

SUN LIFE

EXCEL INDIA

FUNDS



India awakening: a force to reckon with

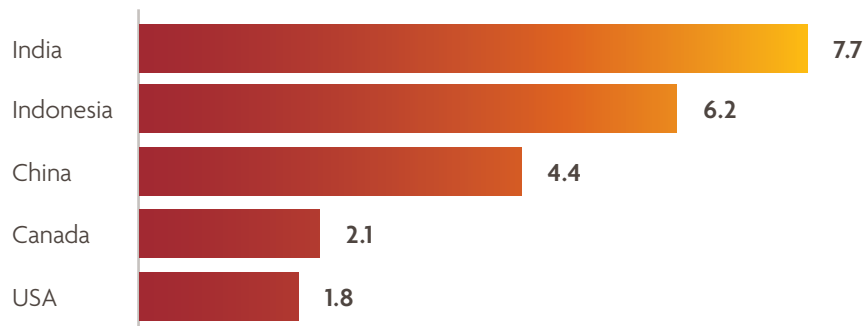
India's economy is on the rise, with a rapidly growing middle class driving growth. Supported by the world's largest workforce and underpinned by ongoing financial reforms, its accelerating economy is projected to soon rival the U.S. and China as the world's largest – making India a compelling destination for Canadian investors.

The world's third-largest economy by 2050¹

India's growth has been outpacing almost any other country in the world, with the Indian middle class expected to swell to half a billion people.

In fact, India's annual gross domestic product (GDP) could be 11 times larger by 2050, making it the world's third-largest economy after China and the United States.

Average estimated GDP growth per year: 2016 to 2050¹



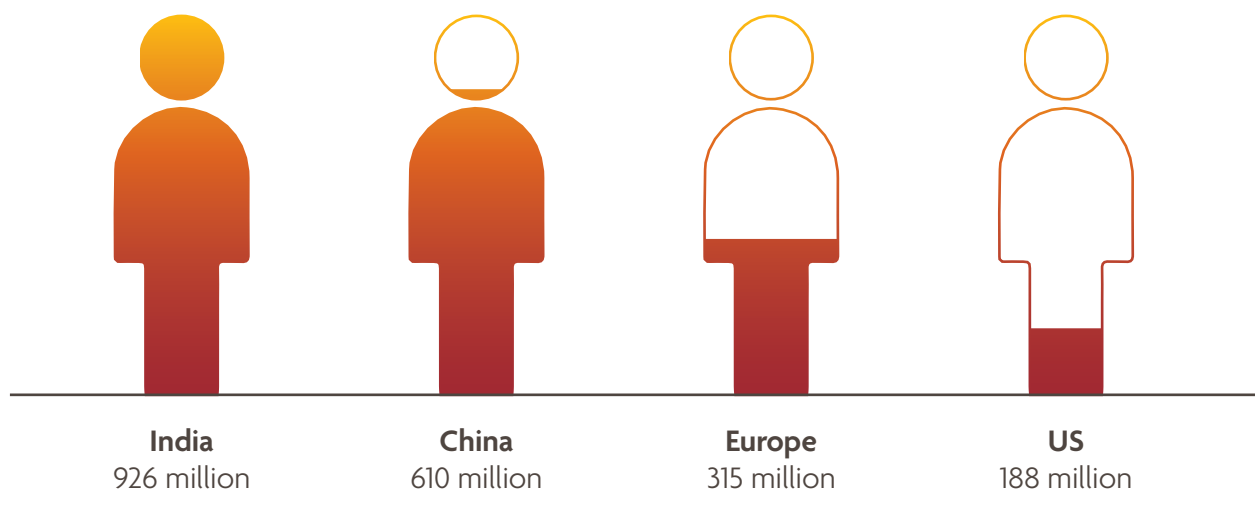
¹Source: PWC report, "The World in 2050", GDP based on Market Exchange Rate

The three main drivers of India's growth

1. Favourable demographics – the world's largest workforce

By 2050, India is anticipated to have the largest workforce in the world with 926 million people². This will dramatically increase consumption and personal wealth. Moreover, as India grows richer, it will attract foreign capital and increasingly generate opportunities to create wealth.

