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# SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.

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## ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the financial year ended December 31, 2015

Sun Life MFS International Growth Class



I L L U M I N A T I N G



# Sun Life MFS International Growth Class

*This annual management report of fund performance contains financial highlights but does not contain the complete financial statements of the investment fund. You can request a free copy of the annual financial statements by calling 1-877-344-1434, by sending an email to us at [info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com) or by writing to us at Sun Life Global Investments (Canada) Inc., 150 King Street West, Toronto, Ontario, M5H 1J9. Our financial statements are available on our website at [www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com) and on SEDAR at [www.sedar.com](http://www.sedar.com). All of the financial information is calculated based on the pricing Net Asset Valuation for the investment fund, unless otherwise stated.*

*Shareholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.*

## MANAGEMENT DISCUSSION OF FUND PERFORMANCE

### Investment Objective and Strategies

The fundamental investment objective of Sun Life MFS International Growth Class (the "Fund") is to seek capital appreciation through exposure to primarily equity securities of issuers outside of Canada and the U. S. that are considered to have above average earnings growth potential compared to other issuers by investing primarily in units of Sun Life MFS International Growth Fund or its successor fund (the "underlying Trust Fund").

The underlying Trust Fund's sub-advisor is MFS Institutional Advisors, Inc. ("MFS"). MFS uses a bottom-up investment approach to select investments primarily based on fundamental analysis of issuers and their potential in light of their current financial condition and industry position, as well as market, economic, political and regulatory conditions. MFS also considers factors such as earnings, cash flows, competitive position and management ability of issuers. The underlying Trust Fund may invest in securities of issuers located anywhere in the world, including those in emerging markets.

### Risk

There were no changes in the Fund's investment objective or strategy during the period which materially impacted the overall level of risk in the Fund. The risks associated with investing in the Fund remain as outlined in the Fund's Simplified Prospectus.

### Results of Operations

During the period, the net asset value of the Fund increased from \$1.3 million to \$3.6 million. The increase in net asset value was due to positive net sales, as well as positive performance in the period.

During the period, the Fund returned 18.7% for Series A shares. This result trailed the Fund's benchmark, the MSCI EAFE C\$ Index, which returned 19.0%. The performance returns for other series of this Fund are similar to those of Series A except for differences in expense structures. Please refer to the 'Past Performance' section of this report for performance of each series.

The Fund currently invests substantially all of its holdings in the underlying Trust Fund. The following commentary relates to the underlying Trust Fund.

Stock selection in the Industrials sector was a primary detractor from relative performance. Most notably, the underlying Trust Fund's overweight position in engineering equipment and services Weir Group (United Kingdom) weakened relative results as the company turned in poor performance for the period. Holdings of integrated industrials company Rolls-Royce Holdings and electrical distribution equipment manufacturer Schneider Electric also held back relative returns.

Elsewhere, the underlying Trust Fund's overweight positions in luxury goods retailer Burberry Group (United Kingdom), financial services company Credicorp (Peru), food and snack producer Want Want China Holdings (China), industrial gas supplier Linde (Germany), integrated circuits manufacturer MediaTek (Taiwan) and pharmaceutical company Novartis (Switzerland) detracted from relative performance. Not owning shares of internet software service provider Tencent Holdings (China) also lowered relative results.

Stock selection and an underweight position in the Financials sector was a positive factor for performance relative to the benchmark. Shares of banking firm HDFC Bank (India) benefited relative performance. The underlying Trust Fund's overweight position in banking firm KBC Groep (Belgium) also aided relative results as the company's shares appreciated during the reporting period.

Stock selection in the Information Technology sector was another area of relative strength. The underlying Trust Fund's holdings of system services provider OBIC (Japan) and management consulting firm Accenture bolstered relative performance. An overweight position in software solutions and consulting services company Dassault Systemes (France) also benefited relative returns.

Elsewhere, the underlying Trust Fund's positions in international betting and gaming company Paddy Power (Ireland) and food and drug store Sundrug (Japan) boosted relative performance as both companies outperformed the benchmark. Overweight positions in investment management and banking firm UBS (Switzerland), tobacco producer Japan Tobacco (Japan) and Chr. Hansen Holding (Denmark) also contributed to relative performance

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During the reporting period, the underlying Trust Fund's currency exposure, resulting primarily from differences between the Fund's and the benchmark's exposures to holdings of securities denominated in foreign currencies, also benefited relative results. All of MFS' investment decisions are driven by the fundamentals of each individual opportunity and as such, it is common for the underlying Trust Fund to have different currency exposure than the benchmark.

