
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.

SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the period ended June 30, 2016

Sun Life MFS Balanced Growth Fund



Sun Life MFS Balanced Growth Fund

This semi-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 semi-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

Results of Operations

During the period, the net asset value of the Sun Life MFS Balanced Growth Fund (the "Fund") decreased from \$64.1 million to \$62.9 million. The decrease in net asset value was due to net redemptions, as well as negative performance during the period.

During the period, the Fund returned -0.2% for Series A units. This result lagged the Fund's blended benchmark, which returned 2.5%. The blended benchmark is comprised of 30% S&P/TSX Capped Composite Index, 30% MSCI World C\$ Index, 35% FTSE TMX Canada Universe Bond Index, 5% FTSE TMX Canada 91 Day T-Bill Index. 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.

Within the Canadian equity portion of the Fund, security selection in the Materials sector held back relative performance. Within this sector, not owning precious metals companies Barrick Gold, Silver Wheaton and Kinross Gold, as well as diversified mining company Teck Resources held back relative results. A combination of an overweight allocation and stock selection in the Consumer Discretionary sector also hampered relative performance, led by an overweight position in sports equipment manufacturer Performance Sports Group. Equally, an overweight allocation to the Health Care sector further detracted from relative results, particularly an overweight position in pharmaceutical company Valeant Pharmaceuticals International.

Within the U.S. equity component, a combination of weak stock selection and an underweight allocation to the Consumer Staples sector weighed on relative results. Within the sector, not owning tobacco company Altria Group (United States) held back relative performance. The Fund's avoidance of the Telecommunication Services sector also negatively affected performance, as it materially outperformed the Russell 1000 Growth Index during the period.

Within international equities, the Fund's relative currency exposure, resulting primarily from differences between the

Fund's and the benchmark's exposures to holdings of securities denominated in foreign currencies, was a detractor from relative performance. All of MFS Investment Management Canada Limited's (the "sub-advisor") investment decisions are driven by the fundamentals of each individual opportunity and as such, it is common for the Fund to have different currency exposure than the benchmark.

Within the Fund's fixed income component, a shorter relative duration held back returns as Government of Canada yields fell significantly, with the exception being the short end of the curve.

Within the Canadian equity segment, individual stocks that benefited relative returns included overweight positions in gold producer Goldcorp, oil exploration company Torc Oil And Gas, gas storage services provider TransCanada, integrated waste services company Waste Connections, and specialty food product manufacturer Premium Brands.

Within international equities, stock selection in the Industrials and Consumer Discretionary sectors aided relative results. Within the Industrials sector holdings of engineering equipment and services company Weir Group (United Kingdom) boosted relative returns. Within the Consumer Staples sector an overweight position in food catering company Compass Group (United Kingdom) also helped relative performance.

Stock selection in the Consumer Discretionary sector within the Fund's U.S. equities component also contributed to relative performance, led by overweight positions in discount store operators Dollar Tree and Dollar General.

Within the Fund's fixed income component, overall bond allocation, driven by preference for corporate bonds at the expense of federal government issues, was a primary contributor to relative performance. Within the Fund's equity component, strong stock selection in Financials and Energy contributed to relative performance.

In terms of asset mix, the preference for stocks over bonds added value, as equities generally outpaced the bond market.

Recent Developments

Sluggish global growth weighed on both developed and Emerging Market ("EM") economies during the reporting period as EM economies proved to be particularly lackluster.

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Globally, central bank policy remained highly accommodative, which forced many government, and even some corporate, bond yields into negative territory. The U.S. Federal Reserve indicated that its monetary policy tightening cycle would be more gradual than earlier anticipated. At the very end of the period, the United Kingdom voted to leave the European Union, beginning a multi-year process of negotiation in order to achieve “Brexit”.

