*** – the amended and restated master management agreement dated as of January 1, 2015 between Sun Life Global Investments (Canada) Inc., as trustee of, among others, the Fund, and the Manager, together with an amended and restated Schedule A dated April 29, 2016, as the same may be further amended or restated from time to time.

***Manager*** – Sun Life Global Investments (Canada) Inc. or its successor.

***Member State*** – each of the United Kingdom, Ireland, Luxembourg, Germany, France, Netherlands, Italy and Spain.

***MER*** – management expense ratio.

***MRFP*** – management report of fund performance as defined in NI 81-106.

***NAV*** – the net asset value of the Fund, as described in "Calculation of Net Asset Value".

***NI 81-102*** – National Instrument 81-102 – *Investment Funds*, as the same may be amended, restated or replaced from time to time.

***NI 81-104*** – National Instrument 81-104 – *Commodity Pools*, as the same may be amended, restated or replaced from time to time.

***NI 81-106*** – National Instrument 81-106 – *Investment Fund Continuous Disclosure*, as the same may be amended, restated or replaced from time to time.

***NI 81-107*** – National Instrument 81-107 – *Independent Review Committee for Investment Funds*, as the same may be amended, restated or replaced from time to time.

***OTC*** – over-the-counter.

***Portfolio Manager*** – Sun Life Global Investments (Canada) Inc.

***Private Client Program*** – a program offered by the Manager that provides clients with a cost effective investment solution with enhanced reporting and services.

***Record Keeper*** – RBC Investor Services Trust or its successor.

***Registered Plans*** – registered retirement savings plans ("**RRSP**"), registered retirement income funds ("**RRIF**"), registered education savings plans ("**RESP**"), tax-free savings accounts ("**TFSA**"), deferred profit sharing plans and registered disability savings plans.

***securities regulatory authorities*** – the securities commission or similar regulatory authority in each province and territory of Canada that is responsible for administering the Canadian securities legislation in force in such province or territory.

***Series A Unit*** – a series A unit of the Fund, which represents an equal, undivided interest in the assets of the Fund allocated to the series A units.

***Series F Unit*** – a series F unit of the Fund, which represents an equal, undivided interest in the assets of the Fund allocated to the series F units.

***Series I Unit*** – a series I unit of the Fund, which represents an equal, undivided interest in the assets of the Fund allocated to the series I units.

***Series NAV*** – for each series of Units of the Fund, the portion of the NAV allocated to that series, as described in "Calculation of Net Asset Value".

***Series NAV per Unit*** – for each series of Units of the Fund, the series NAV per Unit, as described in "Calculation of Net Asset Value".

***Series O Service Fee*** – the service fee that may be payable by a Series O Unitholder to his, her or its dealer.

***Series O Unit*** – a series O unit of the Fund, which represents an equal, undivided interest in the assets of the Fund allocated to the series O units.

***Sub-Advisory Agreement*** – the sub-advisory agreement dated March 11, 2016 between Sun Life Global Investments (Canada) Inc., as portfolio manager of the Fund, and the Sub-Advisor, as the same may be amended or restated from time to time.

***Sub-Advisor*** – Aviva Investors Canada Inc. or its successor.

***Sun Life Global Investments Mutual Funds*** – all of the mutual funds managed by the Manager that are offered for sale under a prospectus, including, for greater certainty, the Fund.

***Tax Act*** – the *Income Tax Act* (Canada) and the regulations issued thereunder, as amended, restated or replaced from time to time.

***Tax Proposals*** – all specific proposals to amend the Tax Act that have been publicly announced by the Minister of Finance (Canada) prior to the date of this prospectus.

***TSX*** – the Toronto Stock Exchange.

***Trustee*** – Sun Life Global Investments (Canada) Inc. or its successor.

***UCITS*** – an undertaking for collective investments in transferable securities, which is a retail mutual fund domiciled in the European Union.

***UCITS Framework*** – the Guidelines on Risk Measurement and the Calculation of Global Exposure and Counterparty Risk for UCITS of the European Securities and Markets Authority.

***UCITS Underlying Fund*** – any fund authorized as a UCITS by, and subject to the supervision of, a national competent authority in any Member State.

***underlying fund*** – any investment fund (including an exchange-traded fund and a UCITS Underlying Fund) in which the Fund may invest.

***Units*** – the units of the Fund issued or to be issued and for the time being outstanding, including the units of any class or series of the Fund, and ***Unit*** in reference to a unit of a series of the Fund means an undivided beneficial interest in the assets of the Fund attributed to that series, and includes a Series A Unit, a Series F Unit, a Series I Unit and Series O Unit.

***Unitholder*** or ***investor*** – a holder of Units of the Fund.

***Valuation Day*** – each business day that the TSX is open for trading or any other day designated by the Manager on which the NAV, the Series NAV and the Series NAV per Unit are calculated.

***Valuation Time*** – 4 p.m. ET, or before the TSX closes for the day, whichever is earlier.

***Value at risk*** or ***VaR*** – estimate of the expected loss, over a set time period, at a desired level of confidence or probability.

***VaR Model*** – the model used by AIGSL to calculate the Fund's VaR, which adheres to the parameters set out in the UCITS Framework.

## PROSPECTUS SUMMARY

*The following is a summary of the principal features of the Units of the Fund and should be read together with the more detailed information and statements contained elsewhere in this prospectus or incorporated by reference in this prospectus.*

**Issuer:** Sun Life Multi-Strategy Target Return Fund (the "**Fund**") is a commodity pool established as a trust under the laws of the Province of Ontario. Sun Life Global Investments (Canada) Inc. (the "**Manager**") is the trustee, manager and portfolio manager of the Fund.

**Units and Purchase Options:** This prospectus qualifies the issuance of units (each, a "**Unit**" and collectively, the "**Units**") of four series of the Fund: Series A Units, Series F Units, Series I Units and Series O Units. Each series of Units is intended for different types of investors and investors must meet eligibility criteria established by the Manager from time to time in order to hold certain series of Units of the Fund. The Series NAV per Unit of each series will not be the same because of the different fees and expenses allocated to each series of Units.

Certain series of Units of the Fund are available for purchase under different purchase options. An investor's choice of purchase option will require payment of different fees and will affect the amount of compensation the investor's dealer will receive.

**Series A Units**

Series A Units are available to all investors and are available for purchase under three different purchase options:

- **Front End Sales Charge option**. The investor and dealer negotiate the fee, which may be up to 5% of the cost of the Units. The investor pays this fee to the dealer when the investor buys the Units.
- **Deferred Sales Charge option**. The investor does not pay a fee when the Units are purchased. However, if the investor redeems the Units within seven years of buying them, the investor will pay a redemption fee that starts at 5.5% of the original cost and declines over time.
- **Low Load Sales Charge option**. The investor does not pay a fee when the Units are purchased. However, if the investor redeems the Units within three years of buying them, the investor will pay a redemption fee that starts at 3.0% of their original cost and declines over time.

For Series A Units purchased under the Deferred Sales Charge option or the Low Load Sales Charge option, upon the completion of the redemption fee schedule applicable to those Units, such Units will be automatically redesignated as Front End Sales Charge option Units without increased costs to the investor. An investor's dealer may, from the time Series A Units are redesignated, receive the higher level of service fees or trailing commissions that are applicable to Units purchased under the Front End Sales Charge option.

See "Fees and Expenses".

**Series F Units**

Series F Units are available to investors who have a fee-based account with their dealer and whose dealer has signed an agreement with the Manager. Instead of paying sales charges, investors buying Series F Units pay fees to their dealer for investment advice and other services. The Manager does not pay any commission to dealers in respect of Series F Units, so a lower management fee can be charged.

There are no sales charges for the purchase of Series F Units. Series F Units are not available under the Deferred Sales Charge option or the Low Load Sales Charge option.

If an investor ceases to be eligible to hold Series F Units, the Manager may redesignate such Series F Units as Series A Units of the Fund under the Front End Sales Charge option.

**Series I Units**

Series I Units are special purpose Units that are currently only available to eligible institutional investors and are not sold to the general public. Each Series I investor negotiates its own management and advisory fee that is paid directly to the Manager. Series I Units are not generally sold through dealers, and no sales commissions are payable to dealers for selling these Units.

There are no sales charges for the purchase of Series I Units. Series I Units are not available under the Deferred Sales Charge option or the Low Load Sales Charge option.

If an investor ceases to be eligible to hold Series I Units, the Manager may redesignate such Series I Units as Series A Units of the Fund under the Front End Sales Charge option.

**Series O Units**

Series O Units are only available to investors through the Private Client Program. Each Series O investor pays a management fee directly to the Manager and is eligible for management fee reductions, if any, based on the value of all Eligible Securities of Sun Life Global Investments Mutual Funds held in the investor's account. The Series O management fee is paid, after subtracting any management fee reduction, by redeeming Series O Units held in the investor's account.

Series O Units are available for purchase under the Front End Sales Charge option.

If an investor's account ceases to qualify for the Private Client Program, the Manager may redesignate the Series O Units held in such account as Series A Units of the Fund under the Front End Sales Charge option.

See "Purchases of Units".

**Continuous Distribution:**

The Fund issues each series of Units on a continuous basis. There is no maximum number of Units that may be issued. A separate Series NAV per Unit is calculated for each series of Units. If the Manager receives a purchase order before the Valuation Time on a Valuation Day, the Manager will process such order based on the applicable Series NAV per Unit calculated on that Valuation Day. If the Manager receives a purchase order after the Valuation Time, the Manager will process such order based on the applicable Series NAV per Unit calculated on the next Valuation Day.

Investors must be of the age of majority in the province or territory in which they live to buy Units of the Fund. Investors may hold Units in trust for a minor.

The Manager can accept or reject a purchase order within one business day of receiving it. To reduce the adverse effect to existing Unitholders of large redemptions in the Fund, the Manager may reject a purchase order if it would make a prospective investor a holder of 10% or more of the Fund's net assets. If the Manager rejects a purchase order, any money sent with such order will be returned to the investor without interest.

See “Purchases of Units”.

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| **Minimum Initial and Additional Investment Amount:** | The minimum amount for an initial investment in Series A, Series F or Series O Units is $500.00. Each additional investment in Series A, Series F or Series O Units must be at least $50.00. The minimum initial investment and each additional investment in Series I Units is negotiated between each Series I investor and the Manager.<br><br>See “Purchases of Units”. |
| **Investment Objectives:** | The Fund’s investment objective is to seek long-term absolute return by delivering a positive return over rolling three-year periods, regardless of the prevailing market environment.<br><br>See “Investment Objectives”. |
| **Investment Strategies:** | In order to achieve its investment objective, the Fund will aim to generate a positive return over rolling three-year periods of, on average, 5% per annum above the Bank of Canada Overnight Lending Rate before the deduction of fees and expenses. In seeking to target this level of return, the Fund will also aim to manage volatility to a target of less than half the volatility of global equities represented by the MSCI All Country World Index, measured over the same rolling three-year periods. For this purpose, volatility will be the measure of the extent to which the prices of the Units of the Fund fluctuate over time. The Fund may invest globally in equity and fixed income securities, underlying funds, cash and near cash investments, money market instruments, derivatives and other financial instruments.<br><br>See “Investment Strategies”. |
| **Risk Management Process:** | The Fund follows AIGSL’s market and counterparty risk management process in order to monitor and measure the risk of the Fund’s investment positions and their contribution to the overall risk profile of the Fund. In accordance with this risk management process, the Fund voluntarily complies with the derivative cover rules for UCITS set out in the UCITS Framework.<br><br>AIGSL measures the Fund’s market exposure, including derivatives, using a Value at Risk (VaR) model as set out in the UCITS Framework. The VaR approach is a measure of the maximum potential loss that an investment portfolio may suffer due to market risk, rather than the use of leverage. More particularly, the VaR approach measures the maximum potential loss at a given confidence level, or probability, over a specific time period under normal market conditions. For example, if the VaR (based on a one month, 99% confidence level) of the Fund equals $4 million, this means that, under normal market conditions, there is a 1% probability that the value of the Fund’s portfolio could decrease by $4 million or more during one month.<br><br>Under the VaR Model as prescribed by the UCITS Framework, the Fund’s VaR cannot be greater than 20% of the Fund’s NAV irrespective of the portfolio assets held in the Fund and the amount of leverage employed by the Fund.<br><br>See “Investment Strategies”. |
| **Leverage of the Fund:** | The use of derivatives by the Fund may introduce leverage into the Fund. Leverage occurs when the Fund’s notional exposure to underlying assets is greater than the amount invested and is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been held directly by the |

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| | Fund. As such, adverse changes may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavourable times.<br><br>AIGSL calculates the Fund's leverage using what it refers to as the "sum of the notionals" method. Under this method, AIGSL calculates the total exposure of all of the Fund's derivatives positions, without netting or offsetting of positions that might ordinarily be expected to cancel each other out and without removing from the calculation those derivative positions that are entered into for hedging purposes or for which the Fund holds sufficient assets as cover. Under AIGSL's leverage calculation, the expected maximum amount of leverage that the Fund may use, as a multiple of net assets, is 700%. On that basis, the expected maximum amount of leverage that could be used by the Fund is 7:1. AIGSL regularly reviews the Fund's estimated average and expected maximum leverage calculations. Leverage should not necessarily be seen as a direct measure of investment risk, as the Fund calculates leverage by adding together all of the notional amounts of its derivatives transactions, irrespective of the market direction, the risks entailed in the transaction, whether the transaction is for hedging purposes and whether the derivative position is covered. The expected level of leverage in the Fund results from the Fund's high use of derivative instruments.<br><br>See "Investment Strategies". |
| **Risk Factors:** | There are certain risk factors inherent in an investment in Units of the Fund, including:<br><br>• Market risk;<br>• Derivative risk;<br>• Leverage risk;<br>• Equity risk;<br>• Credit risk;<br>• Interest rate risk;<br>• Emerging markets risk;<br>• Foreign investment risk;<br>• Foreign currency risk;<br>• Liquidity risk;<br>• Convertible securities risk;<br>• Inflation risk;<br>• Income risk;<br>• Concentration risk;<br>• Geographic concentration risk;<br>• Regulatory risk;<br>• Taxation risk;<br>• Underlying fund risk;<br>• Large transaction risk;<br>• Small company risk;<br>• Mortgage-backed securities risk;<br>• Contingent convertible securities risk;<br>• Series risk;<br>• Repurchase and reverse repurchase transactions and securities lending risk; and<br>• Short selling risk.<br><br>See "Risk Factors". |
| **Income Tax** | Each year a Unitholder (other than a Registered Plan) is generally required to include in the calculation of income for tax purposes the amount of any income and the taxable portion of |

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| **Considerations:** | any capital gains of the Fund distributed to the Unitholder in the year, whether the distribution is paid in cash or reinvested in additional Units. A Unitholder will generally realize a capital gain (or loss) on the redemption or other disposition of a Unit to the extent that the proceeds of disposition for the Unit exceed (or are less than) the total of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition.<br><br>See "Income Tax Considerations". |
| **Redemptions:** | A Unitholder may redeem his, her or its Units. To redeem Units, a Unitholder should contact his, her or its advisor or dealer, who may ask the Unitholder to complete a redemption request form. On redemption, Unitholders will receive the applicable Series NAV per Unit for the Units redeemed, less any applicable redemption fee. If the Manager receives the redemption request before the Valuation Time on a Valuation Day, the Manager will calculate the redemption value as of that Valuation Day. If the Manager receives a Unitholder's redemption request after the Valuation Time, the Manager will calculate the redemption value as of the next Valuation Day. The Manager will pay redemption proceeds within three business days of receiving all of the required documents or instructions. The Manager will deduct any redemption fee and/or withholding tax from such payment.<br><br>See "Redemption of Units". |
| **Switching:** | A Unitholder may, at any time, switch all or part of his, her or its investment in the Fund to a different Sun Life Global Investments Mutual Fund, provided that the Unitholder is eligible to make the switch. A Unitholder may change between series of the Fund, provided that the Unitholder is eligible to purchase the new series, or may change between purchase options. It is generally not advisable to make changes between purchase options.<br><br>See "Redemption of Units – How to Switch Units of the Fund". |
| **Distributions:** | The Fund will make a distribution of any income and capital gains in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time that is considered appropriate by the Manager. 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 the Unitholder provides the Manager with a written request that the Unitholder wishes to receive them in cash.<br><br>See "Distribution Policy". |
| **Termination:** | The Fund does not have a fixed termination date, but may be terminated by the Manager upon not less than 60 days written notice to Unitholders.<br><br>See "Termination of the Fund". |
| **Documents Incorporated by Reference:** | Additional information about the Fund is available in the most recently filed annual financial statements, if any, any interim financial reports filed after those annual financial statements, the most recently filed annual MRFP, if any, and any interim MRFP filed after that annual MRFP. These documents are incorporated by reference into, and legally form an integral part of, this prospectus. These documents are publicly available on the Manager's website at **www.sunlifeglobalinvestments.com** and may be obtained upon request, at no cost, by calling 1-877-344-1434 or by contacting a registered dealer. These documents and other information about the Fund are also publicly available at **www.sedar.com**.<br><br>See "Documents Incorporated by Reference". |

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| **Eligibility for Investment:** | The Units of the Fund will be a qualified investment under the Tax Act for a Registered Plan at any time that the Fund qualifies or is deemed to qualify as a "mutual fund trust" under the Tax Act.<br><br>Unitholders should consult their own tax advisors for advice on whether Units would be a "prohibited investment" under the Tax Act for their Registered Plan.<br><br>See "Eligibility for Investment". |
| | **ORGANIZATION AND MANAGEMENT OF THE FUND** |
| **Manager:** | Sun Life Global Investments (Canada) Inc. is the Manager of the Fund and is responsible for the day to day business and operations of the Fund. The Manager is a wholly-owned indirect subsidiary of Sun Life Financial Inc. Sun Life Financial Inc., through its various affiliates, 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. The registered office of the Fund and the Manager is located at 150 King Street West, Suite 1400, Toronto, Ontario, M5H 1J9.<br><br>See "Organization and Management Details of the Fund – Manager of the Fund". |
| **Trustee:** | Sun Life Global Investments (Canada) Inc. is the trustee of the Fund pursuant to the Declaration of Trust and holds title to the assets of the Fund in trust for the Unitholders.<br><br>See "Organization and Management Details of the Fund – Trustee". |
| **Portfolio Manager:** | Sun Life Global Investments (Canada) Inc. has been appointed the portfolio manager of the Fund. The Portfolio Manager provides, or causes to be provided, investment management services with respect to the Fund. The Portfolio Manager has the authority to appoint sub-advisors to provide investment management services in respect of the Fund. The Portfolio Manager is responsible for the investment advice provided by the Sub-Advisor to the Fund.<br><br>See "Organization and Management Details of the Fund – Portfolio Manager". |
| **Sub-Advisor and AIGSL:** | Sun Life Global Investments (Canada) Inc., acting as Portfolio Manager, has retained Aviva Investors Canada Inc. to act as sub-advisor to the Fund (the "**Sub-Advisor**"). The Sub-Advisor is a registered portfolio manager, exempt market dealer and commodity trading manager with its head office located in Toronto, Ontario. The Sub-Advisor has retained its affiliate, Aviva Investors Global Services Limited ("**AIGSL**"), to provide investment advice to the Sub-Advisor in respect of the investment portfolio of the Fund. AIGSL manages the investment portfolio of the Fund and makes all investment decisions. AIGSL is registered with the United Kingdom Financial Conduct Authority as a financial services firm authorized to advise on investments, including commodity futures, commodity options and options on commodity futures, with its head office located in London, United Kingdom.<br><br>The Sub-Advisor and AIGSL are two of the asset management firms that are part of Aviva Investors, a global asset management firm. Aviva Investors is the investment arm of Aviva plc, which can trace its origins back over 300 years and is listed on both the London and New York stock exchanges. Aviva Investors manages over USD$427.3 billion across a range of asset classes as of December 31, 2015.<br><br>The Sub-Advisor and AIGSL have received exemptive relief from the adviser registration requirement under the *Commodity Futures Act* (Ontario) to permit AIGSL to advise the Sub-Advisor with respect to the Fund. As AIGSL is resident outside Canada, and all or substantially all of its assets are situated outside Canada, there may be difficulty in enforcing |

any legal rights against it or individuals engaging in, or holding themselves out as engaging in, the business of advising others when acting on behalf of AIGSL. The Sub-Advisor is responsible for any loss that arises out of the failure of AIGSL to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Sub-Advisor and the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

See “Organization and Management Details of the Fund – Sub-Advisor and AIGSL”.

**Promoter:** Sun Life Global Investments (Canada) Inc. has taken the initiative in founding and organizing the Fund and is, accordingly, the promoter of the Fund within the meaning of securities legislation of certain provinces and territories of Canada.

See “Organization and Management Details of the Fund – Promoter”.