## Recent Developments

Sluggish global growth weighed on both developed and emerging market ("EM") economies during the year. EM economies have been particularly lackluster. While the U.S. Federal Reserve began raising interest rates at the end of the year, other large developed economies continued to keep interest rates low, particularly the European Central Bank and the Bank of Japan. Focus remained on China after policy missteps by the Chinese government shook up global markets over the summer, beginning with the uncoordinated response to the stock market's boom and bust and then the decision to devalue the renminbi in August. China subsequently ramped up a wide range of monetary and fiscal measures to stimulate the economy and boost sentiment. Its economy appeared to stabilize late in the period. Also at the end of the period, the Chinese renminbi was granted reserve currency status by the International Monetary Fund ("IMF"), which announced its inclusion in the IMF's Special Drawing Rights currency basket effective October 1, 2016.

During the second half of the year, the U.S. faced an earnings recession caused primarily by the sharp decline in the prices of oil and other commodities. Earnings contractions were concentrated primarily in the Energy, Materials and Industrial sectors. An additional challenge for earnings was the sharp rise in the U.S. dollar over the period. Exports were depressed by the dollar's strength and falling demand in emerging markets. Consumer spending held up well during the second half of year amid a modest increase in real wages and a boost from falling gasoline prices. Demand for autos reached near-record highs late in the period. In emerging markets, two key factors weighed on economies and asset prices: weaker Chinese growth, and the resulting decline in commodity prices, in addition to expectations for higher U.S. interest rates. Structural factors like floating exchange rates and fiscal buffers partially offset these cyclical headwinds.

## Related Party Transactions

Sun Life Global Investments (Canada) Inc. (the "Manager") is the manager and portfolio manager of the Fund.

The Manager is responsible for the provision of all general management and administrative services required by the Fund in its day-to-day operations, including providing or

arranging for the provision of investment advice, bookkeeping, recordkeeping and other administrative services for the Fund.

For its services, the Manager receives a management fee that is calculated as a percentage of the average net asset value of the Fund. This fee is calculated daily and payable monthly.

As portfolio manager, the Manager is responsible for managing the investment portfolio of the Fund directly or through sub-advisors.

The Manager is an indirect wholly owned subsidiary of Sun Life Financial Inc.

## Fund Administrative Expenses

The Manager pays certain of the operating expenses of each Fund (the "Administration Expenses") in return for a fixed administration fee paid to the Manager by each Fund ("Administration Fee"). The Administration Fee is based on the net asset value of each series of the Fund. The Administration Expenses include, but are not limited to, record keeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, taxes, administrative and systems costs, costs of reports to investors, prospectuses and other disclosure documents, regulatory filing fees (including those incurred by the Manager) and trustee fees for registered plans. The amount of this charge is disclosed as a fund administrative expense in the Fund's Statement of Comprehensive Income found in the annual financial statements (audited).

Each Fund also pays certain operating expenses directly (the "Fund Costs"). Fund Costs include: borrowing costs incurred by the Fund from time to time; costs in connection with portfolio transactions; fees and expenses payable to or in connection with the Fund's Independent Review Committee ("IRC"); taxes payable by the Fund; and the costs of complying with any new regulatory or legal requirement imposed on the Fund. Each Fund allocates Fund Costs proportionately among its series of shares. The Fund Costs that are specific to a series of shares are allocated to that series. These amounts are paid out of the assets attributed to each series of shares of the Fund, which reduces the return you may receive.

## Series Description

The Fund offers the following series of shares: A, AT5, AT8, E, EF, F and O. The date of creation for Series A, AT5, AT8 and F shares was August 1, 2013, the date of creation for Series E and O shares was April 1, 2014 and the date of creation for Series EF shares was August 10, 2015.

Series A, AT5 and AT8 shares are available to all investors.

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Series AT5 and AT8 shares are designed to provide investors with a fixed monthly cash distribution based upon a target annualized distribution rate of 5% and 8%, respectively, of the net asset value per share as at the end of the prior year.