U.S. earnings headwinds expanded beyond the Energy, Materials and Industrial sectors, to include most sectors of the market. The sharp rise in the U.S. dollar also weighed on earnings early in the period, though U.S. dollar strength ebbed somewhat late in the period. U.S. consumer spending held up well during the period amid a modest increase in real wages and falling gasoline prices. Global trade was dampened particularly by falling demand in Emerging Markets. Weaker Chinese growth, which contributed to the decline in commodity prices, weighed on EM economies and asset prices. China responded with a variety of monetary and fiscal measures to stimulate its economy, which showed signs of stabilization at the end of the period, though concerns over high debt levels persist. Structural factors such as floating exchange rates and fiscal policy reform partially offset the cyclical headwinds to Emerging Markets.

Effective February 5, 2016, all Series E units were re-designated to Series A units, under the Front End Sales Charge option, of the same Fund. Please refer to the Fund's simplified prospectus for more details about the captioned change and for details about the Private Client Program.

As announced on June 7, 2016, the Fund will merge into the Sun Life Granite Balanced Portfolio (the “Continuing Fund”) as of close of business on August 26, 2016. On the fund merger date, all unitholders in the Fund will receive units of the Continuing Fund, including a new Series D in the Continuing Fund to accommodate existing Series D unitholders in the Fund.

Related Party Transactions

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

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 MFS Investment Management Canada Limited (“MFSIM”), an affiliate, to act as a sub-advisor for the Fund.

The Manager is an indirect wholly owned subsidiary of Sun Life Financial Inc., which also has an indirect majority ownership interest in MFSIM.

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 semi-annual financial statements (unaudited).

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, D, F, I and O. The date of creation for Series A units was March 31, 2009, the date of creation for Series D units was July 15, 1988, the date of creation for Series F units was April 2, 2012, the date of creation for Series I units was November 28, 2008 and the date of creation for Series O units was April 1, 2014.

Series A units are available to all investors.

Series D units are only available for purchase by existing investors who held Class D units of the Fund on March 30, 2012. Investors may switch their Series D units of one fund into Series D units of another Sun Life Global Investments Mutual Fund, but may not switch units of another series into

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Series D units. Once a Series D investor no longer owns any Series D units, the investor may not purchase additional Series D units. In addition, Series D units may be switched into any other series (if available), if the investor meets the applicable requirements for those series.

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 June 30, 2016.

The Fund's Net Asset Value per Unit (\$) ⁽¹⁾⁽⁴⁾

Sun Life MFS Balanced Growth Fund – Series A

	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)	2012 (\$)	2011 (\$)
Net asset value, beginning of period	25.38	24.24	22.38	19.86	18.70	20.57
Increase (decrease) from operations:						
Total revenue	0.25	0.54	0.57	0.50	0.55	0.57
Total expenses	(0.29)	(0.60)	(0.55)	(0.49)	(0.43)	(0.39)
Realized gains (losses) for the period	0.10	1.52	1.51	0.95	0.10	(0.16)
Unrealized gains (losses) for the period	0.05	(0.48)	0.36	1.78	1.12	(1.57)
Total increase (decrease) from operations⁽²⁾	0.11	0.98	1.89	2.74	1.34	(1.55)
Distributions:						
From income (excluding dividends)	–	–	(0.04)	(0.03)	(0.10)	(0.14)
From dividends	–	–	(0.11)	(0.14)	(0.05)	(0.05)
From capital gains	–	–	–	–	–	(0.24)
Return of capital	–	–	–	–	–	–
Total annual distributions⁽³⁾	–	–	(0.15)	(0.17)	(0.15)	(0.43)
Net asset value, end of period	25.33	25.38	24.24	22.38	19.84	18.70

Sun Life MFS Balanced Growth Fund – Series D

	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)	2012 (\$)	2011 (\$)
Net asset value, beginning of period	25.95	24.70	22.69	20.00	18.81	20.68
Increase (decrease) from operations:						
Total revenue	0.25	0.55	0.56	0.49	0.53	0.55
Total expenses	(0.16)	(0.34)	(0.31)	(0.28)	(0.23)	(0.21)
Realized gains (losses) for the period	0.11	1.58	1.53	0.95	0.07	(0.09)
Unrealized gains (losses) for the period	(0.15)	(0.29)	0.53	1.71	1.18	(1.52)
Total increase (decrease) from operations⁽²⁾	0.05	1.50	2.31	2.87	1.55	(1.27)
Distributions:						
From income (excluding dividends)	–	(0.02)	(0.07)	(0.05)	(0.21)	(0.24)
From dividends	–	(0.18)	(0.20)	(0.20)	(0.12)	(0.10)
From capital gains	–	–	–	–	–	(0.24)
Return of capital	–	–	–	–	–	–
Total annual distributions⁽³⁾	–	(0.20)	(0.27)	(0.25)	(0.33)	(0.58)
Net asset value, end of period	26.03	25.95	24.70	22.69	19.99	18.81

