

## Sun Life Dynamic Equity Income Class

### Series A

Additional series available

**\$12.0706 CAD**

Net asset value per security (NAVPS) as of November 16, 2018

 **\$0.0312 | 0.26%**

#### Benchmark

S&P/TSX Composite Index

#### Morningstar™ Rating

★★★★

#### Fund category

Canadian Dividend and Income Equity

#### Funds in category

442

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

**NOTE:** This Fund is a class of mutual fund shares of Sun Life Global Investments Corporate Class Inc.

### Investment objective

The Fund's investment objective is to seek to achieve income and long-term capital growth through exposure to primarily equity securities that pay a dividend or distribution by investing primarily in units of Sun Life Dynamic Equity Income Fund or its successor fund (the "underlying Trust Fund").

### This Fund may be suitable for investors who:

- seek income and capital appreciation primarily through equities that pay a dividend or distribution
- are long-term investors
- are comfortable with medium investment risk

### Fund essentials

**Inception date** Aug 1, 2013

**Min initial inv \$** 500

**Min additional inv \$** 50

**MER % unaudited as at June 30, 2018** 2.22

**Management fee %** 1.75

**Distributions** A distribution may be applicable for this fund. Refer to Simplified Prospectus for more detail.

### Portfolio manager

Sun Life Global Investments (Canada) Inc.

| Class | Load structure | Currency | Fund Code |
|-------|----------------|----------|-----------|
| A     | ISC            | CAD      | SUN5177   |
| A     | DSC            | CAD      | SUN5277   |
| A     | LSC            | CAD      | SUN5377   |

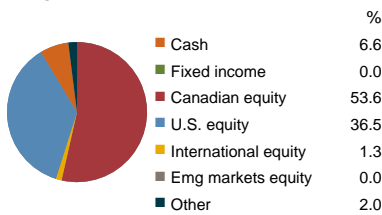
### Risk profile



Refer to the Simplified Prospectus for greater detail.

## PORTFOLIO ANALYSIS (as of September 30, 2018)

### Composition



### Credit quality

|           | %    |
|-----------|------|
| AAA       | 0.0  |
| AA        | 64.2 |
| A         | 0.0  |
| BBB       | 0.0  |
| BB        | 0.0  |
| B         | 0.0  |
| Below B   | 0.0  |
| Not Rated | 35.8 |

### Geographic composition

|               | %    |
|---------------|------|
| Canada        | 58.6 |
| United States | 39.9 |
| Australia     | 1.5  |
| Others        | 0.0  |

### Fixed income

|                    | %     |
|--------------------|-------|
| Government bonds   | 0.0   |
| Corporate bonds    | 0.0   |
| Securitized        | 0.0   |
| Cash & Equivalents | 100.0 |
| Derivatives        | 0.0   |

### Top ten holdings

|                                    | %   |
|------------------------------------|-----|
| as of July 31, 2018                |     |
| The Toronto-Dominion Bank          | 3.6 |
| Bank of Nova Scotia                | 3.5 |
| Royal Bank of Canada Inc           | 3.4 |
| Canadian Imperial Bank of Commerce | 3.2 |
| Canadian Natural Resources Ltd     | 2.9 |
| TransCanada Corp                   | 2.8 |
| Microsoft Corp                     | 2.5 |
| Canadian Pacific Railway Ltd       | 2.5 |
| Enbridge Inc                       | 2.3 |
| Canadian National Railway Co       | 2.3 |
| Total number of portfolio holdings | 61  |

Cash and cash equivalents are not shown.

The Sun Life Dynamic Equity Income Class invests directly in units of the Sun Life Dynamic Equity Income Fund (the "underlying Trust Fund"). The portfolio analysis section is representative of the underlying Trust Fund.

\*Global Industry Classification Standard (GICS).

## PERFORMANCE ANALYSIS (as of October 31, 2018)

| CALENDAR YEAR                     | YTD  | 2017 | 2016 | 2015 | 2014 | 2013 | 2012 | 2011 | 2010 | 2009 | 2008 |
|-----------------------------------|------|------|------|------|------|------|------|------|------|------|------|
| <b>Total assets \$M</b>           | 3.2  | 2.9  | 1.3  | 0.7  | 1.0  | 0.4  | -    | -    | -    | -    | -    |
| <b>Fund return %</b>              | -1.4 | 10.8 | 13.9 | 1.4  | 7.8  | 7.3  | -    | -    | -    | -    | -    |
| <b>Category return %</b>          | -4.8 | 7.1  | 17.4 | -5.4 | 8.5  | -    | -    | -    | -    | -    | -    |
| <b>Distribution \$/security</b>   | 0.05 | 0.61 | 0.54 | 0.88 | 0.20 | 0.13 | -    | -    | -    | -    | -    |
| <b>Quartile (within category)</b> | 1    | 1    | 3    | 1    | 3    | -    | -    | -    | -    | -    | -    |

