

# Sun Life Schroder Emerging Markets Equity Fund

## FUND REVIEW Q4, 2017

All currency references are in C\$ unless otherwise indicated; opinions and data as of December 31, 2017 unless otherwise indicated.

### CATEGORY<sup>1</sup>

Emerging Markets Equity

### INVESTMENT OBJECTIVE

The fund's investment objective is to seek capital appreciation by investing primarily in equity securities of companies with a connection to emerging markets.

### MANAGEMENT COMPANY

Sun Life Global Investments (Canada) Inc.

### SUB-ADVISOR

Schroder Investment Management  
North America Inc.  
New York, New York, U.S.A.

### INCEPTION DATE

September 1, 2011

### TOTAL ASSETS

\$390,143,069

### BENCHMARK

MSCI Emerging Markets Index

### PERFORMANCE SUMMARY

Opinions and data for "PERFORMANCE SUMMARY" provided by provided by Schroder Investment Management North America Inc.

Sun Life Schroder Emerging Markets Fund (Series A) returned 7.1% in the quarter, underperforming its benchmark by roughly 50 basis points.

Country allocation had a negative impact, particularly from underweights to India and South Africa, both of which outperformed. An overweight position in Russia also detracted, as the market lost value amid growing concern over Russian interference in the U.S. presidential election.

This was somewhat offset by the underweight to Mexico, which underperformed, and the overweight to South Korea, which outperformed. Mexican underperformance was largely due to peso weakness amid concerns over NAFTA renegotiations, while South Korea benefited from China's effort to reset relations.

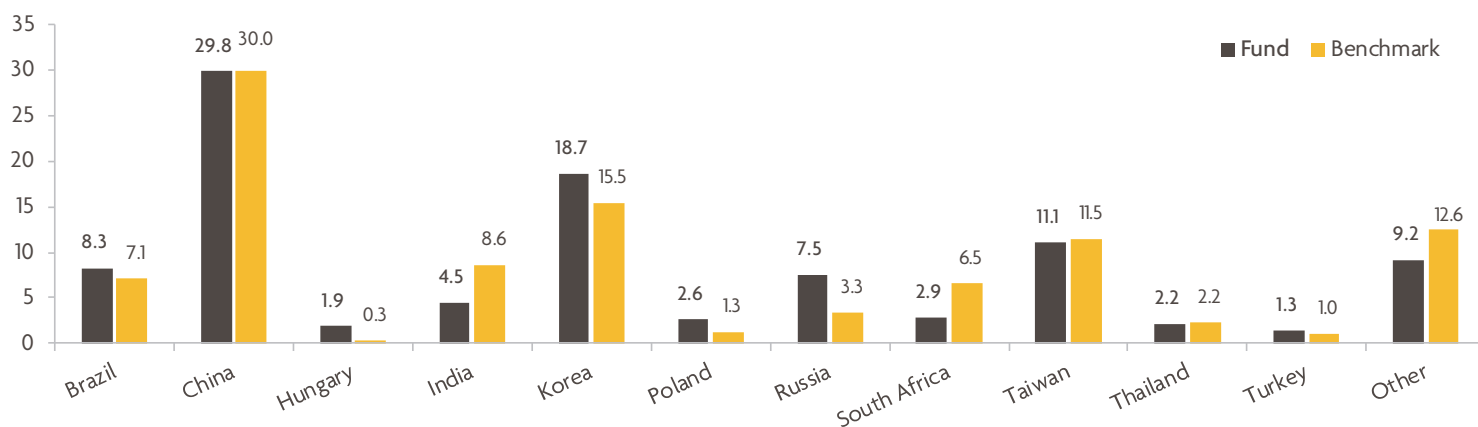
Stock selection was positive overall. Chinese stock selection added the most value thanks to the overweight positions in Tencent (the internet service provider outperformed on solid monetisation of subscribers, particularly in gaming) and AIA Group (the insurance group posted strong results). An underweight to Baidu was also beneficial (the internet company underperformed on disappointing Q4 guidance).

Strong stock selection in South Africa and India also added value. In South Africa, a zero weighting in Steinhoff (the retailer collapsed due to accounting fraud) and overweight to Barclays Africa (the bank's shares rose alongside other domestic stocks) were positive, while in India the overweight to Maruti Suzuki (shares rose on strong auto sales) and Hindustan Unilever (shares for the consumer goods company rose on expected volume growth) also contributed to performance.

These positives were offset somewhat by negative stock selection in South Korea due to an underweight position in Celltrion (the biopharmaceutical's stock rose) and an overweight to NCSoft (shares of the videogame developer dropped on profit-taking).

