

# Customer Fund Guide

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# About Sun Life Financial of Canada

## In the UK

Sun Life Financial of Canada in the UK is focused on building excellent customer service by offering the highest levels of customer care. We have been serving customers in the UK for over 100 years.

Sun Life Financial of Canada in the UK does not provide advice on its life assurance and pension products, but aims to give customers helpful information to enable them to make informed decisions. To find a financial adviser just visit [www.unbiased.co.uk](http://www.unbiased.co.uk)

For more information, please visit [www.sloc.co.uk](http://www.sloc.co.uk)

## Sun Life Financial Group of Companies

Sun Life Financial of Canada is a leading international financial services organisation providing a diverse range of protection and wealth products and services to individuals and corporate customers. Chartered in 1865, the Sun Life Financial of Canada group of companies and its partners today have operations in key markets worldwide, including Canada, the United States, the United Kingdom, Ireland, Hong Kong, the Philippines, Japan, Indonesia, India, China and Bermuda.

Sun Life Financial Inc., the parent company of the Sun Life Financial of Canada group of companies is based in Toronto, Canada and is listed on the Toronto (TSX), New York (NYSE) and Philippine (PSE) stock exchanges under ticker symbol SLF.

For more information please visit [www.sunlife.com](http://www.sunlife.com).

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## Inside this brochure

The aim of this brochure is to give you the information you need about the i2*Live* investment funds so you and your adviser can set your investment strategy to meet your long-term retirement needs. Your financial adviser can help you decide on the best funds to choose, in line with your attitude to risk and your retirement objectives.

# i2Live retirement solutions

## i2Live products

i2Live consists of three essential retirement planning products:

- i2Live Accumulator – a simple personal pension plan to consolidate and grow your assets
- i2Live Drawdown– capped drawdown\* pension product with an Income Guarantee Option
- i2Live Annuity – a flexible annuity offering income choice and growth potential with an Income Guarantee Option.

Whatever stage you've reached in your retirement, you are free to select the product that's right for you and to move from one product to another, keeping a similar investment strategy if you wish \*. Both our income products allow you to remain invested in equities and offer the option of a guaranteed minimum income to ensure your income will never fall below a certain level, whatever happens to the markets.

\* Please note you can only convert an i2Live Accumulator to an i2Live Drawdown policy from 6 April 2015 if you already have an existing i2Live Drawdown. This is because we cannot create new drawdown policies from 6 April 2015 as we are not offering flexi access drawdown contracts.

## The importance of expert advice

By keeping your pension fund invested in a suitable range of funds, you will have access to potential growth which could help to combat the effects of inflation and prevent your income from being eroded over time. **Remember, the performance of your chosen investment funds can go down as well as up and past performance is not a guide to the future.**

Choosing where to invest is dependent on a number of factors. Your financial adviser will help you to understand these and see how they apply to your personal situation.

# Expert fund management

The Sun Life Assurance Company of Canada (U.K.) Limited Investment Team oversee and monitor the i2Live fund range, supported by the Sun Life Financial International Investment Centre. They review the funds to make sure they continue to achieve their investment objectives and are committed to giving you and your financial adviser the scope to tailor your portfolio to the right balance of risk and return.

The International Investment Centre provides independent research and consulting services to Sun Life Financial, including drawing on global research to support the selection and monitoring of investment funds. They are a team of dedicated investment professionals with significant experience of optimising fund ranges to meet clients' needs.

## Free fund switching

The i2Live fund range includes funds from different sectors and with different risk profiles. Depending on the markets and your changing circumstances we appreciate that you may need to adapt your investment strategy from time to time. We offer free fund switching to give you absolute flexibility when making investment decisions.

## Our latest fund information

For the latest ratings of our funds, please visit our website [www.sloc.co.uk](http://www.sloc.co.uk). Your financial adviser will help you to understand these and see how they apply to your personal situation.



# Selecting funds

## Designed with your retirement in mind

The *i2Live* fund range has been specifically designed to support long term strategies for retirement, enabling you to keep your pension fund invested – with the opportunity to offset the effects of inflation by providing the potential for income growth.

## Fund objectives

Please discuss with your financial adviser for information on individual fund objectives.

For the latest ratings of our funds, please visit our website [www.slcc.co.uk](http://www.slcc.co.uk).

<sup>1</sup>The Association of British Insurers classifies industry funds. Details are available from its website [www.abi.org.uk](http://www.abi.org.uk)

<sup>2</sup>Asset split for Income Guarantee Option (IGO) purposes (this may not reflect actual fund asset split).

<sup>3</sup>The Total Expense Ratio represents the total annual cost of running the fund, equal to the Annual Investment Charge plus any additional expenses from the underlying Open-Ended Investment Companies (OEICs) and unit trusts.

