

TDAM Global Equity Shareholder Yield Segregated Fund – Special distribution and tax impact for non-registered members

August 2025

Action may be required

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

The TDAM Global Equity Shareholder Yield Segregated Fund ("Segregated Fund") received a special distribution in March 2025. The Segregated Fund invests in units of the TDAM Global Equity Shareholder Yield Fund (the "underlying fund"). The underlying fund made a special distribution.

Investment managers may make special distributions to investors (including Sun Life's segregated funds) for various reasons. In this case, TDAM made the distribution due to portfolio rebalancing activities. The sale led to the underlying fund realizing investment income, including capital gains. TDAM distributed part of the investment income to the Segregated Fund. Sun Life in turn allocated this investment income to all members who had money in the Segregated Fund, based on their unit holdings on the distribution date (March 12, 2025).

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 the 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 2026, you'll receive a tax slip for the 2025 tax year, which will include this income, likely resulting in additional tax owing. 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 March 12, 2025, or had no holdings in the Segregated Fund 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 affect the taxability of your Registered plan(s) investments.**

What to expect next?

Sun Life will provide you with the applicable tax slip(s) in February or March 2026. 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 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, 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.