

Sun Life MFS Global Total Return Fund

FUND REVIEW | Q4 2018

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

CATEGORY¹

Global neutral balanced

INVESTMENT OBJECTIVE

The fund's investment objective is to seek total return by investing primarily in a mix of equity securities and debt instruments of issuers located anywhere in the world.

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

\$1,328,780,018

BENCHMARK

60% MSCI World Index
40% Barclays Global Aggregate Bond Index

PERFORMANCE SUMMARY

Opinions and data for "PERFORMANCE SUMMARY" provided by MFS Institutional Advisors

Sun Life MFS Global Total Return Fund (Series A) returned -3.6 % in the fourth quarter, outperforming its benchmark by roughly 0.9 percentage points.

After a strong start to the year, global equity markets weakened significantly during the fourth quarter and finished 2018 with the worst returns since 2008. Concerns about slowing global growth (especially China), the pace of U.S. Federal Reserve tightening, on-going trade/tariff discussions and general geopolitical uncertainty resulted in more difficult and volatile equity markets.

While value outperformed growth for the first time in a number of quarters, most of growth's underperformance was driven by declines in the FAANG stocks. In fact, during the quarter, the least expensive stocks were actually some of the worst performers. In the face of uncertainty, investors rotated into more defensive areas of the market, and utilities and healthcare sectors were the strongest performing sectors for the year. During the fourth quarter, utilities were the only sector posting positive returns.

Against this backdrop, global bond yields generally fell, reflecting slower growth, low inflation, and increased equity market volatility.

Key contributors (equity)

- Roche Holding
 - Stock advanced on strong sales growth in pharmaceutical sales and management reiterating forward guidance
- Apple
 - Not owning shares contributed to relative returns, following softer-than-anticipated iPhone demand, lower revenue from the company's Services segment and a potential new 10% tariff on iPhones, imposed by the U.S. administration

Key detractors (equity)

- DXC Technology
 - Stock declined after the company missed revenue expectations
- Lockheed Martin
 - Stock beat consensus earnings estimates, but traded lower following the unexpected announcement that their CFO is retiring

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

PERFORMANCE²**SERIES A**

COMPOUND RETURNS % ²	3 MONTH	6 MONTH	1 YEAR	3 YEAR	5 YEAR	7 YEAR	SINCE INCEPTION
Fund	-3.62	-2.60	-3.14	1.84	4.91	7.34	6.68
Benchmark	-4.52	-2.80	0.26	4.53	7.44	9.64	8.56
+ / -	0.90	0.20	-3.39	-2.69	-2.53	-2.30	-1.88

CALENDAR YEAR %	YTD	2017	2016	2015	2014	2013	2012	2011	2010 ³
Fund	-3.14	6.84	2.06	9.61	9.76	20.37	7.35	2.78	1.01
Benchmark	0.26	9.60	3.94	11.86	12.06	20.27	10.63	0.64	2.60
+ / -	-3.39	-2.76	-1.88	-2.25	-2.30	0.11	-3.28	2.14	-1.60

RISK ANALYSIS ⁴	SHARPE	BETA	STANDARD DEVIATION	SORTINO	UP CAPTURE	DOWN CAPTURE
Fund	0.70	0.96	6.03	1.21	82.33	104.47
Benchmark	1.08	1.00	6.10	1.95	100.00	100.00

SERIES F

COMPOUND RETURNS % ²	3 MONTH	6 MONTH	1 YEAR	3 YEAR	5 YEAR	7 YEAR	SINCE INCEPTION
Fund	-3.34	-2.03	-2.00	2.98	6.08	8.53	7.86
Benchmark	-4.52	-2.80	0.26	4.53	7.44	9.64	8.56
+ / -	1.19	0.77	-2.26	-1.54	-1.36	-1.11	-0.70

CALENDAR YEAR %	YTD	2017	2016	2015	2014	2013	2012	2011	2010 ³
Fund	-2.00	8.01	3.19	10.81	10.99	21.71	8.47	3.91	1.29
Benchmark	0.26	9.60	3.94	11.86	12.06	20.27	10.63	0.64	2.60
+ / -	-2.26	-1.58	-0.76	-1.04	-1.07	1.45	-2.16	3.27	-1.32