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Sun Life MFS Balanced Growth Fund – Series F

	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)	2012 (\$)
Net asset value, beginning of period	25.85	24.59	22.36	19.75	19.66
Increase (decrease) from operations:					
Total revenue	0.25	0.54	0.51	0.49	0.47
Total expenses	(0.17)	(0.36)	(0.32)	(0.29)	(0.18)
Realized gains (losses) for the period	0.10	1.56	1.52	0.94	0.25
Unrealized gains (losses) for the period	(0.12)	(0.33)	0.59	1.74	1.32
Total increase (decrease) from operations⁽²⁾	0.06	1.41	2.30	2.88	1.86
Distributions:					
From income (excluding dividends)	–	(0.01)	–	(0.05)	(0.21)
From dividends	–	(0.14)	–	(0.22)	(0.11)
From capital gains	–	–	–	–	–
Return of capital	–	–	–	–	–
Total annual distributions⁽³⁾	–	(0.15)	–	(0.27)	(0.32)
Net asset value, end of period	25.93	25.85	24.59	22.36	19.74

Sun Life MFS Balanced Growth Fund – Series I

	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)	2012 (\$)	2011 (\$)
Net asset value, beginning of period	24.58	23.41	21.50	18.98	–	19.64
Increase (decrease) from operations:						
Total revenue	0.24	0.53	0.54	0.47	0.43	–
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)	(0.01)	–
Realized gains (losses) for the period	0.12	1.51	1.45	0.90	(0.18)	–
Unrealized gains (losses) for the period	(0.09)	(0.44)	0.46	1.67	0.22	(1.20)
Total increase (decrease) from operations⁽²⁾	0.26	1.59	2.44	3.03	0.46	(1.20)
Distributions:						
From income (excluding dividends)	–	(0.04)	(0.13)	(0.10)	(0.27)	(0.22)
From dividends	–	(0.46)	(0.41)	(0.42)	(0.14)	(0.10)
From capital gains	–	–	–	–	–	–
Return of capital	–	–	–	–	–	–
Total annual distributions⁽³⁾	–	(0.50)	(0.54)	(0.52)	(0.41)	(0.32)
Net asset value, end of period	24.80	24.58	23.41	21.50	18.97	–

Sun Life MFS Balanced Growth Fund – Series O

	2016 (\$)	2015 (\$)	2014 (\$)
Net asset value, beginning of period	10.99	10.47	10.00
Increase (decrease) from operations:			
Total revenue	0.11	0.24	0.27
Total expenses	(0.01)	(0.03)	(0.02)
Realized gains (losses) for the period	0.05	0.68	0.43
Unrealized gains (losses) for the period	(0.06)	(0.19)	0.40
Total increase (decrease) from operations⁽²⁾	0.09	0.70	1.08
Distributions:			
From income (excluding dividends)	–	(0.02)	(0.06)
From dividends	–	(0.19)	(0.19)
From capital gains	–	–	–
Return of capital	–	–	–
Total annual distributions⁽³⁾	–	(0.21)	(0.25)
Net asset value, end of period	11.08	10.99	10.47

⁽¹⁾ This information is derived from the Fund's audited annual financial statements and from the semi-annual unaudited financial statements for the current period ended June 30, 2016.

⁽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⁾ Comparatives prior to 2013 are prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). Figures subsequent to 2013 are prepared in accordance with International Financial Reporting Standards ("IFRS").

