

# INVESTING WITH CONFIDENCE

## PART 2: A CLOSER LOOK

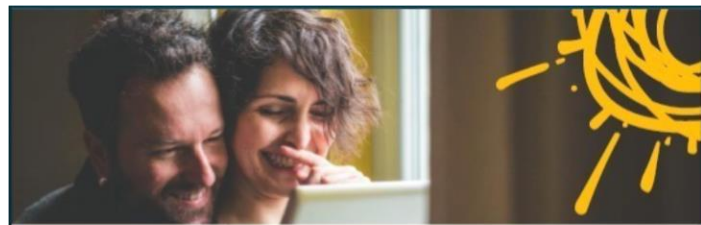




## INVESTING WITH CONFIDENCE

### PART 2: A CLOSER LOOK

Take a closer look at managing the investments in your plan, and how you can build upon the essentials to *Investing with Confidence*.



## CHECKLIST

### 4 STEPS TO INVESTING WITH CONFIDENCE

Now that you've built more knowledge to help you invest with confidence, it's time to put what you've learned into action. There are tools available to help you make decisions and keep building your investment confidence.

#### YOUR ACTION PLAN



Complete the **Asset Allocation tool**.

- This is your first step in determining an appropriate investment strategy that meets your short or long-term goals. It will only take you a few minutes to complete.
- Go to - [mysunlife.ca](#) - **my financial centre** - **Resource Centre** - **my money tools** - **Asset Allocation tool**



Compare your fees.

- Compare the fees you pay in your group plan to those you would pay as an individual investor.
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Review **Morningstar®** via [mysunlife.ca](#).

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Learn about the markets at:

- [sunlifeglobalinvestments.com](#)
- [blackrock.com/investing/insights](#)
- [bloomberg.com/markets](#)

Handy tip:

It's easy to get caught up in all the demands on your time and forget about your action plan. To keep on track, put each of the checklist items in your calendar or smartphone reminders so you remember to take action regularly.



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# Built FOR me

Fund Class	Fund	Fees*
Target Risk	Univ of Sask Conservative Life Cycle	0.13%
	Univ of Sask Balanced Life Cycle	0.24%
	Univ of Sask Aggressive Life Cycle	0.29%

\*Fund Management Fees as at December 31, 2017

# Built BY me

Fund Class	Fund	Fees*
Guaranteed / Money Market	SLF Money Market	0.12%
Fixed Income	BlackRock Universe Bond Index	0.11%
Canadian Equity	Univ of Sask Canadian Equity	0.37%
U.S. Equity	BlackRock US Equity Index (Reg)	0.11%
International Equity	Univ Sask International Equity	0.58%

\*Fund Management Fees as at December 31, 2017



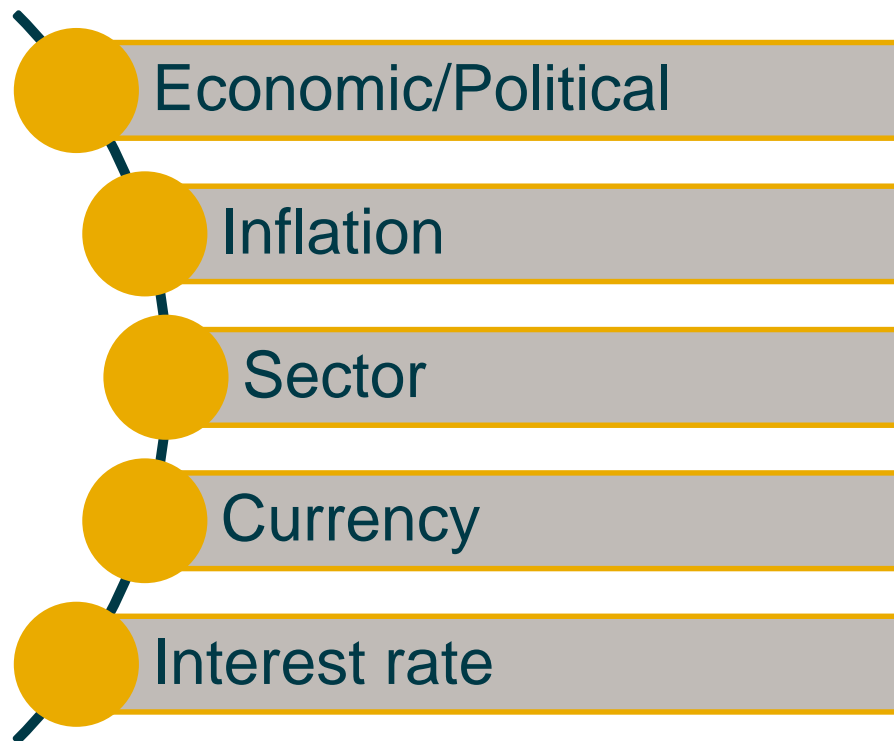
What are the risks?

