

SUN LIFE PARTICIPATING ACCOUNT:

## SUN LIFE PARTICIPATING ACCOUNT

# Equity holdings

All values as at September 30, 2023



Life's brighter under the sun

Sun Life Assurance Company of Canada is a member of the Sun Life group of companies.  
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## SUN LIFE PARTICIPATING ACCOUNT: Equity holdings

### Participating account details

Total equity assets: \$3,221.87 million

Proportion of total invested assets of the Sun Life Participating Account: 18.93%

### Investment mix at September 30, 2023

|                     | \$ millions | Percentage |
|---------------------|-------------|------------|
| Public equity       | \$1,782.93  | 55.3%      |
| Private equity      | \$1,438.95  | 44.7%      |
| Total equity assets | \$3,221.87  | 100.0%     |

### Investment guidelines

Equity investments provide opportunities for growth of capital and balance the fixed income portion of the Par investment holdings. The Sun Life Par Account holds a portfolio of both public and private equities.

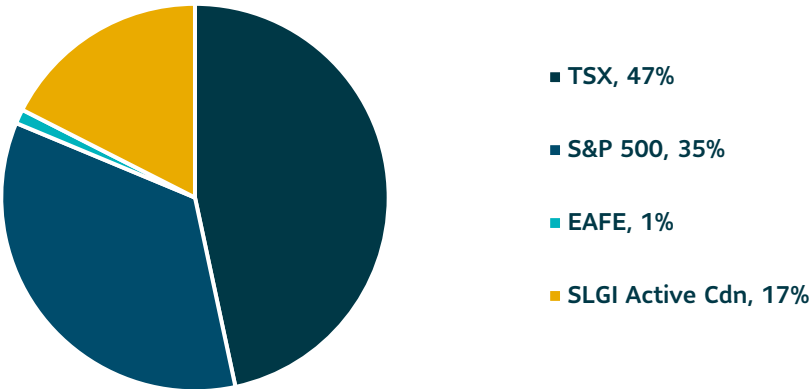
The public equity exposures are a mix of investments tracking indexes in Canada, United States and International. Accompanying the index exposures is a Sun Life Global Investments (SLGI) managed equity solution. SLGI is a fund manager that belongs to the Sun Life group of companies. This is beneficial for Sun Life's par account, because SLGI has relationships with best-in-class investment managers, along with the expertise to select those best positioned to diversify the par portfolio.

The private equity holdings in the Sun Life Par Account focus on investments in funds pursuing buyout and distressed fund strategies in Canada and the United States. The account also holds a growing portfolio of infrastructure equity funds. The Sun Life group of companies includes InfraRed Capital Partners, a United Kingdom based investment manager focused on infrastructure investing. Through InfraRed, Sun Life's par account has the benefit of direct access to a global leader in infrastructure investing.

# Equity holdings

## Public equity exposures

Public equity investments include Canadian passive index exposure (TSX), U.S. passive index exposure (S&P 500), International passive index exposure (EAFE) and the SLGI managed Canadian active equity. The portfolio targets an equity return that exceeds the return on the TSX 60. The inclusion of foreign equity along with the SLGI managed equities are some ways that the Sun Life Par Account seeks to diversify exposure and enhance returns above the local TSX 60.



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**Private equity exposures**

Private equity consists of equity investments not listed on a public exchange. It is an alternative form of equity investing in which funds and investors make direct equity investments. Also included in the private equity exposures are Real Estate fund investments. These funds are managed in conjunction with direct property holdings to provide the Sun Life Par account with robust Real Estate investment solutions. These funds provide access to Real Estate exposure outside of Canada, providing new opportunities to enhance returns along with geographic diversification.

The Sun Life Par Account has 8.5% of invested assets in private equity.

Buyout and distressed fund investments make up the majority of the private equity holdings in the Sun Life Par Account. These investments focus on buying existing companies with underperforming business units or assets. The intention from purchase is to turn the businesses around by making changes to their management or operations in order to return a profit. The Sun Life Par Account does not directly execute the purchase and business changes. The account participates through a fund with other investors where the objective of the fund is to execute the investment mandate.

