

# Sun Life MFS Global Value Fund

## FUND REVIEW | Q3 2018

Unless otherwise indicated: currency references are in C\$; data sources are Sun Life Global Investments and Morningstar; opinions and data as of September 30, 2018.

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

Global equity

### INVESTMENT OBJECTIVE

The fund's investment objective is to seek capital appreciation by investing primarily in equity securities of issuers located anywhere in the world that are considered to be undervalued compared to their perceived worth.

### MANAGEMENT COMPANY

Sun Life Global Investments (Canada) Inc.

### SUB-ADVISOR

MFS Institutional Advisors, Inc.  
(MFS Investment Management)  
Boston, Massachusetts

### INCEPTION DATE

October 1, 2010

### TOTAL ASSETS

\$463,626,643

### BENCHMARK

MSCI World Index

## PERFORMANCE SUMMARY

Opinions and data for "PERFORMANCE SUMMARY" provided by MFS Institutional Advisors

Sun Life MFS Global Value Fund (Series A) returned 2.1% in the third quarter, underperforming its benchmark by roughly 1.1 percentage points.

The third quarter of 2018 finished as the strongest quarter for U.S. equity markets since 2013. While the absolute return profile of all investment styles in the developed markets remains strong, the performance of the MSCI World Growth index continued to outpace the MSCI World and MSCI World Value indices.

In the midst of the longest-ever equity bull market, valuations have increased substantially from 2009. Importantly, as correlations have declined and valuation spreads within sectors are beginning to widen, the portfolio manager is increasingly optimistic about the environment for fundamental bottom-up investors to add significant value from here. The portfolio manager believes focusing on the durability and valuations of investments with a focus on the downside risks should position this strategy well to deliver strong risk-adjusted performance.

A key trade consisted of removing Brambles from the portfolio. The portfolio manager took advantage of recent stock price strength and became concerned about the risk that the company may become less attractive over the very long term given Amazon and Wal-Mart's competitive presence.

### Key contributors

- Lockheed Martin
  - Stock rose on solid earnings driven by higher domestic and international demand due to increased global tensions
- Aon Plc
  - Stock rose on strong quarterly earnings results

### Key detractors

- Henkel
  - Stock declined due to lowered earnings guidance and lower than expected earnings due to higher raw material costs
- Omnicom Group
  - Stock fell on disappointing organic growth in North America following account losses

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

PERFORMANCE<sup>2</sup>**SERIES A**

COMPOUND RETURNS % <sup>2</sup>	3 MONTH	6 MONTH	1 YEAR	3 YEAR	5 YEAR	7 YEAR	SINCE INCEPTION
Fund	2.07	2.57	7.05	8.36	11.56	13.95	12.13
Benchmark	3.16	7.08	14.97	12.17	14.41	16.00	13.46
+ / -	-1.08	-4.51	-7.92	-3.81	-2.85	-2.05	-1.33

CALENDAR YEAR %	YTD	2017	2016	2015	2014	2013	2012	2011	2010 <sup>3</sup>
Fund	2.34	11.07	2.58	19.31	12.58	36.40	11.16	1.24	3.94
Benchmark	8.77	14.36	3.79	18.89	14.39	35.18	13.26	-3.20	5.31
+ / -	-6.43	-3.29	-1.21	0.43	-1.81	1.22	-2.10	4.44	-1.37

RISK ANALYSIS <sup>4</sup>	SHARPE	BETA	STANDARD DEVIATION	SORTINO	UP CAPTURE	DOWN CAPTURE
Fund	1.16	0.95	9.20	2.37	86.84	98.24
Benchmark	1.43	1.00	9.25	2.83	100.00	100.00

**SERIES F**

COMPOUND RETURNS % <sup>2</sup>	3 MONTH	6 MONTH	1 YEAR	3 YEAR	5 YEAR	7 YEAR	SINCE INCEPTION
Fund	2.37	3.17	8.28	9.58	12.80	15.22	13.38
Benchmark	3.16	7.08	14.97	12.17	14.41	16.00	13.46
+ / -	-0.79	-3.91	-6.68	-2.59	-1.61	-0.78	-0.08