Ratios and Supplemental Data⁽⁶⁾

Sun Life MFS Balanced Growth Fund – Series A

	2016	2015	2014	2013	2012	2011
Total net asset value (\$) ⁽¹⁾	6,315,661	5,569,745	4,852,902	2,887,316	1,599,860	1,653,355
Number of units outstanding ⁽¹⁾	249,361	219,437	200,236	129,025	80,563	88,349
Management expense ratio (%) ⁽²⁾	2.36	2.36	2.33	2.32	2.27	1.95
Management expense ratio before waivers or absorption (%) ⁽²⁾	2.36	2.36	2.46	2.41	2.27	1.95
Trading expense ratio (%) ⁽³⁾	0.04	0.06	0.08	0.07	0.07	0.04
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	13.50	30.54	38.20	27.04	48.96	35.00
Net asset value per unit (\$) ⁽¹⁾	25.33	25.38	24.24	22.38	19.86	18.71

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Sun Life MFS Balanced Growth Fund – Series D

	2016	2015	2014	2013	2012	2011
Total net asset value (\$) ⁽¹⁾	42,904,151	44,759,979	46,692,618	48,820,367	55,736,705	75,301,978
Number of units outstanding ⁽¹⁾	1,648,346	1,724,814	1,890,098	2,152,074	2,786,278	3,999,993
Management expense ratio (%) ⁽²⁾	1.29	1.29	1.30	1.30	1.23	1.05
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.29	1.29	1.37	1.35	1.23	1.05
Trading expense ratio (%) ⁽³⁾	0.04	0.06	0.08	0.07	0.07	0.04
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	13.50	30.54	38.20	27.04	48.96	35.00
Net asset value per unit (\$) ⁽¹⁾	26.03	25.95	24.70	22.69	20.00	18.83

Sun Life MFS Balanced Growth Fund – Series F

	2016	2015	2014	2013	2012
Total net asset value (\$) ⁽¹⁾	4,313,605	4,546,866	4,793,678	10,733,222	10,899,244
Number of units outstanding ⁽¹⁾	166,372	175,892	194,943	479,963	551,785
Management expense ratio (%) ⁽²⁾	1.36	1.37	1.39	1.39	1.38
Management expense ratio before waivers or absorption (%) ⁽²⁾	1.36	1.37	1.47	1.44	1.38
Trading expense ratio (%) ⁽³⁾	0.04	0.06	0.08	0.07	0.07
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	13.50	30.54	38.20	27.04	48.96
Net asset value per unit (\$) ⁽¹⁾	25.93	25.85	24.59	22.36	19.75

Sun Life MFS Balanced Growth Fund – Series I

	2016	2015	2014	2013	2012	2011
Total net asset value (\$) ⁽¹⁾	4,467,765	4,025,489	3,358,234	3,072,400	3,337,449	–
Number of units outstanding ⁽¹⁾	180,145	163,790	143,476	142,904	175,819	–
Management expense ratio (%) ⁽²⁾	0.06	0.06	0.08	0.08	0.05	–
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.06	0.06	0.08	0.08	0.05	–
Trading expense ratio (%) ⁽³⁾	0.04	0.06	0.08	0.07	0.07	–
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	13.50	30.54	38.20	27.04	48.96	–
Net asset value per unit (\$) ⁽¹⁾	24.80	24.58	23.41	21.50	18.98	–

Sun Life MFS Balanced Growth Fund – Series O

	2016	2015	2014
Total net asset value (\$) ⁽¹⁾	4,917,856	4,761,239	3,635,211
Number of units outstanding ⁽¹⁾	443,958	433,360	347,327
Management expense ratio (%) ⁽²⁾	0.23	0.23	0.25
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.23	0.23	0.26
Trading expense ratio (%) ⁽³⁾	0.04	0.06	0.08
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	13.50	30.54	38.20
Net asset value per unit (\$) ⁽¹⁾	11.08	10.99	10.47

⁽¹⁾ This information is provided as at December 31 of the period shown, except for the most recent semi-annual period, which is at June 30, 2016.

⁽²⁾ 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. 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⁾ Comparatives prior to 2013 are prepared in accordance with Canadian GAAP. Figures subsequent to 2013 are prepared in accordance with IFRS.