Working population (age 20-59 years) in 2050



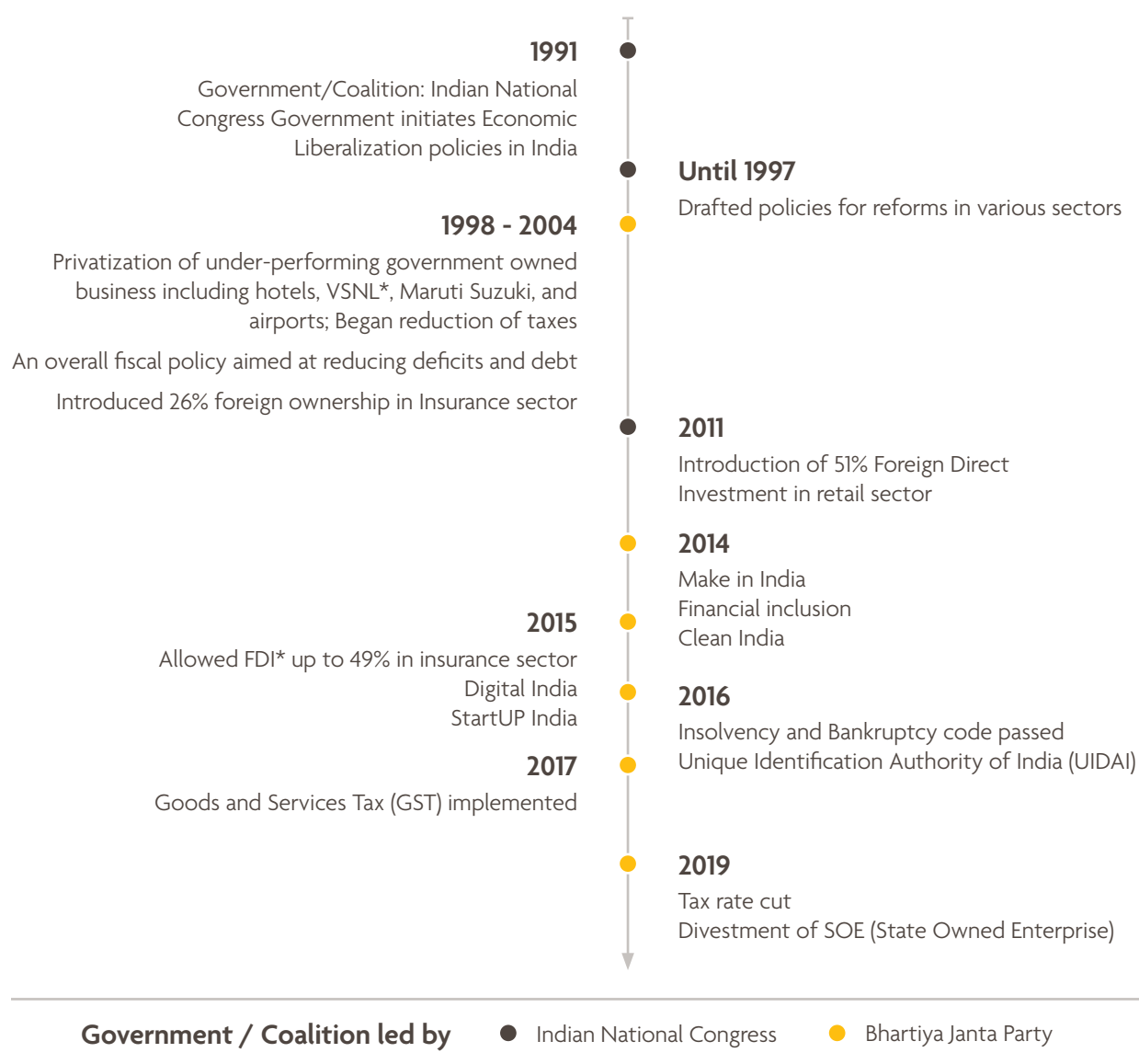
²Source: United Nations

2. Government reforms – opening the door to investors

Since 1991, successive Indian governments have introduced financial reforms, with improved governance, giving investors increased certainty.

Recent reforms, including the introduction of a GST tax and changes to the bankruptcy code, have demonstrated the government's continuing commitment to improving India's economic fundamentals and creating a foundation to support the next leg of growth.

Government reforms continue irrespective of political party



Source: Ministry of Statistics, Government of India. * FDI = Foreign Direct Investment; Vishesh Sanchar Nigam Limited (VSNL)

3. Consumption – from cars to travel

India is already one of the fastest-growing consumer markets in the world. In fact, over the past seven decades domestic consumption has doubled.³



