MFS Global Equity Segregated Fund – Special Distributions and Tax Impact for Non-Registered Investments

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 **MFS Global Equity Segregated Fund** ("Segregated Fund") received various special distributions in 2026. The Segregated Fund invests in units of the MFS Global Equity Fund (the "underlying fund"). The underlying fund made multiple special distributions throughout the second half of 2026.

Investment managers may make special distributions to investors (including Sun Life's segregated funds) for various reasons. In these cases, MFS made the distributions due to significant redemptions by other investors. The sales led to the underlying fund realizing investment income, including capital gains. MFS distributes part of the investment income to the Segregated Fund when they make special distributions. Sun Life in turn allocates this investment income to all members who have money in the Segregated Fund, based on their unit holdings on the distribution dates.

When Sun Life allocates the investment income, your Adjusted Cost Base ("ACB") increases 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. A higher ACB will reduce the taxes owed when you sell units in the Segregated Fund in the future.

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 dates in the second half of 2026. In 2027, you'll receive a tax slip for the 2026 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.**

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 your tax situation.**

What to expect next?

Sun Life will provide you with the applicable 2026 tax slip(s) in February or March 2027. 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**.

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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.

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