**Custodian:** RBC Investor Services Trust, at its principal offices in Toronto, Ontario, is the Custodian of the assets of the Fund and holds those assets in safekeeping, except for cash and other portfolio assets deposited with a counterparty or a Futures Commission Merchant, or indirectly with a Clearing Corporation, as margin or collateral for derivative transactions. The Custodian is entitled to receive fees from the Manager and to be reimbursed for disbursements and expenses that are reasonably incurred by the Custodian in connection with the services of the Custodian under the Custodian Agreement. The Custodian is not an affiliate of the Manager.

See “Organization and Management Details of the Fund – Custodian”.

**Record Keeper :** RBC Investor Services Trust is the record keeper for the Fund. The Record Keeper maintains a record of the owners of Units of the Fund and processes changes in ownership. The register of the Fund is kept in Toronto, Ontario. The Record Keeper is not an affiliate of the Manager.

See “Organization and Management Details of the Fund – Record Keeper”.

**Auditors:** Ernst & Young LLP, at its offices in Kitchener, Ontario, are the independent auditors of the Fund. The auditors audit the Fund’s annual financial statements and provide an opinion as to whether they present fairly the Fund’s financial position, results and changes in net assets in accordance with applicable accounting principles. The auditors are independent of the Manager.

See “Organization and Management Details of the Fund – Auditors”.

## SUMMARY OF FEES AND EXPENSES

This table lists the fees and expenses that an investor may have to pay if the investor invests in the Fund. An investor may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Fund.

See “Fees and Expenses”.

**Fees and Expenses Payable by the Fund**

| **Type of Fee** | **Amount and Description** |
|---|---|
| **Management Fee:** | The Fund pays the Manager a management fee based on the Series NAV of the Series A Units and Series F Units of the Fund, plus HST. Management fees pay for the services that the Manager provides to the Fund, including arranging for the provision of portfolio and investment advisory services, oversight of any service providers to the Fund, the general administration of Fund operations, marketing and other promotional activities, arranging for the distribution and sale of Units and the payment of commissions to advisors and dealers. The maximum annual rate of the fee, excluding HST and other applicable taxes, if any, is set out below. The fee is accrued daily and paid monthly. |

| Series of the Fund | Annual management fee |
|---|---|
| Series A | 2.25% of NAV |
| Series F | 1.25% of NAV |

For Series I Units, investors negotiate and pay the management fees directly to the Manager. For Series O Units, investors pay the management fee directly to the Manager by redeeming Series O Units held in the applicable Private Client account. See “Fees and Expenses – Fees and Expenses Payable Directly by Unitholders”.

The Manager may, at its discretion, waive a portion or the entire amount of the management fee chargeable to a series of the Fund at any given time. Generally, the Manager may reduce the fees and expenses charged to the Fund (including the management fee and the Administration Fee) for the benefit of institutional and individual investors who invest large amounts in the Fund in certain circumstances.

Investors are eligible for management fee reductions if their account is linked to a Household Account or when the market value of the Eligible Securities in their account exceeds $100,000. These management fee reductions are based on tiers determined by the Manager, with a different rate of management fee reduction applying to the dollar value of the investor’s account within each tier.

See “Fees and Expenses – Fees and Expenses Payable by the Fund”.

| | |
|---|---|
| **Fund Costs:** | The Fund pays the Fund Costs directly. The Fund Costs are: (i) borrowing costs incurred by the Fund from time to time; (ii) fees and expenses payable to or in connection with the Fund’s IRC; (iii) taxes payable by the Fund; and (iv) the costs of complying with any new regulatory or legal requirement imposed on the Fund after its inception date. The 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 the Fund. |

The Manager may, at its discretion, pay certain Fund Costs. The Manager may also reduce the Fund Costs charged to the Fund for the benefit of institutional and individual investors who invest large amounts in the Fund.

See “Fees and Expenses – Fees and Expenses Payable by the Fund”.

**Underlying Fund Fees and Expenses:**

When the Fund invests in 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. The fees and expenses of the underlying fund will have an impact on the MER of the Fund that invests in such underlying fund, as the Fund is required, in determining its MER, 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.

See “Fees and Expenses – Fees and Expenses Payable by the Fund”.

**Administration Fee:**

The Manager pays certain of the operating expenses of the Fund, other than Fund Costs, in return for the Administration Fee paid to the Manager by the Fund in respect of each series of Units. The Administration Fee is based on the Series 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 Administration Fee is accrued daily and paid monthly. The expenses paid by the Manager in return for the Administration Fee 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 Fund) and trustee fees for Registered Plans.

| Administration Fees | |
|---|---|
| **All series (other than Series I)** | **Series I** |
| 0.20% of NAV | 0.05% of NAV |

The Manager may, at its discretion, waive a portion or the entire amount of the Administration Fee chargeable to the Fund at any given time. The Manager may reduce the Administration Fee charged to the Fund for the benefit of institutional and individual investors who invest large amounts in the Fund.

See “Fees and Expenses – Fees and Expenses Payable by the Fund”.

**Fees and Expenses Payable Directly by Unitholders**

**Management Fee:**

Series I investors negotiate and pay the management fees for Series I Units, plus any applicable taxes, to the Manager directly. The fee is accrued daily and paid monthly. The fee will not exceed 1.50% of the Series NAV of the Series I Units.

Series O investors pay a management fee, based on the Series NAV of the Series O Units, plus any applicable taxes, to the Manager directly. This fee is paid, after subtracting any management fee reductions, as further described below, by redeeming Series O Units held in the investor’s account. The maximum rate of the fee, excluding HST and any other applicable taxes, is 1.25% of the Series NAV of the Series O Units. The fee is calculated daily and paid monthly.

A Series O investor is eligible for management fee reductions in certain circumstances.

See “Fees and Expenses – Fees and Expenses Payable Directly by Unitholders”.

| | |
|---|---|
| **Sales Charges:** | Under the Front End Sales Charge option, an investor may have to pay up to 5% of the purchase price of the Series A or Series O Units purchased. For Series O Units, the investor negotiates the sales charges with his, her or its advisor.<br><br>See "Fees and Expenses – Fees and Expenses Payable Directly by Unitholders". |
| **Switch Fees:** | Dealers may charge an investor a switch fee of up to 2% of the value of the Units switched to cover the time and processing costs involved in a switch. Generally, dealers may charge a switch fee for a switch to or from Series A and Series O Units of the Fund. Dealers may also charge a switch fee for a switch to or from Series A, Series AH, Series AT5, Series T5, Series AT8, Series T8 or Series O securities of the other Sun Life Global Investments Mutual Funds. Such switch fees are more particularly described in the prospectuses of the other Sun Life Global Investments Mutual Funds. The investor and his, her or its advisor negotiate the fee.<br><br>See "Fees and Expenses – Fees and Expenses Payable Directly by Unitholders". |
| **Redemption Fees:** | |
| Deferred Sales Charge option: | An investor pays up to 5.5% of the original cost of the Series A Units if the investor redeems such Units within seven years, as follows:<br><br><u>If redeemed during</u>: — <u>Investor pays:</u><br>Year 1 — 5.5%<br>Year 2 — 5.0%<br>Year 3 — 5.0%<br>Year 4 — 4.0%<br>Year 5 — 4.0%<br>Year 6 — 3.0%<br>Year 7 — 2.0%<br>After year 7 — Nil |
| Low Load Sales Charge option: | An investor pays up to 3.0% of the original cost of the Series A Units if the investor redeems such Units within three years, as follows:<br><br><u>If redeemed during</u>: — <u>Investor pays:</u><br>Year 1 — 3.0%<br>Year 2 — 2.5%<br>Year 3 — 2.0%<br>After year 3 — Nil<br><br>See "Fees and Expenses – Fees and Expenses Payable Directly by Unitholders". |
| **Series O Service Fee:** | A Series O Unitholder may have to pay his, her or its dealer a Series O Service Fee of up to 1.00% based on the value of the Series O Units held in the Unitholder's account. The Series O Service Fee rate is negotiated between the investor and his, her or its advisor and agreed to by way of a signed agreement. If the Manager does not receive an agreement evidencing a negotiated Series O Service Fee, the default Series O Service Fee will be 0%. Any negotiated Series O Service Fee will be subject to applicable taxes.<br><br>The Series O Service Fee, plus applicable taxes, is payable by the investor, calculated daily and paid monthly, by redeeming Series O Units held in the investor's account.<br><br>See "Fees and Expenses – Fees and Expenses Payable Directly by Unitholders". |
| **Short-Term Trading Fee:** | An investor may pay 2% of the current value of the Units if the investor redeems or switches such Units within 30 days of purchase.<br><br>See "Fees and Expenses – Fees and Expenses Payable Directly by Unitholders". |

| | |
|---|---|
| **Other Charges:** | The Manager will charge an investor an NSF fee ($30.00 for each returned item) should any cheque or purchase order be returned because of insufficient funds in the investor's account.<br><br>If an investor requests that redemption proceeds be forwarded to the investor by courier or wire transfer, the Manager may charge the investor for any cost incurred by the Manager in connection with such delivery method.<br><br>See "Fees and Expenses – Fees and Expenses Payable Directly by Unitholders". |

## OVERVIEW OF THE LEGAL STRUCTURE OF THE FUND

The Fund is a commodity pool established as a trust under the laws of the Province of Ontario. The Fund has been established pursuant to the Declaration of Trust.

The Fund is a mutual fund as defined under Canadian securities legislation, but certain provisions of Canadian securities legislation applicable to mutual funds do not apply. The Fund is subject to certain restrictions and practices contained in Canadian securities legislation, including NI 81-102, and the Fund is managed in accordance with these restrictions, except as otherwise permitted by NI 81-104 and any other exemptions therefrom obtained by the Fund. See "Investment Restrictions – Exemptions and Approvals" and "Exemptions and Approvals".

The head office and registered office of the Fund and the Manager is located at 150 King Street West, Suite 1400, Toronto, Ontario, M5H 1J9.

## INVESTMENT OBJECTIVES

The Fund's investment objective is to seek long-term absolute return by delivering a positive return over rolling three-year periods, regardless of the prevailing market environment.

## INVESTMENT STRATEGIES

In pursuing the Fund's investment objective, AIGSL:

- aims to generate a positive return over rolling three-year periods of, on average, 5% per annum above the Bank of Canada Overnight Lending Rate before the deduction of fees and expenses;
- in seeking to target this level of return, also aims to manage volatility to a target of less than half the volatility of global equities represented by the MSCI All Country World Index, measured over the same rolling three-year periods; for this purpose, volatility is the measure of the extent to which the prices of the Units of the Fund fluctuate over time;
- identifies and pursues multiple investment ideas and opportunities across and within a wide range of asset classes;
- may focus in a particular market sector where AIGSL believes the best opportunities reside;
- invests a significant portion of the Fund in derivatives for investment purposes, including OTC derivatives, cleared derivatives and exchange-traded derivatives; the specific types of derivatives that the Fund may invest in include futures, options, swaps, swaptions, total return swaps, currency forwards (deliverable and non-deliverable), foreign exchange options and credit default swaps;
- may invest in equity securities, convertible securities, fixed income securities, money market instruments and other financial instruments;
- may invest in underlying funds that, in turn, invest in instruments that the Fund may otherwise invest in directly;
- may invest up to 10% of the NAV of the Fund in UCITS Underlying Funds;
- may invest in Canadian, U.S. and other foreign securities, including securities of issuers in emerging market countries and securities denominated in a currency other than the Canadian dollar; and
- may invest in cash and foreign currencies, including short, medium or long-term bank deposits and near cash.

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

The Fund may engage in active trading and may have a high 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. A high portfolio turnover rate may result in correspondingly greater brokerage commission expenses and the distribution to Unitholders of additional capital gains for tax purposes, some of which may be taxable at ordinary income rates. There is not necessarily a relationship between a high portfolio turnover rate and the Fund's performance.

The Fund makes significant use of derivative instruments and may take both long and short positions in securities, baskets of securities and markets. Derivatives may be used for purposes of hedging, efficient portfolio management and/or investment purposes. In its use of derivatives, the Fund aims to contribute to the target return and the volatility strategies of the Fund. The use of derivative instruments as part of the investment strategy means that the Fund may, from time to time, have substantial holdings in liquid assets, including deposits and money market instruments.

The Fund will only use derivatives as permitted by securities regulatory authorities, including pursuant to any exemptive relief obtained by the Fund. See "Investment Restrictions – Exemptions and Approvals" and "Exemptions and Approvals".

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns.

**Risk Management Process**

The Fund follows AIGSL's market and counterparty risk management process in order to monitor and measure the risk of the Fund's investment positions and their contribution to the overall risk profile of the Fund. In accordance with this risk management process, the Fund voluntarily complies with the derivative cover rules for UCITS set out in the UCITS Framework. These rules provide: (i) that the mutual fund should, at any given time, be capable of meeting all its payment and delivery obligations incurred by transactions involving financial derivative instruments; and (ii) that the risk management process should include a monitoring process to ensure that financial derivative transactions are adequately covered. Under these rules, where the derivative contracts provide for physical delivery of the underlying financial instrument, whether automatically or at the counterparty's choice, then the mutual fund is required either to hold in its portfolio the underlying financial instrument as cover or, in cases where the mutual fund deems the underlying financial instrument to be sufficiently liquid, it may hold as cover other liquid assets (including cash) on condition that these assets may be used at any time to acquire the underlying financial instrument that is to be delivered by the mutual fund.

As part of its market and counterparty risk management process, AIGSL has a comprehensive risk management system in place that, among other things, monitors risk and for compliance with the cover rules under the UCITS Framework described above. AIGSL applies robust risk controls on both a backward and forward-looking basis to the Fund's derivatives positions. These controls ensure that the operational and other risks associated with derivatives are identified, evaluated and managed in accordance with best practices. One of the primary risks that AIGSL manages is the risk that the Fund will be unable to meet its obligations under its derivative positions as they become due. To address this risk, AIGSL takes a holistic approach designed to ensure that the mark-to-market value of the derivative positions of the Fund are always covered at any point in time. AIGSL takes steps to ensure that, unless AIGSL decides that the Fund should take delivery of an underlying asset, all derivative positions are cash settled in accordance with normal market practice.

AIGSL measures the Fund's market exposure, including derivatives, using a Value at Risk (VaR) model as set out in the UCITS Framework. The VaR approach is a measure of the maximum potential loss that an investment portfolio may suffer due to market risk, rather than the use of leverage. More particularly, the VaR approach measures the maximum potential loss at a given confidence level, or probability, over a specific time period under normal market conditions. For example, if the VaR (based on a one month, 99% confidence level) of the Fund equals $4 million, this means that, under normal market conditions, there is a 1% probability that the value of the Fund's portfolio could decrease by $4 million or more during one month.

Under the VaR Model as prescribed by the UCITS Framework, the Fund's VaR cannot be greater than 20% of the Fund's NAV irrespective of the portfolio assets held in the Fund and the amount of leverage employed by the Fund.

AIGSL monitors the accuracy and performance of the VaR Model by conducting regular back testing. The Fund's investment portfolio is also subject to a rigorous, comprehensive and risk adequate stress testing program. The VaR Model is documented by AIGSL, which documentation addresses many aspects of the VaR Model, including the risks covered by the model, the model's methodology, the mathematical assumptions and foundations and the back testing and stress testing processes. The VaR Model is also independently validated on an annual basis, as well as following any significant change to the VaR Model, to ensure that the VaR Model captures adequately all material risks.

**Leverage**

The use of derivatives by the Fund may introduce leverage into the Fund. Leverage occurs when the Fund's notional exposure to underlying assets is greater than the amount invested and is an investment technique that can magnify gains and losses. Consequently, any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been held directly by the Fund. As such, adverse changes may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavourable times**.**

AIGSL calculates the Fund's leverage using what it refers to as the "sum of the notionals" method. Under this method, AIGSL calculates the total exposure of all of the Fund's derivatives positions, without netting or offsetting of positions that might ordinarily be expected to cancel each other out and without removing from the calculation those derivative positions that are entered into for hedging purposes or for which the Fund holds sufficient assets as cover. Under AIGSL's leverage calculation, the expected maximum amount of leverage that the Fund may use, as a multiple of net assets, is 700%. On that basis, the expected maximum amount of leverage that could be used by the Fund is 7:1. AIGSL regularly reviews the Fund's estimated average and expected maximum leverage calculations. Leverage should not necessarily be seen as a direct measure of investment risk, as the Fund calculates leverage by adding together all of the notional amounts of its derivatives transactions, irrespective of the market direction, the risks entailed in the transaction, whether the transaction is for hedging purposes and whether the derivative position is covered. The expected level of leverage in the Fund results from the Fund's high use of derivative instruments.

**Overview of the Investment Structure**

In accordance with its investment objective and strategies, the Fund invests in an actively managed, risk diversified multi-strategy portfolio based on the investment ideas and opportunities identified by AIGSL. It invests in equity securities, convertible securities, fixed income securities, derivatives, underlying funds, money market instruments, cash and other financial instruments. The Fund makes significant use of derivatives for purposes of hedging, efficient portfolio management and/or investment purposes.

## OVERVIEW OF THE SECTORS IN WHICH THE FUND INVESTS

The Fund provides the opportunity to gain exposure to an actively managed, risk diversified multi-strategy portfolio of equity securities, convertible securities, fixed income securities, derivatives, underlying funds, money market instruments, cash and other financial instruments. The Fund provides the opportunity to gain exposure to global investment instruments, as the Fund may invest in Canadian, U.S. and other foreign securities, including securities of issuers in emerging market countries and securities denominated in a currency other than the Canadian dollar.

## INVESTMENT RESTRICTIONS

The Fund is subject to certain restrictions and practices contained in Canadian securities legislation, including NI 81-102. The Fund is managed in accordance with these restrictions and practices, except as otherwise permitted by NI 81-104, which regulates investment funds that are commodity pools under Canadian securities legislation, and as otherwise permitted by exemptions obtained from the securities regulatory authorities. See "Investment Restrictions – Exemptions and Approvals" and "Exemptions and Approvals". A change to the investment objective of the Fund requires the approval of the Unitholders. See "Unitholder Matters – Matters Requiring Unitholders Approval".

The Fund is also restricted from making an investment or undertaking an activity that would result in the Fund failing to qualify as a "mutual fund trust" for the purposes of the Tax Act.

**Exemptions and Approvals**

The Fund has obtained exemptive relief from the securities regulatory authorities to permit:

- the Fund to invest up to 10% of its net assets in one or more UCITS Underlying Funds, provided that certain conditions are met, including that each UCITS Underlying Fund is subject to investment restrictions and practices under the laws of the relevant Member State and that the Fund otherwise complies with the fund-on-fund investment restrictions in NI 81-102;
- the Fund to enter into cleared derivative transactions and to deposit cash and other portfolio assets directly with a Futures Commission Merchant and indirectly with a Clearing Corporation as margin in connection with such cleared derivatives;
- the Fund to enter into, or hold, OTC derivatives with counterparties that do not satisfy the credit rating requirement set out in NI 81-102, provided that the counterparty has deposited in favour of the Fund collateral that has a mark-to-market value at least equal to the obligation of such counterparty to the Fund under the applicable OTC Derivative; and
- the Fund to deposit portfolio assets as margin with a dealer that does not have separate audited financial statements that have been made public, provided that the dealer has a net worth, determined from its most recent audited financial statements that have been made public or from other publicly available financial information, in excess of the equivalent of $50 million.

## FEES AND EXPENSES

This section details the fees and expenses that an investor may have to pay if the investor invests in Fund. An investor may have to pay some of these fees and expenses directly. The Fund may have to pay some of these fees and expenses, which will therefore reduce the value of an investment in the Fund.

**Fees and Expenses Payable by the Fund**

***Management Fee***

The Fund pays the Manager a management fee based on the Series NAV of the Series A Units and Series F Units of the Fund, plus HST. Management fees pay for the services that the Manager provides to the Fund, including arranging for the provision of portfolio and investment advisory services, oversight of any service providers to the Fund, the general administration of Fund operations, marketing and other promotional activities, arranging for the distribution and sale of Units and the payment of commissions to advisors and dealers. This list is not exhaustive. The maximum annual rate of the fee, excluding HST and other applicable taxes, if any, is set out below. The fee is accrued daily and paid monthly.

| Series of the Fund | Annual management fee |
|---|---|
| Series A | 2.25% of NAV |
| Series F | 1.25% of NAV |

For Series I Units, investors negotiate and pay the management fees directly to the Manager. For Series O Units, investors pay the management fee directly to the Manager, less any management fee reduction as described below. The management fee is paid by redeeming Series O Units held in the applicable Private Client account.

The Manager may, at its discretion, waive a portion or the entire amount of the management fee chargeable to a series of the Fund at any given time. Generally, the Manager may reduce the fees and expenses charged to the Fund (including the management fee and the Administration Fee) for the benefit of institutional and individual investors who invest large amounts in the Fund. These reductions are negotiable by institutional investors or their advisor or dealer and the Manager. To achieve the reduction, the Manager reduces the fee and/or expenses charged to the Fund and then the Fund makes a special fee distribution to the investor of income, capital gains and/or capital of the Fund equal to the amount of the reduction. Fee distributions are generally reinvested in additional Units. However, some institutional investors may choose to receive management fee distributions in cash. See "Distribution Policy – Fee Distributions".