Fourth largest auto market in 2019

Four million vehicles sold



Domestic air traffic

Fastest growth in the world, at twice the global rate*



\$US 22 billion

Spent on overseas tourism in 2018



\$US 140 billion

The estimated size of India's electronic goods industry in 2017



Largest motorcycle market

Twenty million sold†



2nd largest smartphone market

Nearly 124 million phones shipped in 2019



Fourth largest liquefied natural gas importer

India had the third largest incremental growth of any market in 2018

*As at February 2018

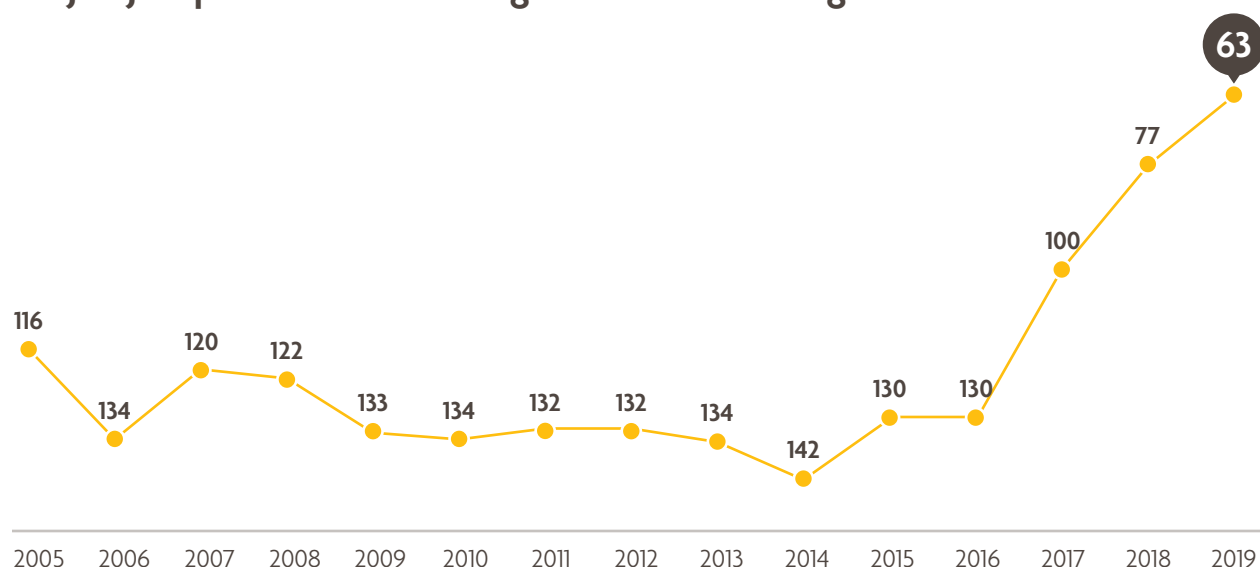
†Based on units sold in the fiscal year ended March 2018

³Source: Industry research, 'The New Indian' – BCG report, March 2017

Signs of India's growth: from governance to innovation

As growth has accelerated, India has seen improvements across the economy from governance to innovation and competitiveness. (Chart below). In fact, the country's ranking in The World Bank's Ease of Doing Business Survey jumped to 63 in 2019 – the biggest increase among 190 countries and an indication of the success of government reforms.