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Sun   
Life Financial

# What are the risks?

## RISK



# What is inflation and why is it important?

As calculated by Statistics Canada



John made a \$100,000 investment in 2006. How much does it have to be worth today, just to keep in line with inflation?

- a. \$130,000
- b. \$102,000
- c. \$118,000

That's right. \$118,000

Your investment would have had to grow by 18% over the last 10 years just to keep its **real** value or its **purchasing power**.

# Who's feeling active...passive?



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# Index/passive fund

- Tracks an index
- Generally lower fees
- US equity index: S&P 500
- Canadian equity index: S&P/TSX
- World index: MSCI World Index



# Actively managed fund

A photograph of a team of people in a raft, wearing blue helmets and orange life jackets, splashing water. The image is used as a background for the text.

- Aims to outperform market
- Active buy/sell decisions
- Generally higher fees



Made in Canada. Eh.

The Toronto Stock Exchange was founded in 1861.



In the Canadian equity market, which sector has the highest representation?

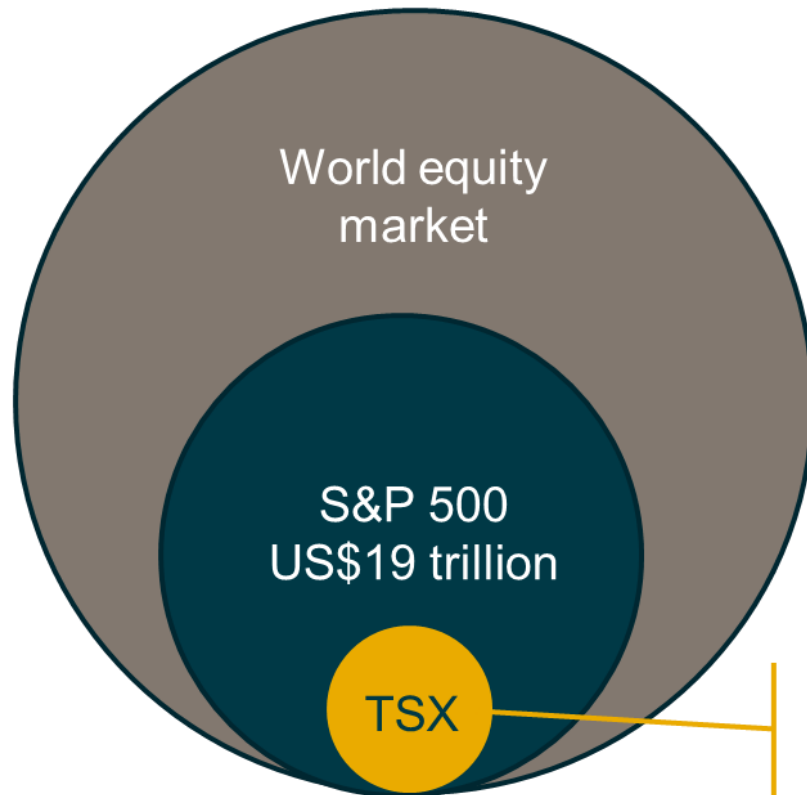
- a. Health Care
- b. Financials
- c. Energy

