
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.

ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the financial year ended December 31, 2015

Sun Life Schroder Emerging Markets Fund



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



Sun Life Schroder Emerging Markets Fund

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 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 and on SEDAR at www.sedar.com. All of the financial information is calculated based on the pricing Net Asset Valuation for the investment fund, unless otherwise stated.

Unitholders 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 the Sun Life Schroder Emerging Markets Fund (the "Fund") is to seek capital appreciation by investing primarily in equity securities of companies with a connection to emerging markets.

The Fund's sub-advisor is Schroder Investment Management North America Inc. (the "sub-advisor"). The Fund's investment strategy is to invest using a bottom-up investment approach to find investment opportunities where the trading value is below the estimated intrinsic value. The Fund generally invests in equity securities of companies with a connection to countries other than those classified as "Developed" by MSCI. The Fund may also invest in companies that are not domiciled in emerging markets but derive a significant portion of their revenues or profits from, or hold a significant portion of their assets in, an emerging market country.

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 \$110.3 million to \$129.5 million. The increase in net asset value was due to positive performance, as well as positive net sales in the period.

During the period, the Fund returned 2.1% for Series A units. This result surpassed the Fund's benchmark, the MSCI Emerging Markets C\$ Index, which returned 2.0%. 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.

Overall the Fund's country allocation was positive. Overweight positions in China, Korea and Hungary, all of which outperformed, added value, as did an underweight in South Africa, which underperformed. These positive contributions were offset partially by the underweight earlier in the period to Russia, which outperformed, and the overweight in Turkey, which underperformed.

Stock selection was also positive overall. Stock selection was most positive in Taiwan (overweight Catcher Technology, Taiwan Semiconductor Manufacturing Company and Advanced Semiconductor Engineering; underweight Mediatek), China (overweight Tencent and AIA Group) and South Africa (overweight Naspers and Woolworths; underweight MTN Group). These positives were offset somewhat by negative stock selection in Korea (overweight Hotel Shilla, Hana Financial and SK Hynix) and Thailand (overweight AIS and Kasikornbank).

Recent Developments

A two-speed economic recovery looks to be underway in the U.S. The performance of industrial and export orientated industries has been soft due to weak global trade and a buildup in inventories. Meanwhile, consumer sectors look well supported given a strengthening labour market and expectations for a pickup in wages. Fiscal policy is anticipated to loosen ahead of the electoral cycle which should be growth supportive. Interest rate hikes will be data dependent, although the sub-advisor's economics team is expecting that the next hike will be 0.25% in March. The decision by the U.S. Federal Reserve (the "Fed") will ultimately revolve around the health of the domestic manufacturing sector and stability in the Chinese currency. In the Eurozone, the economy continues to recover, albeit from a low base. Meanwhile in Japan, despite the weak yen, low energy prices and in the absence of fiscal tightening, growth remains disappointing.

Emerging markets endured a challenging 2015, which was characterized by relentless negative sentiment. Since the unexpected devaluation in August 2015, the Chinese authorities have continued to weaken the currency and a recent unexpected move to fix the midpoint rate lower led the yuan fall to its weakest level since 2011. The authorities stepped in to suspend local market circuit breakers, to set a

Sun Life Schroder Emerging Markets Fund

higher yuan fix and likely to intervene directly to support the currency. The Fund has a modest overweight position in China. Economic policy is set to remain supportive and equity market valuations are reasonably attractive. The outlook for emerging markets in the immediate term is clearly uncertain but over the medium term, the view is much more constructive. Emerging markets have experienced the longest lasting period of relative underperformance compared to developed markets since the late 1990s and valuations are attractive. The sub-advisor is alert for the opportunity to move more positive, but for now remains cautious and has kept some cash in the Fund.

Positions in Hungary, India, and Philippines were increased, funded by reducing the overweight position in China. The overweight position in China was still maintained given reasonable valuations and likely ongoing supportive policy, albeit the magnitude of the position was reduced given ongoing currency risk. The overweight position in Russia was moderated. Valuations remained cheap and there was some stabilization in geopolitics, but the economy remained weak and earnings were at risk of disappointment. The size of the Frontier Fund allocation was also trimmed given the vulnerability of some of the frontier universe to ongoing energy price weakness. These changes led to a small increase in the cash position which will be re-invested on an opportunistic basis.