Investors are eligible for management fee reductions if their account is linked to a Household Group or when the market value of the Eligible Securities in their account exceeds $100,000. A different rate of management fee reduction applies to the dollar value indicated in each tier and a particular rate is applied to the assets within a particular tier only, as set out in the table below. The thresholds indicated below apply to the market value of Eligible Securities in an account or, if the account is linked to a Household Group, the aggregate market value of the Eligible Securities in all accounts in the Household Group. If the market value of the Eligible Securities in the account falls below $100,000, the account no longer qualifies for the management fee reductions set out below. If the aggregate market value of the Eligible Securities in all accounts in the Household Group falls below $250,000, only those accounts with $100,000 or more will still qualify for the management fee reduction. See "Distribution Policy – Private Client Program".

The thresholds indicated below apply to an account or Household Group participating in the Private Client Program.

| **Private Client Program – Management Fee Reductions** | |
|---|---|
| **Balance in Eligible Securities (Individual Account or Household Group)** | **Management Fee Reduction (within tier)** |
| Tier 1 – Less than or equal to $250,000, provided that AUM exceeds $100,000 | 0.05% |
| Tier 2 – Greater than $250,000 to $500,000 | 0.10% |
| Tier 3 – Greater than $500,000 to $1million | 0.20% |
| Tier 4 – Greater than $1million to $3million | 0.25% |
| Tier 5 – Greater than $3million | 0.30% |

The availability of management fee reductions on securities eligible for the Private Client Program is in the Manager's sole and absolute discretion. Such management fee reductions may be changed or cancelled by the Manager at any time. At all times, the Manager is entitled to charge the Fund the management fee at the maximum rates set out in the first table above and is not obligated to provide any management fee reduction to investors. The Manager will provide investors participating in the Private Client Program with at least 90 days' prior written notice before reducing the rate of management fee reductions on Eligible Securities in the Private Client Program or canceling the management fee reduction program.

***Fund Costs***

The Fund pays the Fund Costs directly. The Fund Costs are: (i) borrowing costs incurred by the Fund from time to time; (ii) fees and expenses payable to or in connection with the Fund's IRC; (iii) taxes payable by the Fund; and (iv) the costs of complying with any new regulatory or legal requirement imposed on the Fund after its implementation date. The 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 the Fund.

The Manager may, at its discretion, pay certain Fund Costs. The Manager may also reduce the Fund Costs charged to the Fund for the benefit of institutional and individual investors who invest large amounts in the Fund. These reductions are negotiable by institutional investors or their advisor or dealer and the Manager. To achieve this reduction, the Manager makes a payment directly to the investors, which is generally invested in additional Units. However, some institutional investors may choose to receive cash.

***Underlying Fund Fees and Expenses***

When the Fund invests in 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. The fees and expenses of the underlying fund will have an impact on the MER of the Fund that invests in such underlying fund, as the Fund is required, in determining its MER, 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.

***Administration Fee***

The Manager pays certain of the operating expenses of the Fund, other than the Fund Costs, in return for the Administration Fee paid to the Manager by the Fund in respect of each series of Units. The Administration Fee is based on the Series 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 Administration fee is accrued daily and paid monthly. The expenses paid by the Manager in return for the Administration Fee 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 Fund) and trustee fees for Registered Plans.

| **Administration Fees** | |
|---|---|
| **All series (other than Series I)** | **Series I** |
| 0.20% of NAV | 0.05% of NAV |

The Manager may, at its discretion, waive a portion or the entire amount of the Administration Fee chargeable to the Fund at any given time.

The Manager may reduce the Administration Fee charged to the Fund for the benefit of institutional and individual investors who invest large amounts in the Fund. These reductions are negotiable by institutional investors or their advisor or dealer and the Manager. To achieve this reduction, the Manager makes a payment directly to the investors, which is generally invested in additional Units. However, some institutional investors may choose to receive cash.

**Fees and Expenses Payable Directly by Unitholders**

***Management Fee***

Series I investors negotiate and pay the management fees for Series I Units, plus any applicable taxes, to the Manager directly. The fee is accrued daily and paid monthly. The fee will not exceed 1.50% of the Series NAV of the Series I Units.

Series O investors pay a management fee, based on the series NAV of Series O Units, plus any applicable taxes, to the Manager directly. This fee is paid, after subtracting any management fee reductions, as further described below, by redeeming Series O Units held in the investor's account. The maximum rate of the fee, excluding HST and any other applicable taxes, is 1.25% of the Series NAV of the Series O Units. The fee is calculated daily and paid monthly.

A Series O investor is eligible for management fee reductions if the investor's account is linked to a Household Group or when the market value of the Eligible Securities in the investor's account exceeds $100,000. A different rate of management fee reduction applies to the dollar value indicated in each tier and a particular rate is applied to the assets within a particular tier only, as set out in the table below. The thresholds indicated below apply to the market value of Eligible Securities in an account or, if the account is linked to a Household Group, the aggregate market value of Eligible Securities in all accounts in the Household Group.

| Series O Management Fee Reductions | |
|---|---|
| **Balance in Eligible Securities (Individual Account or Household Group)** | **Series O Management Fee Reduction (within tier)** |
| Tier 1 – Less than or equal to $250,000 , provided that AUM exceeds $100,000 | 0.05% |
| Tier 2 – Greater than $250,000 to $500,000 | 0.10% |
| Tier 3 – Greater than $500,000 to $1million | 0.20% |
| Tier 4 – Greater than $1million to $3million | 0.25% |
| Tier 5 – Greater than $3million | 0.30% |

The availability of management fee reductions on Series O Units is in the Manager's sole and absolute discretion. Such management fee reductions may be changed or cancelled by the Manager at any time. At all times, the Manager is entitled to charge a Series O investor a management fee at the maximum rate of 1.25% and is not obligated to provide any management fee reduction to investors. The Manager will provide investors participating in the Private Client Program with at least 90 days' prior written notice before reducing the rate of management fee reductions on Eligible Securities held in the Private Client Program or canceling the management fee reduction program.

***Sales Charges***

Under the Front End Sales Charge option, an investor may have to pay up to 5% of the purchase price of the Series A or Series O Units purchased. The investor negotiates the sales charges with his, her or its advisor.

***Switch Fees***

Dealers may charge an investor a switch fee of up to 2% of the value of the Units switched to cover the time and processing costs involved in a switch. Generally, dealers may charge a switch fee for a switch to or from Series A and Series O Units of the Fund. Dealers may also charge a switch fee for a switch to or from Series A, Series AH, Series AT5, Series T5, Series AT8, Series T8 or Series O securities of the other Sun Life Global Investments Mutual Funds. Such switch fees are more particularly described in the prospectuses of the other Sun Life Global Investments Mutual Funds. The investor and his, her or its advisor negotiate the fee.

***Redemption Fees***

Deferred Sales Charge option: An investor pays up to 5.5% of the original cost of the Series A Units if the investor redeems such Units within seven years, as follows:

| If redeemed during: | Investor pays: |
|---|---|
| Year 1 | 5.5% |
| Year 2 | 5.0% |
| Year 3 | 5.0% |
| Year 4 | 4.0% |
| Year 5 | 4.0% |
| Year 6 | 3.0% |
| Year 7 | 2.0% |
| After year 7 | Nil |

Low Load Sales Charge option: An investor pays up to 3.0% of the original cost of the Series A Units if the investor redeems such Units within three years, as follows:

| If redeemed during: | Investor pays: |
|---|---|
| Year 1 | 3.0% |
| Year 2 | 2.5% |
| Year 3 | 2.0% |
| After year 3 | Nil |

### *Series O Service Fee*

A Series O Unitholder may have to pay his, her or its dealer a Series O Service Fee of up to 1.00% based on the value of the Series O Units held in the Unitholder's account. The Series O Service Fee rate is negotiated between the investor and his, her or its advisor and agreed to by way of a signed agreement. If the Manager does not receive an agreement evidencing a negotiated Series O Service Fee, the default Series O Service Fee will be 0%. Any negotiated Series O Service Fee will be subject to applicable taxes.

The Series O Service Fee, plus applicable taxes, is payable by the investor, calculated daily and paid monthly, by a redemption of Series O Units held in the investor's account.

### *Short-Term Trading Fee*

An investor may pay 2% of the current value of the Units if the investor redeems or switches such Units within 30 days of purchase. No short term trading fees are charged: (i) for a redemption of Units when an investor fails to meet the minimum investment amount for the Fund; (ii) for a redemption of Units acquired through the automatic reinvestment of all distributions by the Fund; (iii) for a redemption of Units in connection with a failed settlement of a purchase of Units; (iv) 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 prospectus; (v) for a switch under the Systematic Transfer Plan; (vi) for a switch as a result of a rebalancing transaction under the Private Client account rebalancing service; (vii) for a redesignation of Units from one series to another; (viii) for a redemption of Units by another investment fund or investment product approved by the Manager; or (ix) in the absolute discretion of the Manager.

### *Other Charges*

The Manager will charge an investor an NSF fee ($30.00 for each returned item) should any cheque or purchase order be returned because of insufficient funds in the investor's account.

If an investor requests that redemption proceeds be forwarded to the investor by courier or wire transfer, the Manager may charge the investor for any cost incurred by the Manager in connection with such delivery method.

## RISK FACTORS

A prospective investor should reach a decision to invest in the Fund after careful consideration with his, her or its advisors as to the suitability of the Fund in light of its investment objective and the information set out in this prospectus. The Manager does not make any recommendation as to the suitability of the Fund for investment by any person.

The value of an investment in the Fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, the Units are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

Under exceptional circumstances, an investor's right to redeem Units may be suspended. See "Redemption of Units – Suspending a Unitholder's Right to Redeem".

In addition to the considerations set out elsewhere in this prospectus, the following are certain considerations relating to an investment in Units that prospective investors should consider before purchasing Units. Depending upon the nature of its investments, these risks also apply to the underlying funds.

***Market Risk***

This is the risk that the market value of the Fund's investments will rise or fall based on overall market conditions. 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.

Increased instability in the financial markets may expose the Fund to greater market and liquidity risk and create potential difficulty in valuing portfolio instruments that it holds. These risks may increase if governments become more involved in the markets by acquiring distressed assets from financial institutions and acquiring ownership interests in those institutions. Additional legislation or government regulation may also change the way in which investment funds are regulated, which could limit or preclude the Fund's ability to achieve its investment objective.

***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 set price within a certain time period and which require the 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. The Fund may use derivatives to limit potential gains or losses caused by changes factors that affect the value of its investments, such as foreign currency exchange rates, stock prices and interest rates. This is called hedging. The Fund may also use derivatives as part of its overall investment and portfolio management strategy to gain or lessen exposure to various securities, markets, volatility, dividend payments and currencies.

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 entered into for hedging purposes may expose the Fund to losses if the derivatives do not correlate with the assets, indices or rates they were designed to hedge; gains and losses from hedging transactions are, therefore, dependent upon AIGSL's ability to correctly predict the movement of the underlying asset prices, indices or rates;
- derivatives may be less liquid than traditional securities and there is no guarantee that a market for a derivative contract will exist when the Fund wants to buy or sell;
- there is no guarantee that the 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; to the extent that the Fund enters into multiple transactions with a single or limited number of counterparties, the Fund will be subject to increased levels of risk;
- where the derivatives contract is a commodity futures contract, the Fund will endeavour to settle the contract with cash or an offsetting contract;
- a large percentage of the assets of the Fund may be placed on deposit with one or more counterparties, which exposes the Fund to the credit risk of those counterparties;
- securities exchanges may set daily trading limits or halt trading, which may prevent the Fund from selling a particular derivative contract;
- the price of a derivative may not accurately reflect the value of the underlying asset;
- many derivatives, particularly those that are privately negotiated, are complex and often valued subjectively; improper valuations can result in increased cash payment requirements to counterparties or a loss of value to the Fund;

- 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 the Fund to use certain derivatives;
- costs relating to entering and maintaining derivatives contracts by the Fund may reduce the returns of the Fund; and
- 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.

AIGSL has adopted a market and counterparty risk management methodology, the purpose of which is to monitor and measure at any time the risk of the Fund's market position, including its derivatives positions. In accordance with this methodology and exemptive relief obtained by the Fund from the securities regulatory authorities, the Fund voluntarily complies with the UCITS Framework. The cover rules included in the UCITS Framework for derivative transactions are meant to ensure that any mutual fund that complies with such rules will be able to satisfy its payment and/or delivery obligations under its derivative transactions. See "Investment Strategies – Risk Management Process" and "Investment Restrictions – Exemptions and Approvals".

***Leverage Risk***

When the Fund makes investments in derivatives, leverage may be introduced into the Fund. Leverage occurs when the Fund's notional exposure to underlying assets is greater than the amount invested. It is an investment technique that can magnify gains and losses. Consequently any adverse change in the value or level of the underlying asset, rate or index may amplify losses compared to those that would have been incurred if the underlying asset had been directly held by the Fund and may result in losses greater than the amount invested in the derivative itself. Leverage may increase volatility, may impair the Fund's liquidity and may cause the Fund to liquidate positions at unfavourable times.

***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 the 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 the 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 Fund's investors. In addition, if claims against an investment trust are not satisfied by the trust, investors in the trust (i.e., such as the 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 the Fund remains at risk for the obligations of investment trusts ultimately depends on the local laws of the jurisdiction where the Fund invests in investment trusts.

*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.
- High (yield) 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. The Fund may invest in high yield securities. Such securities are generally not exchange traded and, as a result, these instruments trade in the over-the-counter market place, which is less transparent than the exchange-traded marketplace. In addition, the Fund may invest in bonds of issuers that do not have publicly traded equity securities, which may make it more difficult to hedge the risks associated with such investments. The market values of certain of these lower-rated and unrated debt securities tend to reflect changes in the issuer's own circumstances to a greater extent than do high-rated securities which react primarily to fluctuations in the general level of interest rates, and tend to be more sensitive to economic conditions than are lower-rated securities. It is possible that a major economic recession could disrupt severely the market for such high-yield securities and may have an adverse impact on the value of such securities or the ability of the issuers of such securities to pay interest and repay principal thereon.
- Call risk, which is the risk that the issuer will prepay fixed rate obligations when interest rates fall, which may force the Fund to reinvest in obligations with lower interest rates than the original obligations and otherwise may not benefit fully from the increase in value that other fixed income securities experience when rates decline.

*Interest Rate Risk*

To the extent that the Fund holds fixed income securities, the value of the Fund 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 the Fund, but will affect the value of the Units. 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.

*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 the 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 mutual 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. Some countries may have policies that restrict investment by foreigners or that prevent foreign investors from withdrawing their money at will. Emerging markets also have the risks described under "Risk Factors – Foreign Currency Risk", "Risk Factors – Foreign Investment Risk" and "Risk Factors – Liquidity Risk".

***Foreign Investment Risk***

The Fund may invest in securities issued by corporations in, or governments of, countries other than Canada or in depositary 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 the Fund from taking money out of the country.

***Foreign Currency Risk***

The Fund may invest a portion of its investment portfolio in foreign securities; however, the assets and liabilities of the Fund are valued in Canadian dollars. If the 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 the Fund, the Manager converts, on a daily basis, 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. 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, if the Fund holds a security denominated in a foreign currency, it 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 the Manager cannot exchange the currencies in which the Fund is invested, the Manager may be unable to make cash distributions or process redemptions.

The Fund may engage in foreign currency derivative transactions, including foreign currency forward contracts, options, swaps and other similar strategic transactions. These transactions may be for the purposes of hedging or efficient portfolio management, or may be for investment purposes, and they may be exchange traded or traded directly with market counterparties. Such transactions may not prove successful or may have the effect of limiting gain from favourable market movements.

The Fund may use derivatives to acquire positions in various currencies, which presents the risk that the Fund could lose money on its exposure to a particular currency and also lose money on the derivative. The Fund may take positions in currencies that do not correlate to the currency exposure presented by the Fund's other investments. As a result, the Fund's currency exposure may differ, in some cases significantly, from the currency exposure of its other investments.

### *Liquidity Risk*

A liquid asset trades on an organized market, such as a stock exchange, that 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. If the Fund holds illiquid assets, the value of the Fund may rise and fall substantially because the Fund may not be able to sell the securities for the value that is used in calculating the NAV of the Fund. The sale of such securities may also require the 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 the Fund may hold.

### *Convertible Securities Risk*

Convertible securities are bonds, debentures, notes, preferred shares, rights, warrant or other securities that may be converted into, or exchanged for, a prescribed amount of common stock or other securities of the same or a different issuer or into cash within a particular period of time at a specified price or formula. A convertible security generally entitles the holder to receive interest paid or accrued on debt securities or the dividend paid on preferred shares until the convertible security matures or is redeemed, converted or exchanged. If a convertible security is called for redemption, the Fund may have to redeem the security, convert it into common stock or sell it to a third party at a price and time that is not beneficial for the Fund. The value of convertible securities tends to decline as interest rates rise and, because of the conversion feature, tends to vary with fluctuations in the market value of the underlying securities. Securities convertible into common stocks may have higher yields than common stocks, but lower yields than comparable nonconvertible securities.

### *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.

### *Income Risk*

Any income that investors receive from the Fund is based primarily on the dividends and interest the Fund earns from its investments, which can vary widely over the short- and long-term.

### *Concentration Risk*

The Fund may hold a large portion of its assets in securities of a single issuer or may invest in a relatively small number of securities. The Fund may be more volatile and will be strongly affected by changes in the market value of those securities.

### *Geographic Concentration Risk*

The Fund may invest a relatively large portion of its assets in issuers located in a single country, a small number of countries, or a particular geographic region. As a result, the performance of the Fund 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 funds the holdings of which are more geographically-diversified.

### *Regulatory Risk*

There can be no assurance that certain laws applicable to investment funds, including the Fund, 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 fund.

***Taxation Risk***

The Fund will be subject to certain tax risks generally applicable to Canadian investment funds, including the following.

The Fund is expected to qualify or be deemed to qualify at all material times as a mutual fund trust under the Tax Act. If the Fund does not qualify or ceases to qualify as a mutual fund trust under the Tax Act, the income tax considerations described under the heading "Income Tax Considerations" could be materially and adversely different in some respects.

There can be no assurance that the CRA will agree with the tax treatment adopted by the Fund in filing its tax return. The CRA could reassess the Fund on a basis that results in tax being payable by the Fund or in an increase in the taxable component of distributions considered to have been paid to Unitholders. A reassessment by the CRA may result in the Fund being liable for unremitted withholding tax on prior distributions to non-resident Unitholders. Such liability may reduce the NAV of Units of the Fund.

If the Fund experiences a "loss restriction event" for tax purposes, 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 by virtue of the terms of the Declaration of Trust so that the Fund will not be liable for income tax. These distributions must be included in the calculation of investors' income for tax purposes. Also, net losses of the Fund attributable to the period before the loss restriction event will generally not carry forward to future years. As a result, income and capital gains distributions paid by the Fund in the future may be larger than they otherwise would have been. See "Income Tax Considerations".

***Underlying Fund Risk***

The Fund may pursue its investment objectives by investing indirectly in securities of other funds, including exchange-traded funds and UCITS Underlying Funds, in order to gain access to the strategies pursued by those funds. There can be no assurance that any use of such multi-layered fund-of-fund structure will result in any gains for the Fund. If an underlying fund suspends redemptions, the 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 to being able to invest in certain exchange-traded funds and other underlying funds in accordance with the fund-on-fund investment provisions in NI 81-102, the Fund has obtained exemptive relief from the securities regulatory authorities to permit the Fund to invest up to 10% of its net assets in one or more UCITS Underlying Funds, subject to certain conditions. See "Investment Restrictions – Exemptions and Approvals" and "Exemptions and Approvals".

Assets invested in underlying funds may incur a layering of expenses, including operating costs and advisory fees, which Unitholders indirectly bear. To the extent that the Fund invests in underlying fund(s), the Fund will be exposed to the risks to which such underlying funds are exposed and the risks of investing in such underlying funds.

***Large Transaction Risk***

If an investor in the Fund subscribes for or redeems a large number of Units, the transaction costs associated with such a large transaction may affect the Series NAV per Unit of the Fund. For example, if an investor redeems a large number of Units of the Fund, the Fund may be forced to sell securities or close out positions at unfavourable prices to pay for the proceeds of redemption. This unexpected sale may have a negative impact on the value of an investment in the Fund.

The Manager or others may offer investment products that invest all or a significant portion of their assets in the Fund. These investments may become large and could result in large purchases or redemptions of Units of the Fund.

***Small Company Risk***

The 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.

***Mortgage-Backed Securities Risk***

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 mortgage-backed securities not receiving full payment.