Major jump in “Ease of Doing Business” ranking



Source: The World Bank

COMPETITIVENESS

31 places since 2014

(40/137)⁴

Global Competitiveness Index,
2017-18

INNOVATION

21 places since 2014

(60/127)⁵

Global Innovation Index,
2017

FOREIGN DIRECT INVESTMENT

1st rank

*For two consecutive years
Financial Times*

Greenfield FDI ranking, 2016

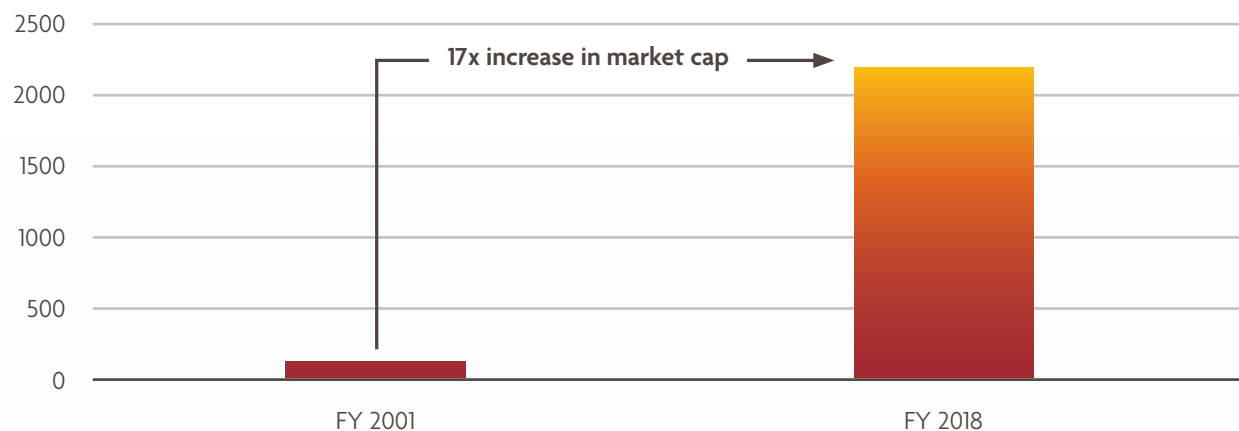
⁴World Economic Forum

⁵Cornell, INSEAD, WIPO

Indian equity markets reflect the economy's strength

Stock markets can reflect a country's strength, as good companies emerge and individuals increasingly invest in them. Currently the world's fifth largest economy, it's no surprise that the Indian equity market has steadily increased in size by 17x from 2001 – 2018.

Indian Equity Market Capitalization* (USD bn)



Source: Bombay Stock Exchange as of March 2018. IMF, 2019.



Indian equities can help enhance diversification

Combining assets with low correlation to each other can help reduce the overall risk of a portfolio. For example, Indian equities have a low correlation to both Canadian and U.S. equities, which means adding Indian equities to a portfolio can help enhance diversification.

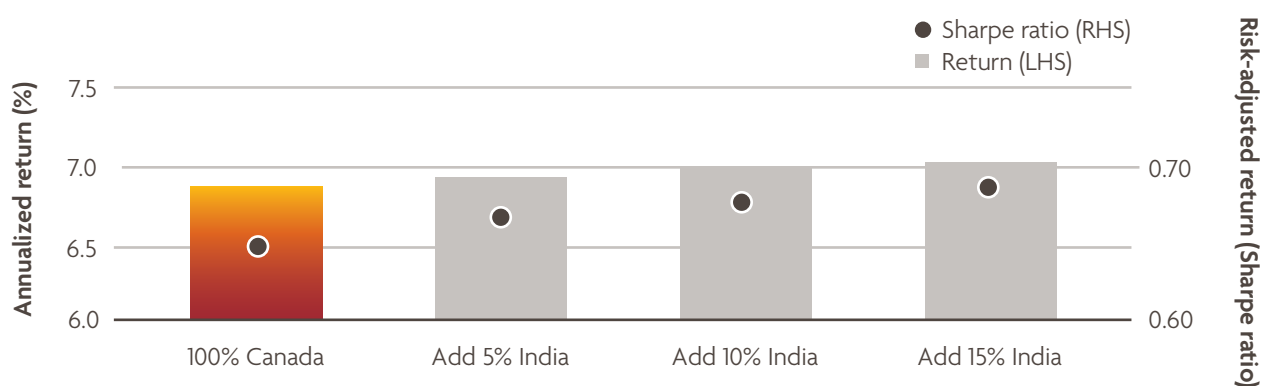
India Equities	1.00
Canadian Equities	0.17
U.S. Equities	0.37

Source: Bloomberg data, in CAD terms. Table based on 5-year weekly correlation from September 30, 2014 to December 31, 2019. Correlation is a measure of how securities move in relationship to each other. Correlation has a value that falls between -1.0 and +1.0. A low or negative correlation means that the securities do not move in lockstep, helping to enhance diversification.

Adding Indian equities to a portfolio of Canadian equities can enhance risk-adjusted returns

One way to assess an investment is to analyze how much it returned compared to a benchmark index or how it can help with diversification. As the chart below shows, over the long-term when Indian investments were added to a Canadian equity portfolio, it increased the return potential of the portfolio over the period.

Return potential generated by adding Indian equities to a hypothetical Canadian equity portfolio (Based on % weightings over 10 years)



Source: Morningstar Research Inc.; based on the 10-year periods from December 2009 to December 31 2019. All returns in C\$. Canadian equity portfolio represented by the S&P/TSX Composite Index; Indian equities by the MSCI India Index. For illustrative purposes only. Past performance is no guarantee of future results. Actual results would have been different. You cannot invest directly in an index. A Sharpe ratio combines a risk measurement and a return measurement into a single number to determine a fund's risk-adjusted return. A higher value is better.

Delivering results in India takes local expertise

While India represents an exciting long-term opportunity, it is critical to work with the right investment partner, one who understands the implications of an evolving world economy, and also understands the fine nuances of the local market and is able to unearth the right investment opportunities.

That's why Sun Life Global Investments has partnered with
Aditya Birla Sun Life AMC Limited:



1994

year founded



\$34.5 Bn.