Related Party Transactions

Sun Life Global Investments (Canada) Inc. (the “Manager”) is the manager, trustee and portfolio manager of the Fund.

As manager, 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.

As trustee, the Manager holds legal title to the Fund’s investments in trust for unitholders. 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 has retained Schroder Investment Management North America Inc. to act as a sub-advisor for the Fund.

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 units. The Fund Costs that are specific to a series of units are allocated to that series. These amounts are paid out of the assets attributed to each series of units of the Fund, which reduces the return you may receive.

Series Description

The Fund offers the following series of units: A, E, EF, F, I and O. The date of creation for Series A, F, and I units was September 1, 2011, the date of creation for Series E and O units was April 1, 2014 and the date of creation for Series EF units was August 10, 2015.

Series A units are available to all investors.

Series E units are available to investors through the Private Client program and must be purchased through a Private Client account. Investors in Series E units are eligible for management fee reductions, if any, based on the value of Series E units 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 units. As announced on December 15, 2015, in connection with changes to the Private Client Program, all Series E units will be re-designated as Series A units 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 units 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 units must be purchased through a Private Client fee-based

Sun Life Schroder Emerging Markets Fund

account. Instead of paying sales charges, investors buying Series EF units pay fees to their dealer for investment advice and other services. Investors in Series EF units are eligible for management fee reductions, if any, based on the value of Series EF units held in their Private Client fee-based account, which management fee reduction will be paid to the investors by reinvesting in additional Series EF units. The Manager does not pay any commissions to dealers in respect of Series EF units. As announced on December 15, 2015, in connection with changes to the Private Client Program, all Series EF units will be re-designated to Series F units 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 units 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 units 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 units, so the Manager can charge a lower management fee.

Series I units are special purpose securities that are currently only available to other mutual funds and eligible institutional investors. Series I units are not sold to the general public. Each Series I investor negotiates its own management and advisory fee that is paid directly to the Manager.

Series O units 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 units held in the investor's Private Client account. Series O management fees are paid, after subtracting any management fee reductions, by a redemption of Series O units 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 Unit (\$) ⁽¹⁾⁽⁴⁾

Sun Life Schroder Emerging Markets Fund – Series A

	2015 (\$)	2014 (\$)	2013 (\$)	2012 (\$)	2011 (\$)
Net assets value, beginning of period	8.06	7.90	8.12	8.68	10.00
Increase (decrease) from operations:					
Total revenue	0.24	0.28	0.18	0.16	0.02
Total expenses	(1.31)	(1.45)	(0.27)	(0.28)	(0.87)
Realized gains (losses) for the period	(0.10)	(0.01)	(0.88)	0.09	(0.01)
Unrealized gains (losses) for the period	1.18	1.22	0.75	(0.85)	(0.61)
Total increase (decrease) from operations⁽²⁾	0.01	0.04	(0.22)	(0.88)	(1.47)
Distributions:					
From income (excluding dividends)	–	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	(0.03)	–
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	–	–	–	(0.03)	–
Net assets value, end of period	8.23	8.06	7.90	8.07	8.68

Sun Life Schroder Emerging Markets Fund – Series E

	2015 (\$)	2014 (\$)
Net assets value, beginning of period	10.01	10.00
Increase (decrease) from operations:		
Total revenue	0.18	0.31
Total expenses	(1.58)	(1.42)
Realized gains (losses) for the period	0.38	(0.02)
Unrealized gains (losses) for the period	1.46	1.25
Total increase (decrease) from operations⁽²⁾	0.44	0.12
Distributions:		
From income (excluding dividends)	(0.15)	(0.08)
From dividends	–	–
From capital gains	–	–
Return of capital	–	–
Total annual distributions⁽³⁾	(0.15)	(0.08)
Net assets value, end of period	10.07	10.01

Sun Life Schroder Emerging Markets Fund

Sun Life Schroder Emerging Markets Fund – Series EF

	2015 (\$)
Net assets value, beginning of period	10.00
Increase (decrease) from operations:	
Total revenue	0.06
Total expenses	(0.37)
Realized gains (losses) for the period	0.27
Unrealized gains (losses) for the period	(0.23)
Total increase (decrease) from operations⁽²⁾	(0.27)
Distributions:	
From income (excluding dividends)	(0.17)
From dividends	–
From capital gains	–
Return of capital	–
Total annual distributions⁽³⁾	(0.17)
Net assets value, end of period	9.56