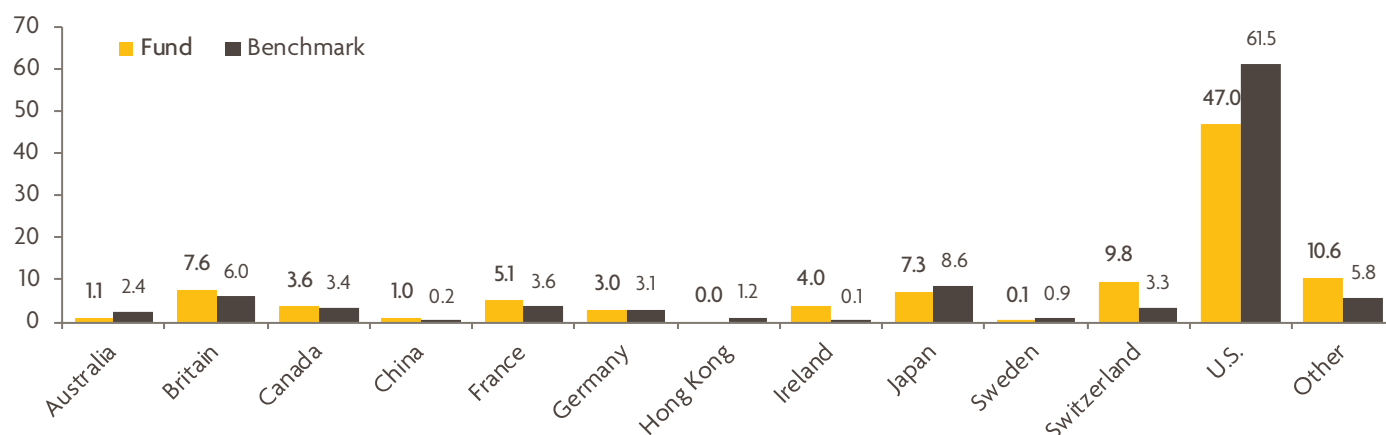
RISK ANALYSIS ⁴	SHARPE	BETA	STANDARD DEVIATION	SORTINO	UP CAPTURE	DOWN CAPTURE
Fund	0.88	0.96	6.03	1.61	88.56	97.63
Benchmark	1.08	1.00	6.10	1.95	100.00	100.00

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.

³Partial calendar year. Returns are for the period from the fund's inception date of October 1, 2010 to December 31, 2010.

⁴Data based on 5-year period ending December 31, 2018.

GEOGRAPHIC BREAKDOWN (%)



Source: MFS Institutional Advisors

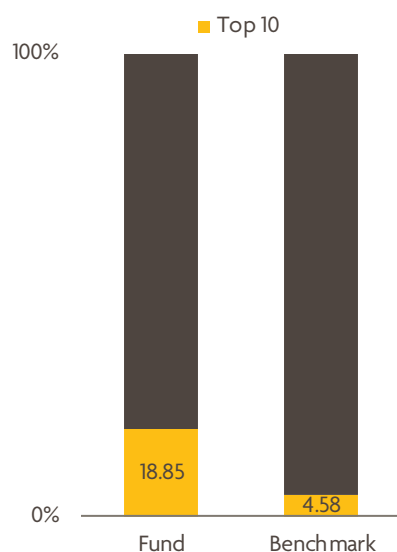
ATTRIBUTION ANALYSIS (EQUITY PORTION ONLY | GROSS OF FEES)

SECTOR	SECTOR WEIGHT			CONTRIBUTION TO TOTAL		
	FUND %	BENCHMARK %	+/-	FUND %	BENCHMARK %	+/-
Consumer Discretionary	3.77	10.38	-6.61	-0.25	-1.11	0.86
Consumer Staples	15.44	8.47	6.97	-0.64	-0.11	-0.52
Energy	5.40	6.27	-0.87	-1.09	-1.16	0.07
Financials	18.19	16.36	1.83	-1.36	-1.43	0.08
Health Care	15.15	13.22	1.94	-0.13	-0.54	0.41
Industrials	14.29	11.06	3.23	-1.36	-1.30	-0.06
Information Technology	11.90	15.18	-3.28	-1.44	-1.96	0.52
Materials	4.06	4.58	-0.52	-0.17	-0.40	0.23
Real Estate	2.02	3.06	-1.04	0.05	0.02	0.03
Telecomm Services	6.04	8.20	-2.15	-0.01	-0.60	0.59
Utilities	3.73	3.22	0.51	0.28	0.18	0.10

SECTOR	SECURITY		SECTOR ALLOCATION %	TOTAL %
	SELECTION %	CURRENCY %		
Consumer Discretionary	0.18	-0.09	0.18	0.27
Consumer Staples	-0.41	-0.01	0.51	0.10
Energy	-0.13	0.05	0.07	-0.01
Financials	0.15	0.08	0.00	0.23
Health Care	0.47	0.02	0.07	0.57
Industrials	0.38	-0.04	-0.11	0.23
Information Technology	0.11	-0.01	0.16	0.25
Materials	0.14	0.03	0.00	0.17
Real Estate	0.04	-0.01	-0.10	-0.07
Telecomm Services	0.39	0.02	-0.01	0.40
Utilities	0.06	0.00	0.08	0.15

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," "currency," and "sector allocation" values may not reconcile with the "total" value across rows due to rounding or other effects.

Source: MFS Institutional Advisors

HOLDINGS ANALYSIS (EQUITY PORTION ONLY)

TOP 10 HOLDINGS	FUND %	BENCHMARK %	+ / -
TAIWAN SEMICONDUCTOR	2.43	0.02	2.41
PHILIP MORRIS INTERNATIONAL	2.02	0.29	1.73
ROCHE HOLDING	2.00	0.49	1.51
KDDI CORP	1.96	0.12	1.84
PFIZER	1.89	0.72	1.17
JOHNSON & JOHNSON	1.85	0.97	0.88
J.P. MORGAN CHASE	1.76	0.92	0.84
NESTLE	1.74	0.69	1.05
SCHNEIDER ELECTRIC	1.73	0.11	1.62
ACCENTURE	1.47	0.25	1.22
Top 10 holdings % of net assets	18.85	4.58	
Total # equity holdings	171		

Holdings may change at any time without notice.

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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