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# SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.

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## SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the period ended June 30, 2017

Sun Life Sionna Canadian Small Cap Equity Class



# Sun Life Sionna Canadian Small Cap Equity Class

*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](mailto:info@sunlifeglobalinvestments.com) or by writing to us at Sun Life Global Investments (Canada) Inc., 1 York Street, Toronto, Ontario, M5J 0B6. 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

### Results of Operations

During the period, the net asset value of the Sun Life Sionna Canadian Small Cap Equity Class (the "Fund") increased from \$41.6 million to \$96.0 million. The increase in net asset value was due to positive net sales, partially offset by negative performance during the period.

During the period, the Fund returned -2.1% for Series A shares. This result lagged the Fund's benchmark, the BMO Nesbitt Burns Small Cap Index, which returned -1.1%. 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 units of the Sionna Canadian Small Cap Equity Fund (the "underlying Trust Fund"). The following commentary relates to the underlying Trust Fund. The underlying Trust Fund's sub-advisor is Brandes Investment Partners & Co. (operating as Bridgehouse Asset Managers) (the "sub-advisor") and Bridgehouse retains Sionna Investment Managers Inc. to act as sub-advisor to Bridgehouse for the underlying Trust Fund.

The underlying Trust Fund's position in Home Capital Group Inc. (Home Capital) detracted from performance during the first half of the year. Home Capital is an alternative mortgage lender. In 2015, the company faced challenges as some of its suppliers in the mortgage broker channel fraudulently completed and submitted mortgage applications that falsified income information. Following these events, Home Capital struggled from a credibility perspective and faced charges from the Ontario Securities Commission for not disclosing the fraud in a timely manner to investors. The business has also experienced management turnover and problems with its funding, causing Home Capital to arrange emergency financing. Access to funding is the lifeline of any bank and the sub-advisor believed Home Capital's inability to access capital was an existential threat to the business. Given the heightened risks in the business over the last couple of years, the sub-advisor was cautious and limited its exposure. The most recent liquidity concern led the sub-advisor to eliminate the position entirely.

Aimia Inc. (Aimia) was another negative contributor for the period. Aimia is an operator of various loyalty programs globally, most prominently the Aeroplan program in Canada. Aeroplan, which originated as Air Canada's frequent flier program, was managed under a contract between Aimia and Air Canada. This contract was up for renewal in 2020; the sub-advisor believed there was a high likelihood that it would be renewed given the interconnected relationship between the parties. However, during the quarter Air Canada announced that it plans to launch its own loyalty program and not renew its contract with Aimia. While the sub-advisor did not think this outcome would occur, the sub-advisor knew it was possible, so Aimia was kept to a small position size in the portfolio. The company has time to adjust the program and could position themselves to continue to function post-2020, especially since credit card partners have contracts with Aimia extending beyond that date. However, the sub-advisor believes the risks to the long-term sustainability of the business are higher now and have since exited their position in the name.

The underlying Trust Fund benefited from its underweight position in the Energy sector, which declined by -24.2% since January. Information Technology and Real Estate also contributed to performance for the period.

Winpak Ltd. was the most important positive contributor for the first half of 2017. Winpak manufactures high-quality packaging materials for the food and healthcare markets and generates stable growth in free cash flow. With no debt on the balance sheet, the sub-advisor has reinvested this capital wisely to grow the business while paying a significant dividend.

The underlying Trust Fund's position in FirstService Corp. ("FirstService") was another positive contributor, as the stock price followed the impressive results delivered by the company. FirstService is seeing strong growth in both its residential property management business and its brands business (the ownership of different franchises, such as CertaPro Painters and California Closets), which has translated to impressive earnings growth.

Westaim Corporation ("Westaim") also contributed positively to performance. Westaim operates two businesses: specialty insurance and specialty lending. On the lending side, Westaim opportunistically provides direct lending to small and

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medium-sized businesses, and individuals that cannot access capital through traditional means. Recently, the company received a large investment from Fairfax Financial, which should lend further credibility to the firm's business model as it continues to grow its client base. The market has viewed this development favourably, which was reflected by the increase in the company's stock price.