Sun Life Schroder Emerging Markets Fund – Series F

	2015 (\$)	2014 (\$)	2013 (\$)	2012 (\$)	2011 (\$)
Net assets value, beginning of period	8.34	8.09	8.24	8.71	10.00
Increase (decrease) from operations:					
Total revenue	0.25	0.28	0.20	0.17	0.01
Total expenses	(0.88)	(0.97)	(0.15)	(0.21)	(0.54)
Realized gains (losses) for the period	(0.09)	(0.01)	(1.07)	0.20	(0.03)
Unrealized gains (losses) for the period	0.74	1.15	0.80	(1.78)	(0.41)
Total increase (decrease) from operations⁽²⁾	0.02	0.45	(0.22)	(1.62)	(0.97)
Distributions:					
From income (excluding dividends)	(0.03)	–	–	–	–
From dividends	–	–	–	–	–
From capital gains	–	–	–	–	–
Return of capital	–	–	–	(0.03)	–
Total annual distributions⁽³⁾	(0.03)	–	–	(0.03)	–
Net assets value, end of period	8.57	8.34	8.09	8.18	8.71

Sun Life Schroder Emerging Markets Fund – Series I

	2015 (\$)	2014 (\$)	2013 (\$)	2012 (\$)	2011 (\$)
Net assets value, beginning of period	8.47	8.22	8.34	8.74	10.00
Increase (decrease) from operations:					
Total revenue	0.25	0.31	0.18	0.16	0.03
Total expenses	(0.04)	(0.04)	(0.05)	(0.04)	(0.02)
Realized gains (losses) for the period	0.01	(0.01)	(0.97)	0.04	(0.12)
Unrealized gains (losses) for the period	0.09	0.10	0.95	(0.36)	(1.14)
Total increase (decrease) from operations⁽²⁾	0.31	0.36	0.11	(0.20)	(1.25)
Distributions:					
From income (excluding dividends)	(0.20)	(0.16)	(0.12)	(0.07)	–
From dividends	–	–	–	–	(0.02)
From capital gains	–	–	–	(0.03)	–
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	(0.20)	(0.16)	(0.12)	(0.10)	(0.02)
Net assets value, end of period	8.71	8.47	8.22	8.29	8.74

Sun Life Schroder Emerging Markets Fund – Series O

	2015 (\$)	2014 (\$)
Net assets value, beginning of period	10.11	10.00
Increase (decrease) from operations:		
Total revenue	0.28	0.29
Total expenses	(0.11)	(0.10)
Realized gains (losses) for the period	0.18	(0.02)
Unrealized gains (losses) for the period	(0.19)	(0.23)
Total increase (decrease) from operations⁽²⁾	0.16	(0.06)
Distributions:		
From income (excluding dividends)	(0.23)	(0.19)
From dividends	–	–
From capital gains	–	–
Return of capital	–	–
Total annual distributions⁽³⁾	(0.23)	(0.19)
Net assets value, end of period	10.39	10.11

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

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

⁽³⁾ Distributions were paid in cash, reinvested in additional units of the Fund, or both.

⁽⁴⁾ 2015, 2014 and 2013 figures are prepared in accordance with International Financial Reporting Standards ("IFRS"). Prior to 2013, comparatives are prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP").

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Ratios and Supplemental Data⁽⁶⁾

Sun Life Schroder Emerging Markets Fund – Series A

	2015	2014	2013	2012	2011
Total net asset value (\$) ⁽¹⁾	1,725,154	1,611,221	1,371,367	1,676,883	627,143
Number of units outstanding ⁽¹⁾	209,545	199,881	173,652	206,505	71,515
Management expense ratio (%) ⁽²⁾	2.90	2.88	2.87	2.94	2.87
Management expense ratio before waivers or absorption (%) ⁽²⁾	2.90	16.66	14.77	3.64	6.87
Trading expense ratio (%) ⁽³⁾	0.53	0.36	0.56	0.47	1.31
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	72.85	80.53	130.22	33.29	42.83
Net asset value per unit (\$) ⁽¹⁾	8.23	8.06	7.90	8.12	8.77