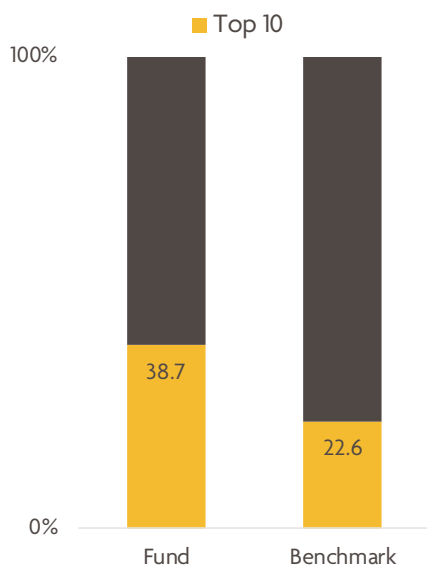
<sup>1</sup> Mutual fund categories are maintained by the Canadian Investment Funds Standards Committee (CIFSC).

## GEOGRAPHIC ALLOCATION %



Source: Morningstar

## HOLDINGS ANALYSIS



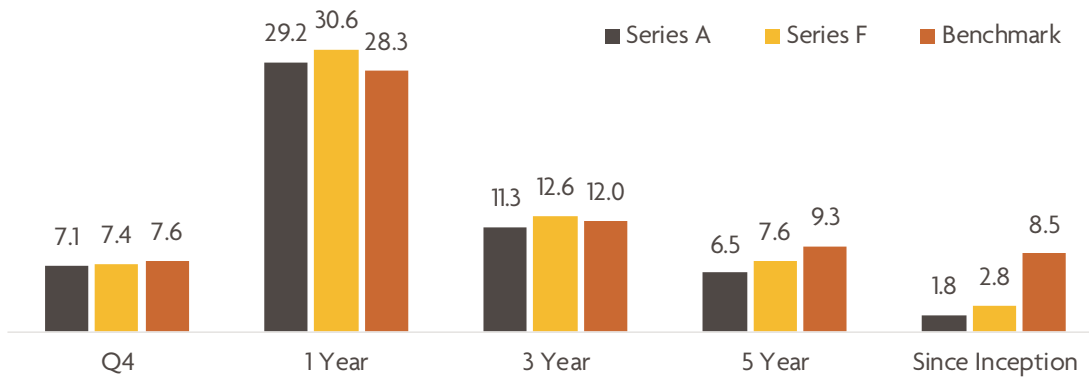
### TOP 10 HOLDINGS

	FUND %	BENCHMARK %	+ / -
TENCENT HOLDINGS LTD	7.16	5.45	1.71
SAMSUNG ELECTRONICS CO LTD	7.09	4.27	2.82
TAIWAN SEMICONDUCT	5.19	3.50	1.69
ALIBABA GROUP HOLDING LTD	5.14	3.66	1.48
CHINA CONST	3.47	1.43	2.04
SBERBANK-SPONSORED	2.72	0.78	1.94
LUKOIL PJSC	2.19	0.00	2.19
AIA GROUP LTD	2.01	0.38	1.63
NASPERS LIMITED	1.95	2.25	-0.30
HON HAI PRECISION	1.79	0.92	0.87
<b>Top 10 holdings % of net assets</b>	<b>38.70</b>	<b>22.64</b>	
<b>Total # fund holdings</b>	<b>106</b>		

Holdings may change at any time without notice.

Source: Morningstar.

## PERFORMANCE %



Series A and Series F have the same reference portfolio, but the management fees are different. Performance is expected to differ between series.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Commissions and trailing commissions are not payable on Series F units of the fund but management fees and expenses may be associated with these investments. Investors may pay a fee-based account fee that is negotiated and payable by them to their registered dealer. Investors should read the prospectus before investing. The indicated rates of return are the historical annual compounded total returns including changes in security value and reinvestment of all distributions and do not take into account sales, redemption, distribution or other optional charges or income taxes payable by any securityholder that would have reduced returns. Mutual funds are not guaranteed, their values change frequently and past performance may not be repeated.

This quarterly review is published by Sun Life Global Investments (Canada) Inc. and contains information in summary form. Although information has been obtained from sources believed to be reliable, Sun Life Global Investments (Canada) Inc. cannot guarantee its accuracy or completeness. Information is subject to change. The quarterly review should not be construed as providing specific individual financial, investment, tax, or legal advice. Investors should speak with their professional advisors before acting on any information contained in this document. Please note, any future or forward looking statements contained in this quarterly review are speculative in nature and cannot be relied upon. There is no guarantee that these events will occur or in the manner speculated.

© 2018 Morningstar Research Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

© Sun Life Global Investments (Canada) Inc., 2018. Sun Life Global Investments (Canada) Inc. is a member of the Sun Life Financial group of companies.

Sun Life Global Investments (Canada) Inc.  
 1 York Street, Toronto, Ontario M5J 0B6  
 Telephone: 1-877-344-1434 | Facsimile: 416-979-2859  
[info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com) | [www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com)