

This document contains key information clients of Sun Life of Canada Prosperity Bond Fund should know about. More information can be found in the Fund's prospectus. Ask a Sun Life Financial Advisor or contact Sun Life Asset Management Company, Inc., at 8-849-9888 or PHIL-MF-Products@sunlife.com or visit www.sunlifefunds.com.

Launch Date	April 5, 2000	Fund Structure	Mutual Fund (Shares)	Transfer Agency Fee	0.15%
Fund Size	PHP 5,530,070,088.15	Fund Classification	Fixed Income Fund	Minimum Holding Period	None
Net Asset Value Per Share	3.2095	Minimum Subscription	PHP 1,000	Early Redemption Fee	None
Benchmark	98% Bloomberg Sovereign Bond Index 1-5 Year, net of tax (adjusted by Sun Life) + 2% Philippine Peso TD Rate 1 Month to 3 Months, net of tax	Minimum Subsequent	PHP 1,000	Redemption Settlement	T+2 business days
		Management and Distribution Fee	1.00%	Bloomberg Ticker	SNCPBRF PM Equity

What does the Fund invest in?

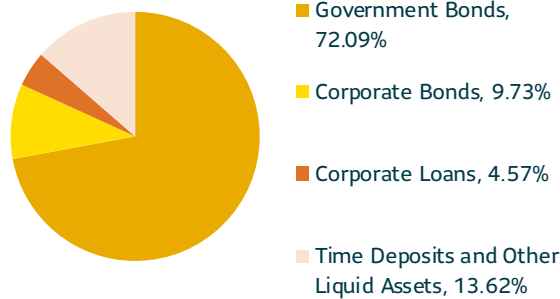
The **Sun Life of Canada Prosperity Bond Fund** aims to provide regular interest and principal preservation through investments in government and high-quality corporate debt securities.

The Fund is suitable for investors with a **moderate risk profile** and a medium-term investment horizon. This is for investors who want relatively stable and reasonable returns.

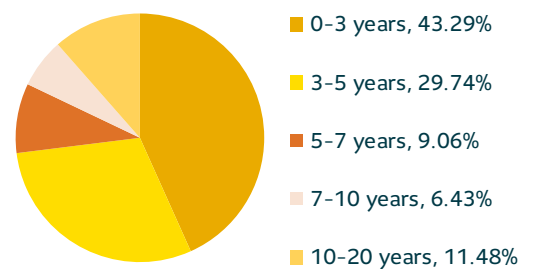
Top Fixed Income Holdings

1. Treasury Bond 2028, 9.44%
2. Time Deposit, 9.15%
3. Treasury Bond 2029, 8.82%
4. Treasury Bond 2027, 7.69%
5. Treasury Bond 2026, 6.83%

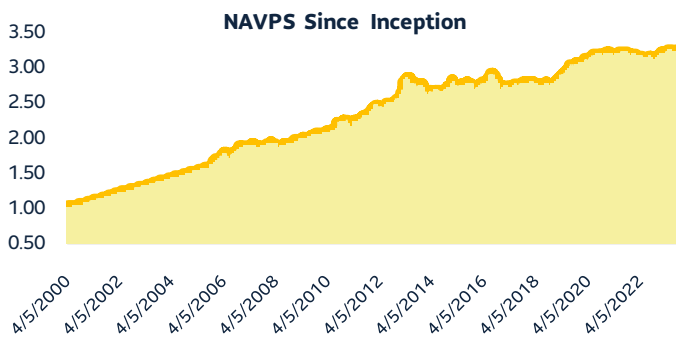
Investment Mix



Maturity Profile



How has the Fund performed?



CUMULATIVE PERFORMANCE

	MoM	YTD	1-Year	3-Year	5-Year
Fund	-0.89%	2.02%	3.21%	1.09%	16.90%
Benchmark*	-0.26%	3.05%	4.23%	2.99%	21.59%

Notes:

- Year-to-date (YTD) returns are computed as the return from the last business day of the previous year to the last business day of the reporting month.
- Benchmark data were based on available information as of extraction date.

*Bond Benchmark Effectivity Date:

HSBC Local Currency Bond Philippines Liquid Total Return: May 25, 2009 to April 30, 2016
 Bloomberg Sovereign Bond Index, net of tax (adjusted by Sun Life): May 1, 2016 to February 28, 2017
 Bloomberg Sovereign Bond Index 1 to 5 Year, net of tax (adjusted by Sun Life): March 1, 2017 to present

Market Review and Outlook

- Local government bonds sold off sharply last October after the Bureau of the Treasury (BTr) awarded fresh supply at generous concessions, and the Bangko Sentral ng Pilipinas (BSP) delivered an off-cycle rate hike. In addition, the sell-off in US Treasuries also contributed to the defensive sentiment of market participants.
- In the weekly T-bond auctions, the BTr consistently awarded bids which are as much as 20 basis points above secondary market level to raise their target amount. As a result, market participants turned defensive and bid-offer spreads in the market widened.
- The BSP delivered an off-cycle 25 basis points rate hike, bringing the policy rate to 6.50%. The rate hike was intended to seize second round effects of higher rice and fuel prices, and further weakening of the Philippine Peso.
- BSP Governor Remolona communicated a very hawkish guidance. He reiterated that risk of inflation remains tilted to the upside, and that the Central Bank remains open to further tightening if warranted.
- For the month of October, both headline and core inflation surprised to the downside. Headline CPI decelerated to 4.9% YoY, after accelerating 6.1% in September. The deceleration was primarily driven by lower food prices.
- The Fund currently maintains a duration that is overweight to the benchmark. With yields at historically attractive levels and inflation showing signs of cooling, the Fund is looking to add duration via auctions.
- On a gross-of-fees basis, the Fund leads the benchmark year-to-date due to security selection.

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