Series E shares are available to investors through the Private Client program and must be purchased through a Private Client account. Investors in Series E shares are eligible for management fee reductions, if any, based on the value of Series E shares held in their Private Client account. Any management fee reduction will be paid to investors as a fee distribution by the Fund, which will be reinvested in additional Series E shares. As announced on December 15, 2015, in connection with changes to the Private Client Program, all Series E shares will be converted to Series A shares on February 5, 2016. Please refer to the Fund's simplified prospectus for more details about the captioned change and for details about the Private Client Program.

Series EF shares are available to investors through the Private Client program and only available to investors who have a Private Client fee-based account with their dealer and whose dealer has signed an agreement with the Manager. Series EF shares must be purchased through a Private Client fee-based account. Instead of paying sales charges, investors buying Series EF shares pay fees to their dealer for investment advice and other services. Investors in Series EF shares are eligible for management fee reductions, if any, based on the value of Series EF shares held in their Private Client fee-based account, which management fee reduction will be paid to the investors by reinvesting in additional Series EF shares. The Manager does not pay any commissions to dealers in respect of Series EF shares. As announced on December 15, 2015, in connection with changes to the Private Client Program, all Series EF shares will be converted to Series F shares on February 5, 2016. Please refer to the Fund's simplified prospectus for more details about the captioned change and for details about the Private Client Program.

Series F shares are available to investors who have a fee-based account with their dealer and whose dealer has signed an agreement with the Manager. Instead of paying sales charges, investors buying Series F shares pay fees to their dealer for investment advice and other services. The Manager does not pay any commissions to dealers in respect of Series F shares, so the Manager can charge a lower management fee.

Series O shares are available to investors through the Private Client program and must be purchased through a Private Client account. Each Series O investor pays a management fee directly to the Manager and is eligible for management fee reductions, if any, based on the value of Series O shares held in the investor's Private Client account. Series O management fee is paid, after subtracting any management

fee reductions, by a redemption of Series O shares in the investor's account.

## FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance from the date of inception to December 31, 2015.

### The Fund's Net Asset Value per Share (\$)<sup>(1)</sup>

#### Sun Life MFS International Growth Class – Series A

	2015 (\$)	2014 (\$)	2013 (\$)
Net asset value, beginning of period	11.02	11.02	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.19	0.33	0.19
Total expenses	(0.30)	(0.27)	(0.11)
Realized gains (losses) for the period	0.20	0.36	0.18
Unrealized gains (losses) for the period	1.54	(0.46)	0.71
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.63</b>	<b>(0.04)</b>	<b>0.97</b>
<b>Distributions:</b>			
From income (excluding dividends)	–	–	–
From dividends	–	–	–
From capital gains	(0.26)	(0.08)	–
Return of capital	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.26)</b>	<b>(0.08)</b>	<b>–</b>
<b>Net asset value, end of period</b>	<b>12.81</b>	<b>11.02</b>	<b>11.02</b>

#### Sun Life MFS International Growth Class – Series AT5

	2015 (\$)	2014 (\$)	2013 (\$)
Net asset value, beginning of period	15.40	16.21	15.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.21	0.37	0.22
Total expenses	(0.42)	(0.39)	(0.16)
Realized gains (losses) for the period	0.24	0.41	0.20
Unrealized gains (losses) for the period	2.55	(0.28)	1.26
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>2.58</b>	<b>0.11</b>	<b>1.52</b>
<b>Distributions:</b>			
From income (excluding dividends)	–	–	–
From dividends	–	–	–
From capital gains	(0.37)	(0.12)	–
Return of capital	(0.77)	(0.81)	(0.31)
<b>Total annual distributions<sup>(3)</sup></b>	<b>(1.14)</b>	<b>(0.93)</b>	<b>(0.31)</b>
<b>Net asset value, end of period</b>	<b>17.09</b>	<b>15.40</b>	<b>16.21</b>

