

# SUN LIFE PARTICIPATING ACCOUNT

## Public bond holdings

All values as at December 31, 2017

### Participating account details

Total public bond assets: \$3,687.3 million

Proportion of total invested assets of the Sun Life Participating Account: 37.4%

#### Investment mix at December 31, 2017

	\$ millions	Percentage
Government bonds	2,377.0	64.5%
Corporate bonds	1,310.3	35.5%
Total public bonds	3,687.3	100.0%

#### Investment term at December 31, 2017

	\$ millions	Percentage
0 to 5 years	230.8	6.3%
Over 5 years	3,456.5	93.7%
Total public bonds	3,687.3	100.0%

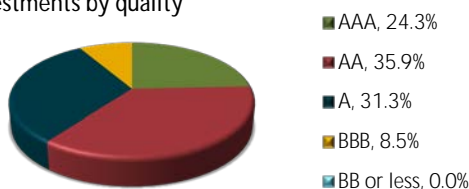
#### Major holdings at December 31, 2017

	Percentage of public bond holdings	Percentage of total participating assets
Gov. of Canada	20.0%	7.4%
Province of Ontario	12.3%	4.6%
Province of Quebec	7.7%	2.9%
Province of Saskatchewan	4.2%	1.6%
Province of Nova Scotia	4.1%	1.5%
Province of B.C.	4.0%	1.5%
Province of Newfoundland	3.0%	1.1%
Province of New Brunswick	2.9%	1.1%
Province of Manitoba	2.6%	1.0%
Bank of Nova Scotia	2.1%	0.8%
Total major holdings	62.9%	23.5%

### Investment guidelines

Sun Life Financial's in-house public bond team manages the public bond portfolio to generate consistent returns, provide liquidity and stable income. We achieve this by maintaining a high quality portfolio while adding value through security selection based on detailed analysis and sector rotation that focuses on market trends. The portfolio is a mix of government and corporate issues diversified across geography, sector, investment quality and term to maturity. The quality of the portfolio is high, with 100% of new purchases classified as investment grade.

#### Investments by quality



The public bond portfolio is also diversified across a broad range of economic sectors.

#### Corporate bonds by sector