## Recent Developments

After posting a 2.4% gain for the first quarter of 2017, the S&P/TSX Composite was down -1.6% for the second quarter on a total return basis. The Composite generated a total return of 0.7% year-to-date. Performance during the first half of the year was primarily driven by Energy. West Texas Intermediate (WTI), the benchmark for North American light crude oil, decreased from January through June to close at \$46 USD per barrel. Financials and Industrials contributed positively to performance during the first quarter. The Materials sector, which contributed positively during the first quarter of 2017, declined in the second quarter.

With the U.S. Federal Reserve forecasting more rate increases over the next couple of years, the question of how equities will fare in a rising rate environment is topical. It appears that if rates continue to rise, equities may follow suit. The sub-advisor considers how rate movements may affect the underlying Trust Fund's holdings and ensure that the portfolio's exposure is well-diversified. In addition, the sub-advisor believes that the intrinsic value of their investments will grow over time, regardless of rate movements. The sub-advisor will always invest from a bottom-up perspective, seeking quality assets at attractive valuations. The sub-advisor prefers to focus on the fact that equity markets are certain to rise over the long term.

A few things keep the sub-advisor focused on the fund's investment objective even when the market is volatile. First, the sub-advisor has an appreciation for history and knows that over time markets usually swing from euphoria to depression and back again. Second, the sub-advisor diversifies the portfolios it manages to minimize the effects of volatility. If and when company or sector specific issues arise, the portfolios are designed to withstand stressors. Third, the sub-advisor's security selection process favours companies with strong balance sheets and capable management. Prudently, managed companies are better at navigating, and may even benefit from, market downturns. Fourth, the sub-advisor continuously builds their knowledge base of companies during times of tranquility so they are ready to act during times of turmoil. Lastly, the sub-advisor invests patiently and only when securities are priced below the sub-advisor's estimate of intrinsic value.

Effective February 5, 2016, all Series E shares were converted to Series A shares, 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.

## 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 has retained Brandes Investment Partners & Co. (operating as Bridgehouse Asset Managers) ("Bridgehouse") to act as a sub-advisor for the Fund. Bridgehouse retains Sionna Investment Managers Inc. to act as sub-advisor to Bridgehouse for this 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 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 shares. The Fund Costs that are specific to a series of shares are allocated to that

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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, F, I and O. The date of creation for all series was March 27, 2015.

Series A and AT5 shares are available to all investors.

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

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 I shares are special purpose securities that are currently only available to other mutual funds and eligible institutional investors. Series I shares 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 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 June 30, 2017.

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

#### Sun Life Sionna Canadian Small Cap Equity Class – Series A

	2017 (\$)	2016 (\$)	2015 (\$)
Net asset value, beginning of period	9.37	8.31	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	–	0.19	0.13
Total expenses	(0.12)	(0.22)	(0.18)
Realized gains (losses) for the period	0.03	(0.01)	0.50
Unrealized gains (losses) for the period	(0.21)	1.75	(2.19)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>(0.30)</b>	<b>1.71</b>	<b>(1.74)</b>
<b>Distributions:</b>			
From income (excluding dividends)	–	–	–
From dividends	–	(0.15)	(0.10)
From capital gains	–	(0.25)	–
Return of capital	–	–	–
<b>Total annual distributions <sup>(3)</sup></b>	<b>–</b>	<b>(0.40)</b>	<b>(0.10)</b>
<b>Net asset value, end of period</b>	<b>9.17</b>	<b>9.37</b>	<b>8.31</b>

#### Sun Life Sionna Canadian Small Cap Equity Class – Series AT5

	2017 (\$)	2016 (\$)	2015 (\$)
Net asset value, beginning of period	12.76	11.90	15.00
<b>Increase (decrease) from operations:</b>			
Total revenue	–	0.22	0.14
Total expenses	(0.16)	(0.31)	(0.27)
Realized gains (losses) for the period	0.03	(0.02)	0.48
Unrealized gains (losses) for the period	(0.28)	2.19	(2.70)
<b>Total increase (decrease) from operations <sup>(2)</sup></b>	<b>(0.41)</b>	<b>2.08</b>	<b>(2.35)</b>
<b>Distributions:</b>			
From income (excluding dividends)	–	–	–
From dividends	–	(0.21)	(0.14)
From capital gains	–	(0.35)	–
Return of capital	(0.32)	(0.60)	(0.63)
<b>Total annual distributions <sup>(3)</sup></b>	<b>(0.32)</b>	<b>(1.16)</b>	<b>(0.77)</b>
<b>Net asset value, end of period</b>	<b>12.18</b>	<b>12.76</b>	<b>11.90</b>

