

Sun Life Schroder Emerging Markets 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.

INVESTMENT OBJECTIVE

The Fund's investment objective is to seek capital appreciation by investing primarily in equity securities of companies with a connection to emerging markets.

MANAGEMENT COMPANY

Sun Life Global Investments (Canada) Inc.

SUB-ADVISOR

Schroder Investment Management North America Inc.
New York, New York, U.S.A.

INCEPTION DATE

September 1, 2011

TOTAL ASSETS

\$\$281,647,769.00

BENCHMARK

MSCI Emerging Markets Index C\$

PERFORMANCE SUMMARY

Opinions and data for "PERFORMANCE SUMMARY" provided by Schroder Investment Management North America Inc.

Sun Life Schroder Emerging Markets Fund rose 4.84% (Series I) in the quarter, outperforming its benchmark by roughly 135 basis points.

Stock selection was positive overall, particularly in India due to the overweight in HDFC Bank (outperformance was driven by strong earnings results and market share gain), Hindustan Unilever (the consumer company's earnings are expected to benefit from market share gains and cost cutting), and Maruti Suzuki (strong car sales).

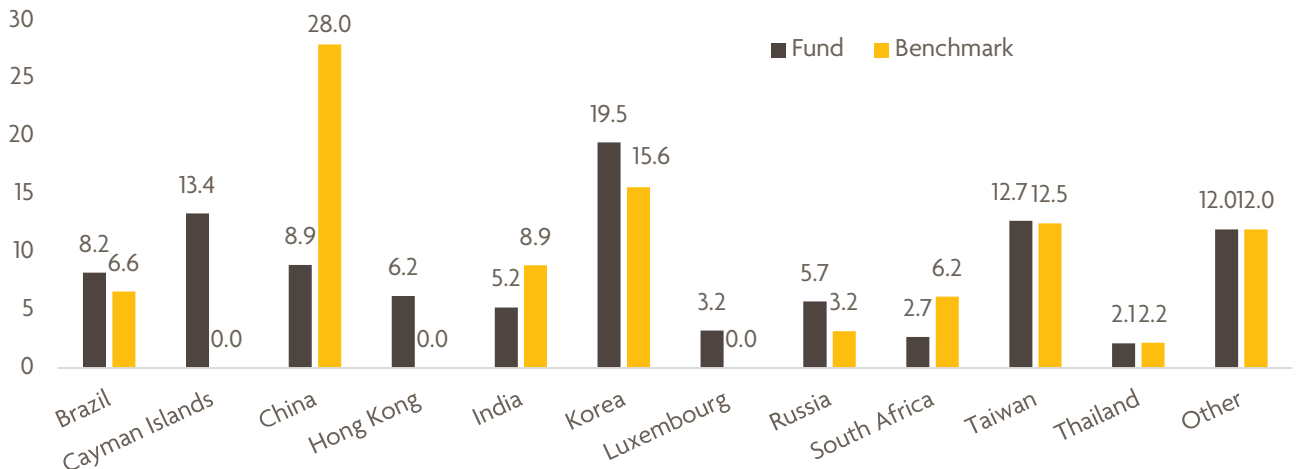
Stock selection in China also added value, mainly due to the overweight in Tencent (strong earnings continue at the internet and media company, particularly in the games segment), and Alibaba Group (the e-commerce leader outperformed after releasing details on new revenue streams).

Stock selection was negative in Korea due to the overweight in LG Chemical (the chemical group underperformed given a peak in the chemicals cycle).

Country allocation had a negative impact on returns particularly from overweights to Brazil and Russia, both of which underperformed. Brazil underperformed due to political uncertainty, which risks delaying reform and slowing the pace of economic recovery. Russia underperformed on weak energy prices, despite a gradual recovery in the economy.

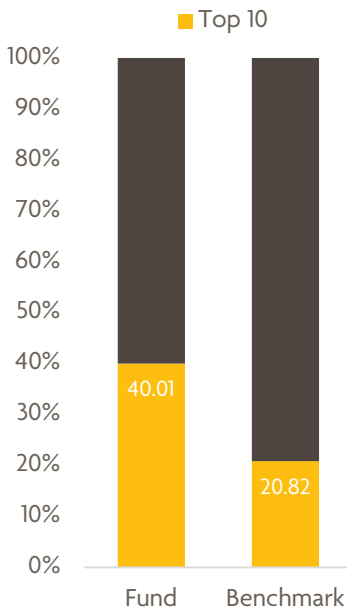
This was somewhat offset by the overweights to Hungary and Korea, both of which outperformed, and the underweight to Qatar which underperformed over the period.

GEOGRAPHIC ALLOCATION %



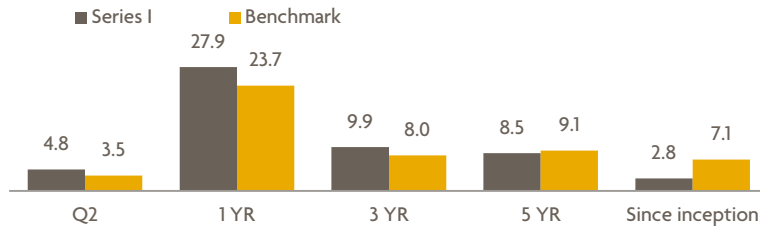
Source: Morningstar.

HOLDINGS ANALYSIS



TOP 10 HOLDINGS	FUND %	BENCHMARK %	+ / -
SAMSUNG ELECTRONICS	7.19	4.36	2.83
TAIWAN SEMICONDUCTOR	6.43	4.35	2.08
TENCENT HOLDINGS	5.35	3.62	1.73
CHINA CONSTRUCTION BANK	4.80	3.41	1.39
ALIBABA GROUP HOLDING	3.54	1.28	2.26
CHINA MOBILE	3.19	1.40	1.79
SBERBANK-SPONSORED	3.05	0.00	3.05
SCHRODER	2.36	1.40	0.96
ITAU UNIBANCO HOLDING	2.10	0.43	1.67
HON HAI PRECISION	2.01	0.57	1.44
Top 10 holdings % of net assets	40.01	20.82	
Total # fund holdings	104		

PERFORMANCE %



Data as of June 30, 2017. Series I inception date September 1, 2011. Returns for periods longer than one year are annualized. Since inception returns for the benchmark as at the fund's inception date.

Portfolio performance refers to the Sun Life Schroder Emerging Markets Fund, on a gross of fees basis, and not the returns of the Sun Life Schroder Emerging Markets Segregated Fund. The Sun Life Schroder Emerging Markets Segregated Fund is a group segregated fund offered by Sun Life Assurance Company of Canada through its Group Retirement Services. It invests directly in Sun Life Schroder Emerging Markets Fund, a fund managed by Sun Life Global Investments (Canada) Inc. Group Retirement Services provided by Sun Life Assurance Company of Canada. 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 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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On August 28, 2013, Tradewinds Global Advisors LLC was replaced with Schroder Investment Management North America Inc. as sub-advisor to the fund. The fund was renamed Sun Life Schroder Emerging Markets Fund.

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