(US\$) in assets under management⁶



4th

largest asset management company in India⁷



#1

fixed income manager in India

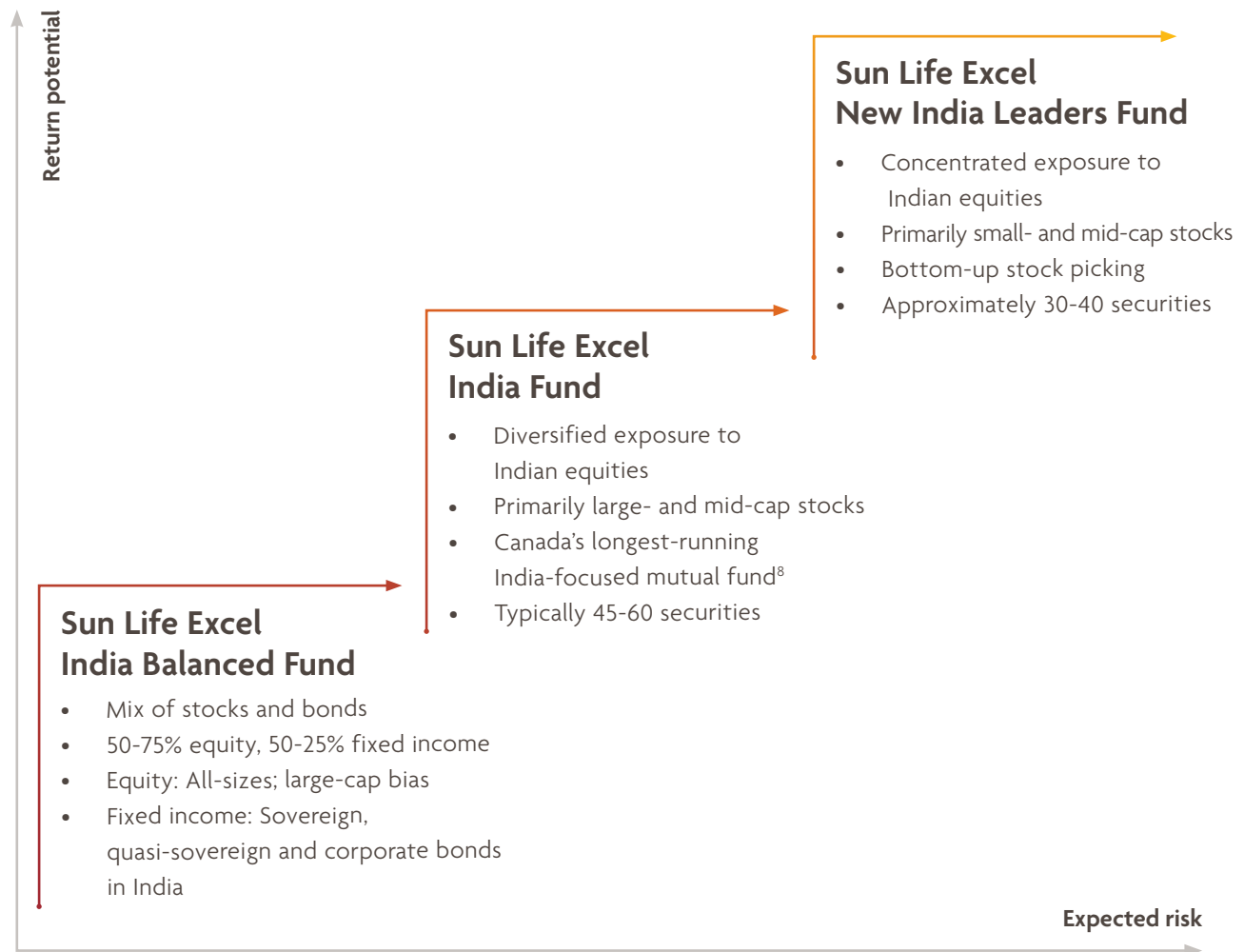
The Birla team has extensive experience managing assets on the ground in India with an international presence in Dubai, Singapore and Mauritius.

⁶Based on assets as at December 31, 2019.

⁷Source: Association of Mutual Funds of India, September 30, 2018.

Access the India opportunity

Sun Life Global Investments offers a range of investment options that provide access to the India opportunity, each with a different focus and varying levels of risk.



Speak to your financial advisor
to discover the right option for you.



⁸Series A. Launched on April 14, 1998 by Aditya Birla Sun Life AMC.

Illuminating a brighter world of investments

Sun Life Global Investments offers Canadians a diverse lineup of mutual funds and innovative portfolio solutions, empowering them to pursue their financial goals at every life stage. We bring together the strength of one of Canada's most trusted names in financial services with some of the best asset managers from around the world to deliver a truly global investment platform.



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