***Contingent Convertible Securities Risk***

The weakening of the financial strength of an issuer of contingent convertible securities, or a regulatory action that impacts the issuer, could decrease the value of the securities held by the Fund or trigger a conversion event, respectively, both of which could result in an adverse effect on the value of the Fund's investments, perhaps significantly. Contingent convertible or contingent capital securities are a form of convertible securities that convert into equity or have their principal written down upon the occurrence of certain trigger events. One type of contingent convertible security is designed to absorb losses, where the value of the security may be adjusted downward to below its original par value or written off entirely under certain circumstances. For instance, if an issuer's capital levels fall below a specified threshold, the value of the security may be reduced in whole or in part. The reduction of the security's par value may occur automatically. Automatic reductions can also result in a reduced income rate if the dividend or interest payment associated with the security is based on the security's par value. Such securities may provide for circumstances under which the value of the security may be adjusted back up to par. Other contingent convertible securities provide for a mandatory conversion of the security into common shares of the issuer under certain circumstances. A mandatory conversion might occur as a result of the issuer's failure to maintain a minimum capital. Since the common shares of the issuer may not pay a dividend, investors in such instruments could experience reduced yields, or no yields at all, and conversion would deepen the subordination of the investor, effectively worsening the investor's standing in the case of an issuer's insolvency. An automatic write-down or conversion event with respect to a contingent convertible security will typically be triggered by a reduction in the issuer's capital level, but may also be triggered by regulatory actions, such as a change in regulatory capital requirements, or by other factors.

***Series Risk***

The Fund issues more than one series of Units. Each series has its own fees and expenses, which are tracked separately. If the Fund cannot pay the expenses of one series using that series' share of the Fund's assets, the Fund will have to pay those expenses out of the other series' share of the Fund's assets attributable to those series. This could lower the investment return of the other series.

Having to pay any expense or liability of this kind could cause the value of an investment in the Fund to decline even though the value of the Fund's investments might have increased.

***Repurchase and Reverse Repurchase Transactions and Securities Lending Risk***

The Fund may engage in repurchase, reverse repurchase or securities lending transactions.

A repurchase transaction is where the 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 the 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 the 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 Fund to earn additional income and thereby potentially enhance its 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 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 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 Fund holds.

To reduce these risks, the Fund requires 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 fund's net asset value immediately after entering into the transaction. This calculation excludes cash held by the Fund for sold securities and collateral held for loaned securities.

***Short Selling Risk***

The Fund is permitted by Canadian securities legislation to engage in a limited amount of short selling, provided that certain conditions are met. A "short sale" is where the Fund borrows securities from a lender which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities, the Fund makes a profit for the difference (less any interest the Fund is required to pay to the lender). Short selling involves certain risks. There is no assurance that securities will decline in value during the period of the short sale to an extent sufficient to offset the interest paid by the Fund and make a profit for the Fund, and securities sold short may instead appreciate in value. The Fund also may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender from whom the Fund has borrowed securities may recall the securities, may go bankrupt and the Fund may lose the collateral it has deposited with the lender. The Fund will adhere to controls and limits that are intended to offset these risks in accordance with the requirements in Canadian securities legislation.

## DISTRIBUTION POLICY

### Distributions

The Fund will make a distribution of any income and capital gains in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time the Manager considers appropriate. The Fund distributes a sufficient amount of its net income and net realized capital gains to Unitholders for each taxation year so that the Fund will not be liable for ordinary income tax. 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 the investor provides the Manager with a written request that the investor wishes to receive them in cash. Any reinvestment of distributions will occur at the applicable Series NAV thereof without payment of sales charges. No redemption fee is payable on the redemption of Units of the Fund issued on reinvestment. However, these Units are the last to be redeemed.

The Manager reserves the right to adjust the amount or frequency of distributions of the Fund if the Manager considers it appropriate, without notice.

The Manager provides each investor of the Fund with an annual statement and, in the case of taxable investors, tax slips showing income distributions, capital gains distributions, ordinary dividends, capital gains dividends and, if applicable, capital distributed to such investor. These annual statements, together with the confirmation that the investor received on a purchase of or reinvestment of distributions of Units of the Fund, should be retained by the investor, so that the investor may accurately compute, for tax purposes, any gain or loss on a redemption of Units, or report distributions received. The investor may also use this information to calculate the adjusted cost base of the Units.

The tax treatment to Unitholders of distributions is discussed under the heading "Income Tax Considerations".

**Fee Distributions**

The Manager encourages large investments in the Fund and tries to achieve competitive management fees, Administration Fees and other operating expenses. From time to time, the Manager may agree to arrange for the fees and expenses (including the management fee and/or the Administration Fee) of the Fund to be effectively reduced in respect of a particular investor's investment in the Fund. Generally, the reduction will be paid by the Fund to the particular investor in the form of a "fee distribution", where 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, and will generally be reinvested in additional Units; however, certain institutional investors may be eligible to elect to receive their fee distributions in cash. In the case of Series O Units, where an investor is eligible for a reduction of fees paid directly by the investor, the fees are reduced before they are paid. Fee distributions, if any, on each series of the Fund that are not eligible for the Private Client Program are calculated and credited daily. Fee reductions, if any, on all securities that are not Eligible Securities for the Private Client Program are paid at such times as may be determined by the Manager. Where accounts participating in the Private Client Program are eligible for a management fee reduction, such management fee reduction is calculated daily and applied monthly.

For accounts participating in the Private Client Program, management fee reductions are based on a fixed tiered reduction schedule based on the market value of Eligible Securities held in the investor's account or, if the account is linked to a Household Group, the aggregate market value of Eligible Securities held in all the accounts in the Household Group. For Series A and Series F Units that do not qualify for the Private Client Program and for Series I Units, the reduction of fees and expenses are negotiated on a case by case basis by the investor or the investor's dealer with the Manager and are based primarily on the size of the investment in the Fund and the Sun Life Global Investments Mutual Funds. Generally, these arrangements would not be considered for investments less than $250,000, and the Manager will confirm in writing to an investor or the investor's dealer the details of any arrangement.

For all series of Units, any reduction of fees or expenses is in the sole and absolute discretion of the Manager. At all times, the Manager is entitled to charge the Fund or the investor, as applicable, the maximum rate of fees, as set out in this prospectus or, in the case of the management fee of Series I Units, as negotiated with the investor. The Manager may reduce the rate of any fee reductions or cancel any fee reduction at any time.

The Manager will provide investors participating in the Private Client Program with at least 90 days' prior written notice before the Manager reduces the rate of management fee reductions on Eligible Securities held in the Private Client Program or cancels the management fee reduction program.

## PURCHASES OF UNITS

### Continuous Distribution

Units of the Fund are being offered on a continuous basis and there is no maximum number of Units that may be issued.

### Initial Investment in the Fund

In compliance with NI 81-104, the Fund will not issue Units to the public until subscriptions aggregating not less than $500,000 have been received by the Fund from investors, other than the Manager, the Sub-Advisor, AIGSL, any sponsor of the Fund or the directors, officers or shareholders of any of the foregoing, and have been accepted by the Fund. The Manager expects that an investor will subscribe for Units with an aggregate NAV in excess of $500,000 before the Units are offered for sale to the public. Pursuant to NI 81-104, the Manager will at all times maintain an investment of $50,000 in Units of the Fund.

### Series of Units

Each series of Units is intended for different types of investors and investors must meet eligibility criteria established by the Manager from time to time in order to hold certain series of Units of the Fund. The Manager 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, an investor ceases to be eligible to hold series of the Fund, the Manager may switch the investor to another series of Units of the Fund (including a series that may be created in the future).

#### *Series A Units*

Series A Units are available to all investors.

#### *Series F Units*

Series F Units are available to investors who have a fee-based account with their dealer and whose dealer has signed an agreement with the Manager. Instead of paying sales charges, investors buying Series F Units pay fees to their dealer for investment advice and other services. The Manager does not pay any commission to dealers in respect of Series F Units, so a lower management fee can be charged.

If an investor ceases to be eligible to hold Series F Units, the Manager may redesignate such Series F Units as Series A Units of the Fund under the Front End Sales Charge option.

#### *Series I Units*

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

If an investor ceases to be eligible to hold Series I Units, the Manager may redesignate such Series I Units as Series A Units of the Fund under the Front End Sales Charge option.

#### *Series O Units*

Series O Units are only available to investors through the Private Client Program. Each Series O investor pays a management fee directly to the Manager and is eligible for management fee reductions, if any, based on the value of all Eligible Securities of Sun Life Global Investments Mutual Funds held in the investor's account. The Series O management fee is paid, after subtracting any management fee reduction, by redeeming Series O Units held in the investor's account.

If an investor's account no longer qualifies for the Private Client Program, the Manager may redesignate the Series O Units held in such account as Series A Units of the Fund under the Front End Sales Charge option.

***Private Client Program***

The Manager offers the Private Client Program, which provides clients with a cost effective investment solution with enhanced reporting and services. Eligible Securities of the Sun Life Global Investments Mutual Funds are eligible for the Private Client Program.

Investors with Eligible Securities of Sun Life Global Investment Mutual Funds having a market value of $100,000 in their account are automatically enrolled in the Private Client Program. Investors who link their account to a Master Account (as described below) are also enrolled in the Private Client Program. Investors participating in the Private Client Program benefit from reduced management fees. For Series O Units of the Fund, no management fees are paid by the Fund. Management fees are paid directly by Series O investors, after subtracting any management fee reduction, and will be paid by redeeming a sufficient number of the investor's Series O Units to pay the amount owing.

A Household Group (also referred to as account linking or householding) can be established with eligible accounts once an investor has an account holding Eligible Securities with a market value of $100,000 or more (the "**Master Account**"). Eligible accounts can be linked to the Master Account if the aggregate market value of the Eligible Securities that are held in these accounts, along with the market value of the Eligible Securities in the Master Account, are equal to or greater than $250,000. Eligible accounts that may be linked to a Master Account are those held by the investor, the investor's spouse, children and/or parents residing at the same address (each, a "**qualifying investor**") and/or those held by a corporation, partnership or trust where one or more qualifying investor owns more than 50% of the entity's voting equity. Each eligible account must be serviced by the same advisor. Each account in a Household Group is eligible for management fee reductions. An account may be linked to only one Master Account. An eligible account will be linked to a Master Account once appropriate instructions and authorization by all eligible account holders are received by the Manager.

Unless an account is linked to a Master Account, an account must maintain a minimum market value of $100,000 in Eligible Securities to be eligible for the management fee reduction (based on the market value of the Eligible Securities held in such account) at any given time and if the market value of the Eligible Securities held in the account falls below $100,000, the account will no longer qualify for any management fee reductions. The accounts forming a Household Group must, in the aggregate, maintain a minimum market value of $250,000 (based on the market value of the Eligible Securities held in such accounts) at any given time. Should the aggregate market value of the Eligible Securities held in the accounts forming a Household Group fall below $250,000, these accounts will no longer qualify for any management fee reductions, with the exception of any individual account that has a market value of $100,000 or more in Eligible Securities. The Manager reserves the right to move non-qualifying accounts out of the Private Client Program

**Please contact the Manager or an advisor or dealer for more information on the Manager's Private Client Program**.

The Manager may modify or discontinue the Private Client Program at any time, at its discretion. Existing clients participating in the Private Client Program will receive at least 90 days' prior notice of the discontinuance of the Private Client Program.

**How to Buy Units of the Fund**

An investor can buy Units of the Fund through a dealer. The investor must be of the age of majority in the province or territory in which the investor lives to buy Units in the Fund. An investor may hold Units in trust for a minor.

***Purchase Price***

When an investor buys Units in the Fund, the price paid is the applicable Series NAV per Unit. Each series of Units of the Fund has a separate Series NAV. In general, the Series NAV is calculated 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 Series NAV per Unit for each Unit in each series is calculated by dividing the Series NAV by the total number of outstanding Units of that series.

See "Calculation of Net Asset Value".

If the Manager receives a purchase order before the Valuation Time on a Valuation Day, the Manager will process such order based on the applicable Series NAV per Unit calculated on that Valuation Day. If the Manager receives an investor's order after the Valuation Time, the Manager will process such order based on the applicable Series NAV per Unit calculated on the next Valuation Day.

***Choosing a Purchase Option***

Certain series of Units of the Fund are available for purchase under different purchase options. The purchase option determines the amount of the fee and when this fee is paid. An investor's choice of purchase option will require payment of different fees and will affect the amount of compensation the investor's dealer will receive. Not all dealers may make all series or all purchase options available. See "Fees and Expenses" and "Relationship Between the Fund and Dealers".

Series A Units are available for purchase under three different purchase options:

- **Front End Sales Charge option**. The investor and dealer negotiate the fee, which may be up to 5% of the cost of the Units. The investor pays this fee to the dealer when the investor buys the Units.
- **Deferred Sales Charge option**. The investor does not pay a fee when the Units are purchased. However, if the investor redeems the Units within seven years of buying them, the investor will pay a redemption fee that starts at 5.5% of the original cost and declines over time.
- **Low Load Sales Charge option**. The investor does not pay a fee when the Units are purchased. However, if the investor redeems the Units within three years of buying them, the investor will pay a redemption fee that starts at 3.0% of their original cost and declines over time.

For Series A Units purchased under the Deferred Sales Charge option or the Low Load Sales Charge option, upon the completion of the redemption fee schedule applicable to those Units, such Units will be automatically redesignated as Front End Sales Charge option Units without increased costs to the investor. An investor's dealer may, from the time Series A Units are redesignated, receive the higher level of service fees or trailing commissions that are applicable to Units purchased under the Front End Sales Charge option. See "Fees and Expenses".

There are no sales charges for the purchase of Series F or Series I Units. However, Series F investors pay a separate fee to their dealer. Series O Units are available for purchase under the Front End Sales Charge option. In addition, Series F, Series I and Series O Units are not available under the Deferred Sales Charge option or the Low Load Sales Charge option.

***Minimum Investment***

The minimum amount for an initial investment in Series A, Series F or Series O Units is $500.00. Each additional investment in Series A, Series F or Series O Units must be at least $50.00. The minimum initial investment and each additional investment in Series I Units is negotiated between each Series I investor and the Manager.

In the case of an account that is part of the Private Client Program, unless the account is linked to a Master Account, the account must maintain a minimum market value of $100,000 in Eligible Securities to be eligible for the management fee reduction (based on the market value of the Eligible Securities held in such account) at any given time and if the market value of the Eligible Securities held in the account falls below $100,000, the account will no longer qualify for any management fee reductions. The accounts forming a Household Group must, in the aggregate, maintain a minimum market value of $250,000 (based on the market value of the Eligible Securities held in such accounts) at any given time. Should the aggregate market value of the Eligible Securities held in such accounts fall below $250,000, these accounts will no longer qualify for any management fee reduction with the exception of any individual account that has a market value of $100,000 or more in Eligible Securities. The Manager reserves the right to move non-qualifying accounts out of the Private Client Program.

See "Redemption of Units – Redemption Fees –Automatic Redemption" for more information on the minimum balance that must be maintained for investments in other series of Units of the Fund and the consequences of failing to maintain such minimum.

***Processing of Purchase Orders***

An investor and his, her or its advisor or dealer are responsible for ensuring that such investor's purchase order is accurate and that the Manager receives all the necessary documents or instructions. If any other documentation in respect of an investor's purchase order is incomplete, the Manager will deem such order to be for Series A securities of Sun Life Money Market Fund, which is offered under another prospectus, and will invest the investor's money in such securities under the front end sales charge option of such fund at a 0% sales charge. Once the Manager has received the investor's documentation in good order, the Manager will switch this investment into the series of Units and the sales charge option that the investor has selected, without additional charge, at the applicable Series NAV per Unit on the applicable switch date.

The Manager must receive full payment within three business days of processing an investor's order. If the Manager does not receive payment within that time or if the payment is returned, the Manager will sell the investor's Units on the next Valuation Day. If the proceeds are greater than the amount the investor owes the Manager, the Fund will keep the difference. If the proceeds are less than the amount the investor owes the Manager, the investor's dealer will pay the difference to the Fund and the investor may have to reimburse their dealer.

The Manager can accept or reject a purchase order within one business day of receiving it. To reduce the adverse effect to existing investors of large redemptions in the Fund, the Manager may reject a purchase order if it makes an investor a holder of 10% or more of the Fund's net assets. If the Manager rejects a purchase order, any money sent with such order will be returned to the Investor without interest.

## REDEMPTION OF UNITS

### How to Redeem Units of the Fund

A Unitholder may redeem his, her or its Units. To redeem Units, a Unitholder should contact his, her or its advisor or dealer, who may ask the Unitholder to complete a redemption request form.

On redemption, the Manager will pay the Unitholder the applicable Series NAV per Unit for the Units redeemed, less any applicable redemption fees. See "Fees and Expenses" and "Redemption of Units – Redemption Fees". If the Manager receives the redemption request before the Valuation Time on a Valuation Day, the Manager will calculate the redemption value as of that Valuation Day. If the Manager receives a Unitholder's redemption request after the Valuation Time, the Manager will calculate the redemption value as of the next Valuation Day.

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

- the investor's redemption proceeds are $25,000.00 or more;
- the investor asks the Manager to send his, her or its redemption proceeds to another person or to a different address than which is recorded for the investor's account;
- the investor's redemption proceeds are not payable to all joint owners on the investor's account; or
- a corporation, partnership, agent, fiduciary or surviving joint owner is redeeming Units.

Investors should consult their advisors or dealers with respect to the documentation required.

**Redemption Fees**

When an investor redeems Series A Units, the investor may be charged redemption fees. The amount of those fees depends on the purchase option chosen by the investor when the Units were purchased. If the investor has held the Units for less than 30 days, such investor may also pay a short term trading fee. See "Fees and Expenses – Short-Term Trading Fees" and "Redemption of Units – Short-Term Trading".

The Manager will pay proceeds of a redemption request within three business days of receiving all the required documents or instructions. The Manager will deduct any applicable redemption fees and withholding tax from such payment.

***Deferred Sales Charge and Low Load Sales Charge options***

When an investor redeems Series A Units bought under the Deferred Sales Charge option within seven years of buying such Series A Units, the investor pays a fee. The fee is a percentage of what the investor paid for the Series A Units, and it declines over the period that the investor holds the Series A Units. See the redemption fee schedule under "Fees and Expenses – Fees and Expenses Payable Directly by Unitholders".

When an investor redeems Series A Units bought under the Low Load Sales Charge option within three years of buying them, the investor pays a fee. The fee is a percentage of what the investor paid for the Series A Units, and it declines over the period that the investor holds the Series A Units. See the redemption fee schedule under "Fees and Expenses – Fees and Expenses Payable Directly by Unitholders".

If an investor has chosen the Deferred Sales Charge or the Low Load Sales Charge options for Series A Units and then switches into another series of Units of the Fund or into another Sun Life Global Investments Mutual Fund, the redemption fee for the new securities will generally be based on the original purchase date and cost before the switch.

There is no redemption fee for Series F, Series I or Series O Units. However, if the investor has held the Units for less than 30 days, the investor may pay a short-term trading fee. In addition, there is no redemption fee for Units received from reinvested distributions . See "Fees and Expenses – Short-Term Trading Fees" and "Redemption of Units – Short-Term Trading".

***Order of Redemption***

Series A Units bought under the Deferred Sales Charge or the Low Load Sales Charge options are redeemed in the following order:

- Units that qualify for free redemption entitlement (in order of maturity date) – see "Redemption of Units – Redemption Fees – 10% free redemption entitlement";
- matured Units (units that are no longer subject to a redemption fee); then
- Units that have a fee remaining, starting with those that will mature first.

***10% Free Redemption Entitlement***

If an investor bought Series A Units under the Deferred Sales Charge or the Low Load Sales Charge options, each year the investor can generally redeem the following at no charge:

- up to 10% of the number of Series A Units the investor held on December 31 of the previous year; plus
- up to 10% of the number of Series A Units the investor bought during the current year prior to the date of redemption.

An investor cannot carry forward the unused free redemption entitlement to the next year. The Manager may modify or discontinue this free redemption entitlement at any time in its sole discretion.

***Redemption of Deferred Sales Charge and Low Load Sales Charge Units Following Death of an Investor***

The Manager may waive the deferred sales charge or low load sales charge if Units are redeemed following the death of the holder of an individual account. Once the Manager receives the required estate documentation in good order, the Manager will process the redemption as requested, and in accordance with its current policies. Investors should contact the Manager or their advisor or dealer for more information.

***Front End Sales Charge option***

An investor does not pay a fee for redeeming Units bought under the Front End Sales Charge option. The investor may have to pay a short-term trading fee if the investor redeems Units within 30 days of purchase. See "Fees and Expenses –Short-term Trading Fees" and "Redemption of Units – Short-Term Trading".

***Series F, Series I and Series O Units***

An investor does not pay a fee for redeeming Series F, Series I or Series O Units. The investor may have to pay a short-term trading fee if the investor redeems Units within 30 days of purchase. See "Fees and Expenses – Short-Term Trading Fees" and "Redemption of Units – Short-Term Trading".

**Short-Term Trading**

In general, the Fund is a long-term investment. 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". Frequent trading or switching in order to time the market can hurt the Fund's performance, affecting all the investors in the Fund by forcing the Fund to keep cash or sell investments to meet redemptions. The Manager uses a combination of measures to detect and deter market timing activity, including:

- monitoring trading activity in its 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 the Fund.

An investor may pay 2% of the current value of the Units if the investor redeems or switches such Units within 30 days of purchase. See "Fees and Expenses – Short-Term Trading Fee".