# How do we compare?

## **S&P 500**

Biggest sectors:

1. Information Technology
2. Financials
3. Health Care



## **TSX**

Biggest sectors:

1. Financials
2. Energy
3. Materials

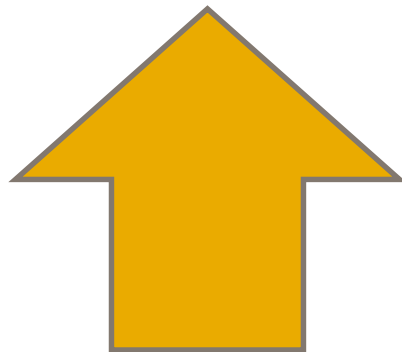
CAD\$1.8 trillion –  
1/10<sup>th</sup> of the S&P500

Which equity market performed better in 2016?

a. S&P/TSX Composite 

b. S&P 500 

2016



S&P  
+11.4%



TSX  
+21.1%



(not taking into account currency differences)

# Canada versus U.S. - by sector

## TSX



Based on GICS® sectors

The weightings for each sector of the index are rounded to the nearest tenth of a percent; therefore, the aggregate weights for the index may not equal 100%.

As Of Aug 31, 2017

## S&P 500



Based on GICS® sectors

The weightings for each sector of the index are rounded to the nearest tenth of a percent; therefore, the aggregate weights for the index may not equal 100%.

As Of Aug 31, 2017

# Around the world

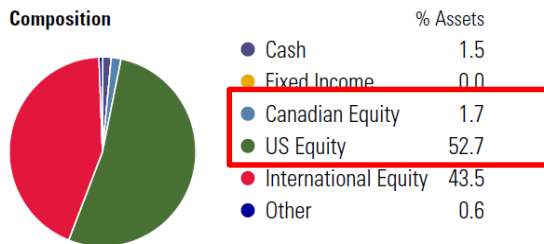


**Global equity fund:**  
Around the world

**International equity fund:**  
Europe, Australasia  
and Far East (EAFE)

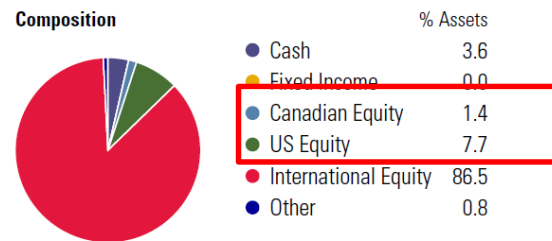
# Spot the difference, anyone?

## Global equity fund



Top 5 Countries (Equity)		% Equity
United States		53.8
Japan		11.8
United Kingdom		8.7
Switzerland		7.8
Germany		4.2

## International equity fund



Top 5 Countries (Equity)		% Equity
Japan		24.8
United Kingdom		17.5
Switzerland		12.4
Germany		10.6
United States		8.1