## Managed Funds

\*Please see page 8 for details on Income Guarantee Option requirements.

SLFC Fund Code	ABI Sector <sup>1</sup>	Fund Name	Equity Risk Proportion <sup>2</sup>	% Other <sup>2</sup>	Total Expense Ratio <sup>3</sup>	Annual Investment Charge <sup>3</sup>
			*For IGO purposes			
F870	Mixed Investments 40-85% Shares	SLFC Balanced Passive Managed Pension Fund	70%	30%	0.58%	0.55%
F871	Mixed Investments 20-60% Shares	SLFC Cautious Passive Managed Pension Fund	50%	50%	0.59%	0.55%
F846	Mixed Investments 20-60% Shares	SLFC Invesco Perpetual Distribution Pension Fund	60%	40%	1.27%	1.10%

## Equity Funds

SLFC Fund Code	ABI Sector <sup>1</sup>	Fund Name	Equity Risk Proportion <sup>2</sup>	% Other <sup>2</sup>	Total Expense Ratio <sup>3</sup>	Annual Investment Charge <sup>3</sup>
			*For IGO purposes			
F910	Global Equity	SLFC Baillie Gifford Long Term Global Growth Pension Fund	100%	0%	1.12%	1.09%
F848	UK Equity Income	SLFC Invesco Perpetual High Income Pension Fund	100%	0%	1.38%	1.20%

## Fixed Interest Funds

SLFC Fund Code	ABI Sector <sup>1</sup>	Fund Name	Equity Risk Proportion <sup>2</sup>	% Other <sup>2</sup>	Total Expense Ratio <sup>3</sup>	Annual Investment Charge <sup>3</sup>
			*For IGO purposes			
F911	Sterling Fixed Interest	SLFC Schroder Sterling Broad Market Bond Pension Fund	10%	90%	0.81%	0.79%

## Property Funds

SLFC Fund Code	ABI Sector <sup>1</sup>	Fund Name	Equity Risk Proportion <sup>2</sup>	% Other <sup>2</sup>	Total Expense Ratio <sup>3</sup>	Annual Investment Charge <sup>3</sup>
			*For IGO purposes			
F912	UK Direct Property	SLFC Aberdeen UK Property Pension Fund	20%	80%	0.96%	0.80%

## Money Market Fund

SLFC Fund Code	ABI Sector <sup>1</sup>	Fund Name	Equity Risk Proportion <sup>2</sup>	% Other <sup>2</sup>	Total Expense Ratio <sup>3</sup>	Annual Investment Charge <sup>3</sup>
			*For IGO purposes			
F865	Money Market	SLFC Deutsche Managed Sterling Pension Fund	0%	100%	0.50%	0.50%

# Income Guarantee Option requirements

## Guaranteed minimum income for life

The Income Guarantee Option provides a 'floor' below which income cannot fall. In order for our income products to provide you with the option of a guaranteed minimum income for life, we have had to place some restrictions on the proportion of the fund that can be invested in equities when the Income Guarantee Option is selected.

## Maximum equity risk proportion for Income Guarantee Option purposes

All pension funds listed in this guide are available for use when the income guarantee has been selected. **However, for the portion of your investment to which the guarantee applies, you must not exceed the 'maximum equity risk proportion'. More details are available in the Terms and Conditions (these are available from your financial adviser or us on request).**

The maximum equity risk proportion we have allocated to each fund are for income guarantee purposes only and do not necessarily reflect the actual underlying assets within the fund.

If you select the Income Guarantee Option, we will regularly check whether you have exceeded the equity limit. Where it has been exceeded we may ask you to switch your investments so that you meet the requirement. More details are available in the Terms and Conditions.

If the Income Guarantee Option is not selected there are no restrictions to the funds that can be selected.

Your financial adviser is best placed to help you put together an investment strategy that both meets the requirements of our Income Guarantee Option and reflects your pension requirements, so please ensure you seek their advice when selecting your *i2Live* pension funds.

**Please note that you may have to pay your adviser directly for this advice.**



# Fund risks

## A guide to fund types

In order to assist advisers to identify appropriate funds to meet their clients' requirements we have categorised funds as follows:

Managed Funds	
Cautious Passive	The Fund invests in a range of collective investment schemes with passive index tracking investment strategies. Exposure is to a range of asset classes with a maximum exposure to equities of 60%.
Cautious Active	The fund directly invests primarily in corporate and government debt securities globally and equities.
Balanced Passive	The Fund invests in a range of collective investment schemes with passive index tracking investment strategies. Exposure is to a range of asset classes with a maximum exposure to equities of 85%.
Equity Funds	
UK All Companies	The Fund invests primarily in shares of UK companies but may include some international and unlisted investments.
Unconstrained	The fund invests primarily in a concentrated, unconstrained global equity portfolio.
Fixed Interest Funds	
Broad Market	The fund invests in bonds issued by governments, government agencies and companies worldwide.
Property funds	
Direct Property	The Fund will generally invest in UK commercial property. It may also invest directly or indirectly in any UK property and continental European commercial property. The Fund may also invest directly or indirectly in other asset classes.