Sun Life Schroder Emerging Markets Fund – Series E

	2015	2014	
Total net asset value (\$) ⁽¹⁾		331,863	25,098
Number of units outstanding ⁽¹⁾		32,966	2,508
Management expense ratio (%) ⁽²⁾		2.90	2.94
Management expense ratio before waivers or absorption (%) ⁽²⁾		2.90	17.04
Trading expense ratio (%) ⁽³⁾		0.53	0.36
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾		72.85	80.53
Net asset value per unit (\$) ⁽¹⁾		10.07	10.01

Sun Life Schroder Emerging Markets Fund – Series EF

	2015
Total net asset value (\$) ⁽¹⁾	9,726
Number of units outstanding ⁽¹⁾	1,018
Management expense ratio (%) ⁽²⁾	1.86
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.86
Trading expense ratio (%) ⁽³⁾	0.53
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	72.85
Net asset value per unit (\$) ⁽¹⁾	9.56

Sun Life Schroder Emerging Markets Fund – Series F

	2015	2014	2013	2012	2011
Total net asset value (\$) ⁽¹⁾	17,947	13,813	45,868	33,157	47,891
Number of units outstanding ⁽¹⁾	2,093	1,656	5,670	4,026	5,443
Management expense ratio (%) ⁽²⁾	1.86	1.87	1.87	1.83	1.78
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.86	10.83	9.65	2.67	4.79
Trading expense ratio (%) ⁽³⁾	0.53	0.36	0.56	0.47	1.31
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	72.85	80.53	130.22	33.29	42.83
Net asset value per unit (\$) ⁽¹⁾	8.57	8.34	8.09	8.24	8.80

Sun Life Schroder Emerging Markets Fund – Series I

	2015	2014	2013	2012	2011
Total net asset value (\$) ⁽¹⁾	127,260,104	108,584,955	77,488,727	38,210,839	8,857,590
Number of units outstanding ⁽¹⁾	14,614,776	12,817,148	9,425,215	4,579,439	1,003,069
Management expense ratio (%) ⁽²⁾	0.06	0.06	0.06	0.06	0.05
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.06	0.34	0.31	0.69	1.88
Trading expense ratio (%) ⁽³⁾	0.53	0.36	0.56	0.47	1.31
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	72.85	80.53	130.22	33.29	42.83
Net asset value per unit (\$) ⁽¹⁾	8.71	8.47	8.22	8.34	8.83

Sun Life Schroder Emerging Markets Fund – Series O

	2015	2014
Total net asset value (\$) ⁽¹⁾	192,328	65,832
Number of units outstanding ⁽¹⁾	18,516	6,510
Management expense ratio (%) ⁽²⁾	0.17	0.17
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.17	1.01
Trading expense ratio (%) ⁽³⁾	0.53	0.36
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	72.85	80.53
Net asset value per unit (\$) ⁽¹⁾	10.39	10.11

- ⁽¹⁾ This information is provided as at December 31 of the period shown, as applicable.
- ⁽²⁾ Management expense ratio is based on total expenses (excluding broker commissions and other portfolio transaction costs) for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period. Prior to 2015, the Manager of the Fund waived some of its management fees and/or absorbed some expenses that would normally be charged to the Fund.
- ⁽³⁾ 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.
- ⁽⁴⁾ 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.
- ⁽⁵⁾ Percentages are annualized.
- ⁽⁶⁾ 2015, 2014 and 2013 figures are prepared in accordance with IFRS. Prior to 2013, comparatives are prepared in accordance with Canadian GAAP.

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,

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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:

	As a Percentage of Management Fees		
	Maximum Annual Management Fee Rate (%)	Dealer Compensation (%) ¹	General Administration, Investment Advice and Profit (%)
Series A Units	2.50	30	70
Series E Units	2.50	39	61
Series EF Units	1.50	–	100
Series F Units	1.50	–	100
Series I Units	–	–	–
Series O Units ²	1.50	–	100

¹ Includes sales and trailing commissions.