# Sun Life MFS International Growth Class

## Sun Life MFS International Growth Class – Series AT8

	2015 (\$)	2014 (\$)	2013 (\$)
Net asset value, beginning of period	14.75	16.01	15.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.26	0.63	0.22
Total expenses	(0.40)	(0.37)	(0.16)
Realized gains (losses) for the period	0.26	0.69	0.20
Unrealized gains (losses) for the period	2.53	(0.74)	1.19
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>2.65</b>	<b>0.21</b>	<b>1.45</b>
<b>Distributions:</b>			
From income (excluding dividends)	–	–	–
From dividends	–	–	–
From capital gains	(0.35)	(0.12)	–
Return of capital	(1.18)	(1.28)	(0.50)
<b>Total annual distributions<sup>(3)</sup></b>	<b>(1.53)</b>	<b>(1.40)</b>	<b>(0.50)</b>
<b>Net asset value, end of period</b>	<b>15.92</b>	<b>14.75</b>	<b>16.01</b>

## Sun Life MFS International Growth Class – Series E

	2015 (\$)	2014 (\$)
Net asset value, beginning of period	9.86	10.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.39	0.43
Total expenses	(0.28)	(0.17)
Realized gains (losses) for the period	0.28	0.44
Unrealized gains (losses) for the period	1.38	(0.64)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.77</b>	<b>0.06</b>
<b>Distributions:</b>		
From income (excluding dividends)	–	–
From dividends	–	–
From capital gains	(0.24)	–
Return of capital	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.24)</b>	<b>–</b>
<b>Net asset value, end of period</b>	<b>11.47</b>	<b>9.86</b>

## Sun Life MFS International Growth Class – Series EF

	2015 (\$)
Net asset value, beginning of period	10.00
<b>Increase (decrease) from operations:</b>	
Total revenue	0.12
Total expenses	(0.05)
Realized gains (losses) for the period	0.10
Unrealized gains (losses) for the period	(0.21)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>(0.04)</b>
<b>Distributions:</b>	
From income (excluding dividends)	–
From dividends	–
From capital gains	–
Return of capital	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>–</b>
<b>Net asset value, end of period</b>	<b>9.95</b>

## Sun Life MFS International Growth Class – Series F

	2015 (\$)	2014 (\$)	2013 (\$)
Net asset value, beginning of period	11.21	11.07	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.53	0.25	0.28
Total expenses	(0.19)	(0.15)	(0.06)
Realized gains (losses) for the period	0.32	0.29	0.25
Unrealized gains (losses) for the period	1.72	0.41	0.54
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>2.38</b>	<b>0.80</b>	<b>1.01</b>
<b>Distributions:</b>			
From income (excluding dividends)	–	–	–
From dividends	–	–	–
From capital gains	(0.27)	(0.08)	–
Return of capital	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.27)</b>	<b>(0.08)</b>	<b>–</b>
<b>Net asset value, end of period</b>	<b>13.17</b>	<b>11.21</b>	<b>11.07</b>

## Sun Life MFS International Growth Class – Series O

	2015 (\$)	2014 (\$)
Net asset value, beginning of period	10.03	10.00
<b>Increase (decrease) from operations:</b>		
Total revenue	0.21	0.32
Total expenses	(0.03)	(0.01)
Realized gains (losses) for the period	0.19	0.34
Unrealized gains (losses) for the period	1.67	(0.93)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>2.04</b>	<b>(0.28)</b>
<b>Distributions:</b>		
From income (excluding dividends)	–	–
From dividends	–	–
From capital gains	(0.24)	–
Return of capital	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.24)</b>	<b>–</b>
<b>Net asset value, end of period</b>	<b>11.95</b>	<b>10.03</b>

<sup>(1)</sup> This information is derived from the Fund's audited annual financial statements.

<sup>(2)</sup> Net Assets and distributions are based on the actual number of shares outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of shares outstanding over the financial period.

<sup>(3)</sup> Distributions were paid in cash, reinvested in additional shares of the Fund, or both.

## Ratios and Supplemental Data

### Sun Life MFS International Growth Class – Series A

	2015	2014	2013
Total net asset value (\$) <sup>(1)</sup>	1,396,236	623,128	229,118
Number of shares outstanding <sup>(1)</sup>	109,019	56,541	20,789
Management expense ratio (%) <sup>(2)</sup>	2.46	2.50	2.48
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	2.46	2.50	2.48
Trading expense ratio (%) <sup>(3)</sup>	0.21	0.30	0.10
Portfolio turnover rate (%) <sup>(4)(5)</sup>	16.13	29.43	66.92
Net asset value per share (\$) <sup>(1)</sup>	12.81	11.02	11.02