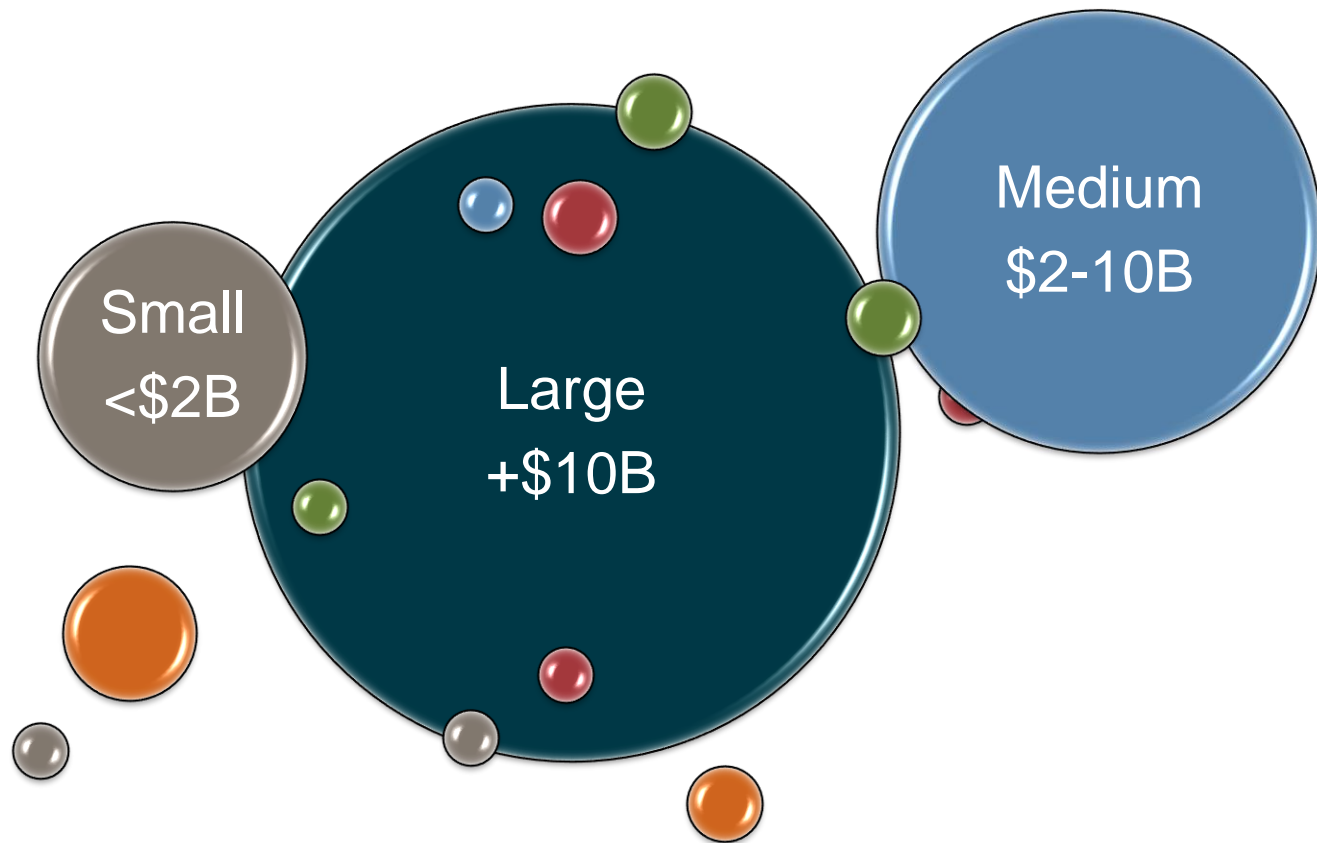
# Morningstar

Let's break it down

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# What size would you like your equities?



# Currency – the hidden difference



(3 year annualized return as at Dec 31, 2016)



# What affects bond values?

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## Bond risk

# 2 main risks

- Credit risk (default)
- Interest rate risk (rate fluctuations)

