

# GRS Investment Solutions Watch List Summary



March 31, 2023

## About the Watch List

Investment managers or individual funds are included in the Watch List for reasons related to qualitative factors such as organizational changes, loss of key investment personnel, changes in investment style, risk management, pending or ongoing legal or regulatory issues, persistent failure to comply with relevant legislation and/or investment guidelines, significant loss of assets or clients, etc.

Quantitative factors alone, such as past performance, do not warrant the placement of managers or funds on the Watch List if the manager/fund performed according to their stated style and investment philosophy.

Plan sponsors are responsible for monitoring the investment options offered in their plan to ensure that they continue to meet the needs of their plan members. Sun Life will take steps to remove a fund or investment manager from the Core investment platform if investment concerns are significant and if confidence is lost in a manager or a fund going forward.

*Please note: This is a summary version of the Watch List. For full details and qualitative commentary, please contact your Investment Solutions Executive.*

## The Watch List is updated quarterly and consists of three distinct categories:



### Suggested for Removal

Includes those investment managers or individual funds for which the Investment Solutions team has a **long-term Loss in confidence**, typically related to the qualitative factors described above. We expect Sun Life's governance activities for these funds to end within one year of placement on the Suggested For Removal list. Clients should consider removing or replacing these funds. Contact your Sun Life representative for assistance with identifying suitable replacement funds.



### On Watch

Includes those investment managers or individual funds for which the Investment Solutions team has **material concerns** typically related to the qualitative factors described above.



### Additional Monitoring

Includes those investment managers or individual funds that the Investment Solutions team is monitoring more closely, typically related to the qualitative factors described above. These changes are of **lesser concern** in comparison to funds On Watch, and may even constitute an enhancement that warrants increased scrutiny in the short term.



## Suggested for Removal

Fund Manager	Funds name (s)	Reason(s)	Date listed in category	Date added to Watchlist
CI Global Asset Management	<b>CI Canadian Asset Allocation</b> (formerly CI Cambridge Asset Allocation)	Organization, People	Q4 2022	Q4 2020

Suggested For Removal due to 1) the retirement of co-portfolio manager Brandon Snow; 2) the sudden departure of lead Canadian Equity PM Stephen Groff; 3) the subsequent departure of Global Equity component PM Dan Rohinton from CI in late 2022; 4) the reassignment of Canadian Equity component co-PM Peter Hofstra off the strategy in late 2022; 5) the elimination of the Cambridge brand and the investment team's integration into CI Global Asset Management (CI GAM) along with the other CI Investments in- house brands; and 6) the departure of a significant number of CI GAM research analysts in 2022. This fund is expected to be closed later in 2023. Governance activities on the fund will end at that time.

CI Global Asset Management	<b>CI Canadian Equity</b> (formerly CI Cambridge Canadian Equity)	Strategy	Q1 2023	Q4 2020
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Suggested For Removal due to 1) the retirement of co-portfolio manager Brandon Snow; 2) the sudden departure of lead Canadian Equity PM Stephen Groff; 3) the elimination of the Cambridge brand and the investment team's integration into CI Global Asset Management (CI GAM) along with the other CI Investments in- house brands; and 4) the departure of a significant number of CI GAM research analysts in 2022, and most recently 5) the removal of co-PM Peter Hofstra from the fund in early 2023. This fund is expected to be closed later in 2023. Governance activities on the fund will end at that time.



## On Watch

Fund Manager	Funds name (s)	Reason(s)	Date listed in category	Date added to Watchlist
CI Global Asset Management	<b>CI Portfolio Series</b>	Organization, People	Q2 2022	Q4 2020

On Watch due to the elimination of CI Investments' in-house brands - Cambridge Global Asset Management, CI Multi-Asset Management, Harbour Advisors, Signature Global Asset Management and Sentry Investment Management—and their integration into a single new brand, CI Global Asset Management (CI GAM). The CI GAM integration has resulted in significant senior and analyst level turnover over the past two years. This turnover has impacted a significant proportion of the underlying funds within CI Portfolio Series.

CI Global Asset Management	<b>CI U.S Stock Selection</b> (formerly CI American Value)	Organization, People, Strategy	Q2 2021	Q42020
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On Watch due in part to the replacement of sub-advisor Epoch with a CI Global Asset Management (CI GAM) team utilizing a different style and investment process. Most recently in 2022 a significant number of CI GAM research analysts departed from the firm.



## Additional Monitoring

Fund Manager	Funds name (s)	Reason(s)	Date listed in category	Date added to Watchlist
Beutel Goodman	<b>BG Balanced</b> <b>BG Canadian Equity</b> <b>BG Fundamental Canadian Equity</b> <b>BG Income</b>	People	Q4 2022	Q4 2022

Under Additional Monitoring due to the pending retirements of Canadian Equity PM Pat Palozzi and Fixed Income PM David Gregoris over the next year. Palozzi and Gregoris are portfolio managers on the BG Canadian Equity and BG Income funds, respectively. Both of these funds are components of the BG Balanced fund.