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

PAST PERFORMANCE

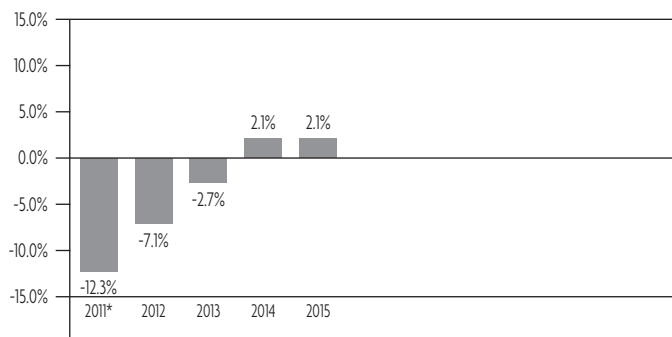
The indicated rates of return are the historical annualized and annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have 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.

Effective August 29, 2013, Tradewinds Global investors, LLC was terminated as sub-advisor of the Fund and was replaced by Schroder Investment Management North America Inc.

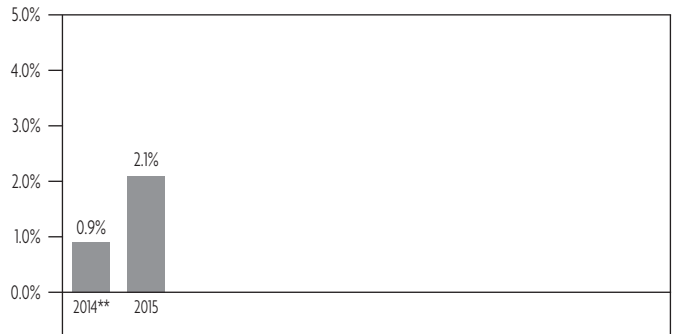
Year-by-Year Returns

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 period.

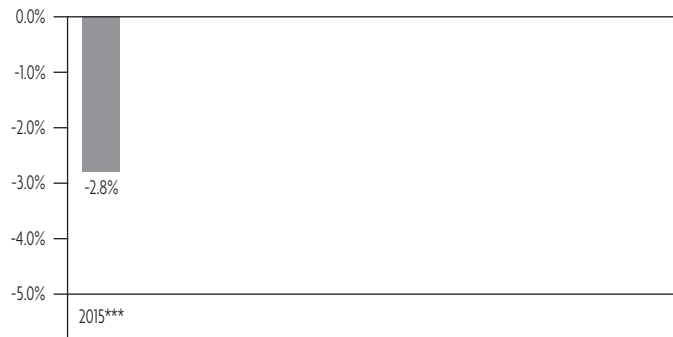
Series A Units – Annual return for the periods ended December 31, 2015



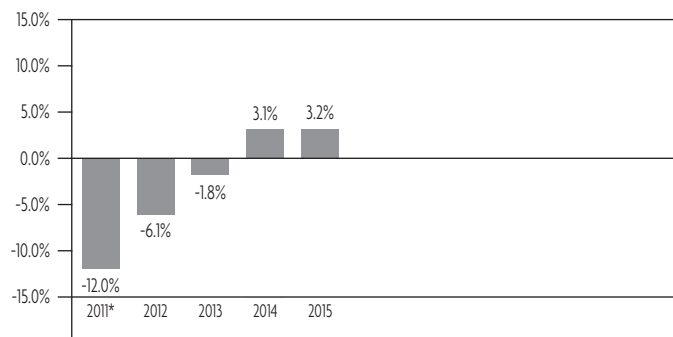
Series E Units – Annual return for the periods ended December 31, 2015



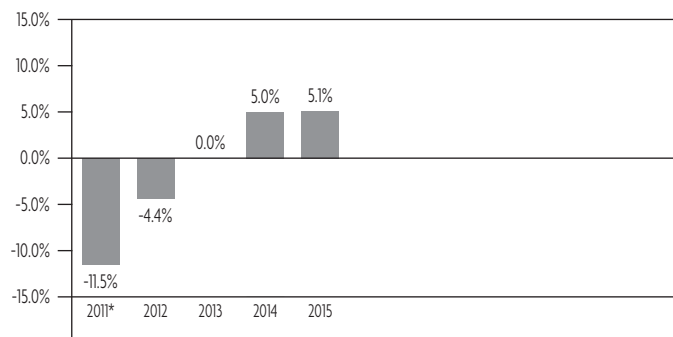
Series EF Units – Annual return for the period ended December 31, 2015



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



Series I Units – Annual return for the periods ended December 31, 2015



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



* for the period September 1, 2011 to December 31, 2011

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

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

Annual Compound Returns

The following table compares the historical annual compound total returns of Series A, E, F, I and O units of the Fund with the MSCI Emerging Markets C\$ Index.