# Credit risk

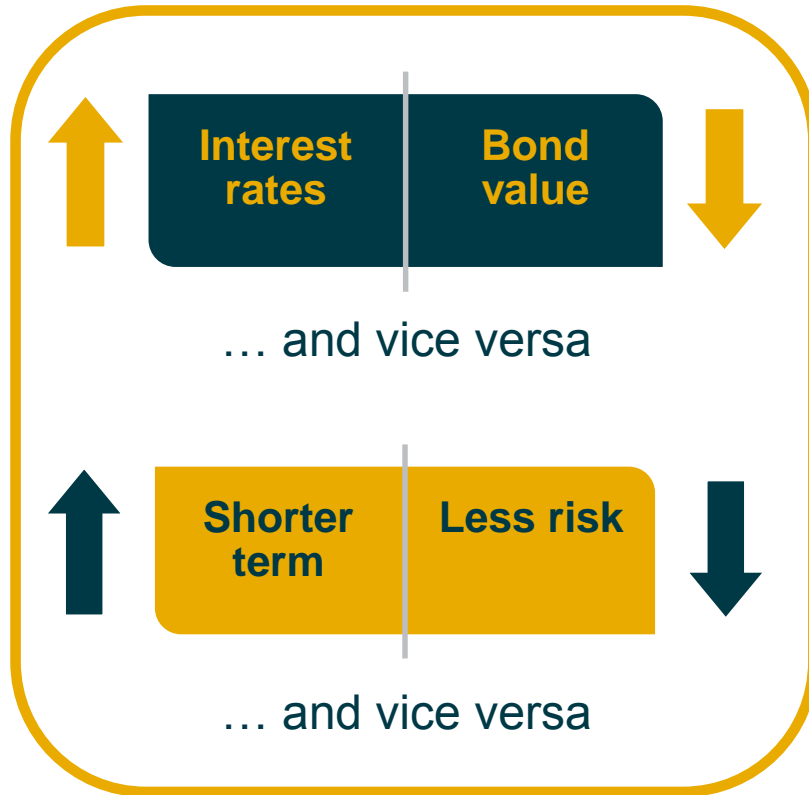
The ability of the issuer of the bond to repay the debt.

<b>Credit Quality</b>	<b>%</b>
High	57.0
Medium	25.3
Low	0.0
NR/NA	17.6

When interest rates rise, what typically happens to bond values?

- a. Stay the same
- b. Rise
- c. Fall

# Interest rate risk



Fund managers reduce risk by diversifying (investing in private and public debt, with different maturities)

Top 5 Countries (Bonds)		% Bonds
Canada		100.0
Fixed Income Breakdown		% Fixed Income
Government Bonds		57.4
Corporate Bonds		38.9
Other Bonds		0.0
Mortgage Backed Securities		0.0
ST Investments (Cash & Equivalents)		3.7
Asset Backed Securities		0.0



# Market insight

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## WELCOME TO THE BRIGHT SIDE

Stay focused through all market conditions.

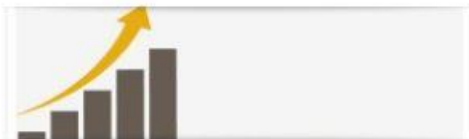
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**BUDGET 2016**  
**UPPING THE ANTE**  
**ON STIMULUS**

