

Sun Life MFS U.S. Growth Fund

FUND REVIEW Q2, 2017

All currency references are in C\$ unless otherwise indicated; opinions and data as of June 30, 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

\$568,096,479.00

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 3.4% in the second quarter, outperforming its benchmark by roughly 3.1 percentage points.

Internet platforms are providing apparel makers such as Nike with brand power, a b2c model, and a catalyst for margin and earnings expansion. At the same time, these platforms are disintermediating brick-and-mortar retailers such as Foot Locker and DICK's Sporting Goods, a secular change that offers ample opportunity for alpha generation.

Gaming video content, or "GVC," also known as eSports, is another catalyst for change. GVC had over 160 million average users/viewers per month in 2016 for example. It's a growing force contributing to the cannibalization of the legacy media model. It has significantly engaged Millennials, one of the most difficult and highly sought-after audiences.

Technology is commoditizing the intellectual property of long-standing incumbents. A combination of avoidance of many of these companies combined with judicious selection/ownership in certain industry disruptors should offer relative value for clients.

Key contributors

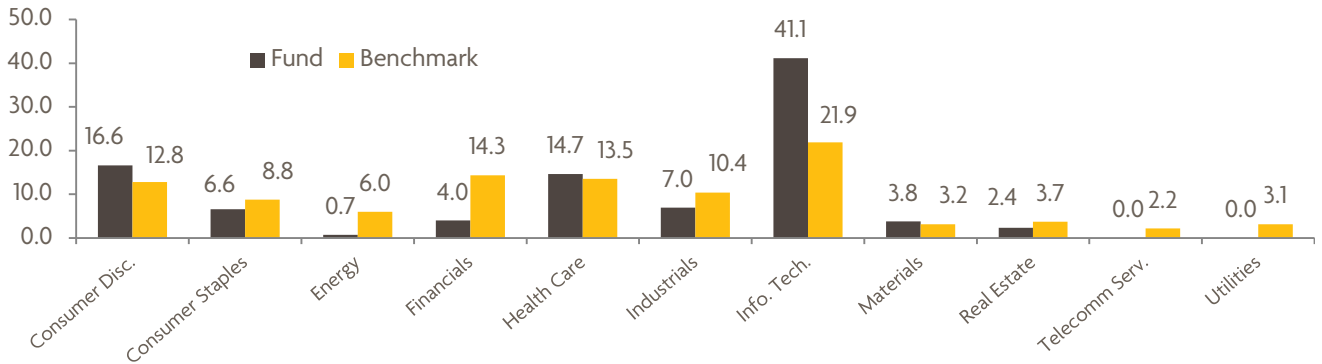
- Apple
 - An underweight position benefitted relative performance
- U.S. graphics processors firm NVIDIA
 - Shares rose after positive earnings surprise

Key detractors

- U.S. apparel retailer Ross Stores
 - Shares fell after negative investor sentiment in the retailing sector
- McDonald's
 - Not owning shares detracted from relative performance

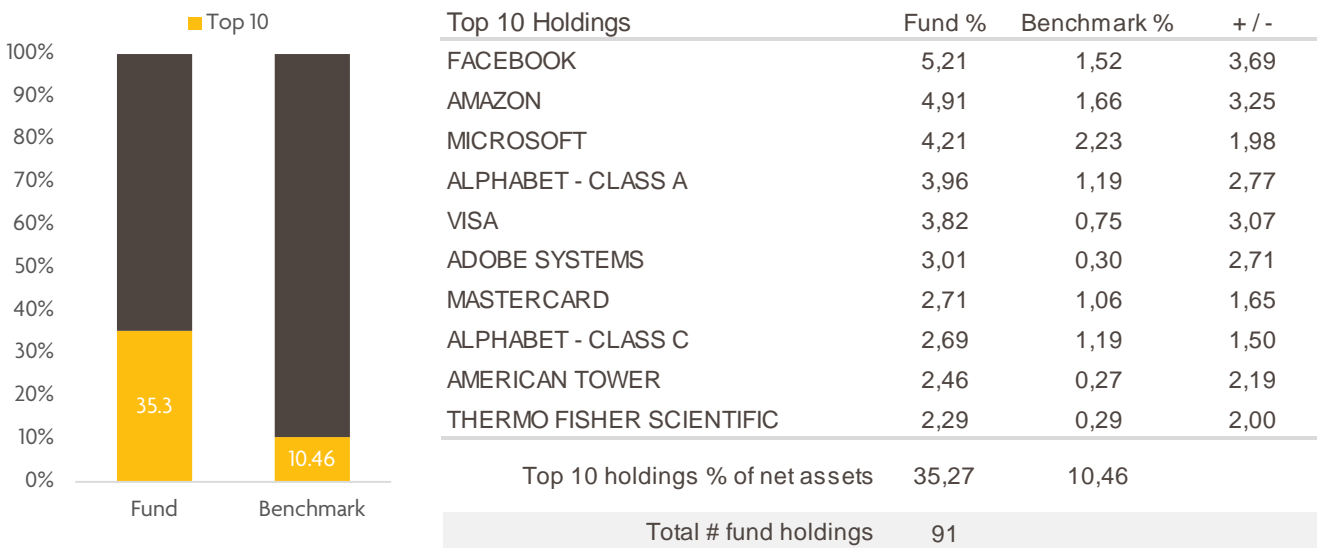
¹ Mutual fund categories are maintained by the Canadian Investment Funds Standards Committee (CIFSC).

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



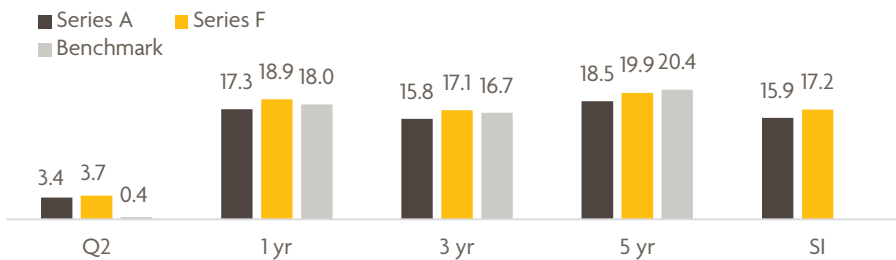
Holdings may change at any time without notice. Source: MFS and Morningstar.

CAPTURE RATIOS

Fund	Upside	Downside
Series A	99.4	113.5
Series F	103.0	108.3

Upside and downside capture ratios are for the five-year period ending June 30, 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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