# Sun Life Sionna Canadian Small Cap Equity Class

## Sun Life Sionna Canadian Small Cap Equity Class – Series F

	2017 (\$)	2016 (\$)	2015 (\$)
Net asset value, beginning of period	9.55	8.38	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	–	0.22	0.11
Total expenses	(0.07)	(0.13)	(0.10)
Realized gains (losses) for the period	0.03	(0.01)	0.38
Unrealized gains (losses) for the period	(0.34)	1.74	(2.00)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>(0.38)</b>	<b>1.82</b>	<b>(1.61)</b>
<b>Distributions:</b>			
From income (excluding dividends)	–	–	–
From dividends	–	(0.16)	(0.10)
From capital gains	–	(0.25)	–
Return of capital	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>–</b>	<b>(0.41)</b>	<b>(0.10)</b>
<b>Net asset value, end of period</b>	<b>9.40</b>	<b>9.55</b>	<b>8.38</b>

## Sun Life Sionna Canadian Small Cap Equity Class – Series I

	2017 (\$)	2016 (\$)	2015 (\$)
Net asset value, beginning of period	9.79	8.47	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	–	0.19	0.12
Total expenses	–	–	–
Realized gains (losses) for the period	0.02	(0.01)	0.42
Unrealized gains (losses) for the period	(0.38)	1.71	(2.09)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>(0.36)</b>	<b>1.89</b>	<b>(1.55)</b>
<b>Distributions:</b>			
From income (excluding dividends)	–	–	–
From dividends	–	(0.16)	(0.10)
From capital gains	–	(0.25)	–
Return of capital	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>–</b>	<b>(0.41)</b>	<b>(0.10)</b>
<b>Net asset value, end of period</b>	<b>9.70</b>	<b>9.79</b>	<b>8.47</b>

## Sun Life Sionna Canadian Small Cap Equity Class – Series O

	2017 (\$)	2016 (\$)	2015 (\$)
Net asset value, beginning of period	9.76	8.46	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	–	0.17	0.20
Total expenses	(0.01)	(0.02)	(0.01)
Realized gains (losses) for the period	0.03	(0.01)	0.65
Unrealized gains (losses) for the period	(0.15)	1.59	(2.68)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>(0.13)</b>	<b>1.73</b>	<b>(1.84)</b>
<b>Distributions:</b>			
From income (excluding dividends)	–	–	–
From dividends	–	(0.16)	(0.10)
From capital gains	–	(0.25)	–
Return of capital	–	–	–
<b>Total annual distributions<sup>(3)</sup></b>	<b>–</b>	<b>(0.41)</b>	<b>(0.10)</b>
<b>Net asset value, end of period</b>	<b>9.67</b>	<b>9.76</b>	<b>8.46</b>

<sup>(1)</sup> 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, 2017.

<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 Sionna Canadian Small Cap Equity Class – Series A

	2017	2016	2015
Total net asset value (\$) <sup>(1)</sup>	1,210,846	1,045,498	318,978
Number of shares outstanding <sup>(1)</sup>	132,001	111,582	38,389
Management expense ratio (%) <sup>(2)</sup>	2.56	2.55	2.57
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	2.56	2.55	2.57
Trading expense ratio (%) <sup>(3)</sup>	–	–	0.17
Portfolio turnover rate (%) <sup>(4)(5)</sup>	5.28	4.62	2.08
Net asset value per share (\$) <sup>(1)</sup>	9.17	9.37	8.31

### Sun Life Sionna Canadian Small Cap Equity Class – Series AT5

	2016	2016	2015
Total net asset value (\$) <sup>(1)</sup>	14,198	9,945	8,402
Number of shares outstanding <sup>(1)</sup>	1,166	779	706
Management expense ratio (%) <sup>(2)</sup>	2.63	2.62	2.62
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	2.63	2.62	2.62
Trading expense ratio (%) <sup>(3)</sup>	–	–	0.17
Portfolio turnover rate (%) <sup>(4)(5)</sup>	5.28	4.62	2.08
Net asset value per share (\$) <sup>(1)</sup>	12.18	12.76	11.90