| TRAILING                          | 1 mth | 3 mth | 6 mth | 1 yr | 2 yr | 3 yr  | 5 yr  | 10 yr | Since inception |
|-----------------------------------|-------|-------|-------|------|------|-------|-------|-------|-----------------|
| <b>Fund return %</b>              | -4.2  | -4.0  | 1.9   | 0.3  | 6.3  | 6.9   | 6.9   | -     | 7.5             |
| <b>Category return %</b>          | -5.2  | -6.1  | -1.2  | -3.9 | 3.2  | 4.8   | 4.6   | -     | -               |
| <b>Morningstar™ rating</b>        | -     | -     | -     | -    | -    | ★★★★★ | ★★★★★ | -     | -               |
| <b>Quartile (within category)</b> | 1     | 1     | 1     | 1    | 1    | 1     | 1     | -     | -               |
| <b># of funds in category</b>     | 646   | 620   | 608   | 600  | 561  | 442   | 355   | -     | -               |

\*For the period August 01 to December 31.

Returns for funds less than 1 year old cannot be displayed.

## 3-YEAR RISK MEASURES (as of October 31, 2018)

Annualized returns are used to calculate the risk metrics below.

|                                      |      |                      |       |              |      |
|--------------------------------------|------|----------------------|-------|--------------|------|
| <b>Standard deviation (fund)</b>     | 5.90 | <b>Sharpe ratio</b>  | 1.05  | <b>Alpha</b> | 2.41 |
| <b>Standard deviation (category)</b> | 7.19 | <b>R<sup>2</sup></b> | 60.73 | <b>Beta</b>  | 0.62 |

**Standard deviation:** Standard deviation measures volatility, which is often used as an indicator of risk. In general, funds with higher standard deviation (higher volatility) will have returns that change more over time. They typically have a greater chance of losing money and may have a greater chance of higher returns. Funds with lower standard deviation (lower volatility) tend to have returns that change less over time. They typically have lower returns and may have a lower chance of losing money.

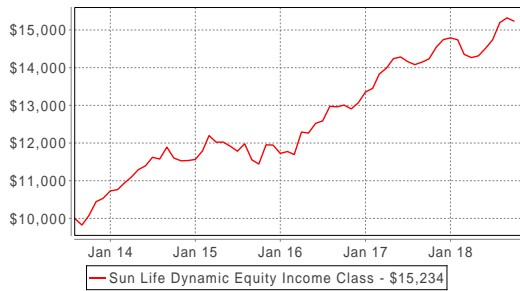
**Sharpe ratio:** The Sharpe ratio combines a risk measurement and a return measurement into a single number. It uses standard deviation (defined above) to determine a fund's risk per unit of return, otherwise known as a "risk-adjusted" return. A higher Sharpe ratio is better. When comparing two funds, the one with the higher Sharpe ratio outperformed the one with the lower ratio on a *risk-adjusted basis*.

**R<sup>2</sup>:** (pronounced "R-squared") measures how much of a fund's price movement can be attributed to the movement of the fund's benchmark. On a scale of 0-100, an R<sup>2</sup> of 100 means 100% of the fund's price movement can be explained by the movement of the benchmark. An R<sup>2</sup> of 85 means 85% of the fund's price movement can be explained by the movement of the benchmark, with 15% of the fund's price movement due to other factors.

**Alpha:** Alpha measures the difference between a fund's return and the return of its benchmark, taking into consideration volatility. An alpha of 1 means a fund outperformed its benchmark by 1 percentage point over the period with the same volatility. An alpha of -1 means the fund underperformed its benchmark by 1 percentage point.

**Beta:** Beta measures the price movement of a security in relation to its benchmark. A security with a beta higher than 1 means the security's price movement is more extreme (up or down) than the benchmark's. A security with a beta lower than 1 means the security's price movement is less extreme than the benchmark's. A beta of 1 means the security moves in step with its benchmark.

## CURRENT VALUE OF A \$10,000 INVESTMENT



Initial investment amount:

\$10000

Time frame:

Start Aug 2013

End Oct 2018

Returns for funds less than 1 year old cannot be displayed. The growth of \$10k calculator calculates an approximate rate of return using the performance information as at the first business day of each month in your chosen time-frame.

