

Sun Life MFS International Value 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.

CATEGORY¹

International equity

INVESTMENT OBJECTIVE

The fund's investment objective is to seek capital appreciation by investing primarily in equity securities of issuers located outside of Canada and the U.S. 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

\$1,012,290,842.00

BENCHMARK

MSCI EAFE

PERFORMANCE SUMMARY

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

Sun Life MFS International Value Fund (Series A) returned 5.7% in the first quarter, underperforming its benchmark by roughly 0.9 percentage points.

Global equity markets rallied during the first quarter, with emerging market equities posting the highest returns, followed by developed international and U.S. equities. Emerging markets benefitted from sustained global growth and a lack of negative U.S. policy changes, while European equities rebounded from low relative valuations.

Surprisingly, market volatility remained extremely low during the first quarter, despite elevated levels of risk around the world. The global economy faces an uncertain future, considering the ramifications of Brexit, growing populist movements in Europe, a rocky start to Trump's U.S. presidency and the recent flare-ups of geopolitical tensions, most notably involving Russia.

With downside risks always in mind, the managers have constructed the fund with the goal of reducing drawdown for clients' capital during times of market stress. They scrutinise balance sheets in pursuit of companies with conservative capital structures that will be able to withstand times of stress in the markets and the global economy.

Key contributors

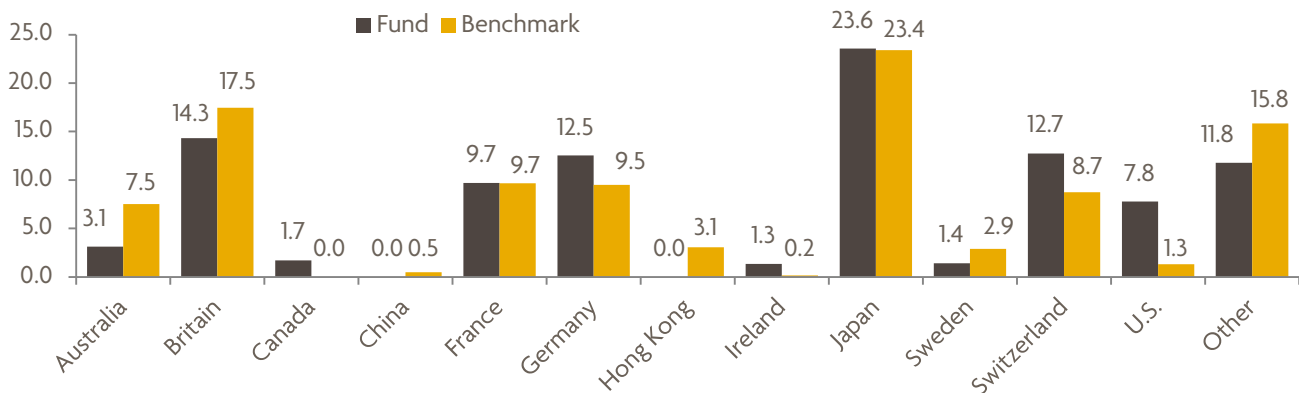
- Not owning shares of U.K. energy company Royal Dutch Shell
- U.S. technology company Cadence Design Systems
 - Shares rose on strong product momentum and a new share repurchase program

Key detractors

- Australia-based Brambles
 - Shares fell after sales and growth were below expectation
- Canadian firm Fairfax Financial Holdings
 - Shares fell on weaker than expected Q4 results

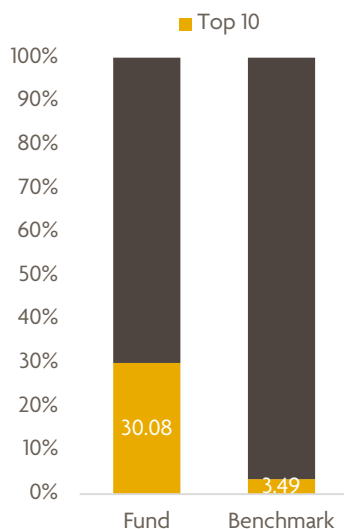
¹ Mutual fund categories are maintained by the Canadian Investment Funds Standards Committee (CIFSC).

GEOGRAPHIC ALLOCATION %



Source: MFS.

HOLDINGS ANALYSIS



Top 10 Holdings	Fund %	Benchmark %	+ / -
NESTLE	5.06	1.83	3.23
RECKITT BENCKISER	3.95	0.44	3.51
DANONE	3.48	0.31	3.17
HENKEL	2.82	0.18	2.64
TAIWAN SEMICONDUCTOR	2.67	0.00	2.67
BRAMBLES	2.52	0.09	2.43
KAO	2.45	0.21	2.24
COLGATE & PALMOLIVE	2.41	0.00	2.41
COMPASS	2.37	0.24	2.13
PERNOD-RICARD	2.34	0.19	2.15
Top 10 holdings % of net assets	30.08	3.49	
Total # fund holdings	102		

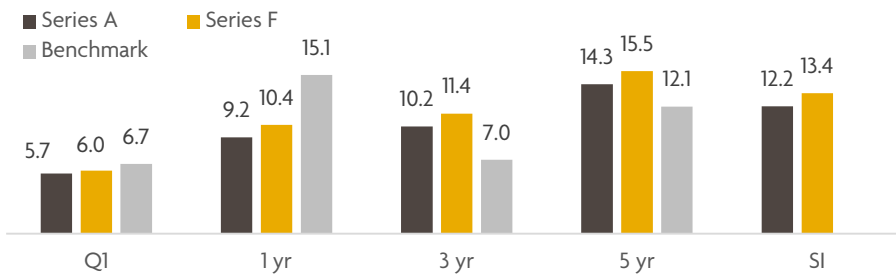
Holdings may change at any time without notice. Source: MFS and Morningstar.

CAPTURE RATIOS

Fund	Upside	Downside
Series A	89.8	63.4
Series F	93.0	59.3

Upside and downside capture ratios are for the five-year period ending March 31, 2017. Source: Morningstar.

PERFORMANCE %



When comparing the fund's performance with its benchmark, note the fund is a value-oriented fund, whereas the benchmark has no style bias. 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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