

SUN LIFE PARTICIPATING ACCOUNT

Private fixed income

All values as at September 30, 2018

Participating account details

Total private fixed income assets: \$1,698.1 million

Proportion of total invested assets of the Sun Life Participating Account: 16.7%

Private fixed income holdings

Investment term at September 30, 2018

	\$ millions	Percentage
0 to 5 years	432.7	25.5%
Over 5 years	1,265.4	74.5%
Total private fixed income	1,698.1	100.0%

Investment guidelines

Sun Life Financial's in-house private fixed income team manages the private fixed income holdings. This team is recognized as a leader and one of the most active players in the Canadian private fixed income market. Private fixed income includes lease financing, project financing and private debt consisting of high quality investments that are well-diversified by sector. The highly negotiated and customized nature of these investments allows Sun Life to achieve yields well in excess of comparably rated public securities. Relative to publicly issued bonds, private fixed income provides favourable spreads, better terms and diversification opportunities. The Private Fixed Income portfolio also includes private bonds. This gives the Sun Life Participating Account a meaningful competitive advantage.

Private Investments by quality



- AAA, 3.7%
- AA, 11.7%
- A, 47.4%
- BBB, 36.0%
- BB or less, 1.2%

Private Investments by sector



- Consumer Discretionary, 10.1%
- Consumer Staples, 3.5%
- Energy, 4.7%
- Financials, 2.5%
- Information Technology, 0.2%
- Health Care, 4.8%
- Industrials, 12.7%
- Real Estate, 15.0%
- Materials, 0.3%
- Municipalities, universities, schools and hospitals, 25.1%
- Structured, 3.3%
- Telecommunication Services, 1.8%
- Utilities, 16.0%

All values are current market values as at September 30, 2018 and do not include accrued interest.