BlackRock	<b>BlackRock LifePath Target</b> Date Series	Strategy	Q1 2022	Q1 2022
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Under Additional Monitoring due to changes to the LifePath funds' underlying equity funds scheduled to begin in Q4 2022 and to be completed within 10 months. LifePath will be replacing exposure to traditional equity indices like the S&P/TSX Composite and S&P 500 with MSCI's Extended ESG Focus indices. These funds will optimize portfolios based upon MSCI's ESG scores as well as screen out companies in certain industries like tobacco and controversial weapons. The changes are expected to be completed at the end of 2023 or in the first quarter of 2024."

Fidelity	<b>Fidelity Canadian Asset Allocation</b>	People	Q1 2023	Q1 2023
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Under Additional Monitoring due to the promotion of co-PM Geoff Stein to CIO of the Global Asset Allocation team and his departure from the strategy.

Fiera Capital	<b>Fiera Global Equity</b> <b>Fiera International Equity</b> <b>Fiera U.S. Equity</b>	Organization	Q3 2021	Q3 2021
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Under Additional Monitoring due to the departure of the investment team and the formation of a new firm, StonePine Asset Management (StonePine). Fiera Capital has entered a sub-advisory relationship with StonePine to manage the Fiera Global Equity, Fiera International Equity, and Fiera U.S. Equity.



## Additional Monitoring

Fund Manager	Funds name (s)	Reason(s)	Date listed in category	Date added to Watchlist
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Invesco	<b>Invesco Income Growth</b>	People	Q3 2022	Q3 2022
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Under Additional Monitoring due to the departure of fixed income PM Avi Hooper in October 2022.

PH&N	<b>PH&amp;N Bond</b> <b>PH&amp;N Core Plus Bond</b> <b>PH&amp;N Fossil Fuel Free Bond</b> <b>PH&amp;N Fossil Fuel Free Short- Term Bond</b> <b>PH&amp;N Short Core Plus Bond</b> <b>Sun Life PH&amp;N Long Bond</b> <b>Sun Life PH&amp;N Short-Bond</b>	People	Q4 2021	Q4 2021
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Under Additional Monitoring due to the recent requirements of PMs and co-Heads of Fixed Income Stephen Burke on June 30, 2022 and Graeme Robertson on December 31, 2022.

PH&N	<b>PH&amp;N Canadian Equity Value</b>	People	Q1 2023	Q1 2023
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Under Additional Monitoring due to co-PM's Doug Raymond and Stu Kedwell moving off of the strategy in July 2023.

Schroders	<b>Schroders Global Sustainable Growth</b>	People	Q2 2022	Q2 2022
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Under Additional Monitoring due to the recent departure of strategy architect and lead PM Katherine Davidson in September 2022.

SLGI Asset Management (MFS)	<b>Sun Life MFS U.S. Equity</b>	People	Q4 2020	Q4 2020
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Currently under Additional Monitoring due to the departure from the strategy of co-PM and CIO Ted Maloney in May 2023. Previously, the fund was under Additional Monitoring due to the retirement of co-PM and co-CIO for the Americas Kevin Beatty in September 2021.



## Additional Monitoring

Fund Manager	Funds name (s)	Reason(s)	Date listed in category	Date added to Watchlist
SLGI Asset Management (MFS)	<b>Sun Life MFS U.S. Growth</b>	People	Q1 2023	Q1 2023

Under Additional Monitoring due to the retirement of co-PM Paul Gordon in May 2023.

TDAM	<b>TDAM Active Canadian Corporate Bond</b> <b>TDAM Canadian Core Plus Bond</b>	People	Q3 2022	Q3 2022
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Under Additional Monitoring due to the departure of lead PM and Head of Fixed Income Robert Pemberton in October 2022.

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This document is intended to provide a general overview and facilitate a discussion of considerations for a plan sponsor who is monitoring funds for its group retirement and/or savings program. Sun Life Financial Inc. (Sun Life) owns an interest in Sun Life Capital Management (Canada) Inc., SLGI Asset Management Inc., and MFS Investment Management.; whose funds are on the Core investment platform. Investment Solutions Executives are subject to a Code of Conduct requiring that Sun Life's ownership interests will not influence services provided to clients, including guidance in selecting investment options. Typically, the holdings of the Segregated Funds are units of an Investment Manager's pooled or mutual fund.

Note: Sun Life is not responsible for any financial losses sustained as a result of a plan sponsor's monitoring, or the inadequacy of a plan sponsor's monitoring, of investment managers or individual funds within its group retirement and/or savings program, including any decision to retain or remove investment managers or individual funds based on information contained in this document.