CALENDAR YEAR %	YTD	2017	2016	2015	2014	2013	2012	2011	2010 <sup>3</sup>
Fund	3.24	12.30	3.73	20.65	13.80	37.88	12.40	2.38	4.24
Benchmark	8.77	14.36	3.79	18.89	14.39	35.18	13.26	-3.20	5.31
+ / -	-5.53	-2.06	-0.07	1.76	-0.59	2.70	-0.86	5.58	-1.08

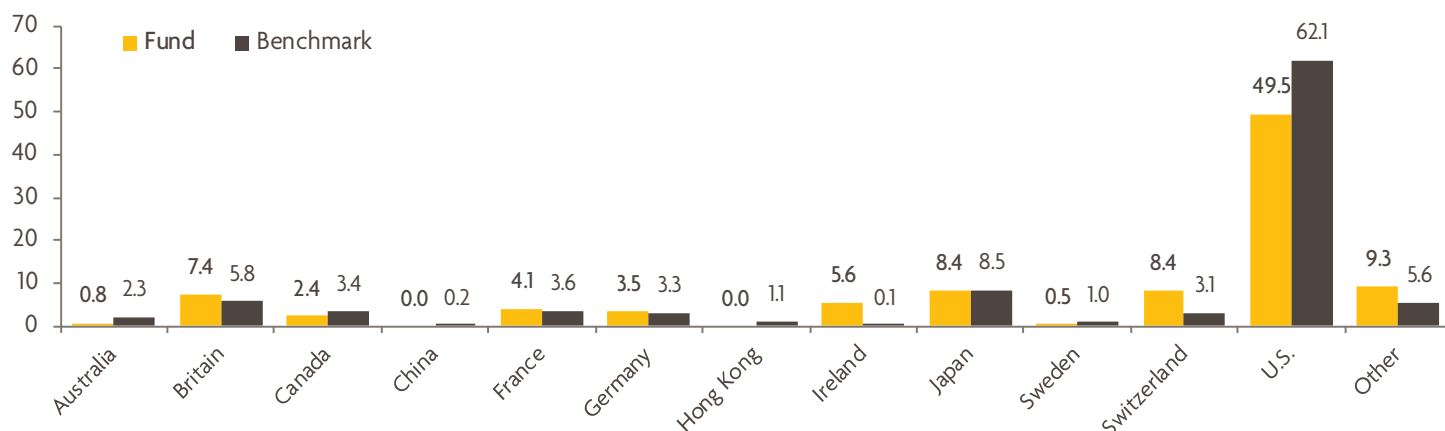
RISK ANALYSIS <sup>4</sup>	SHARPE	BETA	STANDARD DEVIATION	SORTINO	UP CAPTURE	DOWN CAPTURE
Fund	1.28	0.95	9.21	2.71	90.69	93.43
Benchmark	1.43	1.00	9.25	2.83	100.00	100.00

<sup>2</sup>Returns for periods longer than one year are annualized. Series A securities of the fund are available for purchase to all investors, while Series F securities are only available to investors in an eligible fee-based or wrap program with their registered dealer. While Series A and Series F securities have the same reference portfolio, any difference in performance between these series is due primarily to differences in management fees and operating fees. The management fee for Series A securities includes the trailing commission, while Series F securities does not. Investors in Series F securities may pay a separate fee-based account fee that is negotiated with and payable to their registered dealer.

<sup>3</sup>Partial calendar year. Returns are for the period from the fund's inception date of October 1, 2010 to December 31, 2010.

<sup>4</sup>Data based on 5-year period ending September 30, 2018.

