

Sun Life Excel India Fund

FUND REVIEW | Q4 2018

Unless otherwise indicated: currency references are in C\$; data sources are Sun Life Global Investments and RBC; opinions and data as of December 31, 2018.

CATEGORY¹

Geographic equity

INVESTMENT OBJECTIVE

To seek long-term superior growth of capital. The Fund will invest its assets primarily in equity securities of companies located in India through a “fund-of-fund” arrangement with India Excel (Mauritius) Fund.

MANAGEMENT COMPANY

Sun Life Global Investments (Canada) Inc.

SUB-ADVISOR

Aditya Birla Sun Life Asset Management Company Pte. Ltd., Singapore

INCEPTION DATE

Series A: April 14, 1998
Series F: January 4, 2005

TOTAL ASSETS

\$310,946,583

BENCHMARK

MSCI India Index

PERFORMANCE SUMMARY

Sun Life Excel India Fund outperformed relative to its benchmark, returning 8.74% compared to 8.34% in the fourth quarter.

MSCI India was up 2.5% in U.S. dollar terms in the fourth quarter, outperforming its peer group (MSCI Emerging Markets and MSCI Asia Pacific ex-Japan) which were down 7.5% and 8.9% respectively.

The selloff in Brent crude oil prices continued in the quarter, down 9% in December, after a 21% drop in November and a 11% drop in October. Brent crude ended the year at US\$53 a barrel, down 20% in 2018.

Falling crude prices were reflected in India's Consumer Price Index, which came in below expectations at 2.2% in the quarter – the sixth consecutive month where headline inflation surprised to the downside.

The Indian economy faced a number of headwinds in 2018. These included global monetary policy tightening and rising oil prices during the first half of the year. This hurt the country's current account position, putting downward pressure on the Indian rupee.

In response, the Reserve Bank of India (the country's central bank) sold primarily U.S. dollars to defend the currency.

The recent correction in Indian equity markets reduced valuations almost across the board, including on what the portfolio manager believes are high-quality companies.

At the same time, concerns surrounding oil prices, the rupee and liquidity appeared to be easing at year-end. There was also a pick-up in industrial activity, and overall the portfolio manager is positive on select Indian markets at year-end.

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

PERFORMANCE

SERIES A

COMPOUND RETURNS % ²	3 MONTH	6 MONTH	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
Fund	8.42	-0.56	-5.55	8.24	17.26	11.77	11.11
Benchmark*	8.34	4.06	1.04	7.62	13.64	11.78	10.37
+ / -	0.08	-4.62	-6.59	0.62	3.62	-0.01	0.74

CALENDAR YEAR %	YTD	2017	2016	2015	2014	2013	2012	2011
Fund	-5.55	35.54	-0.93	14.58	52.56	-1.77	15.52	-33.54
Benchmark*	1.04	29.64	-4.84	12.59	35.03	2.62	23.18	-35.61
+ / -	-6.59	5.90	3.91	1.99	17.53	-4.39	-7.66	2.07

RISK ANALYSIS ³	SHARPE	BETA	STANDARD DEVIATION	SORTINO	UP CAPTURE	DOWN CAPTURE
Fund	0.86	1.03	20.08	1.47	107.06	95.01
Benchmark*	0.73	1.00	18.89	1.25	100.00	100.00

SERIES F

COMPOUND RETURNS % ²	3 MONTH	6 MONTH	1 YEAR	3 YEAR	5 YEAR	10 YEAR	SINCE INCEPTION
Fund	8.74	0.03	-4.50	9.44	18.57	13.01	9.67
Benchmark*	8.34	4.06	1.04	7.62	13.64	11.78	10.40
+ / -	0.40	-4.03	-5.54	1.82	4.93	1.23	-0.73

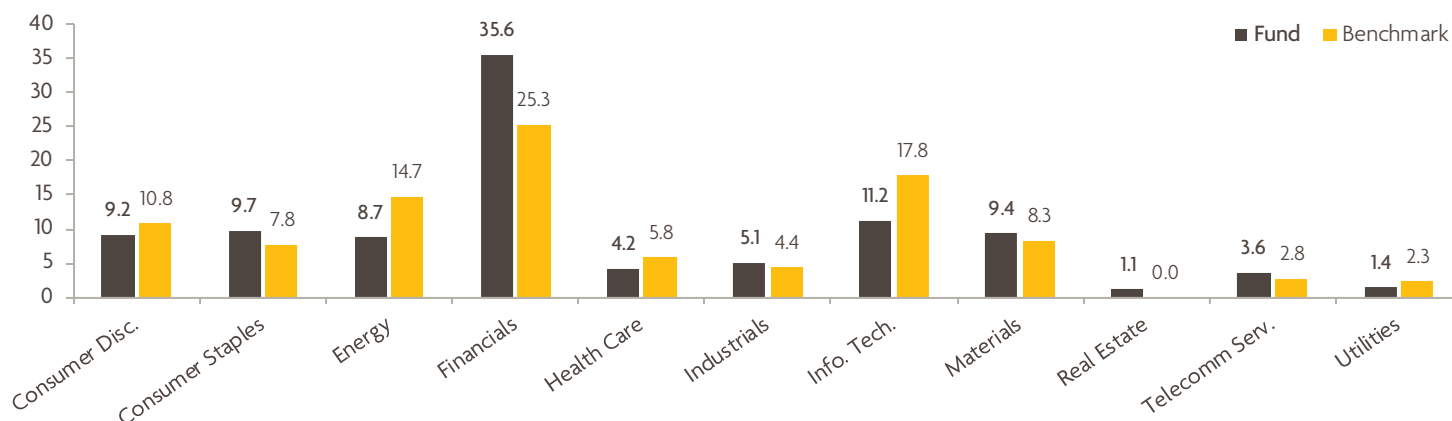
CALENDAR YEAR %	YTD	2017	2016	2015	2014	2013	2012	2011
Fund	-4.50	37.08	0.12	15.94	54.19	-0.55	16.66	-32.74
Benchmark*	1.04	29.64	-4.84	12.59	35.03	2.62	23.18	-35.61
+ / -	-5.54	7.44	4.96	3.35	19.16	-3.17	-6.51	2.87