**Fair Value Pricing**

The TSX generally closes at 4 p.m. ET. The Manager prices the 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. The Manager's 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 Fund is calculated. The intent of fair value pricing is to increase the likelihood that the 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. See "Calculation of Net Asset Value".

**How the Manager Processes Redemption Requests**

The Manager will pay proceeds of a redemption request within three business days of receiving all the required documents or instructions. The Manager will deduct any redemption fees and withholding tax from such payment.

If the investor's account is registered in the name of their dealer or an intermediary, the Manager will send the proceeds to that dealer or intermediary unless the dealer or the intermediary tells the Manager otherwise.

If the Manager does not receive all the necessary documents or instructions within 10 business days of receiving the redemption order, the Manager will buy back such investor's Units 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, an investor's dealer will pay the difference to the Fund and the investor may have to reimburse their dealer.

**Automatic Redemption**

Investors in Series A, Series F and Series I Units of the Fund must keep at least $500.00 in their accounts. If an investor's account falls below $500.00, the Manager may notify the investor and give such investor 30 days to make another investment. If the investor's account stays below $500.00 after those 30 days, the Manager may redeem all of the Units in the investor's account and send the proceeds to the investor.

In addition, the Manager reserves the right to redeem, without notice to the investor, all of the Units that are held in the Fund if the investor's investment in the Fund falls below $500.00. The Manager also intends 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.

See "Purchases of Units – Minimum Investment" for more information on the minimum balance that must be maintained for investments in Series O Units of the Fund and the consequences of failing to maintain such minimum.

Irrespective of the size of an investment in the Fund, the Manager reserves the right to redeem all of the Units held by an investor in the Fund if the Manager believes it is in the best interest of the Fund to do so.

**Suspending a Unitholder's Right to Redeem**

The securities regulatory authorities allow the Manager to suspend an investor's right to redeem Units 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
- the securities regulatory authorities consent.

If the Manager suspends redemption rights after an investor has requested a redemption and before such investor's redemption proceeds have been determined, such investor may either withdraw their redemption request or redeem their Units at the NAV determined after the suspension period ends. The Manager will not accept orders to buy Units of the Fund during any redemption suspension period.

**How to Switch Units of the Fund**

A Unitholder may, at any time, switch all or part of his, her or its investment in the Fund to a different Sun Life Global Investments Mutual Fund, provided that the Unitholder is eligible to make the switch. A Unitholder may change between series of the Fund (which is referred to as a "redesignation"), provided that the investor is eligible to purchase the new series, or change between purchase options. It is generally not advisable to make changes between purchase options. The investor, by retaining the original purchase option, will avoid any unnecessary additional charges.

Investors must place all switch orders through their advisor or dealer.

***Switching between the Fund and another Sun Life Global Investments Mutual Fund***

An investor can switch his, her or its Units of the Fund into securities of the same series or a different series of another Sun Life Global Investments Mutual Fund, provided that the investor is qualified to purchase the series into which he, she or it is switching. This involves both a redemption of Units 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".

If the investor switches from Units of the Fund purchased under the Deferred Sales Charge option or the Low Load Sales Charge option to new securities of another Sun Life Global Investments Mutual Fund under the same purchase option, the investor's new securities will generally have the same redemption fee schedule as the investor's original Units.

***Redesignation Between Series***

A Unitholder may change his, her or its Units of one series of the Fund into Units of a different series of the Fund if the investor is eligible to purchase the new series. This change is processed as a redesignation and is not considered to be a disposition of Units for tax purposes. The investor will not realize a capital gain or loss upon a redesignation unless Units are redeemed to pay any fees or charges. See "Income Tax Considerations".

The following are some more things an investor should keep in mind about changing between series:

- if the investor changes Series A Units purchased under the Deferred Sales Charge option or the Low Load Sales Charge option into Series F, Series I or Series O Units, the investor will have to pay any applicable redemption fees;
- if the investor changes from Series F, Series I or Series O Units into Series A Units, the investor can choose to have any of the three available purchase options apply to their new Units;
- any change into or out of Series I Units is subject to the prior written approval of the Manager;
- a redesignation from one series of the Fund to another series will likely result in a change in the number of Units of the Fund held by the investor since each series of the Fund generally have a different Series NAV per Unit; and
- if the investor is no longer eligible to hold Series F, Series I or Series O Units, the Manager may redesignate such Units to Series A Units of the Fund under the Front End Sales Charge option.

***Changing Between Purchase Options***

Changes in purchase options may involve a change in the compensation paid to an investor's dealer. For the reasons set out below, it is generally not advisable to make changes between purchase options.

Changes between purchase options will generally be permitted only if the investor provides the Manager with instructions to sell their original Units and buy new Units of the Fund or securities of another Sun Life Global Investments Mutual Fund under a different purchase option. There may be tax consequences to the investor when making this type of change. If the original Units are subject to a redemption fee or do not have a free redemption amount (as described above), such a change will trigger any applicable redemption fees. In addition, if the investor is changing to any of the Deferred Sales Charge option or the Low Load Sales Charge option from a different purchase option, a new redemption fee schedule will be imposed on the new Units.

A change from Units purchased under the Deferred Sales Charge option or the Low Load Sales Charge option that are not subject to redemption fees to Units of the Fund or securities of another Sun Life Global Investments Mutual Fund purchased under the Front End Sales Charge option may result in an increase in the trailing commissions being paid to an investor's dealer, although no incremental charges to the investor, other than any switch fee. See "Redemption of Units – Switch Fees" and "Relationship Between the Fund and Dealers". If the Units are registered in the investor's own name, the Manager generally requires written authorization from the investor through their dealer. If the Units are registered in the name of an investor's dealer or an intermediary, the Manager generally requires written authorization the investor's dealer or intermediary. The investor's dealer or intermediary will generally be required to make certain disclosures to the investor and to obtain the investor's written consent to a change between purchase options.

The Manager automatically redesignates Series A Units purchased under the Deferred Sales Charge option or the Low Load Sales Charge option as Front End Sales Charge option Units upon the completion of the redemption fee schedule of those Units. This will result in an increase in the trailing commissions being paid to an investor's dealer, although no incremental charges to the investor. See "Relationship Between the Fund and Dealers".

***Switch Fees***

Dealers may charge investors a switch fee of up to 2% of the amount switched to cover the time and processing costs involved in a switch. Generally, dealers may charge a switch fee for a switch to or from Series A or Series O Units of the Fund. Dealers may also charge a switch fee for a switch to or from Series A, Series AH, Series AT5, Series T5, Series AT8, Series T8 or Series O securities of the other Sun Life Global Investments Mutual Funds. Such switch fees are more particularly described in the prospectuses of the other Sun Life Global Investments Mutual Funds. The investor and his, her or its advisor or dealer 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 an investor is no longer eligible to hold a certain series of Units and the Manager redesignates the investor out of that series to another series of Units of the Fund, the dealer will not receive a fee or a sales commission.

An investor may also have to pay a short-term trading fee if the investor switches from Units purchased within the last 30 days. See "Fees and Expenses – Short-Term Trading Fees" and "Redemption of Units – Short-Term Trading".

No switch fees are charged when the investor:

- redesignates series of the Fund to another series of the Fund;
- is switching Series A Units purchased under the Deferred Sales Charge option or the Low Load Sales Charge option to the Front End Sales Charge option, and the investor's dealer charges the investor a sales commission for the switch transaction;
- is switching from Series F or Series I Units to Series F or Series I Units of the Fund or Series F or Series I securities of another Sun Life Global Investments Mutual Fund;
- is switching securities as a result of a rebalancing transaction under the Private Client account rebalancing service; or
- is switching under the Systematic Transfer Plan.

## INCOME TAX CONSIDERATIONS

In the opinion of Borden, Ladner Gervais LLP, the following is a summary of the principal Canadian federal income tax considerations under the Tax Act for the Fund and for a prospective investor in the Fund who is a natural individual and for the purpose of the Tax Act, who is resident in Canada, holds Units of the Fund either directly as capital property or in a Registered Plan, is not affiliated with the Fund and deals at arm's length with the Fund. This summary is based on the current provisions of the Tax Act and regulations thereunder, the Tax Proposals and counsel's understanding of the current published administrative policies and assessing practices of the CRA. This summary does not take into account or anticipate any other changes in law whether by legislative, administrative or judicial action and it does not take into account provincial, territorial or foreign income tax legislation or considerations, which may differ from the considerations described below.

**This summary is of a general nature only and is not exhaustive of all possible income tax considerations. Prospective investors should therefore consult their own tax advisors about their individual circumstances.**

This summary is based on the assumption that the Fund will qualify or be deemed to qualify as a “mutual fund trust” under the Tax Act at all material times. The Manager has advised counsel that it expects this to be the case.

**Status of the Fund**

The Units of the Fund will be a qualified investment for Registered Plans at any time that the Fund qualifies or is deemed to qualify as a “mutual fund trust” under the Tax Act.

A Unit of the Fund that is a qualified investment may nevertheless be a prohibited investment for an RRSP, RRIF or TFSA. Units of the Fund will not be a prohibited investment under the Tax Act for an RRSP, RRIF or TFSA at any time during the first 24 months of the Fund’s existence if the Fund is a “mutual fund trust” under the Tax Act and follows a reasonable policy of investment diversification throughout that period. Otherwise, the Units of the Fund will generally not be a prohibited investment under the Tax Act for an RRSP, RRIF or TFSA when the holder/annuitant of the Registered Plan (together with non-arm’s length persons and partnerships) directly or indirectly holds Units having a fair market value of less than 10% of all the Units of the Fund. Investors should consult their own tax advisor for advice on whether or not Units would be prohibited investments for their Registered Plans.

**Taxation of the Fund**

The Fund is subject to tax under Part I of the Tax Act on its net income, including net taxable capital gains, as calculated under the Tax Act for a taxation year (after deducting available loss carryforwards) to the extent that it is not paid or payable to Unitholders. If the Fund is a mutual fund trust throughout its taxation year, it is entitled to a refund (“capital gains refund”) of its tax liability on its net realized capital gains equal to an amount determined by formula under the Tax Act based on the redemption of Units during the year and accrued gains on the Fund’s assets. The capital gains refund may be, and in practice is expected to be applied to eliminate, to the extent possible, the maximum amount of the Fund’s tax liability in the years that it is available. The Declaration of Trust requires the Fund to distribute a sufficient amount of its net income and net realized capital gains, if any, for each taxation year to Unitholders so that the Fund will not be liable in any taxation year for income tax under Part I of the Tax Act after taking into account any entitlement to a capital gains refund.

The Fund is required to calculate its net income, including net taxable capital gains, in Canadian dollars, for each taxation year according to the rules in the Tax Act. Net income, including net taxable capital gains, is affected by fluctuations in the value of the Canadian dollar relative to foreign currency where amounts of income, expense, cost or proceeds of disposition are denominated in foreign currency. Generally, a gain or loss from a cash-settled option, futures contract, forward contract, total return swap or other derivative instrument is treated as income rather than as a capital gain or loss unless the derivative is used by the Fund as a hedge to limit its gain or loss on a specific capital asset or group of capital assets held by the Fund. A gain or loss from short selling is treated as income rather than as a capital gain or loss.

The Fund is generally required to include in the calculation of its income interest as it accrues, dividends when they are received and gains and losses when they are realized. Income that is paid or becomes payable to the Fund by a trust is generally included in the income of the Fund for the taxation year of the Fund that ends in the calendar year in which the trust income was paid or payable. Amounts paid or payable to the Fund by a Canadian-resident trust may have the character of ordinary property income, foreign source income, dividends received from a taxable Canadian corporation, capital gains or returns of capital. When the Fund owns 10% or more of the securities of a class of an underlying fund that is an “exempt foreign trust” as defined under subsection 94(1) of the Tax Act or owns any shares of an underlying fund that is a corporation and a “controlled foreign affiliate” as defined under the Tax Act, the Fund is generally required to include in the calculation of its income its proportionate share of the underlying fund’s undistributed net income (including net taxable capital gains) as calculated for that purpose under the Tax Act. Foreign source income received by the Fund is generally received net of any taxes withheld in the foreign jurisdiction. The foreign taxes so withheld are included in the calculation of the Fund’s income.

Gains or losses realized by the Fund on the disposition of securities held as capital property constitute capital gains or capital losses. Securities will generally be considered to be held by the Fund as capital property unless the Fund is considered to be trading or dealing in securities, or otherwise carrying on a business of buying and selling securities, or has acquired the securities in a transaction or transactions considered to be an adventure in the nature of trade. The Manager has advised counsel that the Fund purchases securities (other than derivative instruments and securities purchased as part of a short sale) with the objective of earning income thereon and takes the position that gains and losses realized on the disposition of those securities are capital gains and capital losses. The adjusted cost base and proceeds of disposition for foreign currency denominated securities are calculated in Canadian dollars based on the conversion rate on the date the securities were purchased and sold, as applicable. Capital gains realized during a taxation year are reduced by capital losses realized during the year. A capital loss realized by the Fund may be denied or suspended in certain circumstances and, therefore, may not be available to offset capital gains.

A trust is generally subject to a "loss restriction event" for the purposes of the Tax Act each time a person or partnership becomes a "majority-interest beneficiary" of the trust for the purposes of the Tax Act. Generally, a majority-interest means more than 50% of the fair market value of the trust held by the person or partnership and affiliates. However, no person or partnership will be or become a "majority interest beneficiary" of the Fund if the Fund satisfied certain investment diversification restrictions. If the Fund experiences a loss restriction event, the taxation year of the Fund will be deemed to end and the Fund will be deemed to realize its capital losses. The Fund may elect to realize capital gains in order to offset its capital losses and non-capital losses, including undeducted losses from prior years. Any undeducted losses will generally expire and may not be deducted by the Fund in future years. The Declaration of Trust provides for the automatic distribution to Unitholders of a sufficient amount of income and capital gains of the Fund for each taxation year (including a taxation year that is deemed to end by virtue of a loss restriction event) so that the Fund will not be liable for ordinary income tax. The Declaration of Trust provides that any such distribution is automatically reinvested in Units of the Fund and the Units of the Fund are immediately consolidated to the pre-distribution NAV.

**Taxation of Unitholders (other than Registered Plans)**

***Distributions***

A Unitholder (other than a Registered Plan) is required to include in the calculation of income for tax purposes, the amount of any income and the taxable portion of any capital gains of the Fund that is paid or payable to the Unitholder in the year, whether such amounts are paid in cash or reinvested in additional Units. The non-taxable portion of any capital gains of the Fund that is paid or payable to the Unitholder in the year is not included in the Unitholder's income and, provided that the Fund makes the appropriate designation on its tax return, does not reduce the adjusted cost base of the Unitholder's Units of the Fund. Any other non-taxable distribution, such as a return of capital, reduces the Unitholder's adjusted cost base. A Unitholder is deemed to realize a capital gain to the extent that the adjusted cost base of the Unitholder's Units would otherwise become a negative amount and the adjusted cost base is nil immediately thereafter.

The Fund may, and is expected to designate to the extent permitted by the Tax Act, the portion of the net income of the Fund distributed to Unitholders that may reasonably be considered to consist of: (i) taxable dividends (including eligible dividends) received or considered to be received by the Fund on shares of taxable Canadian corporations; and (ii) net taxable capital gains realized or considered to be realized by the Fund. Any amount so designated is deemed for tax purposes to be received or realized by Unitholders in the year as a taxable dividend and as a taxable capital gain, respectively. The dividend gross-up and tax credit treatment normally applicable to taxable dividends (including eligible dividends) paid by a taxable Canadian corporation applies to amounts designated as taxable dividends. Taxable capital gains so designated are subject to the general rules relating to the taxation of capital gains described below. In addition, the Fund may make designations in respect of its foreign source income, if any, so that Unitholders may be able to claim a foreign tax credit (in accordance with and subject to the general limitations under the Tax Act) for foreign taxes, paid (and not deducted) by the Fund. A loss realized by the Fund may not be allocated to, and may not be treated as a loss of the Unitholders of the Fund.

Individuals and certain trusts may be subject to an alternative minimum tax in respect of taxable dividends (including eligible dividends) received or considered to be received from taxable Canadian corporations and realized capital gains.

### *Tax Implications of the Fund's Distribution Policy*

A portion of the value of a Unit of the Fund may reflect income and capital gains accrued or realized by the Fund before the Unit was acquired by a Unitholder. In particular, this may be the case when Units are acquired shortly before a distribution or in the year the Fund is terminated. The income and taxable portion of capital gains paid or payable to a Unitholder must be included in the calculation of the Unitholder's income in the manner described above, even if it relates to a period before the Unitholder owned the Units.

### *Disposition of Units*

Generally, a Unitholder (other than a Registered Plan) realizes a capital gain (or loss) on the redemption or other disposition of a Unit to the extent that the proceeds of disposition for the Unit exceed (or are less than) the total of the adjusted cost base to the Unitholder of the Unit and any reasonable costs of disposition, each calculated in Canadian dollars. In general, the adjusted cost base to a Unitholder of Units at a particular time is the total amount paid for all identical Units currently and previously held by the Unitholder (including brokerage commissions paid and the amount of reinvested distributions) less any distributions of capital and less the adjusted cost base of any identical Units previously disposed of by the Unitholder. The adjusted cost base to a Unitholder of one Unit is the average adjusted cost base of all identical Units owned by the Unitholder as capital property at that time.

### *Taxation of Capital Gains and Capital Losses*

One-half of any capital gain realized by a Unitholder (other than a Registered Plan) and the amount of any net taxable capital gains realized or considered to be realized by Fund and designated by the Fund in respect of the Unitholder is included in the Unitholder's income as a taxable capital gain. One-half of a capital loss may be deducted from taxable capital gains subject to and in accordance with detailed rules in the Tax Act.

### *International Information Reporting*

Generally, investors will be required to provide their dealer with information related to their citizenship or residence for tax purposes and, if applicable, a U.S. federal tax identification number. If an investor does not provide the information or is identified as a U.S. citizen or U.S. resident, details of the investor's investment in the Fund will generally be reported to the CRA, unless the investment is held within a Registered Plan. The CRA is expected to provide that information to the U.S. Internal Revenue Service.

### Taxation of Registered Plans

A Registered Plan that holds Units of the Fund and the holder/annuitant of that Registered Plan will generally not be subject to tax on the value of the Units, income or capital gains distributed by the Fund or a gain realized on the redemption or other disposition of the Units provided the Units are qualified investments for the Registered Plan and in the case of an RRSP, RRIF or TFSA, not prohibited investments for the Registered Plan.

## ELIGIBILITY FOR INVESTMENT

In the opinion of Borden Ladner Gervais LLP, the Units of the Fund will be a qualified investment under the Tax Act for a Registered Plan at any time that the Fund qualifies or is deemed to qualify as a "mutual fund trust" under the Tax Act. The Manager has advised counsel that it expects the Fund to so qualify.

A Unit of the Fund that is a qualified investment may nevertheless be a prohibited investment for an RRSP, RRIF or TFSA. Units of the Fund will not be a prohibited investment under the Tax Act for an RRSP, RRIF or TFSA at any time during the first 24 months of the Fund's existence if the Fund is a "mutual fund trust" under the Tax Act and follows a reasonable policy of investment diversification throughout that period. Otherwise, the Units of the Fund will generally not be a prohibited investment under the Tax Act for an RRSP, RRIF or TFSA when the holder/annuitant of the Registered Plan (together with non-arm's length persons and partnerships) directly or indirectly holds Units having a fair market value of less than 10% of all the Units of the Fund. Investors should consult their own tax advisor for advice on whether or not Units would be prohibited investments for their Registered Plans.

## ORGANIZATION AND MANAGEMENT DETAILS OF THE FUND

### *Manager of the Fund*

Sun Life Global Investments (Canada) Inc., a registered portfolio manager, commodity trading manager, investment fund manager and exempt market dealer, is the trustee and manager of the Fund. The Manager is a wholly-owned indirect subsidiary of Sun Life Financial Inc. Sun Life Financial Inc., through its various affiliates, 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. The registered office of the Fund and the Manager is located at 150 King Street West, Suite 1400, Toronto, Ontario, M5H 1J9.

### *Duties and Services Provided by the Manager*

Pursuant to the Management Agreement, the Manager has been appointed as the investment fund manager of the Fund and has the exclusive authority to manage the business and affairs of the Fund, to make all decisions regarding the business of the Fund and to bind the Fund. The Manager may delegate certain of its powers to its affiliates and to third parties where, in the discretion of the Manager, it would be in the best interests of the Fund to do so.

The Manager is responsible for providing, or causing to be provided, management, administrative and portfolio advisory and investment management services to the Fund. The Manager's duties include, without limitation:

- providing office space, facilities and personnel;
- preparing financial statements, financial and accounting information and tax returns as required by the Fund;
- ensuring that Unitholders are provided with financial statements (including interim and annual financial statements) and other reports as are required by applicable law from time to time;
- ensuring that the Fund complies with regulatory requirements;
- preparing the Fund's reports, including interim and annual MRFPs, and delivering such reports to Unitholders and the securities regulatory authorities;
- communicating with Unitholders;
- ensuring that the Series NAV per Unit for each series of Units is calculated and published;
- administering the purchase, redemption and redesignation of Units;
- negotiating contractual agreements with third party providers of services, including the Custodian, the Record Keeper, the auditors, legal counsel and printers; and
- providing such other managerial and administrative services as may be reasonably required for the ongoing business and administration of the Fund.

