

[Employer name] regularly reviews your workplace savings plan(s). After a recent review, [ employer name] is making the following change to your plan(s). The change better matches [employer name's] objectives and investment policy guidelines for your plan(s).

**Fund changes on [insert date]**

Fund type	Discontinued Funds	FMF	Replacement Funds	FMF
Target Date	Sun Life Milestone Target Date segregated funds		[insert the replacement Target Date Funds]	

**Rationale for the fund change**

The Sun Life Milestone Target Date Funds (“Milestone Funds”) offer the unique Guaranteed Maturity Value (GMV) feature. To accomplish this, they have a lower allocation to equities and a higher allocation to bonds compared to the traditional Target Date Funds (TDFs) without the GMV. The lower equity and higher bonds allocations in the Milestone Funds limit their long-term growth relative to the traditional TDFs. The lower expected growth may affect your ability to save enough money for retirement, particularly if you are still far from retirement.

It’s important to note that there is no insurance aspect to the GMV. The Milestone Funds hold enough government bonds to cover the GMV until they mature.

Although the GMV feature is a key benefit of these Milestone funds, the replacement fund’s higher equity allocation, better diversification and lower fees are expected to provide you with a better outcome.

**How does the GMV work?**

The GMV provides some protection if markets fall significantly when the Milestone Funds mature. However, the GMV only applies if you hold a Milestone Fund until its maturity.

If you continue to hold a Milestone Fund until maturity, you will get either the GMV or the Milestone Fund’s value on the maturity date:

- If the Milestone Fund’s value is higher than the GMV, you will get the Milestone Fund’s value.
- If the Milestone Fund’s value is lower than the GMV, you will get the GMV.

For example: if Milestone 2030’s GMV on maturity date is \$30/unit and the value is \$32/unit (higher than the GMV), you will get \$32/unit. However if the Milestone 2030’s value on maturity date is \$28/unit (lower than the GMV), you will get \$30/unit (the GMV).

*You will not receive the GMV if you don’t hold a Milestone Fund until maturity. If you sell your investment in the Milestone Fund before the maturity date, you will get the value as of the day of the transaction.*

You can see the Milestone Funds’ value and GMV on [mysunlife.ca](https://mysunlife.ca) -> **Plan overview** -> **View available investments** -> **Rates of return and unit value** -> **Sun Life Financial Milestone Fund Values** section.

**Comparing target date funds**

The Milestone Funds currently available in your plan(s) invest in Canadian government bonds and a global equity fund. The asset mix ranges from 42% equity/58% bonds (Milestone 2060) to 4% equity/96% bonds (Milestone 2025). The Milestone Funds don’t have a Retirement Fund, so in a maturity year (e.g. 2030), money in the maturing fund (e.g. Milestone 2030) will be moved to a Money Market or a Guaranteed product available in your plan(s).

**[Select the paragraph that corresponds to the selected replacement funds]**

The BlackRock LifePath Target Date Segregated Funds (“LifePath Funds”) are more diversified than the Milestone Funds. They invest in passive funds in the following asset types:

- Equities (Canadian, US, International, Emerging Markets)
- Canadian bonds

- Alternative assets (listed real estate, commodities and infrastructure)

The asset mix ranges from 100% equity (LifePath 2065) to 60% bonds/40% equity (LifePath Retirement).

The MFS LifePlan Target Date Segregated Funds (“LifePlan Funds”) are more diversified than the Milestone Funds. They invest in active funds in the following asset types:

- Equities (Canadian and Global)
- Bonds (Canadian and Global)
- Alternative assets (listed global real estate)

The asset mix ranges from 100% equity (LifePlan 2065) to 27% equity/73% bonds (LifePlan Retiree).

The Sun Life Granite Target Date Funds (“Granite Funds”) are more diversified than the Milestone Funds. They invest in both passive and active funds in the following asset types:

- Equities (Canadian, US, International, Global, Emerging Markets)
- Bonds (Canadian, US, Global, Specialty (private fixed income, mortgages, high yield, Emerging Markets))
- Alternative assets (listed and direct real estate, listed and direct infrastructure, liquid alternatives)

The asset mix ranges from 93% equity/7% bonds (Granite 2065) to 41.5% equity/58.5% bonds (Granite Retirement).

The TD Greystone Target Date Plus Funds (“TD Greystone Funds”) are more diversified than the Milestone Funds. They invest in active funds in the following asset types:

- Equities (Canadian, Global, Emerging Markets)
- Bonds (Canadian and Global)
- Alternative assets (Canadian and global real estate, global infrastructure, commercial mortgages). The TD Greystone Funds each invest 20-25% in alternatives.

The asset mix ranges from 75% equity/5% bonds/25% alternative assets (TD Greystone 2065) to 41% equity/39% bonds/20% alternative assets (TD Greystone Retirement).

The Fidelity ClearPath Target Date Funds (“ClearPath Funds”) have “through retirement” glidepath, where the asset mix of the funds will continue to change after retirement (age 65). The asset mix will stop changing when you reach the age of 84. The ClearPath Funds are more diversified than the Milestone Funds. They invest in both passive and active funds in the following asset types:

- Equities (Canadian, US, International, Emerging Markets)
- Bonds (Canadian, US, Global)
- Alternative assets (listed commodities, direct Canadian real estate)

The asset mix ranges from 92% equity/8% bonds (ClearPath 2065) to 24% equity/76% bonds (ClearPath Income).

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The higher equity allocation and more diversified exposures in the replacement TDFs provide you with the opportunity to get potentially higher returns and asset growth over time, especially if you are still far from retirement. In addition, the replacement funds have lower fees. When you pay lower fees, more of your hard-earned money stays invested and growing for you.

#### **Review your investments and investment mix**

Your employer has made every effort to choose an appropriate replacement fund for the fund that is closing. However, in some cases, there may be a difference in the investment objective and risk level between the closing fund and its replacement.

We encourage you to review your investment mix as a result of these changes. This can help you ensure that your investments continue to meet your investment objectives, risk level and time horizon. The most typical way to invest in a target date fund is to choose the retirement year which most closely matches your target retirement year. More generally, completing our online [Asset allocation tool](#) can help you choose the right funds for you. See the last page for details on finding this tool on [mysunlife.ca](https://mysunlife.ca).

#### **Next steps if you’re investing in the Milestone Fund(s):**

To move your money to the replacement funds:

##### **No action required**

On [\[insert date\]](#), we’ll move your money to the replacement funds in the table above. This includes the money already in your account, plus any future contributions.

To move your money to other funds in your workplace plan instead:

**Action required**

Update your investment instructions and move your savings and/or future contributions to other funds in your plan before 4 p.m. ET on [insert date].

You'll see a transaction in your account showing that your money has moved from your current funds into the new funds. You won't have access to your investments online between 4 p.m. ET on [insert date] and 8 a.m. ET on [insert date] while Sun Life processes these changes. Once the changes are complete, you can view and/or update your investments if you wish.

This change will not result in a taxable capital gain or loss if your money is invested in a registered plan. If your money is in a non-registered plan, you will likely experience a capital gain or loss when we move the money to the replacement fund. Sun Life will report any capital gains or losses on the tax slips we produce for you. You must report capital gains in the year the change occurs.

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