

Sun Life MFS U.S. Growth 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

U.S. equity

INVESTMENT OBJECTIVE

The fund's investment objective is to seek capital appreciation by investing primarily in equity securities of issuers located in the United States that are considered to have above-average earnings growth potential compared to other companies.

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

\$955,998,606

BENCHMARK

Russell 1000

PERFORMANCE SUMMARY

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

The Sun Life MFS U.S. Growth Fund (Series A) returned 7.8% in the first quarter, outperforming its benchmark by roughly 5.6 percentage points.

The U.S. Market, as measured by the Russell 1000 Index, experienced significant volatility throughout the first quarter and closed out the quarter up by only 2.19%. Volatility stemmed from a mid-quarter correction after investors began to consider the impact of higher interest rates on the economy.

Growth investing continued to outperform value-style investing. Performance was led mostly by the technology sector and hindered by the energy, utilities, and real estate sectors.

For the past decade, alpha has been generally elusive, as there has been little dispersion amongst stock returns. However, over the past 12-18 months markets have become more discriminatory, rewarding companies with free cash flow growth. This is a framework that is accretive to quality stock selection and active management. Going forward, the portfolio manager anticipates idiosyncratic risk or alpha to be a much larger part of a portfolio's total return compared to the last ten years.

Key contributors

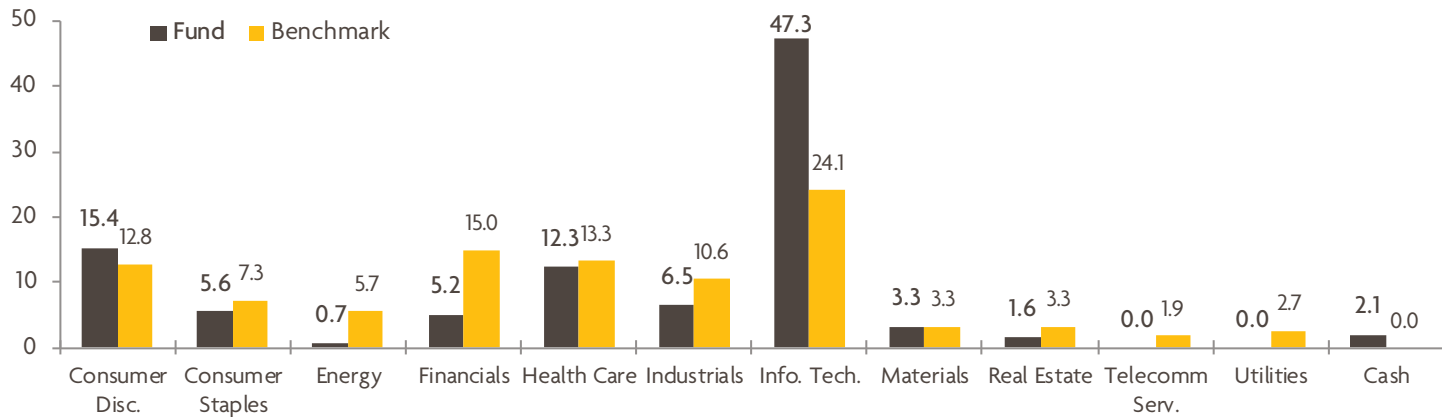
- Adobe Systems
 - Shares rose on higher than expected total revenue and earnings per share
- Netflix
 - Stock rose on strong revenue and high subscriber growth

Key detractors

- Facebook
 - Shares fell on news that Cambridge Analytica improperly used Facebook user data
- Vulcan Materials
 - Stock fell due to lower operating profit margins

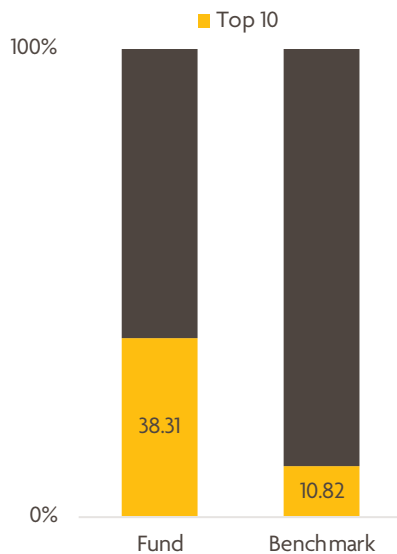
¹ Mutual fund categories are maintained by the Canadian Investment Funds Standards Committee (CIFSC).

SECTOR ALLOCATION %



Source: MFS and Morningstar. Sun Life Global Investments classifies equity securities using the Global Industry Classification Standard, or GICS. See page 3 for information about this methodology.

