

## The Sun Life of Canada takes One Million Dollars of New British War Loan

**R**EPLETE with touches of genius as has been the financial history of the Sun Life of Canada, perhaps no single move on the part of the management has met with such wide-spread and favorable comment as the recent investment of £200,000, or approximately \$1,000,000, of the Company's funds in the epoch-making British War Loan.

Though it had been understood for some days that the Company would participate to some extent in the new British issue, the announcement on June 30th last that Canada's largest and most representative assurance company intended giving so handsome and patriotic a lead to all Canadian financial corporations came in the nature of a pleasant surprise. It was indeed peculiarly appropriate that an institution of the prominence and power of the Sun Life of Canada should be the first Canadian corporation to publicly announce its participation, and it was quite in accord with Sun Life of Canada methods that the thing should be done in so big, prompt and courageous a way.

Though, in arriving at its decision, the management was actuated by motives of good business, the step was taken in the same spirit of enlightened patriotism that has sent to the front no fewer than thirty-seven men from the Company's Head Office and Branch Staffs and has led the Company and its employees to participate so largely in various patriotic funds and activities.

In participating in the new loan, the Sun Life of Canada takes advantage of the privileges of redemption offered to exchange its present holdings of consols to the amount of £12,000, thereby raising the yield on these securities by approximately one-half of one per cent. The new security is the direct obligation of the financially strongest government in the world, and the acquisition of so large an amount of it will constitute an advantageous addition to the Company's already extensive holdings of the highest grade government securities and will result in a notable and further strengthening of its assets.

But while, from the standpoint of safety, the new investment occupies the premier place

among the world's soundest securities, it is highly satisfactory to note that at the purchase price it yields no less than  $4\frac{1}{2}\%$ , a very attractive rate considering the calibre of the security and the highest interest-return ever before attained by the Sun Life of Canada or any other assurance company upon securities backed by the financial might of Great Britain. It is quite possible also, over the course of a few years and with the return of normal, peaceful conditions, that the loan now obtainable at so low a price may undergo a material increase in value, in which event the Sun Life of Canada stands to profit handsomely upon the transaction. The investment of this particular million of the seventy millions of Sun Life of Canada assets is, therefore, quite in keeping with the underlying principle of the Company's investment policy — "the maximum of security for policyholders with the maximum of interest-return".

It will be of interest to our policyholders to learn that £125,000 of the total was placed through the courtesy of the Bank of Scotland, this institution together with the Bank of England being the Company's financial agents for the United Kingdom, and that the remaining £75,000 was negotiated direct by Mr. J. F. Junkin, Manager of our London Office. Payment for the total £200,000 will be made in instalments, the last of which will be completed on October 26th next.

But, good business though it was, the taking up of so large a block of the new security was actuated in no small degree by patriotic motives becoming in an institution occupying so prominent a position in Imperial finance as that now attained by the Sun Life of Canada. It is quite safe to say that during the present year the Company's cash income will exceed \$17,000,000, that by the end of the year its assets will be around the \$80,000,000 mark and its assurances in force close to \$260,000,000. Not only is the Sun Life of Canada the largest life company in the largest of the Empire's self-governing Dominions but, excepting only companies writing industrial policies, it issues annually the largest volume of new assurances in the British Empire and has the largest annuity business in the world, by far the largest