

Sun Life MFS U.S. Growth 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.

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

\$535,820,751

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 6.1% in the fourth quarter, underperforming its benchmark by roughly 0.7 percentage points.

The U.S. market (S&P 500 Index) accelerated in the fourth quarter on excitement over upcoming tax changes passed by Congress.

Growth-style investing outperformed value-style investing over the quarter. This year-long trend was primarily driven by the technology sector over that of utilities and real estate, as well as a modest outperformance of small caps compared to large caps.

Market commentators are drawing similarities between the dominant performance of technology stocks last year and that of the 1990s. However, the fundamental underlying company characteristics and addressable markets from that era versus today are markedly different. Today's technology valuations are supported by prodigious cash flows and value propositions consisting of cost, convenience and optimization of business operations and everyday life applications across media, commerce, IT, health care, insurance and transportation, to name a few. The portfolio manager believes markets are in the early stages of a long cycle where the operating leverage and earnings power for technology service companies will exceed the market's current expectations.

Key contributors

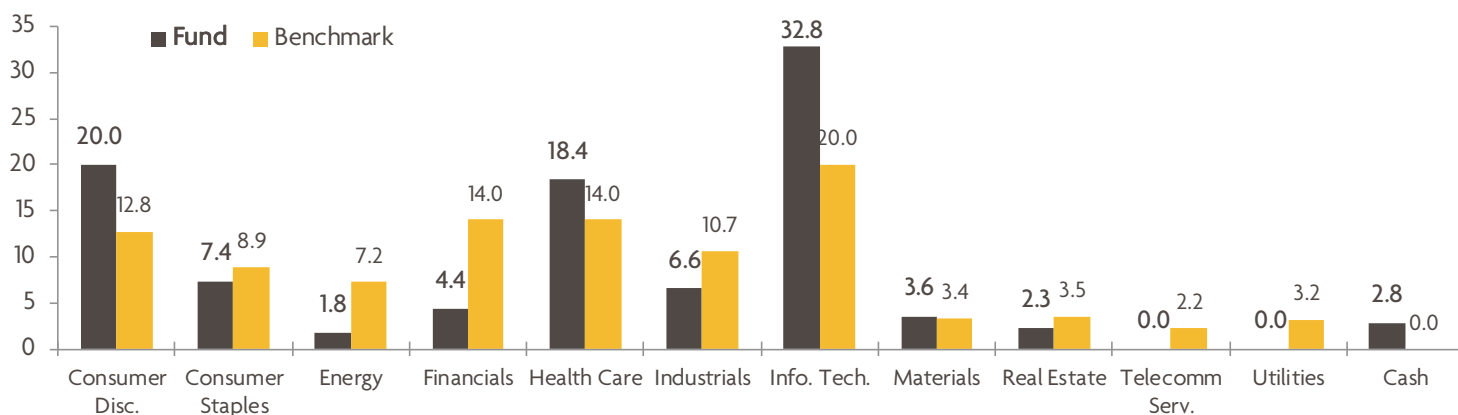
- Adobe Systems
 - An overweight position benefited relative performance. Shares rose on continued successes of the Creative Cloud product.
- Amazon.com
 - An overweight position benefitted relative performance. Stronger than expected earnings after a successful integration of Whole Foods and revenue accelerated across all business segments.

Key detractors

- Celgene
 - An overweight position detracted from performance as the stock price declined and management reduced 2017 and 2020 revenue.
- Electronic Arts
 - An overweight position detracted from performance as shares declined in response to gamer outcry over controversial in-game tactics designed to boost consumer spending.

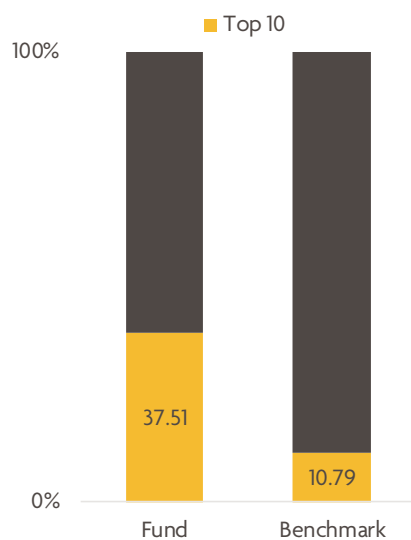
¹ Mutual fund categories are maintained by the Canadian Investment Funds Standards Committee (CIFSC).

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 %	+ / -
FACEBOOK	5.45	1.63	3.83
MICROSOFT	5.38	2.53	2.85
AMAZON.COM	4.85	1.83	3.01
ALPHABET	4.33	1.25	3.08
VISA	4.16	0.82	3.35
ADOBE SYSTEMS	3.34	0.34	3.00
MASTERCARD	3.02	0.56	2.46
ALPHABET	2.52	1.25	1.27
THERMO FISHER SCIENTIFIC	2.29	0.30	1.99
AMERICAN TOWER	2.18	0.28	1.90
Top 10 holdings % of net assets	37.51	10.79	
Total # fund holdings	88		

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

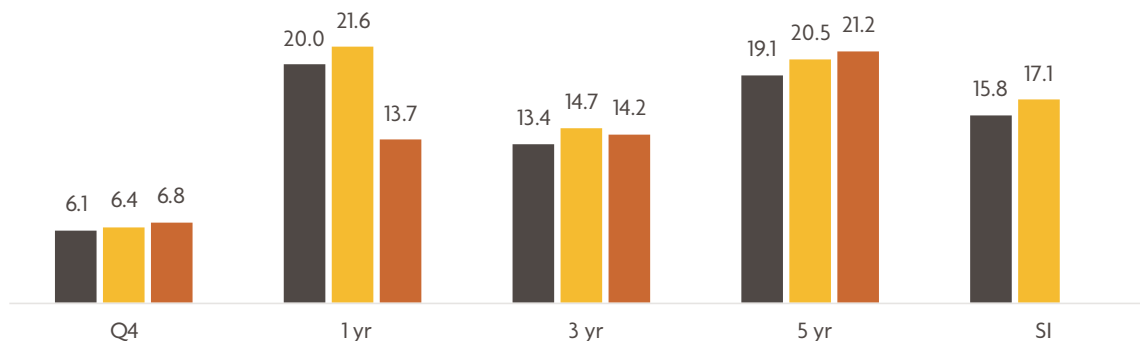
CAPTURE RATIOS

FUND	UPSIDE	DOWNSIDE
Series A	97.5	116.8
Series F	100.9	112.3

Upside and downside capture ratios are for the five-year period ending December 31, 2017. Source: Morningstar.

PERFORMANCE %

■ Series A ■ Series F ■ Benchmark



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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