

Sun Life Schroder Emerging Markets Fund

FUND REVIEW Q1, 2018

All currency references are in C\$ unless otherwise indicated; opinions and data as of March 31, 2018 unless otherwise indicated.

CATEGORY¹

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

\$438,615,926

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 4.0% in the first quarter, underperforming its benchmark by roughly 0.4 percentage points.

Country allocation over the quarter was positive overall. The overweight to Russia, which outperformed, and the underweights to India and Indonesia, both of which underperformed, added value.

Despite falling back later in the quarter due to geopolitical tensions, Russia recorded a strong gain. Indian equities lost value as domestic bond yields increased on concerns over the fiscal deficit. Indonesian equities also fell as growth stagnated.

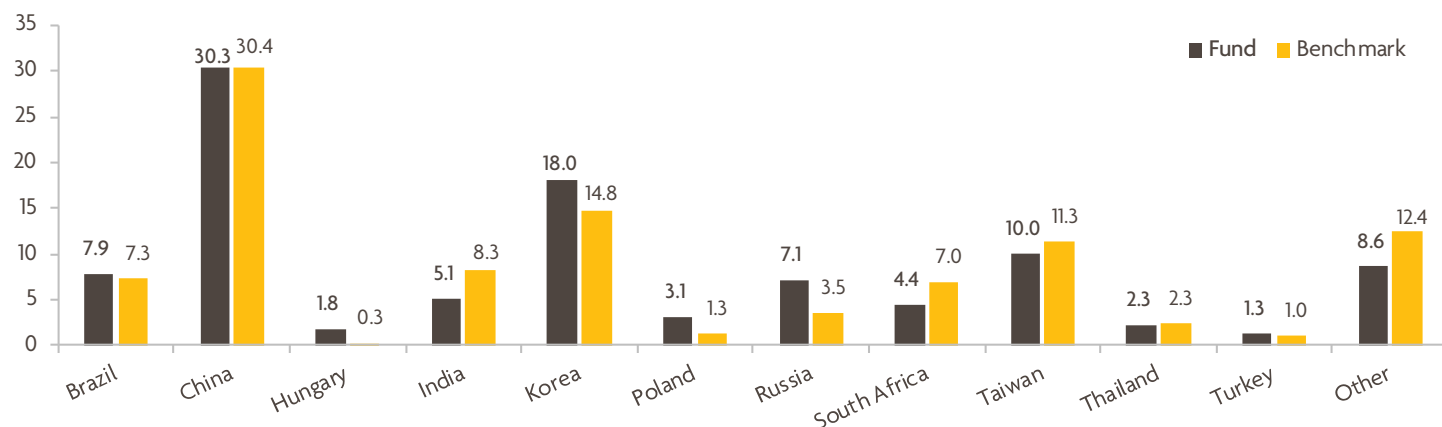
Stock selection was negative overall. Korean stock selection was the main detractor due to an underweight position in Celltrion (the biopharmaceutical company continues to rise on optimism about the future of biosimilars) and an overweight to Hyundai Motor (declined on poor 2017 earnings and slow recovery).

These negatives were partially offset by positive selection in China due to the overweight to China Construction Bank (the bank re-rated as sector asset quality is improving following better corporate earnings) and China Mengniu Dairy (revenue growth is showing that measures taken by new management are starting to pay off).

Stock selection also added value in India, mainly due to the overweight to Infosys (the IT service provider benefited from anticipated industry growth) and to HDFC Bank (the bank continues to gain market share).

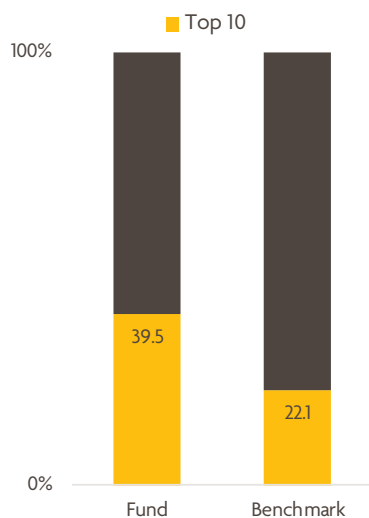
¹ Mutual fund categories are maintained by the Canadian Investment Funds Standards Committee (CIFSC).

GEOGRAPHIC ALLOCATION %



Source: Morningstar

HOLDINGS ANALYSIS



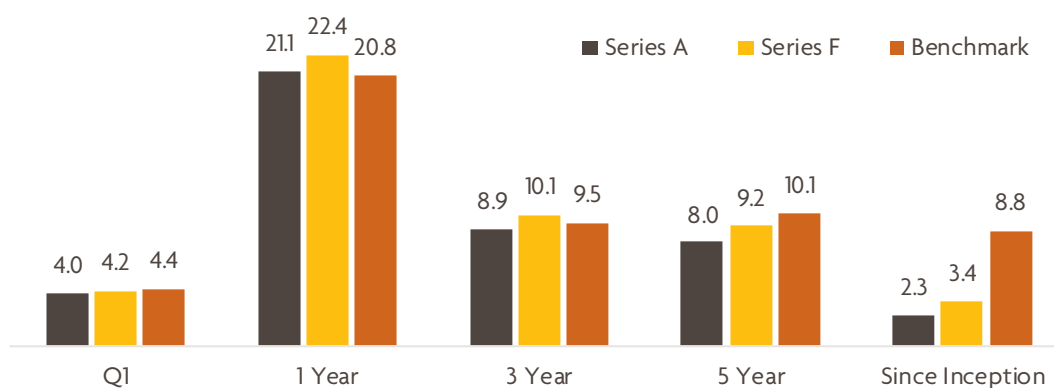
TOP 10 HOLDINGS

	FUND %	BENCHMARK %	+ / -
TENCENT HOLDINGS LTD	7.21	5.45	1.76
SAMSUNG ELECTRONICS CO LTD	6.82	4.27	2.55
TAIWAN SEMICONDUCT	5.32	3.50	1.82
ALIBABA GROUP HOLDING LTD	5.06	3.66	1.40
CHINA CONST	3.92	1.43	2.49
SBERBANK-SPONSORED	2.94	0.78	2.16
LUKOIL PJSC	2.43	0.00	2.43
CHINA PETROLEUM & CNYIHS	2.00	0.34	1.66
NASPERS LIMITED	1.92	2.25	-0.33
AIA GROUP LTD	1.87	0.38	1.49
Total # fund holdings	105		
Top 10 holdings % of net assets	39.49	22.06	

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.

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