### *Details of the Management Agreement*

Pursuant to the Management Agreement, the Manager is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances. The Management Agreement provides that the Manager, its directors, officers and employees will not be personally liable for any taxes, assessments or governmental charges which may be levied or assessed on any basis whatsoever in connection with the performance of the Manager's duties under the Management Agreement, excepting only those income taxes assessed against the Manager in its corporate capacity arising out of its compensation under the Management Agreement. The Manager will also not be liable to the Fund or to any Unitholder for any loss or damage relating to any matter regarding the Fund, including any loss or diminution in the NAV of the Fund or of any series of Units of the Fund. except where there has been a failure of the Manager, or any person or company retained by the Manager or the Fund to discharge any of the Manager's responsibilities to the Fund, to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Fund or to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

The Management Agreement may be terminated by the Fund or by the Manager upon 90 days' prior written notice. Any change in the manager of the Fund (other than to an affiliate of the Manager) may be made only with the approval of the Unitholders and, where applicable, in accordance with Canadian securities legislation.

Under the Management Agreement and in consideration of the services provided to the Fund, the Fund pays the Manager management fees in respect of Series A and Series F Units of the Fund. The management fees are calculated and accrued daily and paid monthly. The Fund also pays the Manager Administration Fees in exchange for payment by the Manager of certain of the expenses of the Fund. The Administration Fees are calculated and accrued daily and paid monthly. The Fund does not pay the Manager management fees for Series I or Series O Units. Series I and Series O investors pay the Manager management fees directly. See "Fees and Expenses".

The Manager, its affiliates and their respective duly appointed agents, representatives, directors, officers and employees and each of them are entitled to be indemnified and saved harmless by the Fund out of the assets of the Fund from and against all claims, including costs, charges and expenses in connection with such claims, brought or commenced against them for or in respect of any act made or done in relation to the execution of its duties as Manager for the Fund and also from and against all other costs, charges, and expenses sustained or incurred in relation to the performance of its duties under the Management Agreement, except where there is a failure by the Manager or other person to meet the Manager's standard of care under the Management Agreement.

The management services of the Manager under the Management Agreement are not exclusive and nothing in the Management Agreement prevents the Manager from providing similar services to other investment funds and other clients (whether or not their investment objectives and policies are similar to those of the Fund) or from engaging in other activities. See "Conflicts of Interest" below.

***Officers and Directors of the Manager of the Fund***

The name and municipality of residence of each of the directors and executive officers of the Manager, and their principal occupations, are as follows:

| Name and Municipality of Residence | Position with the Manager | Principal Occupation Within the Preceding Five Years |
|---|---|---|
| Sadiq S. Adatia<br>Mississauga, Ontario | Chief Investment Officer | Since July 2011, Chief Investment Officer, Sun Life Global Investments (Canada) Inc., Sun Life Assurance Company of Canada;<br>From 2008 to June 2011, Chief Investment Officer, Russell Investments Canada Limited. |
| Neil J. Blue<br>Toronto, Ontario | General Counsel | Since November 2015, Vice President and Associate General Counsel, Asset Management and Investments , Sun Life Financial and General Counsel, Sun Life Global Investments (Canada) Inc.;<br>From October 2011 to November 2015, Assistant Vice President and Senior Counsel, Sun Life Financial and General Counsel, Sun Life Global Investments (Canada) Inc.;<br>From June 2000 to October 2011, Assistant Vice President, Associate General Counsel and Assistant Corporate Secretary, Transamerica Life Canada. |
| Stephen R. Doucette<br>Mississauga, Ontario | Director | Since March 2016, Vice President, Financial Planning & Analysis, Sun Life Assurance Company of Canada;<br>From February 2013 to March 2016, Vice President, Expense Management, Sun Life Assurance Company of Canada;<br>From June 2009 to February 2013, Vice President & Controller, Sun Life Assurance Company of Canada. |

| Name and Municipality of Residence | Position with the Manager | Principal Occupation Within the Preceding Five Years |
|---|---|---|
| Kevin P. Dougherty<br>Toronto, Ontario | Director and Chairman of the Board | Since January 2010, President, Sun Life Financial Canada, Sun Life Assurance Company of Canada;<br>Since January 2010, President, Sun Life Financial Canada, Sun Life Financial Inc.;<br>Since January 2008, President, Sun Life Global Investments Inc., Sun Life Financial Inc. |
| Rick C. Headrick<br>Toronto, Ontario | President, Director and Ultimate Designated Person | Since June 2010, President, Sun Life Global Investments (Canada) Inc., Sun Life Assurance Company of Canada;<br>Since July 2008, Vice President, Sun Life Global Investments Inc., Sun Life Financial Inc. |
| Victoria Kwan<br>Whitby, Ontario | Assistant Vice President and Chief Compliance Officer | Since September 2011, Assistant Vice-President, Compliance and Chief Compliance Officer, Sun Life Global Investments Canada, Sun Life Assurance Company of Canada;<br>From April 2011 to September 2011, Director, Compliance, Sun Life Financial Inc.;<br>From September 2009 to March 2011, Director, Compliance and Chief Compliance Officer, Hartford Investments Canada Corp. (subsequently renamed Castlerock Investments Inc.). |
| Lori Landry<br>Mississauga, Ontario | Chief Marketing Officer | Since April 2011, Vice President, Marketing and Institutional Business, Sun Life Global Investments (Canada) Inc., Sun Life Assurance Company of Canada;<br>From March 2008 to April 2011, Vice President, Marketing, Sun Life Financial Canada, Sun Life Assurance Company of Canada. |
| Patricia Callon<br>Toronto, Ontario | Director | Since December 2014, Senior Vice-President & General Counsel, SLF Canada, Sun Life Assurance Company of Canada;<br>From August 2009 to December 2014, Chief Legal Officer and Director, Stakeholder Outreach and Communication, Canadian Securities Transition Office. |
| Brigitte Parent<br>Toronto, Ontario | Director | Since June 2012, Senior Vice-President, Individual Insurance and Wealth, Sun Life Assurance Company of Canada;<br>From January 2011 to June 2012, Senior Vice-President, Direct Distribution/Client Solutions, Sun Life Assurance Company of Canada. |
| Candace G. Shaw<br>Toronto, Ontario | Director | Since February 2012, Senior Vice-President & Chief Credit Risk Officer, Sun Life Assurance Company of Canada;<br>From March 2010 to February 2012, Senior Managing Director, Portfolio Management and International Investments, Sun Life Assurance Company of Canada. |
| James McKay<br>Toronto, Ontario | Chief Financial Officer | Since April 2015, Vice-President, Finance and Retail Business, Sun Life Global Investments (Canada) Inc.;<br>From July 2010 to April 2015, Vice-President, Market Development and Growth Initiatives, Client Solutions, Sun Life Assurance Company of Canada. |

| Name and Municipality of Residence | Position with the Manager | Principal Occupation Within the Preceding Five Years |
|---|---|---|
| Lynda Beesley | Assistant Vice-President and Assistant Corporate Secretary | Since February 2016, Corporate Secretary, Sun Life Global Investments (Canada) Inc.; From July 2015 to February 2016, Assistant Corporate Secretary, Sun Life Global Investments (Canada) Inc.;<br>From April 2014 to June 2015, Assistant Corporate Secretary, First Capital Realty Inc.;<br>From June 2013 to April 2014, unemployed;<br>From September 2006 to June 2013, Corporate Secretary, Inmet Mining Corporation. |

**Portfolio Manager**

Sun Life Global Investments (Canada) Inc., a registered portfolio manager, is the portfolio manager of the Fund. Under the Management Agreement, the Portfolio Manager is responsible for the management of the investment portfolios, the establishment of investment policies and guidelines and the provision of investment analysis relating to the Fund and has the authority to engage the services of sub-advisors in connection with any investment advice and/or portfolio management services required by the Fund. The Portfolio Manager has retained Aviva Investors Canada Inc. to act as sub-advisor to the Fund. The Sub-Advisor has retained its affiliate, Aviva Investors Global Services Limited, to provide investment advice to the Sub-Advisor in respect of the investment portfolio of the Fund.

**Sub-Advisor and AIGSL**

The Sub-Advisor has been retained by the Portfolio Manager pursuant to the Sub-Advisory Agreement to act as sub-advisor to the Fund. The Sub-Advisor is a registered portfolio manager, exempt market dealer and commodity trading manager with its head office located in Toronto, Ontario. The Sub-Advisor has retained its affiliate, Aviva Investors Global Services Limited, to provide investment advice to the Sub-Advisor in respect of the investment portfolio of the Fund pursuant to the AIGSL Advisory Agreement. AIGSL manages the investment portfolio of the Fund and makes all investment decisions. AIGSL is registered with the United Kingdom Financial Conduct Authority as a financial services firm authorized to advise on investments, including commodity futures, commodity options and options on commodity futures, with its head office located in London, United Kingdom.

The Sub-Advisor and AIGSL are two of the asset management firms that are part of Aviva Investors, a global asset management firm. Aviva Investors is the investment arm of Aviva plc, which can trace its origins back over 300 years and is listed on both the London and New York stock exchanges. Aviva Investors manages over USD$427.3 billion across a range of asset classes as of December 31, 2015.

The Sub-Advisor and AIGSL have received exemptive relief from the adviser registration requirement under the *Commodity Futures Act* (Ontario) to permit AIGSL to advise the Sub-Advisor with respect to the Fund. As AIGSL is resident outside Canada, and all or substantially all of its assets are situated outside Canada, there may be difficulty in enforcing any legal rights against it or individuals engaging in, or holding themselves out as engaging in, the business of advising others when acting on behalf of AIGSL. The Sub-Advisor is responsible for any loss that arises out of the failure of AIGSL to exercise the powers and discharge the duties of its office honestly, in good faith and in the best interests of the Sub-Advisor and the Fund and to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in the circumstances.

The Portfolio Manager is responsible for the investment advice that the Sub-Advisor provides to the Fund.

The individuals principally responsible for providing advice to the Sub-Advisor in respect of the Fund on behalf of AIGSL are as follows:

| Name and Title | Years with AIGSL | Notes |
|---|---|---|
| Peter Fitzgerald, Global Head of Multi-Assets | Since 2011 | Peter Fitzgerald heads AIGSL's multi-asset investment team, overseeing fund managers, strategists and researchers. He is responsible for AIGSL's multi-asset fund portfolios. Peter began his career at Old Mutual in 1995 before joining BNP Wealth Management's multi-asset team. He has extensive international experience, having worked in Asia, Latin America and Europe. Peter holds a postgraduate diploma in Education from Trinity College Dublin and a degree in European studies from the University of Cork. He is a CFA charterholder. Peter works in AIGSL's London office. |
| Daniel James, Global Head of Fixed Income | Since 2011 | Daniel James oversees AIGSL's management of developed and emerging sovereign debt portfolios. He also manages the Global Markets Alpha product that invests across fixed income asset classes. Prior to joining AIGSL in 2011, Dan was Chief Investment Officer at Fischer Francis Trees & Watts, where he was responsible for fixed income, absolute return and global aggregate products. Before that he held positions at ABN AMRO Asset Management and Mercury Asset Management, having joined the investment industry in 1995. Dan works in AIGSL's London office. |
| Ian Pizer, Head of Strategy | Since 2014 | Ian Pizer joined AIGSL in 2014 as a senior fund manager in AIGSL's multi-assets team. Prior to this he spent over 10 years at Standard Life Investments, where he was Investment Director, Multi-Asset Investing and managed the Global Absolute Return Strategies (GARS) fund and the Absolute Return Bond Strategy fund. He has a doctorate in mathematical logic from Bristol University. He is also a CFA charterholder. Ian works in AIGSL's London office. |
| Brendan Walsh, Multi-Asset Portfolio Manager | Since 2010 | Brendan Walsh joined AIGSL in 2010 specializing in derivative analysis. Brendan is the co-portfolio manager for AIMS Target Return and Target Income capabilities. Brendan joined the industry in 2006, where he worked at Standard Life Investments as one of the original members of the multi-asset team which launched the GARS product. He has a doctorate in Seismic Exploration and a degree in Geophysics from the University of Edinburgh. In addition, he is an accredited Professional Risk Manager. |

***Details of the Sub-Advisory Agreement and the AIGSL Advisory Agreement***

Under the terms of the Sub-Advisory Agreement, the Sub-Advisor is responsible for providing all specified portfolio management services in respect of the Fund and for ensuring that the trading and investment activities of the Fund are in compliance with the Fund's investment objective, strategies and restrictions. The Sub-Advisor has delegated these responsibilities to AIGSL pursuant to the AIGSL Advisory Agreement.

In connection with those services, AIGSL identifies and makes all day-to-day investment decisions relating to the securities and other investments to be included in the portfolio of the Fund and, to the extent necessary, executes portfolio transactions. AIGSL also negotiates and administers all derivative instruments that the Fund uses.

AIGSL is required to exercise its powers and discharge its duties honestly, in good faith and in the best interests of the Fund, with a view to meeting the investment objectives of the Fund and, in connection therewith, to exercise the degree of care, diligence and skill that a reasonably prudent person would exercise in comparable circumstances. The AIGSL Advisory Agreement provides that, so long as AIGSL has met its standard of care, it will not be liable for any costs or liabilities arising from any error of judgment or mistake of law or for any loss suffered by the Fund by reason of the adoption or implementation of any investment strategy or the purchase, sale or retention of any portfolio investment in the Fund. AIGSL will incur liability, however, in cases of bad faith, fraud, wilful misconduct or negligence in the performance of its duties, failure to meet its standard of care, diligence and skill as prescribed by the AIGSL Advisory Agreement or any reckless disregard by AIGSL of its obligations and duties under the AIGSL Advisory Agreement.

The Sub-Advisory Agreement may be terminated by either of the Manager or the Sub-Advisor at any time without penalty on 180 days' prior written notice. The AIGSL Advisory Agreement may be terminated by either of the Sub-Advisor or AIGSL at any time without penalty on 60 days' prior written notice. Further, the AIGSL Advisory Agreement shall immediately terminate upon the termination of the Sub-Advisory Agreement.

If the Sub-Advisory Agreement is terminated, the Portfolio Manager shall appoint a successor sub-advisor to carry out the applicable portfolio management activities in respect of the Fund. Any successor sub-advisor may be a third party portfolio manager or it may be an affiliate or associate of the Manager.

The Sub-Advisor is entitled to receive a fee from the Portfolio Manager for its services under the Sub-Advisory Agreement. Pursuant to the terms of the AIGSL Advisory Agreement, the Sub-Advisor pays a portion of this fee to AIGSL.

**Brokerage Arrangements**

All decisions as to the purchase and sale of portfolio securities and all decisions as to the execution of these portfolio transactions, including the selection of market and dealer and the negotiation of commissions, where applicable, will be made by AIGSL. All decisions regarding the purchase and sale of portfolio securities and the execution of portfolio transactions are the ultimate responsibility of the Manager. The Manager reviews the policies AIGSL with respect to brokerage arrangements and monitors the allocation of brokerage commissions paid.

In effecting portfolio transactions, AIGSL seeks to obtain best execution of orders as required by Canadian securities legislation.

In effecting portfolio transactions, AIGSL may direct brokerage commissions paid by the Fund in return for the provision of certain goods or services by the dealer or third party as permitted by Canadian securities legislation.

***AIGSL***

Under the EU Markets in Financial Instruments Directive and the Financial Conduct Authority's Conduct of Business Sourcebook, AIGSL is required to establish and implement effective arrangements for complying with the obligation to take all reasonable steps to obtain the best possible result for its clients, including the Fund, when executing orders, subject to and taking into account any specific instructions a client may give. In addition, AIGSL must comply with the obligation to act in accordance with the best interests of clients when placing orders with other entities for execution that result from decisions by the firm to deal in financial instruments on behalf of its clients, again subject to and taking into account any specific instructions a client may give.

In view of this, AIGSL is required to have an order execution policy in place detailing how it will act in line with the best interests of the Fund and to take all reasonable steps to obtain the best possible result, when it directly executes an order, places an order with, or transmits an order to, another entity for execution. AIGSL's order execution policy requires that, in seeking to give a client best execution, AIGSL is required to take into account certain execution factors and decide on their relative importance. While price is likely to be the key execution factor, in seeking the best possible result, the following additional factors may, in some circumstances, be important:

- costs;
- speed;
- likelihood of execution or settlement;
- size of the order;
- nature of the order; and
- any other consideration relevant to the efficient execution of the order (including the availability of liquidity and the market impact of the order).

In determining the relative importance of the execution factors, AIGSL takes into account the following criteria:

- the characteristics of the client, including the categorization of the client as retail or professional;
- the characteristics of the client order (e.g. type of trade);
- the characteristics of financial instruments that are the subject of that order (e.g. the asset class and the way the instrument is traded); and
- the characteristics of the execution venues to which that order can be directed (e.g. the particular market, country or region).

These factors determine whether AIGSL passes an order on for execution.

AIGSL reviews its order execution policy and order execution arrangements annually or whenever a material change occurs that affects its ability to continue to obtain the best possible result for the execution of client orders on a consistent basis using its approved execution venues. On an ongoing basis AIGSL also monitors the effectiveness of its execution arrangements and policy in order to identify and, where appropriate, make improvements. AIGSL assesses on a regular basis whether its approved execution venues provide for the best possible result for clients or whether changes need to be made. Where AIGSL passes an order to a broker for execution, it monitors execution quality and, where appropriate, act to correct any deficiencies.

A copy of AIGSL's order execution policy is available on the internet at www.avivainvestors.co.uk/customer under the section "About Us".

**Conflicts of Interest**

Subject to certain exceptions, the management services of the Manager under the Management Agreement are not exclusive and nothing in the Management Agreement prevents the Manager from providing management services to other investment funds and other clients or from engaging in other activities. Subject to certain exceptions, the portfolio management services of the Sub-Advisor under the Sub-Advisory Agreement and of AIGSL under the AIGSL Advisory Agreement are not exclusive and nothing in such agreements prevents the Sub-Advisor or AIGSL, as the case may be, from providing portfolio management services to other investment funds and other clients or from engaging in other activities.

Investments in securities purchased by the Sub-Advisor or AIGSL, as the case may be, and other investment funds managed by the Manager and advised by the Sub-Advisor or AIGSL, as the case may be, will be allocated to the Fund and such other investment funds on a *pro rata* basis according to the size of the order and the applicable investment restrictions and policies of the Fund and the other investment funds.

Directors and officers of the Manager and of the Sub-Advisor or AIGSL, as the case may be, must obtain the prior approval of the Manager, Sub-Advisor or AIGSL, as the case may be, in order to engage in any outside business activities. One of the activities that requires approval is acting as a director or officer of another company (an "**Issuer**"). The Fund may invest in an Issuer if this transaction is permitted by law and the Manager , Sub-Advisor or AIGSL, as the case may be, has approved this transaction. This approval will be given only if the Manager, Sub-Advisor or AIGSL, as the case may be, is satisfied that there has been proper resolution of any potential conflicts of interest.

Also see “Relationship Between the Fund and Dealers”.

**Independent Review Committee**

In accordance with NI 81-107, the Manager has established an IRC for all the Sun Life Global Investments Mutual Funds, including the Fund. The IRC is composed of three individuals, each of whom is independent of the Sun Life Global Investments Mutual Funds, the Manager and its affiliates. The current members of the IRC are Pierre Yves Châtillon (Chair), Andrew Smith and Louise Tymocko.

In accordance with NI 81-107, the mandate of the IRC is to consider and provide recommendations to the Manager on conflicts of interest to which the Manager is subject when managing the Sun Life Global Investments Mutual Funds. The Manager is required under NI 81-107 to identify conflicts of interest inherent in its management of the Sun Life Global Investments Mutual Funds, and request input from the IRC on how it manages those conflicts of interest, as well as on its written policies and procedures outlining its management of those conflicts of interest. The Manager must refer its proposed course of action in respect of any such conflict of interest matters to the IRC for its review. Certain matters require the IRC’s prior approval, but in most cases, the IRC will provide a recommendation to the Manager as to whether or not, in the opinion of the IRC, the Manager’s proposed action will provide a fair and reasonable result for the Sun Life Global Investments Mutual Funds. For recurring conflict of interest matters, the IRC can provide the Manager with standing instructions.

Each IRC member is entitled to receive compensation for the duties he or she performs as an IRC member, consisting of an annual retainer of $23,000 ($27,000 for the Chair) and a quarterly meeting fee ($1,000 for the Chair, $500 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.
For the financial year ended December 31, 2015 the individual IRC members received total compensation and reimbursement of expenses from the Manager as follows:

| IRC Member | Total individual compensation, including expense reimbursement |
|---|---|
| Pierre-Yves Châtillon (Chair) | $33,805 |
| Andrew Smith | $25,500 |
| Louise Tymocko | $25,597 |

These amounts were allocated among the then existing Sun Life Global Investments Mutual Funds by the Manager in a manner that the Manager considered as fair and reasonable. No compensation or reimbursements made to an IRC member have been allocated to the Fund because the Fund is new.