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:

	As a Percentage of Management Fees		
	Maximum Annual Management Fee Rate (%)	Dealer Compensation (%) ¹	General Administration, Investment Advice and Profit (%)
Series A Units	1.95	40	60
Series D Units	0.95	13	87
Series F Units	1.00	–	100
Series I Units	–	–	–
Series O Units ²	1.00	–	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

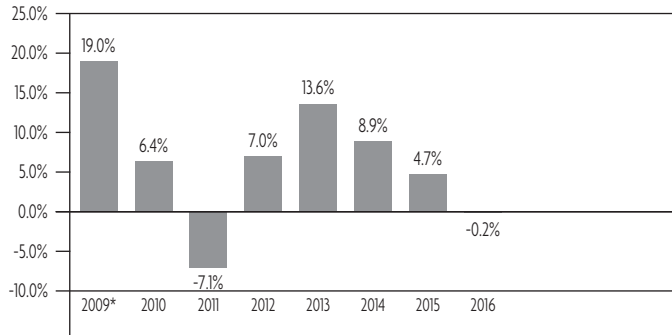
The indicated rates of return are the historical annualized and annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have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

Year-by-Year Returns

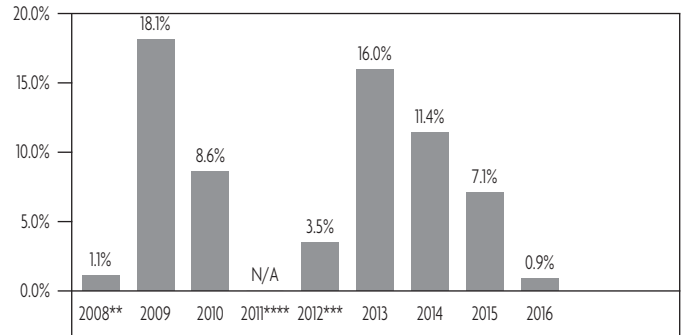
The following bar chart shows the Fund's annual performance for the period shown. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each period.

Sun Life MFS Balanced Growth Fund

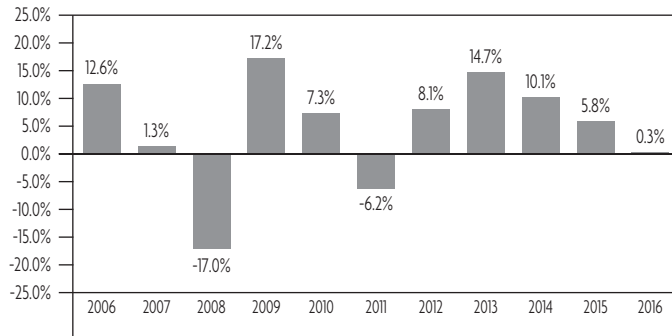
Series A Units – Annual return for the period ended December 31 and the six month period ended June 30, 2016



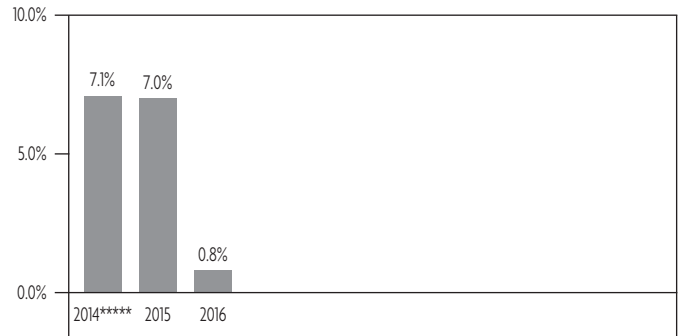
Series I Units – Annual return for the period ended December 31 and the six month period ended June 30, 2016



