

# Canada Life segregated funds managed by CI Global Asset Management (CI)



## Contents

General Information.....	3
1. What's happening?.....	3
2. What are the key dates associated with the changes to the funds? .....	3
3. What funds are changing?.....	3
4. Incoming portfolio management teams.....	4
5. What does it mean when a fund is soft capped, hard capped or active? .....	4
6. Why are there identical funds with a number (for example, II, III, IV) in the fund name? Are these funds active?.....	5
7. Will the identical funds merge in the future?.....	5
8. What isn't changing? .....	5
9. Where can I find more information on the new funds?.....	5
10. How were the portfolio management teams selected?.....	6
<b>Client impacts .....</b>	<b>6</b>
11. How can I get a list of my clients that are impacted by these changes? .....	6
12. Will my clients be notified about these changes? If so, where can I find a copy of the communication?.....	6
13. Will my clients see the change on their statement? When? .....	7
14. What are the tax impacts for investors in these funds? .....	7
15. What if my client wants to switch or redeem to a different fund? .....	7
16. Will clients need to pay any charges or fees because of this transition?.....	7
<b>Fund impacts .....</b>	<b>7</b>
17. Will the performance history of the funds change? .....	7
18. Will the investment management fees (IMFs) be the same?.....	8
19. What will happen to automatic transactions set up on impacted funds, such as automatic payments/withdrawals/PAC/switches? .....	8

## Canada Life segregated funds managed by CI Global Asset Management (CI)



20.	Will there be new fund codes? .....	8
21.	Will the risk ratings or Canadian Investment Funds Standards Committee (CIFSC) categories change? .....	8
22.	Will there be any changes to lifetime income benefit (LIB) or estate protection (EP)?.....	8

# Canada Life segregated funds managed by CI Global Asset Management (CI)



## General Information

### 1. What's happening?

Canada Life strives to deliver the best possible outcomes for you and your clients through continuous improvements to our fund shelf. Our Investment Manager Research (IMR) team's rigorous fund governance process has identified organizational changes to CI's overall business model, portfolio management teams and leadership changes at the firm level. These changes could impact the management of funds CI currently sub-advises for Canada Life. Given the materiality and broad scope of these changes, Canada Life is discontinuing the sub-advisory relationship with CI.

Going forward, these funds will continue to be managed with the **same investment objective**. They'll also be aligned to managers with proven strength in their respective asset classes – including Fidelity Investments, J.P. Morgan Asset Management (JPMAM) and Mackenzie Investments.

The new investment strategies and portfolio managers were selected by our IMR team for their focused expertise and proven long-term track records through full market cycles, both of which can help to drive stronger risk-adjusted returns for investors.

### 2. What are the key dates associated with the changes to the funds?

#### Segregated funds

	Date
Segregated fund change effective date	On or about May 27, 2022
Client statements	June 30, 2022

### 3. What funds are changing?

#### Segregated funds

Shelf			Current fund	Current PM team	Current status	New fund	New PM team(s)	New status
CL	LL	GWL						
•			Canadian Focused Equity	CI	Active	Canadian Focused Growth II	Mackenzie Investments Bluewater team	Soft cap
•			International Value	CI	Active	International Equity II	J.P. Morgan Asset Management	Soft cap

## Canada Life segregated funds managed by CI Global Asset Management (CI)



Shelf			Current fund	Current PM team	Current status	New fund	New PM team(s)	New status
CL	LL	GWL						
	•		Sentry Global Income	CI	Active	Fidelity Tactical Asset Allocation Income	Fidelity Investments	Soft cap

CL = Canada Life, LL = London Life, GWL = GWL

Note: On Jan. 1, 2020, the segregated funds originally with Great-West Life and London Life were closed to new policies.

### 4. Incoming portfolio management teams

#### Mackenzie Bluewater team

Dina DeGeer, SVP, Portfolio Manager, Team Co-Lead  
 David Arpin, SVP, Portfolio Manager, Team Co-Lead  
 Shah Khan, VP, Portfolio Manager  
 Hui Wang, VP, Portfolio Manager

#### J.P. Morgan Asset Management International Equity

Thomas Murray, Managing Director, Portfolio Manager on the International Equity Group  
 Shane Duffy, Managing Director, Portfolio Manager on the International Equity Group  
 James Sutton, Portfolio Manager on the International Equity Group

#### Fidelity Investments team

David D. Wolf, Portfolio Manager  
 David Tulk, Portfolio Manager

### 5. What does it mean when a fund is soft capped, hard capped or active?

#### What is soft capping?

When a fund is soft capped, clients who are already invested in a fund that's being capped can still make additional contributions, including pre-authorized contributions (PACs) and lump-sum contributions. But, if the client doesn't already hold the fund (as of the applicable date), they can't purchase or switch into the capped fund.

#### What is hard capping?

When a fund is hard capped, clients who are already invested in that fund can hold the segregated fund but will not be able make additional contributions or switch into it.

## Canada Life segregated funds managed by CI Global Asset Management (CI)



### **What is an active fund?**

An active fund will continue to be open to existing unitholders or policy holders, as applicable, even if the client doesn't currently hold the fund within their policy. This means the fund will accept investments from new investors.

Note: On Jan. 1, 2020, the Great-West Life/London Life segregated fund shelf was closed to new policies. Clients who had existing policies with Great-West Life/London Life were still able to make PACs and additional lump-sum contributions. There was no end date to PACs and lump-sum contributions announced at the time.

