

Sun Life MFS International Value 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

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

\$1,651,264,746

BENCHMARK

MSCI EAFE

PERFORMANCE SUMMARY

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

The Sun Life MFS International Value Fund (Series A) returned 1.2% in the first quarter, underperforming its benchmark by roughly 0.2 percentage points.

Stock selection in the information technology sector contributed to relative performance during the quarter. The fund's technology holdings differ from the volatile FAANG stocks, which are subject to rapidly changing consumer preferences. Instead, the fund is comprised of investments that typically have a long-duration supply chain and are protected by intellectual property rights, which are relatively inexpensive and an important component of the end product.

Consumer staples remains the largest overweight in the portfolio, as the portfolio manager favours brand name strength, global distribution networks, strong balance sheets, and the ability to adapt to the digital environment across various consumer product, food, alcoholic beverage and tobacco companies.

Additionally, major banks continue to prevail as the portfolio's largest underweight, as the portfolio manager continues to avoid European banks with complicated business models and over-levered balance sheets.

Key contributors

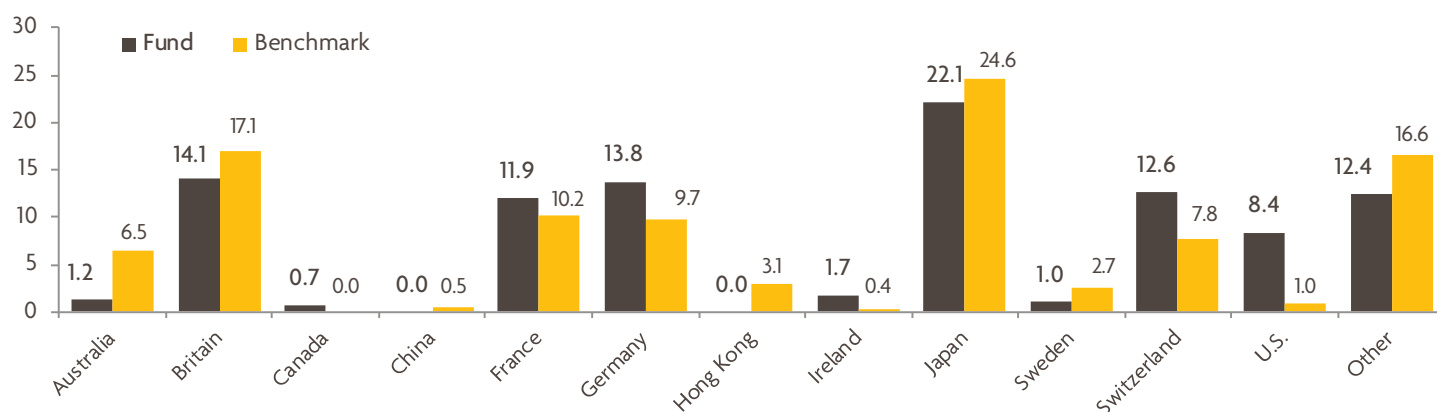
- Dassault Systèmes
 - Shares rose on increased quarterly revenue driven by strong license growth
- Taiwan Semiconductor
 - Stock rose on high earnings per share and record-high revenue

Key detractors

- Nestlé
 - Stock declined on softer than expected sales and a modest outlook
- Reckitt Benckiser Group
 - Stock declined following an unfavourable outlook

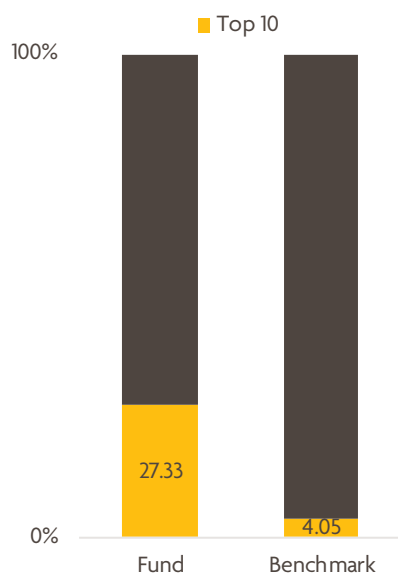
¹ Mutual fund categories are maintained by the Canadian Investment Funds Standards Committee (CIFSC).

GEOGRAPHIC ALLOCATION %



Source: MFS

HOLDINGS ANALYSIS



TOP 10 HOLDINGS

	FUND %	BENCHMARK %	+ / -
NESTLE	4.20	1.78	2.42
GIVAUDAN	2.92	0.14	2.78
HENKEL KGAA	2.78	0.16	2.62
TAIWAN SEMICONDUCTOR	2.77	0.00	2.77
PERNOD-RICARD	2.65	0.22	2.43
RECKITT BENCKISER GROUP	2.55	0.42	2.13
DANONE S.A. COMMON	2.44	0.34	2.10
KAO CORP	2.41	0.22	2.19
AMADEUS IT GROUP	2.37	0.21	2.16
VONOVIA	2.22	0.56	1.66
Top 10 holdings % of net assets	27.33	4.05	
Total # fund holdings	106		

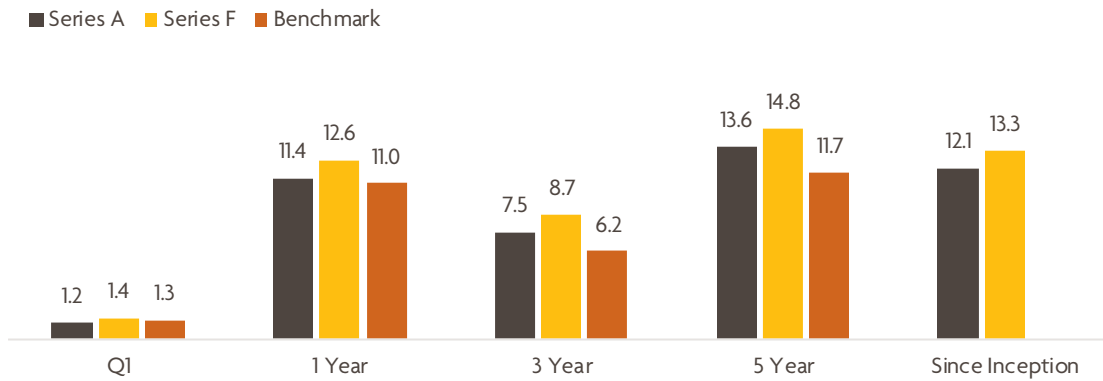
Holdings may change at any time without notice. Source: MFS and Morningstar.

CAPTURE RATIOS

FUND	UPSIDE	DOWNSIDE
Series A	98.0	78.0
Series F	101.4	73.5

Upside and downside capture ratios are for the five-year period ending March 31, 2018. 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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