

# Fidelity True North Segregated Fund closure and asset transfer

August 11, 2025

## Action may be required

You don't have to do anything as a result of this fund change. However, if you would like to move your money to a different fund other than the automatic replacement, please review your fund options.

If you have money in Non-Registered (taxable) plans in the Fidelity True North Segregated Fund, please read this notice carefully on potential capital gains impact of the fund replacement and how you can manage your own tax situation.

## Fidelity True North fund is closing and replaced with Fidelity Canadian Institutional Trust fund

On **March 18, 2026**, Sun Life will close the Fidelity True North Segregated fund ("discontinued fund") available in your plan. Sun Life will replace this fund with the Fidelity Canadian Equity Institutional Trust fund ("replacement fund").

We are closing the discontinued fund because the replacement fund has a lower investment manager fee, while sharing the same investment style and lead portfolio manager.

The funds both utilize a Growth At A Reasonable Price (GARP) investment style. Maxime Lemieux is the lead Portfolio Manager of both funds. Lemieux has been at Fidelity since 1996 and has been managing both portfolios since April 2019.

A comparison of the main characteristics of the two funds is provided in the table below:

	Discontinued fund	Replacement fund
Country/Region of investment	Primarily Canada but with up to 30% in foreign holdings (average since 2019: 7.4%)	100% in Canada
Benchmark	S&P/TSX Capped Composite Index	S&P/TSX Capped Composite Index
Sector constraints	No constraints	+/- 15% of benchmark
Security constraints	No constraints	+/- 5% of benchmark
Cash maximum allowed by investment policy	20% (5-year average: 4.53%)	Typically less than 5% (5-year average: 2.96%)
Typical number of holdings	80-100 (110 as of December 31, 2024)	50-100 (71 as of December 31, 2024)

Performance since inception of the replacement fund (April 4, 2019) to March 31, 2025 (annualized)	12.3%	12.1%
Standard deviation (risk measure) since inception (April 4, 2019) to March 31, 2025	13.9%	14.4%

As shown above, while the discontinued fund's investment policy allows wider use of cash and foreign equity, in practice, it has not made full use of the allowable ranges. There is also notable stock overlap between the two funds – of the 71 stocks Fidelity had in the replacement fund as of December 31, 2024, 67 of those companies were also in the discontinued fund.

## How will this affect you?

You'll see the replacement fund as an option in your plan fund line-up beginning on **September 17, 2025**. You can move existing assets into the replacement fund at that time or anytime afterwards. The investment management fee for the replacement fund will be lower than the fee for the discontinued fund.

For money in **Registered** plans, on **March 18, 2026**, we'll transfer any money in – and any future contributions directed to – the discontinued fund to the replacement fund. You will see a sale of the discontinued fund and the purchase of the replacement fund in your account. This change won't result in a taxable capital gain or loss, if money is invested in a Registered plan.

For money in **Non-registered** or **Tax-Free Savings Account** plans, we'll close the discontinued fund to new money on **September 24, 2025**. Any future contributions will be re-directed to the replacement fund on that date. Subsequently, on **March 18, 2026**, we'll transfer any money remaining in the discontinued fund to the replacement fund.

**You may have a capital gain or loss when the transfer happens.** You'll have the choice to transfer some or all of your Non-Registered money in the discontinued fund in 2025, before the automatic transfer occurs in March of 2026. This allows you to spread the capital gain or loss over a two-year period. We recommend that you consult your tax advisor for advice on the best course of action for your circumstances.

You must report capital gains or losses in your tax return for the year(s) that transfers or withdrawals happen. Sun Life will provide you the applicable tax slip(s) which will reflect all income in your Non-registered investments as well as any capital gains or losses incurred during the applicable year. Slips for 2025 tax year will be issued in early 2026, and slips for 2026 tax year will be issued in early 2027.

For more information on how capital gains can occur in segregated funds within Non-Registered plans, please read the article [here](#).

You can also move your money in the discontinued fund to any other funds offered in your plan at any time up to the automatic transfer on **March 18, 2026**.

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.