## INVESTMENT MANAGEMENT APPROACH

### Dynamic Funds

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Dynamic Funds supports a culture that is driven by independent thinking. Whether choosing investment opportunities or managing portfolios, this highly-skilled team is encouraged to act boldly and capitalize on the opportunity. This principle is consistent across each of the core areas of Dynamic's business model.

Portfolio managers are unwavering when it comes to following their strategic convictions. Every decision they make is driven by their particular investment style and the goal of optimizing returns for investors while protecting their wealth.

## NOTES AND DISCLAIMERS

Ratings and/or ranking information is subject to change monthly.

Commissions, trailing commissions, management fees and expenses all may be associated with mutual fund investments. Please read the prospectus before investing. For periods greater than one year, the indicated rates of return are the historical annual compounded total returns as of the date indicated including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or 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.

Morningstar is an independent organization that groups funds with generally similar investment objectives for comparison purposes and ranks them on a historical basis.

The Morningstar Rating™ for funds, or "star rating", is calculated for managed products (including mutual funds, variable annuity and variable life subaccounts, exchange-traded funds, closed-end funds, and separate accounts) with at least a three-year history. Exchange-traded funds and open-ended mutual funds are considered a single population for comparative purposes. It is calculated based on a Morningstar Risk-Adjusted Return measure that accounts for variation in a managed product's monthly excess performance, placing more emphasis on downward variations and rewarding consistent performance. The top 10% of products in each product category receive 5 stars, the next 22.5% receive 4 stars, the next 35% receive 3 stars, the next 22.5% receive 2 stars, and the bottom 10% receive 1 star. The Overall Morningstar Rating for a managed product is derived from a weighted average of the performance figures associated with its three-, five-, and 10-year (if applicable) Morningstar Rating metrics. The weights are: 100% three-year rating for 36-59 months of total returns, 60% five-year rating/40% three-year rating for 60-119 months of total returns, and 50% 10-year rating/30% five-year rating/20% three-year rating for 120 or more months of total returns. While the 10-year overall star rating formula seems to give the most weight to the 10-year period, the most recent three-year period actually has the greatest impact because it is included in all three rating periods.

Morningstar quartile rankings show how well a fund has performed compared to all other funds in its peer group. Each fund within a peer group is ranked based on its performance, and these rankings are broken into quarters or quartiles. Within a group, the top 25% (or quarter) of the funds are in the first quartile, the next 25% are in the second quartile, the next group in the third quartile, and the bottom 25% of funds with the poorest relative performance are in the fourth quartile. The point in which half the funds had better performance and half had worse performance is the median. If 100 funds are being compared, there would be four quartiles of twenty-five funds each. The median would be the fiftieth fund.

For more details on the calculation of Morningstar star ratings or quartile rankings, please see [www.morningstar.ca](http://www.morningstar.ca).

The Morningstar Style Box™ reveals a fund's investment strategy. For equity funds the vertical axis shows the market capitalization of the stocks owned and the horizontal axis shows investment style (value, blend or growth). For fixed-income funds the vertical axis shows the average credit quality of the bonds owned, and the horizontal axis shows interest rate sensitivity as measured by a bond's duration (short, intermediate or long).

Morningstar Market Capitalization Breakdown Stocks are first divided into seven style zones based on their country of domicile: United States, Latin America, Canada, Europe, Japan, Asia ex-Japan, and Australia/New Zealand. Capitalization assignments are determined as follows: 1) For all stocks in a style zone, the market cap of each stock is converted into a common currency. The stocks in each style zone are ordered in descending order by size, and a cumulative capitalization as a percentage of total sample capitalization is calculated as each stock is added to the list. 2) The stock that causes cumulative capitalization to equal or exceed 40% of the style zone's total cap is the final one assigned to the giant-cap group. 3) The largest of the remaining stocks are assigned to the large-cap group until cumulative capitalization equals or exceeds 70% of the total capitalization of the style zone. 4) The largest of the remaining stocks are assigned to the mid-cap group until cumulative capitalization equals or exceeds 90% of the total capitalization of the style zone. 5) The largest of the remaining stocks are assigned to the small-cap group until cumulative capitalization equals or exceeds 97% of the total capitalization of the style zone. 6) The remaining stocks are assigned to the micro-cap group. The Market Capitalization Breakdown at a fund level is a breakdown of the capitalization assignments of the fund's equity holdings.

Morningstar category averages are equal-weighted category returns. The calculation is simply the average of the returns for all the funds in a given category. The standard category average calculation is based on constituents of the category at the end of the period.

Categories are assigned by Canadian Investment Funds Standards Committee (CIFSC) based on an evaluation of a fund's holdings. A fund's category may change at any time. Funds within the same category may differ in terms of investment philosophy, investment process, as well as overall composition.

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