

Personnel changes at Phillips, Hager & North Investment Management Ltd.

November 30, 2010

Plan sponsors may wish to consider whether this investment update has any implications for the investment options available within their plan.

Phillips, Hager & North Investment Management Ltd. (PH&N) recently announced some key personnel changes made to the PH&N Canadian Equity team. PH&N indicated that the goal of these changes is to enhance their Canadian Equity team and process, and to address recent underperformance in this asset class.

Effective October 26, 2010, Doug Stadelman took over sole leadership of the PH&N Canadian Equity team, and resources within the team have been realigned.

Three members of the PH&N Canadian Equity team have left the firm as a result of these changes – Dale Harrison (Co-Head of Canadian Equities; Financials sector coverage), Gordon Gee (Energy sector coverage), and Don Anderson (Materials, gold, rails sector coverage).

The investment committee going forward includes six investment professionals with an average of 16 years of industry experience and three associates, each having research responsibility and accountability for their respective sectors, mandates and/or funds. Committee membership and sector responsibilities are listed below:

- **Doug Stadelman:** Team Head, Materials (ex-gold), Consumer Discretionary, Health Care
- **Dennis Chan:** Industrials, Energy Services, Information Technology, REITs
- **Scott Lysakowski:** Energy, Utilities
- **Andrew Sweeney:** Financials, Consumer Staples, Telecommunications
- **RBC GAM Global Precious Metals team:** Gold and Precious Metals
- **Warner Sulz:** Committee member
- **Kevin Vandermeer:** Committee member

Mr. Sulz and Mr. Vandermeer are both employees of RBC Global Asset Management and will participate on team meetings to provide additional input. They will also be replacing Mr. Harrison and Mr. Sweeney as Manager and Co-Manager, respectively, of the PH&N Dividend Income Fund.

The table below illustrates each individual's current and previous responsibilities, as well as tenure with the firm and industry experience:

	Current responsibilities	Prior responsibilities	Joined PH&N	Investment professional since
Doug Stadelman	Canadian Equity Team Head, Materials (ex-gold), Consumer Discretionary, Health Care	Canadian Equity Co-Head , Special Situations and Small Cap	2007	1980
Dennis Chan	Industrials, Energy services, Information Technology, REITs	Generalist	2005	2005
Scott Lysakowski	Energy, Utilities	Utilities and pipelines, income and dividend areas	2009	2002
Andrew Sweeney	Financials, Consumer Staples, Telecommunications	Consumer Discretionary and Staples, Health Care, Telecommunications	2007	1995
RBC GAM Global Precious Metals Team*	Gold and Precious Metals	N/A		
Warner Sulz	Committee member	N/A	2010	1987
Kevin Vandermeer	Committee member	N/A	2010	1996
* This team is led by Chris Beer (17 years of investment experience) and includes Brahm Spilfogel (16 years of investment experience), Cory Jacobson (7 years of investment experience), and Jeffrey Chang (12 years of investment experience).				

PH&N remains committed to their Growth-At-A-Reasonable Price (GARP) philosophy. PH&N expects that these changes will bring their Canadian equity performance back in line with leading investment managers on a consistent and long-term basis.

What does this mean for plan sponsors?

The level of personnel changes within PH&N's Canadian Equity team is significant, since many of the Canadian Equity team members are formally picking up new sector coverage responsibilities. Plan sponsors may want to consider any impact that this unproven team may have in the future.

Sun Life Financial will continue to closely monitor the situation and will provide updates as new information becomes available.