

# Sun Life MFS International Value Fund

## FUND REVIEW Q4, 2017

All currency references are in C\$ unless otherwise indicated; opinions and data as of December 31, 2017 unless otherwise indicated.

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

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

\$1,473,813,368

### 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 5.9% in the fourth quarter, outperforming its benchmark by roughly 1.5 percentage points.

Strong stock selection in consumer staples contributed to relative performance during the quarter, however an underweight position in energy was a detractor as the sector outperformed the broader market.

Consumer staples remains the largest overweight sector in the portfolio, as the portfolio managers favour consumer product, food, beverage and tobacco companies with brand name strength and global distribution networks.

The most significant underweight is to major banks as the team continues to avoid European banks with complicated business models and over-levered balance sheets.

Significant trades during the fourth quarter included:

- Initiated positions in U.K.-based Diageo in favour of the company's portfolio of well known alcoholic beverage brands, its strong track record for innovation and the high return nature of its business.
- Exited French credit trade insurer, Euler Hermes, after the stock rallied on news that Allianz planned to buy out minority shareholders at a substantial premium to the share price.

### Key contributors

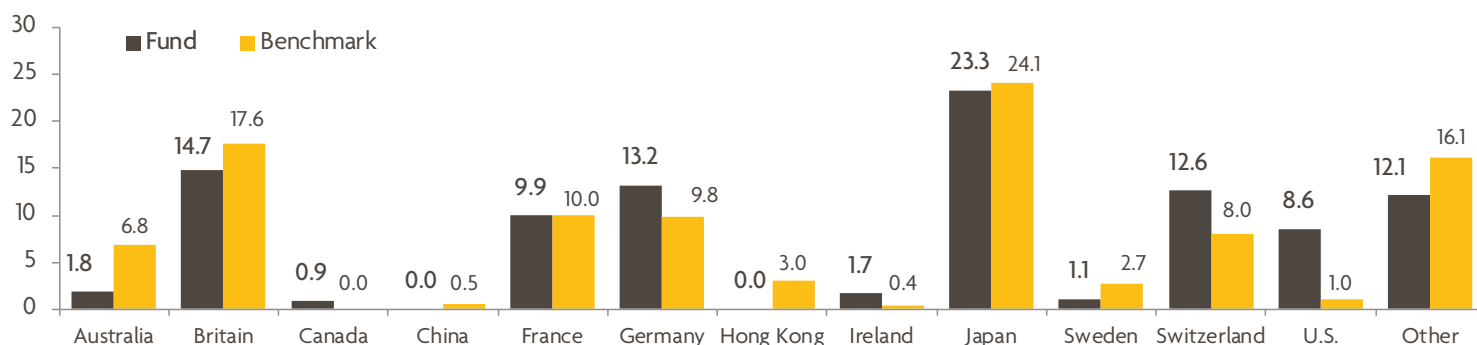
- Pernod Ricard
  - The company reported better than expected sales growth during the quarter, driven in part by strong performance in China.
- Nomura Research Institute
  - Strong earnings results from the company's consulting and industrial IT solution segments.

### Key detractors

- Bunzl
  - Share price declined on larger than expected slowdown in contract wins in the U.S.
- Henkel
  - The company reported mixed earnings results for the quarter due to foreign exchange headwinds.

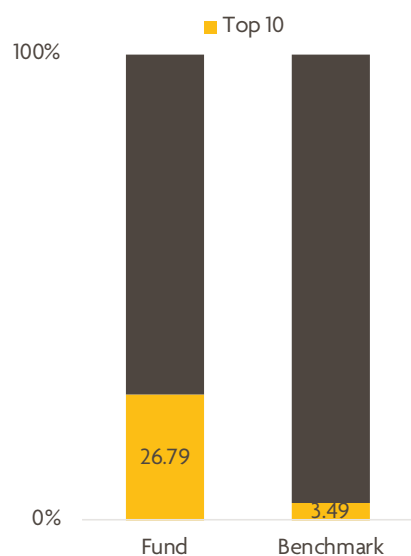
<sup>1</sup> Mutual fund categories are maintained by the Canadian Investment Funds Standards Committee (CIFSC).

## GEOGRAPHIC ALLOCATION %



Source: MFS

## HOLDINGS ANALYSIS



### TOP 10 HOLDINGS

	FUND %	BENCHMARK %	+ / -
NESTLE	4.52	1.78	2.74
DANONE	2.82	0.34	2.48
RECKITT BENCKISER GROUP	2.78	0.42	2.36
TAIWAN SEMICONDUCTOR	2.57	0.00	2.57
GIVAUDAN	2.50	0.14	2.36
PERNOD-RICARD	2.50	0.22	2.28
KAO CORP	2.40	0.22	2.18
HENKEL KGAA	2.32	0.16	2.16
AMADEUS IT GROUP	2.29	0.21	2.08
COLGATE-PALMOLIVE CO.	2.11	0.00	2.11
Top 10 holdings % of net assets		26.79	3.49
Total # fund holdings		106	

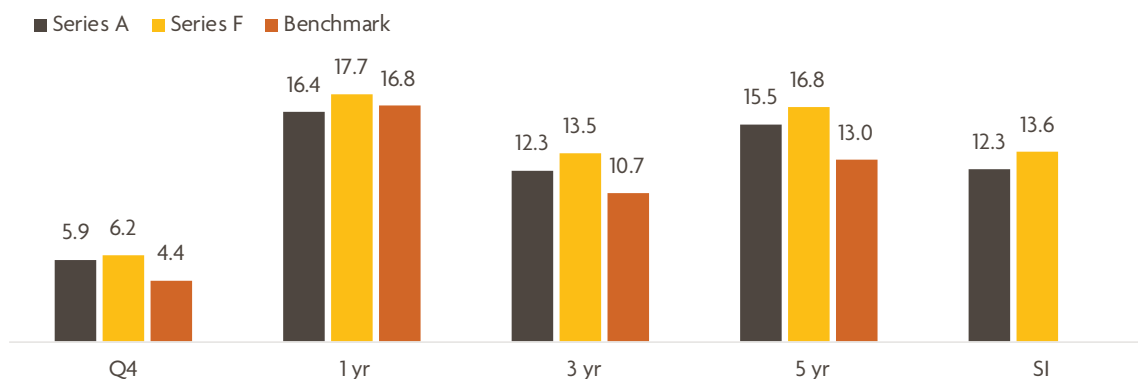
Holdings may change at any time without notice. Source: MFS and Morningstar.

## CAPTURE RATIOS

FUND	UPSIDE	DOWNSIDE
Series A	100.4	76.6
Series F	103.7	72.2

Upside and downside capture ratios are for the five-year period ending December 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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