

Sun Life MFS U.S. Growth 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

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

\$710,122,218.00

BENCHMARK

Russell 1000

PERFORMANCE SUMMARY

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

Sun Life MFS U.S. Growth Fund (Series A) returned 8.6% in the first quarter, outperforming its benchmark by roughly 3.2 percentage points.

U.S. shopping centre space per capita stands at 24 square feet, which is 10 times that of Europe. This makes the U.S. overstored and recent closure announcements from J.C. Penney, Sears, Payless, Radio Shack and Macy's, among others, comes as little surprise as large retailers struggle to compete with online shopping platforms.

The disruption from online shopping platforms has impacted the most vulnerable corners of the retail sector. We believe we are still in the early stages, with e-commerce representing only 10% of retail sales at 2016 year-end. While it is uncertain how much market share e-commerce will ultimately take, fund managers think it's a reasonable assumption that this is a long-term secular trend that offers a tremendous runway for online retailing platforms, hence the fund's active position in Amazon.com.

Key contributors

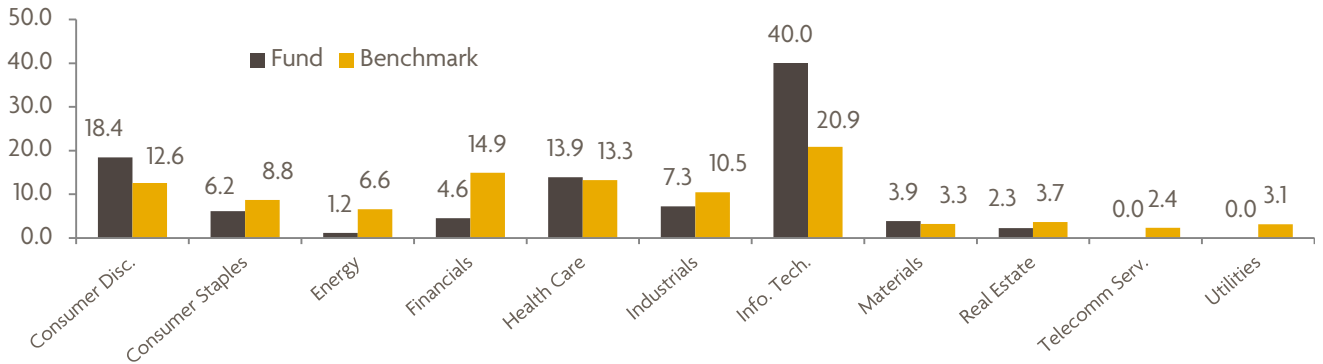
- U.S. digital media company Adobe Systems
 - Shares rose after Q4 results beat consensus
- Facebook
 - Shares rose after strong growth in advertising revenue

Key detractors

- Apple
 - The fund's underweight position in Apple detracted after stronger than expected quarterly results
- U.S. construction materials producer Vulcan Materials
 - Shares fell following revenue miss

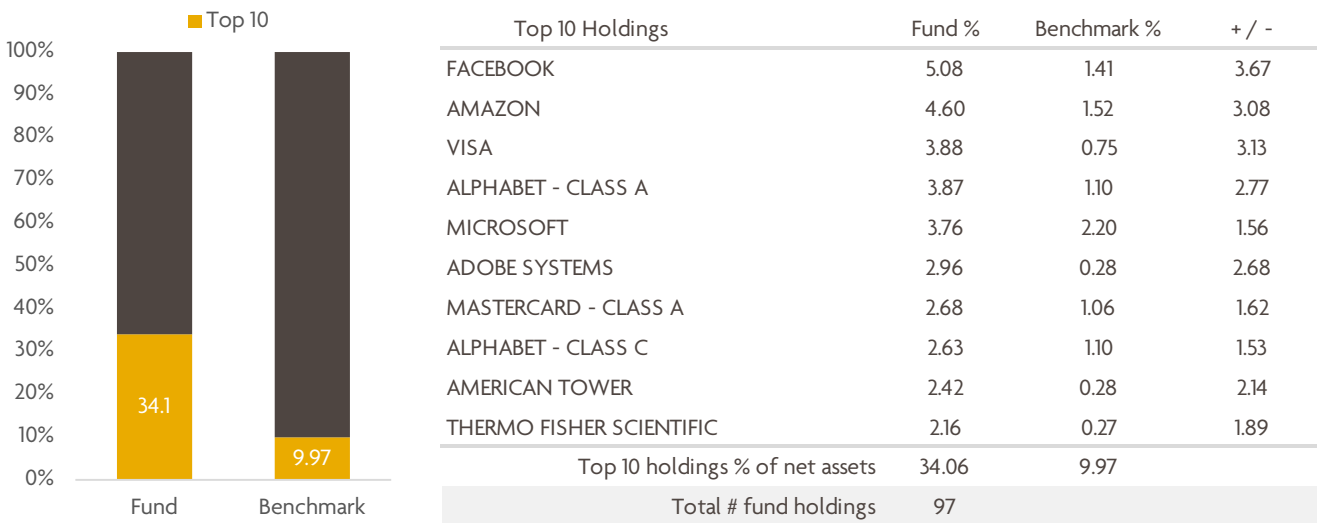
¹ Mutual fund categories are maintained by the Canadian Investment Funds Standards Committee (CIFSC).

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



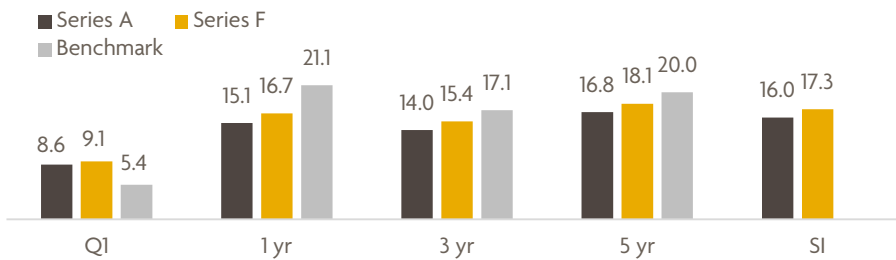
Holdings may change at any time without notice. Source: MFS and Morningstar.

CAPTURE RATIOS

Fund	Upside	Downside
Series A	92.5	116.0
Series F	95.9	110.3

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 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.

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