The MSCI Emerging Markets Index is a free float-adjusted market capitalization index that is designed to measure equity market performance in the global emerging markets.

The Series A units underperformed the benchmark since inception and over the past three years, but outperformed the benchmark over the past year.

	1 Year	3 Year	5 Year	10 Year	Performance Start Date ⁽¹⁾⁽²⁾⁽³⁾
Sun Life Schroder Emerging Markets Fund – Series A	2.1%	0.5%	N/A	N/A	(4.3%)
Sun Life Schroder Emerging Markets Fund – Series F	3.2%	1.5%	N/A	N/A	(3.3%)
Sun Life Schroder Emerging Markets Fund – Series I	5.1%	3.3%	N/A	N/A	(1.6%)
MSCI Emerging Markets C\$ Index	2.0%	4.2%	N/A	N/A	4.6%
Sun Life Schroder Emerging Markets Fund – Series E	2.1%	N/A	N/A	N/A	1.7%
Sun Life Schroder Emerging Markets Fund – Series O	5.0%	N/A	N/A	N/A	4.6%
MSCI Emerging Markets C\$ Index	2.0%	N/A	N/A	N/A	2.9%

⁽¹⁾ The performance start date for Series A, F and I was September 1, 2011.

⁽²⁾ The performance start date for Series E and O was April 1, 2014.

⁽³⁾ Performance for Series EF units is not shown as Series EF has not been distributed under a simplified prospectus for 12 months.

SUMMARY OF INVESTMENT PORTFOLIO⁽¹⁾

as at December 31, 2015

Top 25 Investments

Holdings	Percentage of Net Asset Value of the Fund (%)
1 Tencent Holdings Ltd.	5.1
2 Samsung Electronics Co., Ltd.	4.7
3 Taiwan Semiconductor Manufacturing Co., Ltd.	4.6
4 Schroder International Selection Fund Frontier Markets Equity Fund, Series I	4.0
5 China Construction Bank Corporation	4.0
6 Cash	3.8
7 China Mobile Ltd.	3.3
8 HDFC Bank Ltd.	3.1
9 AIA Group Ltd.	2.8
10 China Petroleum & Chemical Corporation	2.4
11 Infosys Ltd.	2.3
12 Hon Hai Precision Industry Co., Ltd.	1.9
13 China Pacific Insurance Group Co., Ltd.	1.9
14 Naspers Ltd.	1.8
15 Hyundai Motor Co.	1.8
16 Cathay Financial Holding Co., Ltd.	1.5
17 LG Chem Ltd.	1.4
18 Emaar Properties PJSC	1.4
19 China Life Insurance Company Ltd.	1.3
20 Alibaba Group Holding Ltd.	1.3
21 NHN Corp.	1.3
22 Itau Unibanco Holding SA, ADR	1.2
23 Amorepacific Corp.	1.2
24 Advanced Semiconductor Engineering Inc.	1.2
25 JD.com Inc.	1.2

60.5

Total Net Asset Value (000's) \$ 129,537

Sector Allocation

	Percentage of Net Asset Value of the Fund (%)
Financials	28.8
Information Technology	26.9
Consumer Discretionary	11.9
Energy	6.8
Telecommunication Services	6.1
Industrials	4.6
Exchange Traded Funds – International Equities	4.0
Consumer Staples	3.5
Cash and Cash Equivalents ⁽²⁾	3.4
Materials	2.1
Utilities	1.3
Health Care	0.6
100.0	

Sun Life Schroder Emerging Markets Fund

Geographic Allocation

	Percentage of Net Asset Value of the Fund (%)
Other	21.1
Korea	18.3
Taiwan	12.2
China	11.7
Cayman Islands	8.8
India	7.7
Hong Kong	6.7
Brazil	5.5
Luxembourg	4.0
Russia	4.0
	100.0

⁽¹⁾ 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 or by sending an email to us at info@sunlifeglobalinvestments.com.

⁽²⁾ 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 Schroder Emerging Markets Fund

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 or www.sedar.com.

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