RISK ANALYSIS ³	SHARPE	BETA	STANDARD DEVIATION	SORTINO	UP CAPTURE	DOWN CAPTURE
Fund	0.91	1.03	20.11	1.58	109.35	92.92
Benchmark*	0.73	1.00	18.89	1.25	100.00	100.00

*On June 15, 2018, the benchmark was changed from the SENSEX Index to the MSCI India Index. The MSCI India Index is used as the benchmark for all historical calculations.

²Returns for periods longer than one year are annualized. Series A securities of the fund are available for purchase to all investors, while Series F securities are only available to investors in an eligible fee-based or wrap program with their registered dealer. While Series A and Series F securities have the same reference portfolio, any difference in performance between these series is due primarily to differences in management fees and operating fees. The management fee for Series A securities includes the trailing commission, while Series F securities does not. Investors in Series F securities may pay a separate fee-based account fee that is negotiated with and payable to their registered dealer. ³Data based on 5-year period ending December 31, 2018.

SECTOR BREAKDOWN (%)



Source: Citibank India

ATTRIBUTION ANALYSIS* (GROSS OF FEES)

SECTOR	SECTOR WEIGHT		
	FUND %	BENCHMARK %**	+/-
Consumer Discretionary	9.2	10.8	-1.6
Consumer Staples	9.7	7.8	1.9
Energy	8.7	14.7	-6.0
Financials	35.6	25.3	10.3
Health Care	4.2	5.8	-1.6
Industrials	5.1	4.4	0.7
Information Technology	11.2	17.8	-6.6
Materials	9.4	8.3	1.1
Real Estate	1.1	0.0	1.1
Telecomm Services	3.6	2.8	0.8
Utilities	1.4	2.3	-0.9

SECTOR	SECURITY	SECTOR	TOTAL %
	SELECTION %	ALLOCATION %	
Consumer Discretionary	0.3	0.4	0.7
Consumer Staples	-0.5	-0.4	-0.9
Energy	-0.3	-0.4	-0.7
Financials	-0.2	0.5	0.3
Health Care	0.7	0.3	1.0
Industrials	-2.1	-0.1	-2.2
Information Technology	0.2	-1.3	-1.1
Materials	-1.1	-0.3	-1.4
Real Estate	0.0	-0.2	-0.2
Telecomm Services	0.2	0.6	0.8
Utilities	-0.3	0.1	-0.2

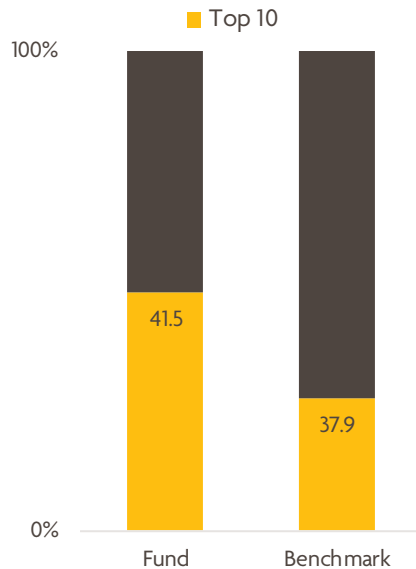
Source: Citibank India

*Attribution data is for the one year period ending December 31, 2018.

**On June 15, 2018, the benchmark was changed from the SENSEX Index to the MSCI India Index. The MSCI India Index is used as the benchmark for all historical benchmark comparisons in this document.

Attribution analysis measures the effect of active management on fund performance relative to the benchmark. For example, "security selection" quantifies the manager's contribution to relative performance, either positive or negative, as decisions are made about which securities to hold, and whether to overweight or underweight those securities relative to the benchmark. "Security selection" and "country allocation" values may not reconcile with the "total" value across rows due to rounding or other effects.

HOLDINGS ANALYSIS



TOP 10 HOLDINGS	FUND %	BENCHMARK %*	+ / -
HDFC Bank	8.21	0.00	8.21
ICICI Bank	5.60	2.72	2.88
Reliance Industries	5.08	10.15	-5.06
Infosys	4.82	7.31	-2.48
IndusInd Bank	3.99	0.00	3.99
Housing Development Finance	3.52	10.03	-6.51
ITC	3.17	3.06	0.11
Bajaj Finance	2.49	1.46	1.04
Maruti Suzuki India	2.41	2.50	-0.10
Dabur India	2.19	0.72	1.47
Total # fund holdings	58		
Top 10 holdings % of net assets	41.49	37.95	

Holdings may change at any time without notice.

Source: Aditya Birla Sun Life Asset Management

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. 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 security holder 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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