## Your guide to individual fund risks

When selecting funds, we want to ensure that you are comfortable that you have made your choice with an understanding of the types of risk involved. Your financial adviser will explain any risks related to the funds you have selected as part of the advice process, but the following table is designed to show which risks are most likely for each of the funds.

The purpose of this information is to capture the broad risks associated with the *i2Live* pension fund range.

SLFC Fund Code	i2Live Pension Fund	Category (Fund type)*	Potential risk								
			a	b	c	d	e	f	g	h	i
	Managed Funds										
F870	SLFC Balanced Passive Managed Pension Fund	Passive Balanced	•	•	•	•			•	•	
F871	SLFC Cautious Passive Managed Pension Fund	Passive Cautious	•	•	•	•			•	•	
F846	SLFC Invesco Perpetual Distribution Pension Fund	Active Cautious	•	•	•	•				•	

Continued

SLFC Fund Code	i2Live Pension Fund	Category (Fund type)*	Potential risk								
			a	b	c	d	e	f	g	h	i
	Equity Funds		a	b	c	d	e	f	g	h	i
F910	SLFC Baillie Gifford Long Term Global Growth Pension Fund	Unconstrained Global Equity	•		•	•	•				•
F848	SLFC Invesco Perpetual High Income Pension Fund Fixed	UK All Companies	•								•
	Fixed Interest Funds		a	b	c	d	e	f	g	h	i
F911	SLFC Schroder Sterling Broad Market Bond Fund	Broad Market Bond	•	•		•					•
	Property Funds		a	b	c	d	e	f	g	h	i
F912	SLFC Aberdeen UK Property Pension Fund	Direct Property	•							•	•
	Money Market Fund		a	b	c	d	e	f	g	h	i
F865	SLFC Deutsche Managed Sterling Pension Fund	Money Market	•					•			•

## Potential risk

- a** Past performance should not be taken as a guide to future performance; the value of your investments, and any income received, can go down as well as up and you may not get back the amount of your original investment.
- b** Bond funds - the value of a bond will fall if the issuer's credit rating is reduced and there is a risk of default, or non-payment, from the bond issuer.
- c** Funds with exposure to less developed overseas markets pose greater investment risk than funds invested in more established markets. These emerging markets funds can be more volatile than investments in more developed markets and the value of your investments could move sharply up or down.
- d** Funds that invest in overseas markets are exposed to changes in exchange rates. If the currency of your country of residence gains strength against the currency of your investment, the value of your holding may be reduced.
- e** Funds with a relatively small number of holdings can be more volatile than funds holding a larger number and wider spread of investments.
- f** Funds that invest predominantly in cash may be affected if an institution which they invest in experiences financial difficulty.
- g** A Fund of Funds is a fund that invests in other funds, and as such may be subject to higher costs, due to management charges on each underlying fund as well as for management of the Fund itself.
- h** Funds with direct investments in property may be subject to greater risk. The value of property is generally a matter of a valuer's opinion rather than fact. There may also be challenges when it comes to selling property.
- i** Inflation, over time, may erode the buying power of your investment.

# How to contact us

Our dedicated adviser and customer support team is on hand to answer any questions you have about Sun Life Financial of Canada's products and services.

They can also provide you with further product literature and assist you with any specific queries or instructions regarding policy.

## Please note:

You should read the relevant product Key Features and discuss your objectives with your financial adviser before making any investment. Pension funds are generally designed for long-term investment.

## Phone



Customer & Adviser helpline:

**0345 642 4444**

or 01256 656472



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Online

Visit us online at [www.sloc.co.uk](http://www.sloc.co.uk)

For the latest news, fund information  
and product literature.

Our lines are open from 9am to 5pm Monday to Friday.  
We may monitor or record calls to help us improve our service.

Sun Life Assurance Company of Canada (U.K.) Limited, incorporated in England and Wales, registered number 959082, registered office at Matrix House, Basing View, Basingstoke, Hampshire, RG21 4DZ, trades under the name of Sun Life Financial of Canada and is authorised by the Prudential Regulation Authority and regulated by the Financial Conduct Authority and the Prudential Regulation Authority.

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