HOLDINGS ANALYSIS



TOP 10 HOLDINGS

	FUND %	BENCHMARK %	+ / -
AMAZON.COM	5.72	1.83	3.88
MICROSOFT	5.61	2.53	3.08
FACEBOOK	4.22	1.63	2.60
VISA	4.17	0.82	3.35
ALPHABET	4.06	1.25	2.82
ADOBE SYSTEMS	3.89	0.34	3.55
MASTERCARD	3.33	0.56	2.77
NETFLIX.COM	2.58	0.31	2.27
THERMO FISHER SCIENTIFIC	2.37	0.30	2.07
ALPHABET	2.37	1.25	1.12
Top 10 holdings % of net assets		38.31	10.82
Total # fund holdings		87	

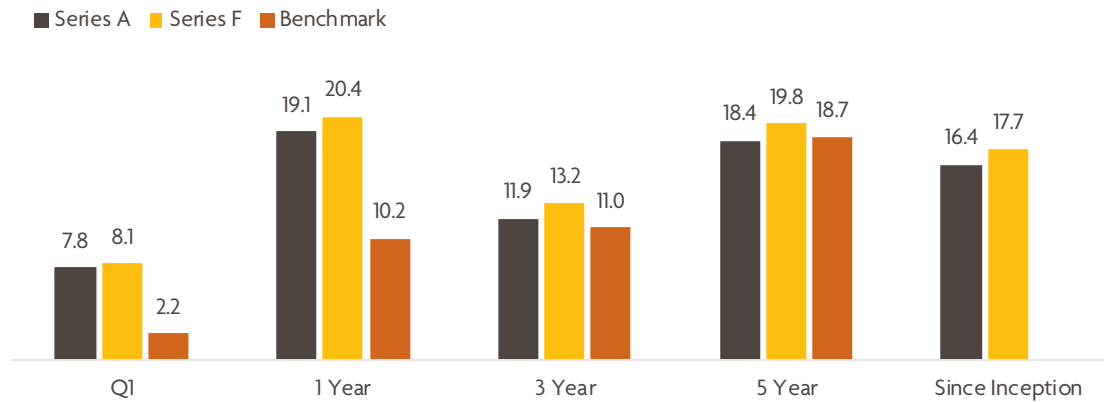
Holdings may change at any time without notice. Source: MFS and Morningstar.

CAPTURE RATIOS

FUND	UPSIDE	DOWNSIDE
Series A	103.2	114.9
Series F	106.8	110.4

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 growth-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.

The Global Industry Classification Standard ("GICS") was developed by and is the exclusive property and a service mark of MSCI Inc. ("MSCI") and Standard & Poor's Financial Services LLC ("S&P") and is licensed for use by Sun Life Global Investments (Canada) Inc. Neither MSCI, S&P, nor any other party involved in making or compiling the GICS or any GICS classifications makes any express or implied warranties or representations with respect to such standard or classification (or the results to be obtained by the use thereof), and all such parties hereby expressly disclaim all warranties of originality, accuracy, completeness, merchantability and fitness for a particular purpose with respect to any of such standard or classification. Without limiting any of the foregoing, in no event shall MSCI, S&P, any of their affiliates or any third party involved in making or compiling the GICS or any GICS classifications have any liability for any direct, indirect, special, punitive, consequential or any other damages (including lost profits) even if notified of the possibility of such damages.

This quarterly review is published by Sun Life Global Investments (Canada) Inc. and contains information in summary form. Although information has been obtained from sources believed to be reliable, Sun Life Global Investments (Canada) Inc. cannot guarantee its accuracy or completeness. Information is subject to change. The quarterly review should not be construed as providing specific individual financial, investment, tax, or legal advice. Investors should speak with their professional advisors before acting on any information contained in this document. Please note, any future or forward looking statements contained in this quarterly review are speculative in nature and cannot be relied upon. There is no guarantee that these events will occur or in the manner speculated.

© 2018 Morningstar Research Inc. All Rights Reserved. The information contained herein: (1) is proprietary to Morningstar and/or its content providers; (2) may not be copied or distributed; and (3) is not warranted to be accurate, complete or timely. Neither Morningstar nor its content providers are responsible for any damages or losses arising from any use of this information. Past performance is no guarantee of future results.

© Sun Life Global Investments (Canada) Inc., 2018. Sun Life Global Investments (Canada) Inc. is a member of the Sun Life Financial group of companies.

Sun Life Global Investments (Canada) Inc.
 1 York Street, Toronto, Ontario M5J 0B6
 Telephone: 1-877-344-1434 | Facsimile: 416-979-2859
info@sunlifeglobalinvestments.com | www.sunlifeglobalinvestments.com