The IRC will report annually to securityholders of the then existing Sun Life Global Investments Mutual Funds on its activities, as required by NI 81-107. The reports of the IRC will be available free of charge from the Manager on request by contacting the Manager at info@sunlifeglobalinvestments.com and will be posted on the Manager’s website at www.sunlifeglobalinvestments.com. The annual report of the IRC will be available on or about March 31 in each year.

**Trustee**

Pursuant to the Declaration of Trust, the Manager is also the trustee of the Fund.

The Trustee may resign upon 90 days’ notice to Unitholders and the Manager. The Manager may also resign as Trustee by giving 90 days’ prior written notice to Unitholders. If a successor trustee can be found and agrees to accept the appointment, such successor trustee will assume the duties and obligations of the incumbent trustee within the notice period. If a successor trustee cannot be found or is not appointed by investors in accordance with the provisions of the Declaration of Trust, then the Fund will be terminated at the expiry of the notice period.

In addition, in the event that the Trustee becomes incapable of acting or if a vacancy occurs in the office of trustee of the Fund, the Trustee will appoint a successor trustee prior to the date that the Trustee ceases to act as trustee of the

Fund. If the Trustee does not appoint a successor trustee prior to such time, the Fund will terminate and the Trustee or, should the Trustee fail to do so, a person appointed by a court with jurisdiction shall wind up the Fund.

The Declaration of Trust provides that the Trustee shall act honestly, in good faith and in the best interests of the Fund and shall perform its duties to the standard of care that a reasonably prudent person would exercise in the circumstances. In addition, the Declaration of Trust contains other customary provisions limiting the liability of the Trustee and indemnifying the Trustee in respect of certain liabilities incurred by it in carrying out its duties.

At any time during which the Manager is the Trustee, the Manager will receive no fee in respect of the provision of services as Trustee.

**Custodian**

RBC Investor Services Trust, at its principal offices in Toronto, Ontario, is the Custodian of the assets of the Fund and holds those assets in safekeeping pursuant to the Custodian Agreement, except for cash and other portfolio assets deposited with a counterparty or a Futures Commission Merchant, or indirectly with a Clearing Corporation, as margin or collateral for derivative transactions. See “Investment Restrictions - Exemptions and Approvals” and “Exemptions and Approvals”.

The Custodian has a qualified foreign sub-custodian in each jurisdiction in which the Fund has securities. The Manager may terminate the Custodian Agreement at any time upon 60 days’ written notice to the Custodian. The Custodian may terminate the Custodian Agreement at any time upon 120 days’ written notice to the Manager.
The Custodian is entitled to receive fees from the Manager as described under “Fees and Expenses” and to be reimbursed for disbursements and expenses that are reasonably incurred by the Custodian in connection with the services of the Custodian under the Custodian Agreement.

**Auditors**

The independent auditors of the Fund are Ernst & Young LLP, at 515 Riverbend Drive, Kitchener, Ontario. The auditors audit the Fund and provide an opinion on whether the annual financial statements of the Fund are fairly presented in accordance with International Financial Reporting Standards.

**Record Keeper**

RBC Investor Services Trust is the record keeper for the Fund. The Record Keeper maintains a record of the owners of Units of the Fund and processes changes in ownership. The register of the Fund is kept in Toronto, Ontario.
Promoter

The Manager has taken the initiative in founding and organizing the Fund and is, accordingly, the promoter of the Fund within the meaning of Canadian securities legislation of certain provinces and territories of Canada.

## CALCULATION OF NET ASSET VALUE

The NAV of the Fund is computed by deducting all expenses or liabilities of the Fund from the value of the assets of the Fund. All expenses or liabilities of the Fund are calculated on an accrual basis. The Manager calculates a separate Series NAV for each series of Units of the Fund.

The Series NAV is based on the value of the proportionate share of the assets of the Fund attributable to the particular series less the liabilities of the Fund attributed only to that series and the proportionate share of the class liabilities and common liabilities of the Fund allocated to that series. The Series NAV per Unit of a series is determined by dividing the Series NAV by the total number of Units of that series outstanding at the time.

The Series NAV per Unit of each series is normally determined as at the close of business on each day that the TSX is open for trading, or any other day determined from time to time by the Manager, unless the Manager has declared a suspension of the determination of the Series NAV. See “Redemption of Units”. The Series NAV per Unit of each series so determined remains in effect until the time as at which the next determination of Series NAV per Unit is made. The NAV of the Fund is determined and reported in Canadian dollars.

**Valuation Policies and Procedures of the Fund**

In calculating the Series NAV at any time of any Units of the Fund, the following valuation principles apply:

- the value of any cash or its equivalent on hand, on deposit or on call, bills and demand notes and accounts receivable, prepaid expenses, cash dividends declared, and interest accrued and not yet received is deemed to be the full amount thereof unless the Manager has determined that any such deposit, bill, demand note or account receivable is not worth the full amount, in which event the value thereof is deemed to be such value as the Manager determines to be the fair value;
- short term notes are valued at cost plus accrued interest which approximate their fair value;
- the value of any bonds, debentures, and other debt obligations shall be valued by taking the average of the bid and ask prices as reported by an independent source on the day as of which the NAV of the Fund is being determined;
- the value of any security (including an exchange-traded fund) which is listed on any recognized exchange are valued, subject to the principles set out below, by the closing sale price or, if there is no closing sale price, the average between the closing bid and the closing asked price on the day on which the NAV of the Fund is being determined, all as reported by any report in common use or authorized as official by a recognized stock exchange; if the average between closing bid and closing ask cannot be determined then the previous day's price will be used, provided that if such stock exchange is not open for trading on that date, then on the last previous date on which such stock exchange was open for trading;
- delisted securities are valued at the lower of the last reported trading price or the Manager's best estimate of fair value;
- if securities are interlisted or traded on more than one exchange or market, the Manager uses the last sale price reported on the exchange or market determined by the Manager to be the principal exchange or market for such securities;
- securities and other assets for which market quotations are, in the Manager's opinion, inaccurate, unreliable, not reflective of all available material information or not readily available are valued at their fair value, as determined by the Manager;
- private investments in reporting issuers are valued at the current market price of the corresponding publicly traded portfolio investment less a discount for illiquidity due to the existence of a restricted period, which is amortized on a degressive basis over the restricted period. Where the market price of the publicly traded portfolio investment is lower than the subscription price of the private investment, and no discount can be calculated, the minimum value of the portfolio investment during the restricted period will be the lower of its cost and the closing price of the unrestricted publicly traded portfolio investment;
- securities of non-reporting issuers are valued at the Manager's best estimate of fair value;
- if the underlying security is listed on a recognized public securities exchange, special warrants are priced at market value of the underlying security. If the underlying security is not listed on a recognized public securities exchange or if there is no underlying security, special warrants are valued at the Manager's best estimate of fair value;
- warrants for which the exercise price exceeds the current price of the underlying security ("out of the money") are valued at nil;
- long positions in options, clearing corporation options, options on futures, over the counter options and debt like securities are valued at the current market value of the position;
- where an option, clearing corporation option, option on futures or over the counter option is written by the Fund, the premium received by the Fund for those options is reflected as a liability that is valued at an amount equal to the current market value of the option that would have the effect of closing the position. Any difference resulting from revaluation is treated as an unrealized gain or loss on investment. The

liability is deducted in arriving at the NAV of the Fund. The securities, if any, that are the subject of a written option are valued in the manner described above for listed securities;

- the value of any mutual fund security not listed on any stock exchange and held by the Fund will be the last available net asset value per security;
- the value of a forward contract or swap is the gain or loss on the contract that would be realized if, on that valuation date, the position in the forward contract or swap was closed out;
- credit default swaps are valued at the net present value of the current cost of protection, which represents the fair value of the credit risk exposure to the referenced asset;
- the value of a standardized future is:
  - if daily limits imposed by the futures exchange through which the standardized future was issued are not in effect, the gain or loss on the standardized future that would be realized if, on that valuation date, the position in the standardized future was closed out; or
  - if daily limits imposed by the futures exchange through which the standardized future was issued are in effect, based on the current market value of the underlying interest of the standardized futures;
- margin paid or deposited on standardized futures or forward contracts is reflected as an account receivable and margin consisting of assets other than cash is noted as held as margin;
- securities quoted in foreign currencies are translated to Canadian dollars using the prevailing rate of exchange as quoted on the day as of which the NAV of the Fund is being determined by independent pricing sources acceptable to the Manager; and
- if an asset cannot be valued under the above principles or under any valuation principles set out in Canadian securities legislation, or if any valuation principles adopted by the Manager but not set out in Canadian securities legislation are at any time considered by the Manager to be inappropriate in the circumstances, then the Manager applies fair value pricing based on valuation principles that it considers to be appropriate in the circumstances.

**Reporting of Net Asset Value**

The daily NAV for the Fund and the Series NAV per Unit of each series of Units the Fund is available upon request, free of charge, by calling the Manager toll free at 1-877-344-1434, by sending an email to info@sunlifeglobalinvestments.com or by mailing Sun Life Global Investments (Canada) Inc. at 150 King Street West, Suite 1400, Toronto, Ontario M5H 1J9.

## ATTRIBUTES OF THE UNITS

**Description of the Units Distributed**

The Fund may issue Units in one or more classes and a class may be issued in one or more series. An unlimited number of Units of each series may be issued.

On December 16, 2004, the *Trust Beneficiaries' Liability, 2004* (Ontario) came into force. This statute provides that holders of units of a trust are not, as beneficiaries, liable for any default, obligation or liability of the trust if, when the default occurs or the liability arises: (i) the trust is a reporting issuer under the *Securities Act* (Ontario); and (ii) the trust is governed by the laws of Ontario. The Fund is a reporting issuer under the *Securities Act (*Ontario) and is governed by the laws of Ontario by virtue of the provisions of the Declaration of Trust.

**Certain Provisions of the Units**

Each holder of a whole Unit of the Fund is entitled to one vote per Unit at meetings of Unitholders of the Fund, other than meetings at which the holders of one series of Units of the Fund are entitled to vote separately as a series. Subject to the fee distributions (see "Distribution Policy – Fee Distributions") and the distribution of capital gains to redeeming Unitholders, all Units of each series of the Fund are treated equally with respect to distributions and on any winding up of the Fund based on the relative Series NAV.

All Units are fully paid and non-assessable when issued. Details regarding switching of Units between different series of the Fund and between the Fund and other Sun Life Global Investments Mutual Funds are found under "Redemption of Units – How to Switch Units of the Fund".

Fractions of Units may be issued. Fractional Units carry the rights and privileges, and are subject to the restrictions and conditions, applicable to whole Units in the proportions which they bear to one Unit; however, the holder of a fractional Unit is not entitled to vote in respect of such fractional Unit.

***Redemption of Units***

Unitholders of the Fund can redeem all or any of their Units at the then-current Series NAV per Unit of those Units. See "Redemption of Units".

### Modification of Terms

The rights and conditions attaching to the Units of the Fund may be modified only in accordance with the provisions attaching to such Units and the provisions of the Declaration of Trust. See "Unitholder Matters – Amendments to the Declaration of Trust".

## UNITHOLDER MATTERS

### Meeting of Unitholders

The Fund does not hold regular meetings. Except as otherwise required by law, meetings of Unitholders of the Fund will be held if called by the Trustee upon written notice of not less than 21 days before the meeting.

### Matters Requiring Unitholders Approval

Unitholders are entitled to vote on all matters that require securityholder approval under NI 81-102 or under the constating documents of the Fund. Some of these matters are:

- a change to the basis of the calculation of a fee or expense that is charged to the Fund that could result in an increase in charges to the Fund or to its investors, and the entity charging the fee or expense is a non arm's length party to the Fund;
- an introduction of a fee or expense to be charged to the Fund or its investors by the Fund or the Manager in connection with holding Units of the Fund that could result in an increase in charges to the Fund or its investors, and the entity charging the fee or expense is a non arm's length party to the Fund;
- a change of the Manager, unless the new manager is an affiliate of the Manager;
- a change in the fundamental investment objectives of the Fund;
- a decrease in the frequency of the calculation of the Series NAV of the Units of the Fund; and
- certain material reorganizations of the Fund.

Approval of these matters requires an affirmative vote of investors holding at least a majority of the Units of the Fund present at a meeting called to consider these matters.

### Amendments to the Declaration of Trust

The Trustee may amend the Declaration of Trust from time to time but may not, without the approval of not less than a majority of the votes of Unitholders of the Fund voting at a meeting of Unitholders duly called for such purpose, make any amendment relating to any matter in respect of which NI 81-102 requires a meeting, as set out above, or any amendment that will adversely affect the voting rights of Unitholders.

Each holder of a whole Unit of the Fund is entitled to one vote per Unit at meetings of Unitholders, other than meetings at which the holders of one series of Units of the Fund are entitled to vote separately as a series. The holder of a fractional Unit is not entitled to vote in respect of such fractional Unit.

**Accounting and Reporting to Unitholders**

The fiscal year end of the Fund is December 31. The Fund will deliver or make available to Unitholders: (i) audited comparative annual financial statements; (ii) unaudited interim financial statements; and (iii) annual and interim MRFPs. Such documents are incorporated by reference into, and form an integral part of, this prospectus. See "Documents Incorporated by Reference".

The Manager provides each investor of the Fund with an annual statement and, in the case of taxable investors, tax slips showing income distributions, capital gains distributions, ordinary dividends, capital gains dividends and, if applicable, capital distributed to such investor. These annual statements, together with the confirmation that the investor received on a purchase of or reinvestment of distributions of Units of the Fund, should be retained by the investor, so that the investor may accurately compute, for tax purposes, any gain or loss on a redemption of Units, or report distributions received. The investor may also use this information to calculate the adjusted cost base of the Units. See "Income Tax Considerations".

The Manager will ensure that the Fund complies with all applicable reporting and administrative requirements. The Manager will also ensure that adequate books and records are kept reflecting the activities of the Fund. The books and records of the Fund will be open for inspection by any Unitholder for any proper purpose at all reasonable times. Notwithstanding the foregoing, a Unitholder shall not have access to any information that, in the opinion of the Manager, should be kept confidential in the interests of the Fund.

## TERMINATION OF THE FUND

The Fund may be terminated by the Manager on at least 60 days' notice to Unitholders of such termination. In addition, in the event that the Trustee becomes incapable of acting or if a vacancy occurs in the office of trustee of the Fund, the Trustee will appoint a successor trustee prior to the date that the Trustee ceases to act as trustee of the Fund. If the Trustee does not appoint a successor trustee prior to such time, the Fund will terminate and the Trustee or, should the Trustee fail to do so, a person appointed by a court with jurisdiction shall wind up the Fund.

The Manager may also resign as Trustee by giving 90 days' prior written notice to Unitholders. If a successor trustee can be found and agrees to accept the appointment, such successor trustee will assume the duties and obligations of the incumbent trustee within the notice period. If a successor trustee cannot be found or is not appointed by investors in accordance with the provisions of the Declaration of Trust, then the Fund will be terminated at the expiry of the notice period.

Subject to the fee distributions and the distribution of capital gains to redeeming Unitholders, all Units of each series of the Fund are treated equally on any termination or winding up of the Fund based on the relative Series NAV. See "Distribution Policy – Fee Distributions".

The rights of Unitholders to redeem Units described under "Redemption of Units" will cease as and from the date of termination of the Fund.

There is no predetermined level of Series NAV per Unit at which the Fund will be wound up.

## RELATIONSHIP BETWEEN THE FUND AND DEALERS

The Manager pays an investor's dealer a sales commission when the investor buys Series A Units under the Deferred Sales Charge or the Low Load Sales Charge purchase options. In addition, the Manager pays an investor's dealer (including a discount broker when Units are purchased through a discount brokerage account) an ongoing trailing commission when the investor holds Series A Units.

The Manager does not pay an investor's dealer a sales commission if the investor buys Series F, Series I or Series O Units. Series F investors pay a fee to their dealer directly. Series O investors may pay a Series O Service Fee to their dealer. The Series O Service Fee is based on the value of the Series O Units held in the investor's account and is paid by redeeming Series O Units held in such account.

**Sales Commission**

If an investor buys Series A or Series O Units under the Front End Sales Charge option, the commission the investor negotiates (up to 5% of the purchase amount) is deducted from the investor's purchase amount and paid by the investor to their dealer. If an investor buys Series A Units under the Deferred Sales charge option, the Manager will pay the investor's dealer up to 5% of the purchase amount. If an investor buys Series A Units under the Low Load Sales Charge option, the Manager will pay the investor's dealer up to 2.5% of the purchase amount.

**Trailing Commission**

The Manager may pay a trailing commission to an investor's dealer (including a discount broker when Units are purchased through a discount brokerage account) monthly based upon a percentage of the value of the Series A Units held by an investor. No trailing commission is paid on Series F, Series I or Series O Units. The Manager may change the terms of the trailing commission program at any time.

The tables below show the sales and trailing commissions payable for the Fund, which depend on the purchase option chosen.

| Front End Sales Charge Option[1] | | Deferred Sales Charge Option[2] | | Low Load Sales Charge Option[2] | |
|---|---|---|---|---|---|
| Sales commission (%) | Annual trailing commission (%) | Sales commission (%) | Annual trailing commission[2] (%) | Sales commission (%) | Annual trailing commission[2] (%) |
| Up to 5.0% of NAV | Up to 1.00% of NAV | Up to 5.0% of NAV | Up to 0.50% of NAV | Up to 2.5% of NAV | Up to 0.50% of NAV |

[1] Series A or Series O Units may be purchased under the Front End Sales Charge option.

[2] Only Series A Units may be purchases under the Deferred Sales Charge option or the Low Load Sales Charge option. The Manager automatically redesignates Units purchased under the Deferred Sales Charge option or the Low Load Sales Charge option as Front End Sales Charge option Units upon the completion of the redemption fee schedule of those Units. This will result in an increase in the trailing commissions being paid to the investor's dealer (or discount broker), there will be no incremental charges to the investor.

**Series O Service Fees**

An investor may have to pay his, her or its dealer a Series O Service Fee of up to 1.00% based on the value of the Series O Units held in the investor's account. The Series O Service Fee rate is negotiated between investors and their advisor or dealer and agreed to by way of a signed agreement. If the Manager does not receive the signed agreement evidencing a negotiated Series O Service Fee, the default Series O Service Fee will be 0%. Any negotiated Series O Service Fee will be subject to any applicable taxes.

The Series O Service Fee, plus applicable taxes, is payable by the investor, calculated daily and paid monthly, by redeeming Series O Units held in the investor's account.

**Other Sales Incentives**

The Manager may from time to time pay the permitted marketing expenses of participating dealers on a co-operative basis. The Manager 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, the Manager 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 the Manager and not the Fund.

**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 Fund.

Canadian securities legislation require that registered dealers provide to investors full disclosure of certain relationships with issuers that that could give rise to conflicts of interest. Disclosure is required where an issuer is a related issuer or connected issuer of registered dealer. The definition of the terms “related issuer” and “connected issuer” can be found in National Instrument 33-105 *Underwriting Conflicts*.

As Sun Life Financial Investment Services (Canada) Inc. is an affiliate of the Manager and may receive fees in connection with the distribution of Units, the Fund may be considered a related issuer or connected issuer of Sun Life Financial Investment Services (Canada) Inc. Sun Life Financial Investment Services (Canada) Inc. did not participate in the decision to distribute the Units and did not participate in the determination of the terms of the distribution. The proceeds of the distribution will not be applied for the benefit of Sun Life Financial Investment Services (Canada) Inc.

**Dealer Compensation From Management Fees**

During the financial year ended December 31, 2015, the Manager paid dealers compensation of approximately 38% of the total management fees the Manager received from the Sun Life Global Investments Mutual Funds, except for any Sun Life Global Investments Mutual Fund not then in existence, including the Fund. This includes amounts the Manager paid to dealers for commissions, trailer fees, and marketing support programs.

## PRINCIPAL HOLDERS OF SECURITIES OF THE FUND

As at May 11, 2016, the Fund was created with an initial contribution of $50,000 from the Manager.

## PROXY VOTING DISCLOSURE FOR PORTFOLIO SECURITIES HELD

**Proxy Voting Policies and Procedures**

***The Manager***

The Manager has policies and procedures in place to ensure that proxies relating to securities held by the Fund are voted in a timely manner, in accordance with the instructions of the Fund and in the best interests of the Fund. The Fund has authorized the Manager to make decisions with respect to proxy voting on behalf of the Fund. The Manager has delegated the responsibility with respect to proxy voting to the Sub-Advisor and the Sub-Advisor has delegated the responsibility with respect to proxy voting to AIGSL.

