

## SUN LIFE SCHRODER EMERGING MARKETS FUND

### FUND REVIEW Q1, 2017

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

\$270,904,646.00

#### BENCHMARK

MSCI Emerging Markets Index

#### PERFORMANCE SUMMARY

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

Sun Life Schroder Emerging Markets Fund rose 11.0% (Series A) in the quarter, outperforming its benchmark by roughly 20 basis points.

Stock selection was positive overall. It was most positive in Korea due to the overweight positions in NCISOFT (the video game developer rose on the back of new games launches during the quarter) and in Hana Financial Group (the bank outperformed on wider net interest margins).

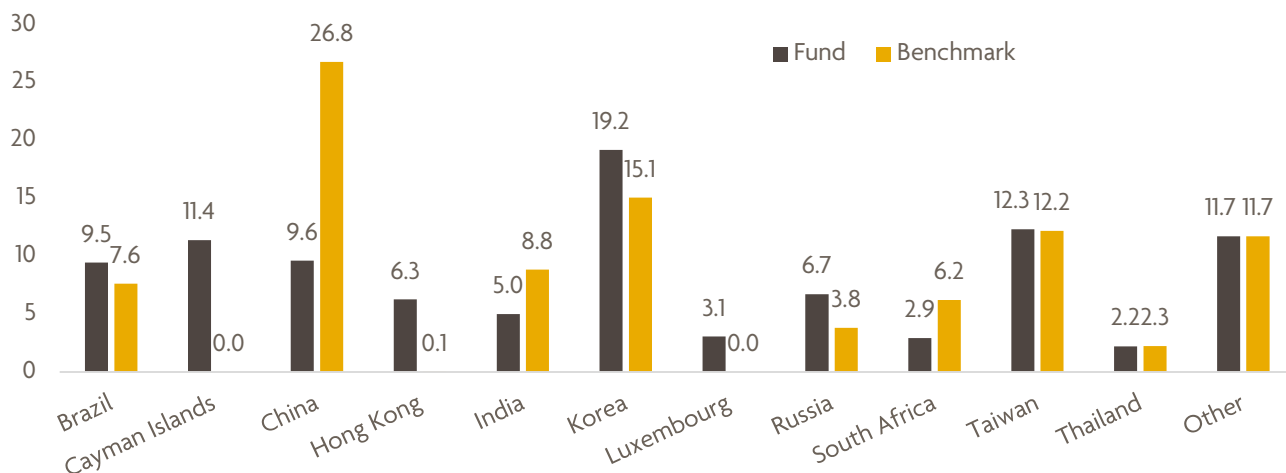
Stock selection was also positive in Russia, mainly due to the overweight positions in Mail.Ru Group (the internet company rose as its strategy of monetising its mobile business is becoming clearer) and X5 Retail Group (the retailer outperformed on higher than expected sales). The underweight position in Gazprom also added value.

Country allocation had a negative impact on returns. The overweight to Russia, which underperformed, detracted value. The primary driver was reduced optimism toward an improvement in relations with the West and the potential for sanctions to be removed. Energy price weakness and slower-than-hoped interest rate cuts were also headwinds.

This was partially offset by the underweight to South Africa, which underperformed, and the overweight to Korea, which outperformed. South Africa underperformed as political risk increased following the firing of the well-respected finance minister. The move effectively handed control of the National Treasury to President Zuma and risks local currency debt being downgraded by the rating agencies. Korea performed well, benefitting from a synchronised pick-up in global growth, which boosted exports.

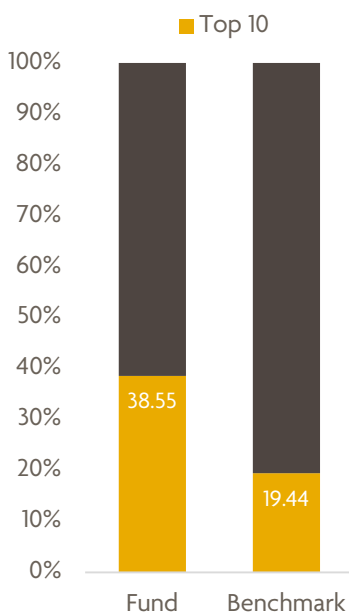
<sup>1</sup> Mutual fund categories are maintained by the Canadian Investment Funds Standards Committee (CIFSC).

## GEOGRAPHIC ALLOCATION %



Source: Morningstar.

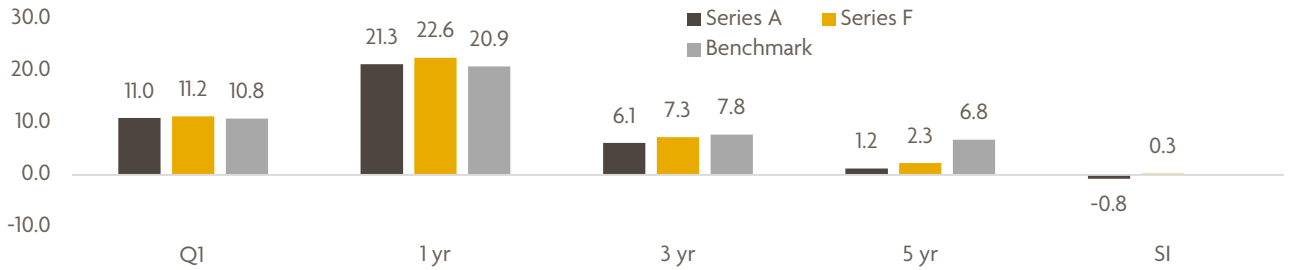
## HOLDINGS ANALYSIS



TOP 10 HOLDINGS	FUND %	BENCHMARK %	+ / -
SAMSUNG ELECTRONICS	6.52	4.14	2.38
TAIWAN SEMICONDUCTOR	5.55	3.72	1.83
TENCENT HOLDINGS	5.24	3.50	1.74
CHINA CONSTRUCTION BANK	3.91	2.76	1.15
ALIBABA GROUP HOLDING	3.37	1.54	1.83
CHINA MOBILE	3.08	0.00	3.08
SBERBANK-SPONSORED	2.99	1.07	1.92
SCHRODER	2.86	1.54	1.32
ITAU UNIBANCO HOLDING	2.62	0.70	1.92
HON HAI PRECISION	2.41	0.47	1.94
<b>Top 10 holdings % of net assets</b>	<b>38.55</b>	<b>19.44</b>	
<b>Total # fund holdings</b>	<b>103</b>		

Holdings may change at any time without notice. Source for benchmark holdings: 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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On August 28, 2013, Tradewinds Global Advisors LLC was replaced with Schroder Investment Management North America Inc. as sub-advisor to the fund. The fund was renamed Sun Life Schroder Emerging Markets Fund.

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