# Sun Life MFS International Growth Class

## Sun Life MFS International Growth Class – Series AT5

	2015	2014	2013
Total net asset value (\$) <sup>(1)</sup>	20,906	11,100	11,021
Number of shares outstanding <sup>(1)</sup>	1,224	721	680
Management expense ratio (%) <sup>(2)</sup>	2.50	2.53	2.49
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	2.50	2.53	2.49
Trading expense ratio (%) <sup>(3)</sup>	0.21	0.30	0.10
Portfolio turnover rate (%) <sup>(4)(5)</sup>	16.13	29.43	66.92
Net asset value per share (\$) <sup>(1)</sup>	17.09	15.40	16.21

## Sun Life MFS International Growth Class – Series AT8

	2015	2014	2013
Total net asset value (\$) <sup>(1)</sup>	266,054	134,904	22,918
Number of shares outstanding <sup>(1)</sup>	16,717	9,146	1,431
Management expense ratio (%) <sup>(2)</sup>	2.49	2.50	2.49
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	2.49	2.50	2.49
Trading expense ratio (%) <sup>(3)</sup>	0.21	0.30	0.10
Portfolio turnover rate (%) <sup>(4)(5)</sup>	16.13	29.43	66.92
Net asset value per share (\$) <sup>(1)</sup>	15.92	14.75	16.01

## Sun Life MFS International Growth Class – Series E

	2015	2014
Total net asset value (\$) <sup>(1)</sup>	674,731	32,522
Number of shares outstanding <sup>(1)</sup>	58,829	3,298
Management expense ratio (%) <sup>(2)</sup>	2.38	2.50
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	2.38	2.50
Trading expense ratio (%) <sup>(3)</sup>	0.21	0.30
Portfolio turnover rate (%) <sup>(4)(5)</sup>	16.13	29.43
Net asset value per share (\$) <sup>(1)</sup>	11.47	9.86

## Sun Life MFS International Growth Class – Series EF

	2015
Total net asset value (\$) <sup>(1)</sup>	9,957
Number of shares outstanding <sup>(1)</sup>	1,000
Management expense ratio (%) <sup>(2)</sup>	1.34
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	1.34
Trading expense ratio (%) <sup>(3)</sup>	0.21
Portfolio turnover rate (%) <sup>(4)(5)</sup>	16.13
Net asset value per share (\$) <sup>(1)</sup>	9.95

## Sun Life MFS International Growth Class – Series F

	2015	2014	2013
Total net asset value (\$) <sup>(1)</sup>	231,023	41,182	122,415
Number of shares outstanding <sup>(1)</sup>	17,544	3,675	11,056
Management expense ratio (%) <sup>(2)</sup>	1.35	1.40	1.34
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	1.35	1.40	1.34
Trading expense ratio (%) <sup>(3)</sup>	0.21	0.30	0.10
Portfolio turnover rate (%) <sup>(4)(5)</sup>	16.13	29.43	66.92
Net asset value per share (\$) <sup>(1)</sup>	13.17	11.21	11.07

## Sun Life MFS International Growth Class – Series O

	2015	2014
Total net asset value (\$) <sup>(1)</sup>	984,431	418,346
Number of shares outstanding <sup>(1)</sup>	82,399	41,712
Management expense ratio (%) <sup>(2)</sup>	0.23	0.23
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	0.23	0.23
Trading expense ratio (%) <sup>(3)</sup>	0.21	0.30
Portfolio turnover rate (%) <sup>(4)(5)</sup>	16.13	29.43
Net asset value per share (\$) <sup>(1)</sup>	11.95	10.03

<sup>(1)</sup> This information is provided as at December 31 of the period shown, as applicable.

<sup>(2)</sup> Management expense ratio is based on total expenses (excluding broker commissions and other portfolio transaction costs) including the Fund's allocated percentage of Fund-on-Funds' expenses for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period.

<sup>(3)</sup> The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value during the period.

<sup>(4)</sup> The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund.

<sup>(5)</sup> Percentages are annualized.

## Management Fees

The annual maximum management fee paid by the Fund is a percentage of the average daily net asset value of each series exclusive of any applicable taxes and operating expenses, which is accrued daily and is paid to the Manager monthly in arrears. Management fees pay for portfolio and investment advisory services, oversight of any service providers, marketing and promotional activities, arranging for the distribution and sale of securities of the Fund, general administration of fund operations and sales and trailing commissions paid to dealers.