To ensure that voting rights are exercised in accordance with the instructions of the Fund and in the best interests of the Fund, the AIGSL Advisory Agreement requires AIGSL to provide the Sub-Advisor with AIGSL’s proxy voting guidelines and any amendments thereto, and proxy voting reports on how AIGSL has exercised specific votes. The Manager’s agreement with the Sub-Advisor requires the Sub-Advisor to provide the Manager with AIGSL’s proxy voting guidelines and any amendments thereto, and proxy voting reports on how AIGSL has exercised specific votes. The Manager reviews the proxy voting policies and procedures and proxy voting reports of AIGSL throughout the year and performs an annual review of the proxy voting reports of AIGSL to ensure voting rights are exercised in accordance with the Fund’s instructions and in the best interests of the Fund. The Manager reserves the right to revoke proxy voting privileges of the Sub-Advisor in the event it is deemed appropriate. If the Sub-

Advisor's proxy voting privileges are revoked, the AIGSL Advisory Agreement requires the Sub-Advisor to revoke the proxy voting privileges of AIGSL.

A summary of the proxy voting policies and procedures of AIGSL is set out below. Copies of the complete proxy voting policies and procedures for the Fund is available to investors on request, free of charge, by calling the Manager toll free at 1-877-344-1434, by sending an e mail to info@sunlifeglobalinvestments.com or by mailing Sun Life Global Investments (Canada) Inc. at 150 King Street West, Suite 1400, Toronto, Ontario M5H 1J9.

The Fund's proxy voting record for the most recent period ended June 30 of each year will be available free of charge to any investor of the Fund upon request at any time after August 31 of that year by calling 1-877-344-1434. The proxy voting record is also available on the Fund's website at www.sunlifeglobalinvestments.com.

***AIGSL***

The AIGSL Corporate Governance and Corporate Responsibility Voting Policy ("**Voting Policy**") sets out how AIGSL exercises its responsibilities in relation to proxy voting. The Voting Policy embodies the recommendations of the United Kingdom Corporate Governance Code and the International Corporate Governance Network's Global Corporate Governance Principles, and reflects AIGSL's commitment to the UN Principles of Responsible Investment and to other national and international good practice guidelines.

AIGSL considers resolutions on their own merits, as well as in the light of appropriate policies, standards and good practice. The voting decisions are made in light of the investment objectives and policy of the relevant fund and the Voting Policy. In making voting decisions, AIGSL uses governance and other research from a number of sources. AIGSL uses research for data analysis only and does not automatically follow any external voting recommendations. AIGSL believes that subscribing to a wide range of research gives a better and more objective overview of the governance arrangements at companies and enables it to confirm its assessments.

AIGSL looks for effective boards that safeguard shareholder interests and have the right skills and experience to take the company's strategy forward and achieve long-term sustainability for the company. To this end, AIGSL looks at factors such as whether a board possesses the appropriate mix of skills, knowledge, experience and diversity required to meet the challenges, opportunities and strategic objectives of the company, the extent to which a board has addressed gender diversity and corporate responsibility, the independence of non-executive directors and succession planning arrangements.

In making voting decisions, AIGSL also examines a company's disclosure on risk (to cover all material risks, including environmental, social and governance, reputational, tax and cyber security risks) and on risk management and internal control. AIGSL expects the board to provide clear and concise information that is tailored to the specific circumstances material to the company. AIGSL also considers a company's remuneration arrangements. AIGSL looks for remuneration arrangements that are aligned with strategy and shareholder interests, hold management to account and only rewards value creation. AIGSL expects these arrangements to be well-structured, understandable and not excessive. Remuneration arrangements should have a sufficient focus on the long-term and have adequately challenging performance conditions that align the directors' interests with those of shareholders.

## MATERIAL CONTRACTS

The following contracts can reasonably be regarded as material to purchasers of Units:

(i) Declaration of Trust;

(ii) Management Agreement;

(iii) Sub-Advisory Agreement;

(iv) AIGSL Advisory Agreement; and

(v) Custodian Agreement.

Copies of the agreements referred to above may be inspected during business hours at the principal office of the Manager.

## LEGAL AND ADMINISTRATIVE PROCEEDINGS

The Fund is not involved in any legal proceedings nor is the Manager aware of existing or pending legal or administrative proceedings involving the Fund.

## EXPERTS

Borden Ladner Gervais LLP, legal counsel to the Fund and the Manager, has provided certain legal opinions regarding the principal Canadian federal income tax considerations that apply to an investment in the Units by a Canadian resident individual and by a Registered Plan. See "Income Tax Considerations" and "Eligibility for Investment".

Ernst & Young LLP, the auditors of the Fund, have consented to the use of their audit report dated May 11, 2016 to the Unitholder and Trustee of the Fund on the statement of financial position as at May 11, 2016. Ernst & Young LLP has confirmed that it is independent with respect to the Fund within the meaning of the Rules of Professional Conduct of the Institute of Chartered Professional Accountants of Ontario.

## EXEMPTIONS AND APPROVALS

The Fund has obtained exemptive relief from the securities regulatory authorities to permit:

- the Fund to invest up to 10% of its net assets in one or more UCITS Underlying Funds, provided that certain conditions are met, including that each UCITS Underlying Fund is subject to investment restrictions and practices under the laws of the relevant Member State and that the Fund otherwise complies with the fund-on-fund investment restrictions in NI 81-102;
- the Fund to enter into cleared derivative transactions and to deposit cash and other portfolio assets directly with a Futures Commission Merchant and indirectly with a Clearing Corporation as margin in connection with such cleared derivatives;
- the Fund to enter into, or hold, OTC derivatives with counterparties that do not satisfy the credit rating requirement set out in NI 81-102, provided that the counterparty has deposited in favour of the Fund collateral that has a mark-to-market value at least equal to the obligation of such counterparty to the Fund under the applicable OTC Derivative; and
- the Fund to deposit portfolio assets as margin with a dealer that does not have separate audited financial statements that have been made public, provided that the dealer has a net worth, determined from its most recent audited financial statements that have been made public or from other publicly available financial information, in excess of the equivalent of $50 million.

## OTHER MATERIAL FACTS

### Optional Services

#### *Pre-authorized Chequing (PAC) Plan*

An investor can set up a PAC plan with the Manager so that money is automatically withdrawn from the investor's bank account at regular intervals and invested in the Fund. PAC plans allow the investor to take advantage of dollar cost averaging. Dollar cost averaging is investing a fixed dollar amount at regular intervals. The investor will buy fewer securities when the price is high and more when the price is low, averaging out the cost of the investor's investment. The investor's dealer may offer a similar plan.

To set up a PAC plan, the investor must:

- provide the Manager with an imprinted void cheque;
- tell the Manager how much to withdraw;
- tell the Manager when and how often to make the withdrawals; and
- tell the Manager how to invest the investor's contributions.

The investor may choose this option when they first buy Units or at any time afterwards. Investors must set up their PAC plan through their advisor or dealer. The Manager must receive at least three business days' notice to set up a PAC plan.

The Manager does not charge a fee for setting up a PAC plan. However, there is a minimum contribution amount of $50.00 ($500.00 for Series O Units) if an investor holds the Fund in a PAC. This minimum amount may be adjusted or waived in the Manager's absolute discretion and without notice to securityholders. Investors can only buy securities in Canadian dollars through their PAC plan.

An investor may change their PAC plan instructions or cancel their PAC plan at any time as long as the Manager receives at least two business days' notice. Most changes to accounts administered by the Manager must be made through an investor's dealer. If an investor redeems all of the securities in their account, the Manager will terminate the investor's PAC plan unless the investor tells the Manager otherwise.

***Systematic Withdrawal Plan (SWP)***

An investor can set up a SWP with the Manager so that the Manager automatically makes regular payments to the investor. The Manager does this by redeeming Units in the investor's account. The investor's dealer may offer a similar plan.

To set up a SWP, the investor must:

- have a minimum initial purchase of $5,000.00 in their SWP;
- complete the required form and give it to their advisor or dealer or send it to the Manager; and
- tell the Manager the frequency and amount of the withdrawals the investor wants.

The Manager must receive at least three business days' notice to set up a SWP. The Manager does not charge a fee for a SWP. However, there is a minimum withdrawal amount of $50.00 for each withdrawal ($500.00 for each withdrawal of Series O Units). This minimum withdrawal amount may be adjusted or waived in their Manager's absolute discretion and without notice to investors. The investor's redemption fees will depend on the purchase option that applies to the securities redeemed.

An investor may change their SWP instructions or cancel their SWP at any time as long as the Manager receives at least two business days' notice. Most changes must be made through an investor's advisor or dealer.

If an investor's regular withdrawals are greater than the growth in the investor's account, the investor will eventually exhaust their original investment. In certain circumstances, such as when the amount in the investor's account falls below $500.00, the Manager may redeem all of an investor's securities and close the investor's account.

***Systematic Transfer Plan (STP)***

An investor can set up a STP with the Manager so that the Manager automatically switches a specified dollar amount (minimum $50.00 for all series of securities of a Sun Life Global Investments Mutual Fund, including the Fund, other than Series O securities, or $500.00 for Series O securities) 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, the investor must:

- complete the required form and give it to his, her or its advisor or dealer or send it to the Manager;
- tell the Manager the Sun Life Global Investments Mutual Fund from which the investor wishes to switch from and the Sun Life Global Investments Mutual Fund to which the investor wishes to switch to; and
- tell the Manager the frequency and amount of the switches that the investor wants.

The Manager must receive at least three business days' notice to set up a STP. The Manager does not charge a fee for a STP.

An investor may change his, her or its STP instructions or cancel his, her or its STP at any time as long as the Manager receives at least three business days' notice. Most changes must be made through the investor's advisor or dealer.

All the rules with respect to switching Units of the Fund and with respect to switching between the Fund and the other Sun Life Global Investments Mutual Funds apply to switches under the STP. However, switches under an STP are not subject to a switch fee or a short term trading fee. See "Redemption of Units – How to Switch Units of the Fund" and "Fees and Expenses – Fees and Expenses Payable Directly by Unitholders".

See "Income Tax Considerations" for details on the tax consequences of switching Units of the Fund.

***Private Client Program – Account Rebalancing***

An investor can set up account rebalancing with the Manager so that the Manager automatically rebalances the investments in the investor's account. This service permits the investor to establish a target allocation for his, her or its investments within an account. The investor will tell the Manager the applicable Sun Life Global Investments Mutual Funds, the target allocation for each fund, the percentage that the investor will allow the actual values of the investor's investments in the funds to differ from the investor's target allocations before a rebalancing occurs (i.e, the "variance percentage"), and the frequency at which the investor wants the rebalancing to occur (monthly, quarterly, semi-annually or annually). The investor's account will be reviewed and, if necessary, rebalanced on the last business day in the calendar period of the frequency selected.

All rebalancing transactions are subject to the rules related to switching as set out in this prospectus or 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 Units held under the Deferred Sales Charge option or the Low Load Sales Charge option or within a RESP.

Before an account is subject to the account rebalancing service, a form must be completed. Investors should contact their advisor or dealer for more details.

***Registered Plans***

Generally, the Manager can set up an RRSP, RRIF, any one of the various types of locked-in Registered Plans, RESP or TFSA for an investor when they invest in the Fund. Investors should contact their advisor or dealer for more details.

See "Income Tax Considerations" for details on holding securities of the Fund in a Registered Plan.

## PURCHASERS' STATUTORY RIGHTS OF WITHDRAWAL AND RESCISSION

Securities legislation in certain of the provinces and territories of Canada provides purchasers with the right to withdraw from an agreement to purchase mutual fund securities offered in a distribution within two (2) business days after receipt of a prospectus and any amendment. In addition, securities legislation in certain of the provinces of Canada provides purchasers of mutual fund securities with a limited right to rescind the purchase within 48 hours after receipt of a confirmation of such purchase. If the purchase of mutual fund securities is made under a contractual plan, the time period during which the right to rescind is exercisable may be longer. In most of the provinces and territories of Canada, the securities legislation further provides a purchaser with remedies for rescission or damages, or, in Québec, revision of the price, if the prospectus and any amendment is not delivered to the purchaser, provided that the remedies for rescission, damages or revision of the price are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory.

Purchasers should refer to the applicable provisions of the securities legislation and the decisions referred to above for the particulars of their rights or consult with a legal advisor.

## DOCUMENTS INCORPORATED BY REFERENCE

During the period in which the Fund is in continuous distribution, additional information is available in:

(i) the most recently filed comparative annual financial statements of the Fund, if any, together with the accompanying report of the auditors;

(ii) any interim financial reports of the Fund filed after those annual financial statements;

(iii) the most recently filed annual MRFP of the Fund, if any; and

(iv) any interim MRFP of the Fund filed after that annual MRFP.

These documents are incorporated by reference into the prospectus, which means that they legally form part of this document just as if they were printed as part of this document. An investor can get a copy of these documents upon request and at no cost by calling 1-877-344-1434 or by contacting a dealer.

These documents are available on the Manager's website at **www.sunlifeglobalinvestments.com** or by contacting the Manager at 1-877-344-1434 or via e-mail at *info@sunlifeglobalinvestments.com.*

These documents and other information about the Fund are available on the internet at **www.sedar.com**.

In addition to the documents listed above, any document of the type described above that are filed on behalf of the Fund after the date of this prospectus and before the termination of the distribution of the Fund are deemed to be incorporated by reference into this prospectus.

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## INDEPENDENT AUDITORS' REPORT

**To the Manager and Trustee of:**

Sun Life Multi-Strategy Target Return Fund
(the "Fund")

We have audited the accompanying financial statements of the Fund, which comprise the statement of financial position as at May 11, 2016 and a summary of significant accounting policies and other explanatory information.

**Management's responsibility for the financial statement**

Management is responsible for the preparation and fair presentation of these financial statements in accordance with International Financial Reporting Standards, and for such internal control as management determines is necessary to enable the preparation of a financial statement that is free from material misstatement, whether due to fraud or error.

**Auditors' responsibility**

Our responsibility is to express an opinion on these financial statements based on our audit. We conducted our audit in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

**Opinion**

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Fund as at May 11, 2016 in accordance with International Financial Reporting Standards.

*Ernst & Young LLP*

Chartered Accountants
Licensed Public Accountants

Kitchener, Canada
May 11, 2016

**Sun Life Multi-Strategy Target Return Fund**

**STATEMENT OF FINANCIAL POSITION**
**As at May 11, 2016**

| | |
|---|---|
| ASSET | |
| Cash | $ 50,000 |
| Net assets Attributable to Holders of Redeemable Units | $ 50,000 |
| | |
| NET ASSETS PER SERIES | |
| Series A Units | $ 10,000 |
| Series F Units | 10,000 |
| Series I Units | 20,000 |
| Series O Units | 10,000 |
| | $ 50,000 |
| UNITS OUTSTANDING | |
| Series A Units | 1,000 |
| Series F Units | 1,000 |
| Series I Units | 2,000 |
| Series O Units | 1,000 |
| | |
| NET ASSETS PER UNITS | |
| Series A Units | $ 10.00 |
| Series F Units | $ 10.00 |
| Series I Units | $ 10.00 |
| Series O Units | $ 10.00 |

*The accompanying notes are an integral part of this statement of financial position.*

Approved on behalf on the Board of Directors of Sun Life Global Investments (Canada) Inc., as Manager and Trustee of the Fund.

*(signed) "Patricia Callon"*
Director

*(signed) "Stephen R. Doucette"*
Director

**NOTES TO THE STATEMENT OF FINANCIAL POSITION**
**As at May 11, 2016**

## 1. Establishment of the Fund

Sun Life Multi-Strategy Target Return Fund (the "Fund") is a commodity pool established under the laws of the province of Ontario on March 30, 2016 pursuant to a master declaration of trust. The address of the Fund's registered office is 150 King Street West, Toronto, Ontario.

The following table provides a summary of the units issued to the Manager of the Fund, Sun Life Global Investments (Canada) Inc. at the net asset value per unit along with the cash consideration received.

| **Fund** | | **Investment ($)** | **Units** | **Net Asset Value per Unit ($)** |
|---|---|---|---|---|
| Sun Life Multi-Strategy Target Return Fund | | | | |
| | Series A Units | 10,000 | 1,000 | 10.00 |
| | Series F Units | 10,000 | 1,000 | 10.00 |
| | Series I Units | 20,000 | 2,000 | 10.00 |
| | Series O Units | 10,000 | 1,000 | 10.00 |

The Fund issues Series A, F, I and O units.

The fiscal year of the Fund is December 31.

The statements of financial position and notes were approved by the Board of Directors of Sun Life Global Investments (Canada) Inc., as Manager and Trustee of the Fund, and authorized for issue on May 11, 2016. The reporting currency for the Fund is Canadian dollars, which is the functional currency since subscriptions and redemptions of units are primarily denominated in Canadian dollars.

## 2. Summary of significant accounting policies and basis of presentation

The financial statements have been prepared in connection with the prospectus filing requirements of the Canadian provincial securities authorities to qualify units of the Fund for public distribution. The statements of financial position have been prepared in accordance with International Financial Reporting Standards ("**IFRS**") as issued by the International Accounting Standards Board.

### (a) Cash

Cash is comprised of cash on deposit and is stated at fair value.

### (b) Classification of Redeemable Units Issued by the Fund

The Fund's units have been classified as financial liabilities in accordance with IAS 32 – *Financial instruments: presentation*.

### (c) Valuation of Fund Units for Transaction Purposes

Net asset value per unit of the Fund is calculated at the end of each day on which the Toronto Stock Exchange is open for business by dividing the net asset value of the series by the outstanding series units of the Fund.

## 3. Annual Maximum Management Fees and Expenses

The Fund will pay management fees to the Manager, which are accrued daily and paid monthly, as outlined in the table below.

| Fund | Annual Management Fees |
|---|---|
| Sun Life Multi-Strategy Target Return Fund | |
| Series A Units | 2.25% |
| Series F Units | 1.25% |

For Series I units, investors negotiate and pay the management fees directly. These fees will not exceed 1.50% of the series net asset value of the Series I units.

For Series O units, investors pay the management fee directly to the Manager. The maximum rate of the fee, excluding GST/HST and other applicable taxes, if any, is set out below.

| | Maximum Annual Management Fees |
|---|---|
| | Series O Units |
| Sun Life Multi-Strategy Target Return Fund | 1.25% |

The Manager pays certain of the operating expenses of the Fund (other than borrowing costs incurred by the Fund from time to time, fees and expenses payable to or in connection with the Fund's Independent Review Committee, taxes payable by the Fund and the costs of complying with any new regulatory or legal requirement imposed on the Fund after its inception date) in return for fixed annual administration fees. The 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 Fund) and trustee fees for registered plans. The fixed annual administration fees are calculated as a fixed annual percentage of the net asset value of each series of the Fund at the end of each business day.

| Fund | Administration Fees | |
|---|---|---|
| | All Series (other than I) | Series I |
| Sun Life Multi-Strategy Target Return Fund | 0.20% | 0.05% |

## 4. Net Assets Attributable to Holders of Redeemable Units

The Fund may have an unlimited number of series of units and may issue an unlimited number of units of each series. The series of units offered by the Fund have been outlined in Note 1 of these financial statements. The outstanding units represent the capital of the Fund. Each unit has no par value, and the value of each unit is the net asset value next determined. Settlement of the cost for units is completed as per securities regulations in place at the time of issue. Distributions made by the Fund and re-invested by clients in additional units also constitute issued capital of the Fund.

Units are redeemed at the net asset value per unit of the Fund. A right to redeem units of the Fund may be suspended with the approval of the Canadian securities regulatory authorities or when normal trading is suspended on a stock, options, or futures exchange in Canada or outside Canada on which securities or derivatives that make up more than 50% of the value or underlying exposure of the total assets of the Fund, not including any liabilities of the Fund, are traded, and when those securities or derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Fund.

The capital received by the Fund is utilized within the respective investment mandate of the Fund. This includes the ability to make liquidity available to satisfy client unit redemption requirements upon the clients' request.

**CERTIFICATE OF THE FUND, THE TRUSTEE, MANAGER AND PROMOTER**

Dated: May 11, 2016

This prospectus, together with the documents incorporated herein by reference, constitutes full, true and plain disclosure of all material facts relating to the securities offered by this prospectus as required by the securities legislation of British Columbia, Alberta, Saskatchewan, Manitoba, Ontario, Québec, Nova Scotia, New Brunswick, Prince Edward Island, Newfoundland and Labrador, Yukon, Northwest Territories and Nunavut.

**SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.**
**as Trustee and Manager of the Fund**

*(signed) "Rick C. Headrick"*
Rick C. Headrick
President, signing in the capacity of chief executive officer Sun Life Global Investments (Canada) Inc.

*(signed) "James McKay"*
James McKay
Chief Financial Officer
Sun Life Global Investments (Canada) Inc.

**On behalf of the Board of Directors of Sun Life Global Investments (Canada) Inc.**

*(signed) "Candace G. Shaw"*
Candace G. Shaw
Director

*(signed) "Patricia Callon"*
Patricia Callon
Director

**SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.**
**as Promoter of the Fund**

*(signed) "Rick C. Headrick"*
Rick C. Headrick
President