

Sun Life Assurance Guaranteed Funds

Fund Details

Fund Type Guaranteed
Fund Manager Sun Life Assurance

Investment Objective

Guaranteed Funds provide a guaranteed rate of interest for a specific period of time.

Strategy

The Guaranteed Funds not only guarantee principal and interest if held to maturity, they also offer greater investment flexibility than many other guaranteed investments.

- No minimum contribution requirement.
- Withdrawals allowed before maturity (generally, subject to a market value adjustment).

Investment Risk

Low High



Risk: Low

The rate of return for Guaranteed Funds tends to be lower than long-term returns for stock and bond funds, but there is very little risk that principal or guaranteed interest will be lost. However, returns from Guaranteed Funds may not be enough to offset the effect of inflation over time.

More Information

Please contact Sun Life's Customer Care Centre or visit the Plan Member Services website for detailed information about your funds.

Market Value Adjustments

Depending on your plan rules and how your plan is set up, a Market Value Adjustment may apply if money is withdrawn from a guaranteed fund before maturity. Please check your member booklet or plan summary, or contact the Customer Care Centre for more information.

A Market Value Adjustment (MVA) is simply the difference between the market value and book value (i.e. value of the deposit, plus compound interest) of an investment.

To determine the market value of a guaranteed fund, the value of the deposit plus the compound interest is projected to the original maturity date, using the original interest rate. This value is then discounted back to the date of withdrawal using the current interest rate for guaranteed investments of the same term.

The MVA can either increase or decrease the amount of the investment. If interest rates have fallen since the date of the original deposit, the market value of the investment will be higher. On the other hand, if interest rates have risen, the market value of the investment will be lower.

The chart below shows the market value of a \$100 deposit to a Guaranteed Fund after one year.

| Original 5-Year Interest Rate | Current 5-Year Interest Rate | Book Value After 1 Year | Market Value After 1 Year | Market Value Adjustment |
|-------------------------------|------------------------------|-------------------------|---------------------------|-------------------------|
| 4.0% | 3.0% | \$104.00 | \$108.10 | + \$4.10 |
| 4.0% | 3.5% | \$104.00 | \$106.03 | + \$2.03 |
| 4.0% | 4.0% | \$104.00 | \$104.00 | \$0 |
| 4.0% | 4.5% | \$104.00 | \$102.02 | - \$1.98 |
| 4.0% | 5.0% | \$104.00 | \$100.09 | - \$3.91 |
| 4.0% | 5.5% | \$104.00 | \$98.21 | - \$5.79 |

Interest Rate History

| | 1-Year % | 2-Year % | 3-Year % | 4-Year % | 5-Year % |
|-------------|----------|----------|----------|----------|----------|
| 2021 | | | | | |
| December | 0.91 | 1.21 | 1.31 | 1.41 | 1.61 |
| 2022 | | | | | |
| March | 1.41 | 1.76 | 1.86 | 1.91 | 2.11 |
| June | 2.61 | 2.96 | 3.11 | 3.21 | 3.36 |
| September | 3.71 | 3.71 | 3.71 | 3.71 | 3.71 |
| December | 3.91 | 3.86 | 3.76 | 3.71 | 3.61 |
| 2023 | | | | | |
| March | 4.14 | 3.69 | 3.54 | 3.49 | 3.39 |
| June | 4.94 | 4.59 | 4.39 | 4.24 | 4.04 |
| September | 5.09 | 4.79 | 4.54 | 4.39 | 4.29 |
| December | 5.09 | 4.79 | 4.54 | 4.39 | 4.29 |
| 2024 | | | | | |
| March | 4.48 | 4.08 | 3.78 | 3.73 | 3.63 |
| June | 3.78 | 3.68 | 3.48 | 3.38 | 3.23 |
| September | 3.28 | 3.08 | 2.93 | 2.98 | 2.98 |
| December | 2.98 | 2.88 | 2.83 | 2.83 | 2.83 |
| 2025 | | | | | |
| March | 2.48 | 2.48 | 2.48 | 2.58 | 2.58 |

Sun Life Financial Trust GICs

Fund Details

| | |
|--------------|--------------------------|
| Fund Type | Guaranteed |
| Fund Manager | Sun Life Financial Trust |

Investment Objective

The Guaranteed Investment Certificate (GIC) provides a guaranteed rate of interest for a specific period of time.