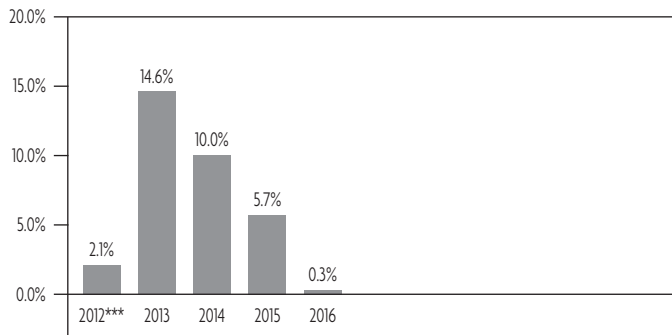
Series D Units – Annual return for the period ended December 31 and the six month period ended June 30, 2016



Series O Units – Annual return for the period ended December 31 and the six month period ended June 30, 2016



Series F Units – Annual return for the period ended December 31 and the six month period ended June 30, 2016



* for the period of March 31, 2009 to December 31, 2009

** for the period of November 28, 2008 to December 31, 2008

*** for the period of April 2, 2012 to December 31, 2012

**** returns not available for this time period because there were no investors in this series for a continuous calendar year

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

Sun Life MFS Balanced Growth Fund

SUMMARY OF INVESTMENT PORTFOLIO⁽¹⁾

as at June 30, 2016 (unaudited)

Top 25 Investments

Holdings	Percentage of Net Asset Value of the Fund (%)
1 Sun Life MFS International Growth Fund, Series I ⁽²⁾	14.7
2 Sun Life MFS U.S. Growth Fund, Series I ⁽²⁾	13.5
3 Canada Housing Trust No. 1, 1.70%, Dec 15, 2017	3.2
4 Royal Bank of Canada	2.6
5 The Toronto-Dominion Bank	2.6
6 Canadian Treasury Bill, 0.52%, Aug 11, 2016	2.1
7 Canadian National Railway Co.	1.9
8 Suncor Energy Inc.	1.5
9 The Bank of Nova Scotia	1.5
10 TransCanada Corporation	1.4
11 Canada Housing Trust No. 1, 1.75%, Jun 15, 2018	1.4
12 Enbridge Inc.	1.4
13 Province of Quebec, 5.00%, Dec 01, 2038	1.2
14 Canadian Natural Resources Ltd.	1.2
15 Canadian Government Bond, 1.50%, Jun 01, 2026	1.2
16 Manulife Financial Corp.	1.1
17 Province of Quebec, 4.50%, Dec 01, 2019	0.9
18 Province of Ontario, 4.70%, Jun 02, 2037	0.9
19 Alimentation Couche-Tard Inc., Class B	0.9
20 Thomson Reuters Corp.	0.8
21 Agnico Eagle Mines Ltd.	0.8
22 Canadian Pacific Railway Ltd.	0.8
23 Province of Ontario, 3.50%, Jun 02, 2043	0.8
24 Province of Ontario, 6.50%, Mar 08, 2029	0.8
25 Province of Ontario, 1.90%, Sep 08, 2017	0.7
	59.9
Total Net Asset Value (000's)	\$ 62,919

Sector Allocation

	Percentage of Net Asset Value of the Fund (%)
Financials	13.1
Canadian Corporate Bond	12.1
Canadian Provincial Government Bond	10.7
Canadian Federal Government Bond	8.9
Information Technology	8.1
Consumer Discretionary	8.0
Energy	7.7
Industrials	6.3
Consumer Staples	6.0
Materials	5.6
Health Care	4.6
Cash and Cash Equivalents ⁽³⁾	3.4
U.S. Corporate Bond	2.5
Telecommunication Services	1.0
International Corporate Bond	0.9
Canadian Municipal Bond	0.8
Utilities	0.3
	100.0

Asset Mix

	Percentage of Net Asset Value of the Fund (%)
Canadian Equities	33.4
Canadian Fixed Income	32.5
International Equities	15.0
U.S. Equities	12.3
Cash and Cash Equivalents ⁽³⁾	3.4
U.S. Fixed Income	2.5
International Fixed Income	0.9
	100.0

⁽¹⁾ All information is as at June 30, 2016. 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⁾ The Fund invests in other investment funds. The prospectus of the underlying investment funds and other information can be found on SEDAR at www.sedar.com.

⁽³⁾ 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.

SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

Sun Life MFS Balanced Growth 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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