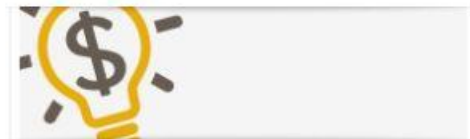
### Q1 2016 | MARKET UPDATE



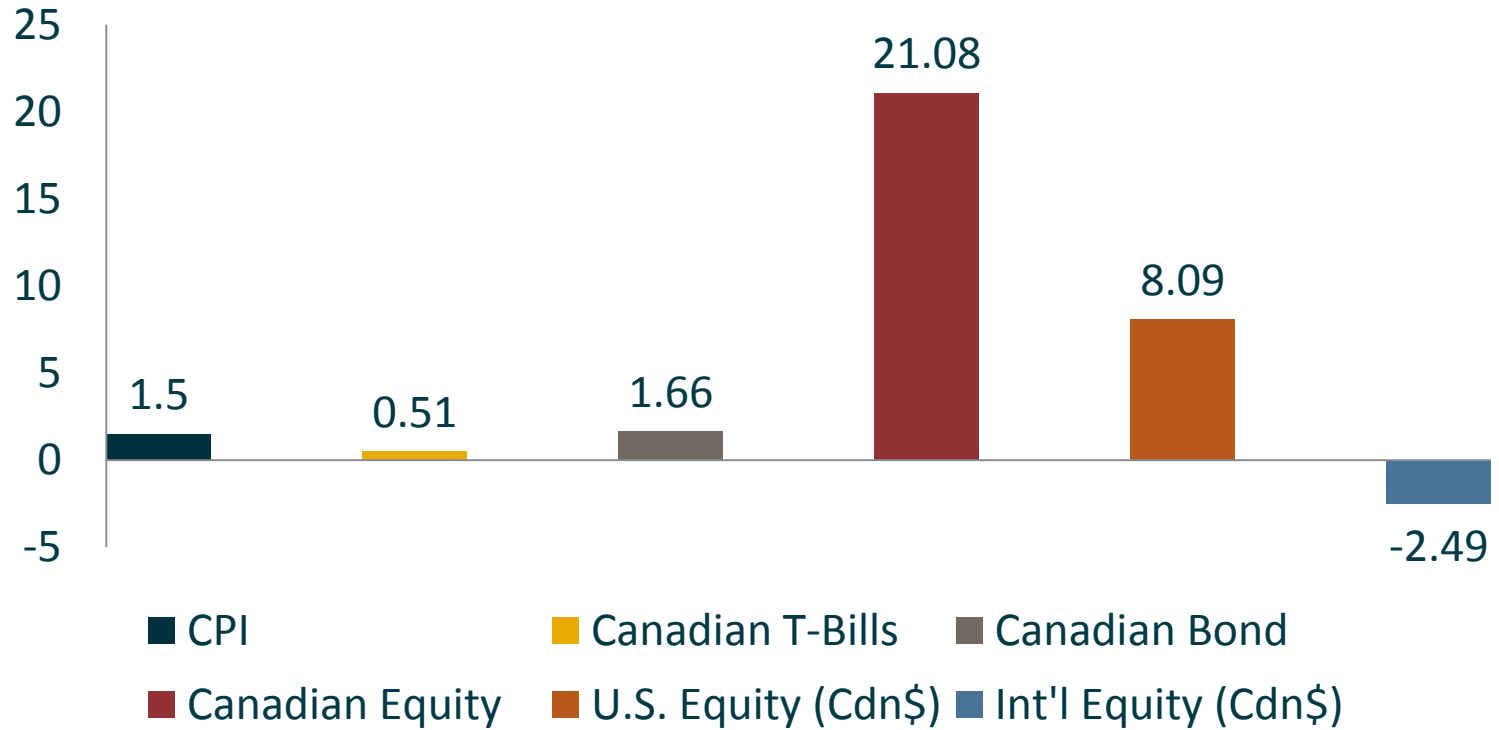
### INVESTMENT MANAGEMENT



### WHAT'S NEW?



# 12 month market performance\* (%)



\* One year return as at Dec 31, 2016



***Sun Life Financial was founded in 1865.***

***Voted “Most Trusted Life Insurance Company” in  
Canada for eight years***



# Global governance and global presence

Bringing the best ideas & opportunities to  
Canadians from around the world.

# A closer look

A young girl with blonde hair is holding a magnifying glass over her right eye, looking through it. She has a slight smile and is looking towards the camera. The background is a blurred green field.

## Your action plan

1. Complete the Asset Allocation tool
2. Compare your fees
3. Access Morningstar via [mysunlife.ca](https://mysunlife.ca)
4. Learn about the markets

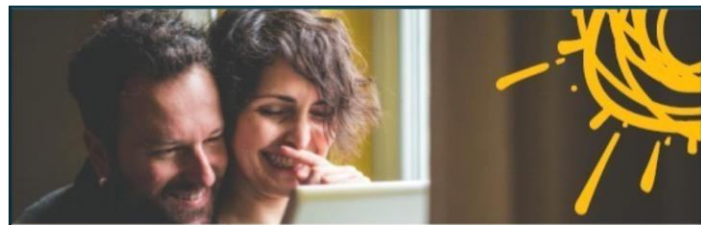
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We want to hear  
from you!



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[www.sunlife.ca/mymoney](http://www.sunlife.ca/mymoney)



Life's brighter under the sun



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