



# MFS Global Equity Segregated Fund – Special Distribution and Tax Impact for Non-Registered Members

December 2024

We are writing to inform you of a potential tax impact for one of the funds in your Non-Registered (taxable) plan.

The **MFS Global Equity Segregated Fund** (“Segregated Fund”) made a special distribution in the summer of 2024. The Segregated Fund invests in the MFS Global Equity pooled fund (“underlying fund”).

Investment managers may distribute special payments to investors in the underlying funds (including Sun Life’s segregated funds) for various reasons. In this case, MFS made the distribution due to a significant sale by another investor. The sale led to the underlying fund realizing investment income, including capital gains. MFS distributed part of the investment income to the Segregated Fund. Sun Life allocated this investment income to all members who had money in the Segregated Fund, based on their unit holdings on the distribution date (June 11, 2024).

When Sun Life allocated the investment income, your Adjusted Cost Base (“ACB”) increased by the amount of the investment income allocated to your account. As such, you won’t see a transaction for the distribution in your account. You can think of the ACB as cost or ‘book value’ of your investment.

## How this may affect you

The special distribution may result in capital gains or other investment income (dividend or interest income) for all members who had money in the Segregated Fund within a **Non-Registered (taxable) plan** as of the distribution date. In 2025, you may have to pay tax on this distribution for the 2024 tax year. We recommend that you speak with a tax professional for personalized guidance.

The special distribution doesn’t affect you if you began investing in the Segregated Fund after June 11, 2024 or had no unit holdings on that date.

If you have money in the Segregated Fund in **Registered (non-taxable) plan(s)** that your employer may also offer, **the special distribution won’t impact your Registered plan(s) investments.**

## What to expect next?

Sun Life will provide you with the applicable tax slip(s) in February or March 2025. The tax slip(s) will also reflect all income from your Non-Registered investments.

For more information on how capital gains can occur in segregated funds within Non-Registered plans, please read the article [here](#). You can find your ACB on Plan Member Services website [mysunlife.ca](https://mysunlife.ca) and selecting **Check on Account > Balances**. The ACB is available next to the fund(s) you have in the Non-Registered plan.

It’s always a good idea to review your current investment options to ensure that they continue to meet your retirement goals. You can do this by signing into the Plan Member Services website, [mysunlife.ca](https://mysunlife.ca), and selecting **manage plan > my plan > Tools > Asset allocation**.

Through Morningstar® – a leading provider of investment news and analysis – you can track the performance of funds and access an overview of the funds in your plan, including fund objectives, risks, and how funds are invested.

If you're having trouble signing in, choose the appropriate link under **Sign-In Help**.

## Questions?

Please contact Sun Life's Customer Care Centre any business day from 8 a.m. to 8 p.m. ET.

You also have access to one-to-one support through licensed financial services consultants dedicated to workplace savings plans at no additional cost through Sun Life's 360 Plan Advice. Click [here](#) for information about 360 Plan Advice.