The percentages and major services paid for out of the management fees are set out below:

	Maximum Annual Management Fee Rate (%)	As a Percentage of Management Fees	
		Dealer Compensation (%) <sup>1</sup>	General Administration, Investment Advice and Profit (%)
Series A Shares	2.00	39	61
Series AT5 Shares	2.00	45	55
Series AT8 Shares	2.00	47	53
Series E Shares	2.00	49	51
Series EF Shares	1.00	—	100
Series F Shares	1.00	—	100
Series O Shares <sup>2</sup>	1.00	—	100

<sup>1</sup> Includes sales and trailing commissions and marketing support programs.

<sup>2</sup> Series O management fees are not paid by the fund. Series O investors pay management fees directly to the manager.

# Sun Life MFS International Growth Class

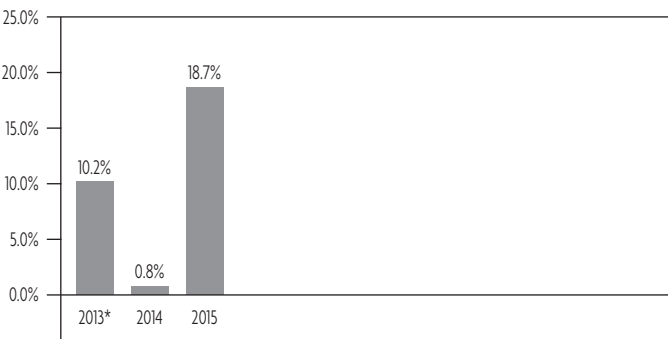
## PAST PERFORMANCE

The indicated rates of return are the historical annualized and annual compounded total returns including changes in share value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any shareholder that would have reduced returns. Mutual funds are not guaranteed. How a fund performed in the past does not necessarily indicate how it will perform in the future.

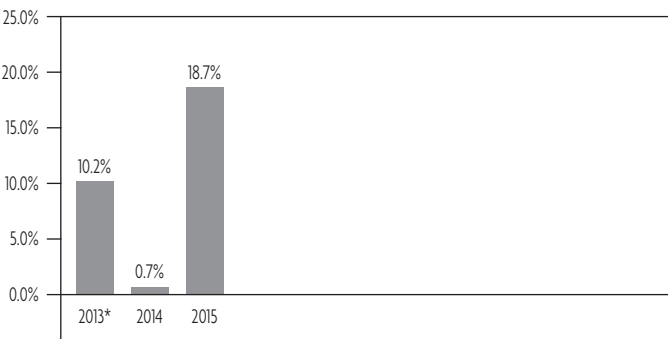
### Year-by-Year Returns

The following bar chart shows the Fund's annual performance for the period shown. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each financial year.

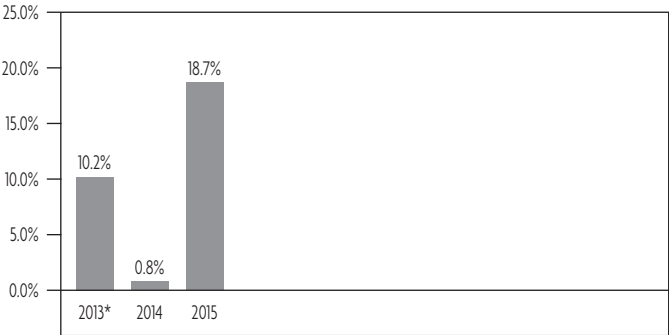
Series A Shares – Annual return for the periods ended December 31, 2015



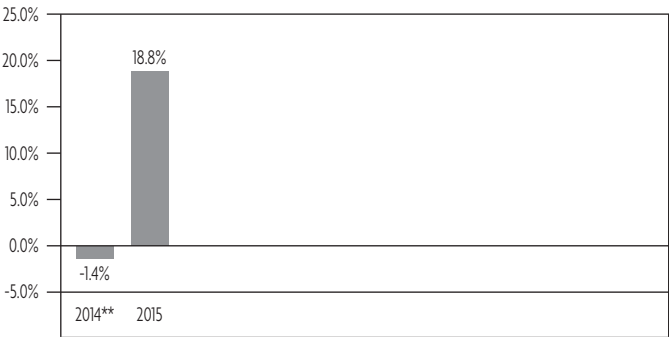
Series AT5 Shares – Annual return for the periods ended December 31, 2015