### **6. Why are there identical funds with a number (for example, II, III, IV) in the fund name? Are these funds active?**

A roman numeral next to the fund name means there is an identical fund that exists on the fund shelf. While this creates a situation where we have duplicate funds on the shelf, only one version of the fund will remain fully available for new purchases (those with no roman numeral in the fund name).

Acting in the best interest of investors, we considered several factors when making these changes – including minimizing investor disruption, tax consequences associated with merging funds and the fastest way to align these investors with our high-conviction managers and mandates. Having considered numerous options, it was clear that creating duplicate funds (denoted by adding a roman numeral to the fund name) was the most efficient way to make these changes. Where it makes sense, we'll continue to look for ways to streamline and simplify our fund shelf with the best interest of clients in mind.

### **7. Will the identical funds merge in the future?**

With the goal of continuous improvement, we evaluate our fund shelf regularly to help ensure it remains competitive, relevant to the need of our clients, and positioned to win in the current environment. At this time these funds will remain separate.

### **8. What isn't changing?**

There are no changes to the investment objectives, risk ratings, CIFSC category, fund codes, or investment style for these funds.

### **9. Where can I find more information on the new funds?**

Check out the fund reference guide for a quick snapshot of the fund changes or the fund feature sheets.

## Canada Life segregated funds managed by CI Global Asset Management (CI)



### 10. How were the portfolio management teams selected?

Canada Life's IMR team oversees the investment managers on our wealth platform. They use a rigorous and objective governance process to select and continuously monitor and evaluate the fund managers on our shelf. The team performed a detailed assessment, considering a number of factors when deciding on the incoming portfolio management teams. For example, they assessed portfolio turnover, asset mix changes, investment category, risk rating, and sub-advisory team strength to list a few. But a key factor was ensuring there was minimal client disruption, and that the underlying strategies and portfolio management team capabilities continue to deliver strong risk and return results for investors.

## Client impacts

### 11. How can I get a list of my clients that are impacted by these changes?

#### **Advisor Solutions advisors**

Please contact your aligned client service specialist.

#### **Advanced Advisor Practices, MGA and National Account advisors**

Please email [wealthcommunication@canadalife.com](mailto:wealthcommunication@canadalife.com) and include your:

- Name and Advisor code
- Indicate that you are looking for your clients who are impacted by changes to funds managed by CI Global Asset Management
- It will take approximately **3 to 5 business days** to receive a client impact list

#### **Please note:**

- For current market value information and client details, please login to the appropriate systems available to you. Client impact lists are created at a point in time and are intended to provide you with key client information only (for example, client name, account type, etc.).
- If you have questions about why Canada Life is making these changes and what they mean for you and your clients, please reach out to your Canada Life wealth wholesaler. This mailbox is only equipped to reply to queries for client impact lists.

### 12. Will my clients be notified about these changes? If so, where can I find a copy of the communication?

Clients with segregated fund policies will receive a notification in their Q2 statement.

## Canada Life segregated funds managed by CI Global Asset Management (CI)



### 13. Will my clients see the change on their statement? When?

Yes, your client will see the fund name change on their Q2 2022 statement which will be mailed in July 2022.

### 14. What are the tax impacts for investors in these funds?

The tax impacts for investors are:

- All assets in the portfolio will be assessed by the new Portfolio Managers and may be sold over time turning over to reflect the new investment strategy.
- If the fund is held in a registered policy/account, there are no tax consequences associated with the change in the investment strategy.
- If the fund is held in a non-registered policy/account, any capital gains or losses resulting from the change in investment strategy will be reflected in the client's 2022 T3 tax slip.

### 15. What if my client wants to switch or redeem to a different fund?

If your client isn't comfortable with the fund change, here are the options available:

- Your client can redeem their units of the impacted fund and/or switch to another fund within their existing account or policy.
- Redemptions or switches are dispositions for tax purposes that may create a capital gain or loss in non-registered policies/accounts. There are no tax implications to transferring the value between or switching your units in registered policies/accounts. However, redeeming units from a registered policy/account, other than a tax-free savings account (TFSA), will result in taxable income.
- Making a redemption can affect segregated funds policy guarantees. Please refer to the [information folder](#) for more information.

### 16. Will clients need to pay any charges or fees because of this transition?

No. There won't be any charges or fees when the existing funds transition to the new investment mandates.

## Fund impacts

### 17. Will the performance history of the funds change?

No, the performance history will not change.

## Canada Life segregated funds managed by CI Global Asset Management (CI)



### 18. Will the investment management fees (IMFs) be the same?

As part of this shift in investment mandates, the IMFs for certain funds will be reduced. Please see [IMF document](#) for a complete list of changes.

### 19. What will happen to automatic transactions set up on impacted funds, such as automatic payments/withdrawals/PAC/switches?

All automatic transactions will continue on the day of the transition. No new forms are required unless the client wishes to change the service/fund allocation.

### 20. Will there be new fund codes?

No. The fund codes stay the same.

### 21. Will the risk ratings or Canadian Investment Funds Standards Committee (CIFSC) categories change?

No, the risk ratings and CIFSC categories will stay the same. Refer to the Quick Reference Guide for more details on the changes.

### 22. Will there be any changes to lifetime income benefit (LIB) or estate protection (EP)?

Any existing policies holding these funds will maintain their LIB and EP status.

The funds are available through a segregated funds policy issued by The Canada Life Assurance. Make your investment decisions wisely. A description of the key features of the segregated fund policy is contained in the information folder. Any amount allocated to a segregated fund is invested at the risk of the policyowner and may increase or decrease in value.