## GEOGRAPHIC BREAKDOWN (%)



Source: MFS Institutional Advisors

## ATTRIBUTION ANALYSIS (SERIES F)

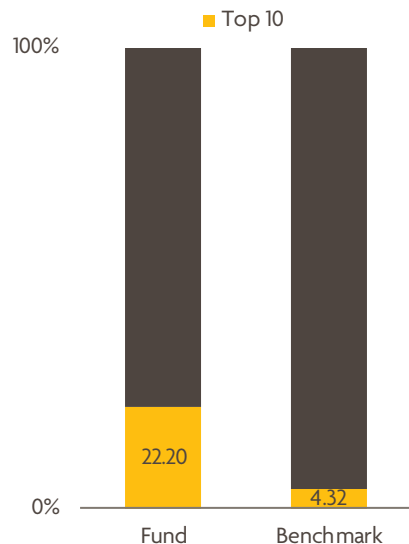
SECTOR	SECTOR WEIGHT			CONTRIBUTION TO TOTAL		
	FUND %	BENCHMARK %	+/-	FUND %	BENCHMARK %	+/-
Consumer Discretionary	6.86	12.77	-5.91	0.26	0.80	-0.55
Consumer Staples	15.51	8.16	7.36	-0.48	0.07	-0.55
Energy	3.44	6.53	-3.08	0.50	0.94	-0.44
Financials	23.06	17.51	5.55	-0.38	-0.36	-0.03
Health Care	11.37	11.91	-0.54	0.41	0.60	-0.19
Industrials	15.01	11.47	3.55	-0.06	0.01	-0.07
Information Technology	13.10	18.11	-5.01	0.55	1.45	-0.90
Materials	4.57	5.10	-0.53	-0.02	0.22	-0.24
Real Estate	1.77	2.95	-1.19	0.17	0.16	0.02
Telecomm Services	2.03	2.58	-0.55	0.18	-0.02	0.20
Utilities	0.90	2.92	-2.03	0.04	0.13	-0.09
Cash	2.38	0.00	-	-	-	-

SECTOR	SECURITY		SECTOR	
	SELECTION %	CURRENCY %	ALLOCATION %	TOTAL %
Consumer Discretionary	-0.10	-0.08	-0.13	-0.31
Consumer Staples	-0.42	-0.22	-0.19	-0.82
Energy	-0.05	0.06	-0.33	-0.31
Financials	-0.20	0.27	-0.33	-0.26
Health Care	-0.21	0.03	0.00	-0.18
Industrials	-0.12	0.04	-0.13	-0.21
Information Technology	-0.32	-0.26	-0.11	-0.69
Materials	-0.26	0.06	0.00	-0.20
Real Estate	0.14	-0.06	-0.01	0.06
Telecomm Services	0.20	0.00	0.02	0.22
Utilities	-0.01	0.02	-0.02	-0.01
Cash	0.00	-0.02	-0.09	-0.11

Attribution analysis measures the effect of active management on fund performance relative to the benchmark. For example, "security selection" quantifies the manager's contribution to relative performance, either positive or negative, as decisions are made about which securities to hold, and whether to overweight or underweight those securities relative to the benchmark. "Security selection," "currency," and "sector allocation" values may not reconcile with the "total" value across rows due to rounding or other effects.

Source: MFS Institutional Advisors

## HOLDINGS ANALYSIS



TOP 10 HOLDINGS	FUND %	BENCHMARK %	+ / -
J.P. MORGAN CHASE	2.79	0.92	2.79
JOHNSON & JOHNSON	2.65	0.89	1.76
NESTLE	2.65	0.63	2.02
ACCENTURE	2.46	0.26	2.20
AON	2.12	0.09	2.03
HONEYWELL INTERNATIONAL	2.08	0.30	1.78
COMCAST	1.89	0.39	1.50
TEXAS INSTRUMENTS	1.89	0.25	1.64
WELLS FARGO	1.88	0.58	1.30
TAIWAN SEMICONDUCTOR	1.79	0.00	1.79
Top 10 holdings % of net assets	22.20	4.32	
Total # fund holdings	116		

Holdings may change at any time without notice.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. 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 security holder 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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