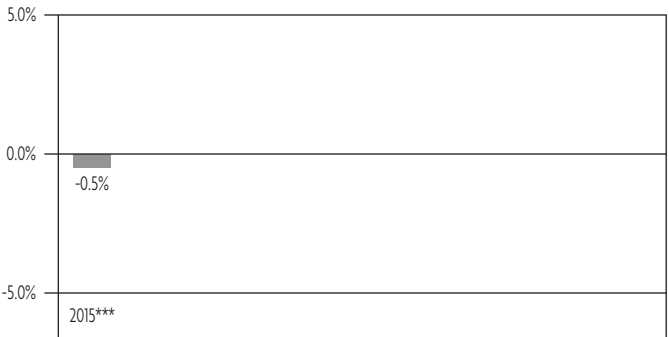
Series AT8 Shares – Annual return for the periods ended December 31, 2015



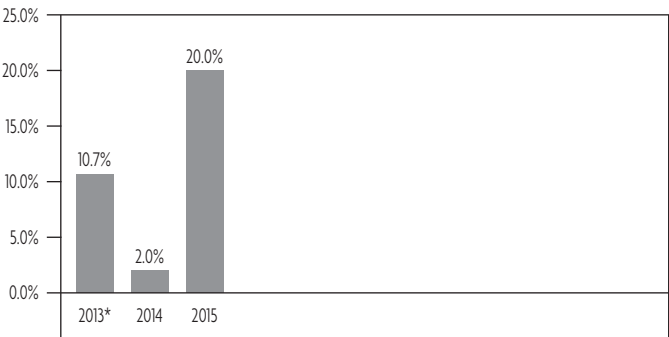
Series E Shares – Annual return for the periods ended December 31, 2015



Series EF Shares – Annual return for the period ended December 31, 2015



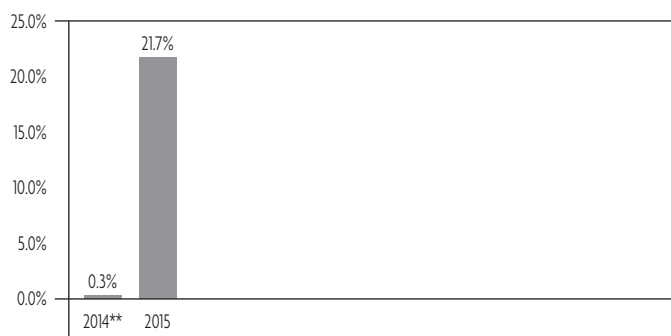
Series F Shares – Annual return for the periods ended December 31, 2015





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## Series O Shares – Annual return for the periods ended December 31, 2015



\* for the period of August 1, 2013 to December 31, 2013

\*\* for the period of April 1, 2014 to December 31, 2014

\*\*\* for the period of August 10, 2015 to December 31, 2015

## Annual Compound Returns

The following table compares the historical annual compound total returns of Series A, AT5, AT8, E, F and O shares of the Fund with the MSCI EAFE C\$ Index.

The MSCI EAFE C\$ Index (Europe, Australasia, Far East) is a free float-adjusted market capitalization index that is designed to measure the equity market performance of developed markets, excluding the U. S. and Canada.

The Series A shares underperformed the benchmark since inception and over the past year.

	1 Year	3 Year	5 Year	10 Year	Performance Start Date <sup>(1)(2)(3)</sup>
Sun Life MFS International Growth Class – Series A	18.7%	N/A	N/A	N/A	12.1%
Sun Life MFS International Growth Class – Series AT5	18.7%	N/A	N/A	N/A	12.1%
Sun Life MFS International Growth Class – Series AT8	18.7%	N/A	N/A	N/A	12.1%
Sun Life MFS International Growth Class – Series F	20.0%	N/A	N/A	N/A	13.4%
MSCI EAFE C\$ Index	19.0%	N/A	N/A	N/A	15.9%
Sun Life MFS International Growth Class – Series E	18.8%	N/A	N/A	N/A	9.5%
Sun Life MFS International Growth Class – Series O	21.7%	N/A	N/A	N/A	12.1%
MSCI EAFE C\$ Index	19.0%	N/A	N/A	N/A	9.9%

<sup>(1)</sup> The performance start date for Series A, AT5, AT8 and F shares was August 1, 2013.