Strategy

The GIC not only guarantees principal and interest if held to maturity, it also offers greater investment flexibility than many other guaranteed investments.

- No minimum contribution requirement.
- Interest payable on a deposit will be compounded daily based on the annual interest rate of the deposit. Interest will be credited to the deposit daily.
- Each regular deposit that you make will have its own term and applicable interest rate. For example, if you make monthly deposits into the one-year GIC each of the 12 deposits will have its own one-year term and maturity date.
- Deposits made by cheque are available for withdrawal the next business day, provided the cheque is received by Sun Life Financial within our business service standards. Cheque deposits of \$100 or less are available for immediate withdrawal.
- There are no fees related to your investment in a GIC. If there are any changes to the fee structure at any time in the future you will receive advance notice in writing.
- Withdrawals allowed before maturity (generally, subject to a market value adjustment, except at death).
- At maturity the GIC investment will automatically transfer into a GIC with the same term and conditions unless you notify us otherwise.
- You will have a 10 day period from the date of the automatic transfer to advise us to cancel the transaction.

Market Value Adjustments

If money is withdrawn from a GIC before the maturity date, Sun Life Financial will calculate the value of the original deposit plus any compound interest (called the "book value").

This amount is then adjusted to reflect any changes in market interest rates (called the "market value").

The adjustment can either increase or decrease the amount of the investment. If interest rates have fallen since the date of the original deposit, the market value of the investment will be higher. On the other hand, if interest rates have risen, the market value of the investment will be lower.

The chart below shows the market value of a \$100 deposit to a GIC after one year.

| Original 5-Year Interest Rate | Current 5-Year Interest Rate | Book Value After 1 Year | Market Value After 1 Year | Market Value Adjustment |
|-------------------------------|------------------------------|-------------------------|---------------------------|-------------------------|
| 4.0% | 3.0% | \$104.00 | \$108.10 | + \$4.10 |
| 4.0% | 3.5% | \$104.00 | \$106.03 | + \$2.03 |
| 4.0% | 4.0% | \$104.00 | \$104.00 | \$0 |
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Interest Rate History

| | 1-Year % | 2-Year % | 3-Year % | 4-Year % | 5-Year % |
|-------------|----------|----------|----------|----------|----------|
| 2019 | | | | | |
| March | 2.03 | 1.93 | 1.93 | 1.93 | 1.93 |
| June | 1.90 | 1.80 | 1.80 | 1.80 | 1.80 |
| September | 1.70 | 1.70 | 1.70 | 1.70 | 1.70 |
| December | 1.80 | 1.80 | 1.80 | 1.80 | 1.80 |
| 2020 | | | | | |
| March | 0.85 | 1.10 | 1.115 | 1.115 | 1.20 |
| June | 0.85 | 0.90 | 0.95 | 0.95 | 0.95 |
| September | 0.85 | 0.90 | 0.95 | 0.95 | 0.95 |
| December | 0.85 | 0.90 | 0.95 | 0.95 | 0.95 |
| 2021 | | | | | |
| March | 0.76 | 0.81 | 0.91 | 1.11 | 1.26 |
| June | 0.76 | 0.81 | 0.96 | 1.16 | 1.26 |
| September | 0.76 | 0.81 | 0.91 | 1.11 | 1.26 |
| December | 0.91 | 1.21 | 1.31 | 1.41 | 1.61 |

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Investment Risk

Low High



Risk: Low

The rate of return for a GIC tends to be lower than long-term returns for stock and bond funds, but there is very little risk that principal or guaranteed interest will be lost. However, returns from a GIC may not be enough to offset the effect of inflation over time.

More Information

Please contact Sun Life's Customer Care Centre or visit the Plan Member Services website for detailed information about your funds.

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| March | 1.41 | 1.76 | 1.86 | 1.91 | 2.11 |
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