<sup>(2)</sup> The performance start date for Series E and O shares was April 1, 2014.

<sup>(3)</sup> Performance for Series EF shares is not shown as Series EF has not been distributed under a simplified prospectus for 12 months.

## SUMMARY OF INVESTMENT PORTFOLIO<sup>(1)</sup>

as at December 31, 2015

### Top 25 Investments<sup>(2)</sup>

Holdings	Percentage of Net Asset Value of the Fund (%)
1 Roche Holding AG	4.0
2 Nestle SA	3.8
3 Cash	3.4
4 Danone SA	3.2
5 Accenture PLC	3.1
6 Novartis AG	2.9
7 UBS Group AG	2.7
8 Taiwan Semiconductor Manufacturing Co., Ltd., ADR	2.7
9 AIA Group Ltd.	2.6
10 Compass Group PLC	2.5
11 Pernod Ricard SA	2.5
12 LVMH Moët Hennessy Louis Vuitton SA	2.3
13 Bayer AG	2.2
14 WPP Plc	2.1
15 Reckitt Benckiser Group PLC	2.0
16 Mettler-Toledo International Inc.	1.8
17 HDFC Bank Ltd.	1.7
18 Diageo PLC	1.7
19 L'Oreal SA	1.6
20 HSBC Holdings PLC	1.5
21 Linde AG	1.5
22 Schneider Electric SA	1.4
23 Whitbread PLC	1.4
24 Fresenius Medical Care AG & Co., KGaA	1.3
25 Brenntag AG	1.3

**57.2**

**Total Net Asset Value (000's) \$ 3,583**

### Sector Allocation<sup>(2)</sup>

	Percentage of Net Asset Value of the Fund (%)
Consumer Staples	20.4
Health Care	18.2
Information Technology	13.4
Consumer Discretionary	11.9
Financials	11.7
Industrials	10.3
Materials	7.5
Cash and Cash Equivalents <sup>(3)</sup>	3.5
Energy	2.4
Telecommunication Services	0.7
<b>100.0</b>	

# Sun Life MFS International Growth Class

## Geographic Allocation<sup>(2)</sup>

	Percentage of Net Asset Value of the Fund (%)
Europe (excluding United Kingdom)	57.7
United Kingdom	15.2
Other	8.1
Japan	7.8
Hong Kong	3.1
Taiwan	3.1
India	1.7
Israel	1.2
Korea	1.1
Singapore	1.0
	<b>100.0</b>

<sup>(1)</sup> All information is as at December 31, 2015. The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. You may obtain quarterly updates to these holdings free of charge by calling us at 1-877-344-1434, visiting our website at [www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com) or by sending an email to us at [info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com).

<sup>(2)</sup> The Fund invests substantially all of its assets directly in the underlying Trust Fund. The summary of investment portfolio for the Fund presents the investments as a percentage of the net asset value of the underlying Trust Fund.

<sup>(3)</sup> Cash and Cash Equivalents, for the purpose of this chart, includes other assets less liabilities.

## Forward-Looking Statements

*This management report of fund performance may contain forward-looking statements about the Fund, including its strategy, results of operations, performance and condition. Forward-looking statements include statements that are predictive in nature, or that depend upon or refer to future events or conditions. They are based on current beliefs, expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and various economic factors. Many factors could cause the Fund's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors could include, among other things, general economic, political and market factors, including interest and foreign exchange rates, business competition, technological changes, changes in government regulations or in tax laws. Although the forward-looking statements contained in this report are based upon what management currently believes to be reasonable assumptions, the Manager cannot assure current or prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. The words "may", "could", "would", "should", "believe", "plan", "anticipate", "expect", "intend", "forecast", "objective", and similar expressions are intended to identify forward-looking statements.*

## ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

### Sun Life MFS International Growth Class

You can find more information about each Fund in our Annual Information Form, and each Fund's management report of fund performance and financial statements, once available. These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of it.

For a free copy of these documents, call us toll-free at 1-877-344-1434 or ask your advisor. These documents and other information about the Funds, such as information circulars and material contracts, are also available at [www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com) or [www.sedar.com](http://www.sedar.com).

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