# Sun Life Sionna Canadian Small Cap Equity Class

## Sun Life Sionna Canadian Small Cap Equity Class – Series F

	2016	2016	2015
Total net asset value (\$) <sup>(1)</sup>	147,123	52,680	12,085
Number of shares outstanding <sup>(1)</sup>	15,657	5,518	1,443
Management expense ratio (%) <sup>(2)</sup>	1.48	1.47	1.48
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	1.48	1.47	1.48
Trading expense ratio (%) <sup>(3)</sup>	–	–	0.17
Portfolio turnover rate (%) <sup>(4)(5)</sup>	5.28	4.62	2.08
Net asset value per share (\$) <sup>(1)</sup>	9.40	9.55	8.38

## Sun Life Sionna Canadian Small Cap Equity Class – Series I

	2016	2016	2015
Total net asset value (\$) <sup>(1)</sup>	94,332,156	40,371,661	21,905,277
Number of shares outstanding <sup>(1)</sup>	9,721,489	4,124,164	2,586,623
Management expense ratio (%) <sup>(2)</sup>	0.06	0.06	0.06
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	0.06	0.06	0.06
Trading expense ratio (%) <sup>(3)</sup>	–	–	0.17
Portfolio turnover rate (%) <sup>(4)(5)</sup>	5.28	4.62	2.08
Net asset value per share (\$) <sup>(1)</sup>	9.70	9.79	8.47

## Sun Life Sionna Canadian Small Cap Equity Class – Series O

	2016	2016	2015
Total net asset value (\$) <sup>(1)</sup>	255,632	163,233	92,226
Number of shares outstanding <sup>(1)</sup>	26,442	16,723	10,904
Management expense ratio (%) <sup>(2)</sup>	0.22	0.21	0.22
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	0.22	0.21	0.22
Trading expense ratio (%) <sup>(3)</sup>	–	–	0.17
Portfolio turnover rate (%) <sup>(4)(5)</sup>	5.28	4.62	2.08
Net asset value per share (\$) <sup>(1)</sup>	9.67	9.76	8.46

<sup>(1)</sup> 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, 2017.

<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	2.10	37	63
Series AT5 Shares	2.10	40	60
Series F Shares	1.10	–	100
Series I Shares	–	–	–
Series O Shares <sup>2</sup>	1.10	–	100

<sup>1</sup> Includes sales and trailing commissions.

<sup>2</sup> 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 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.

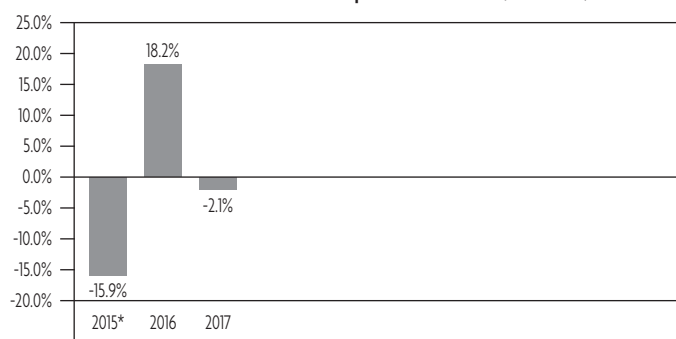
## Year-by-Year Returns

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.

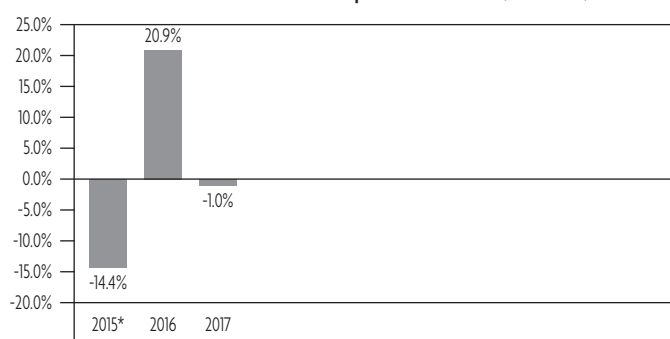


# Sun Life Sionna Canadian Small Cap Equity Class

**Series A Shares – Annual return for the period ended December 31 and the six month period ended June 30, 2017**

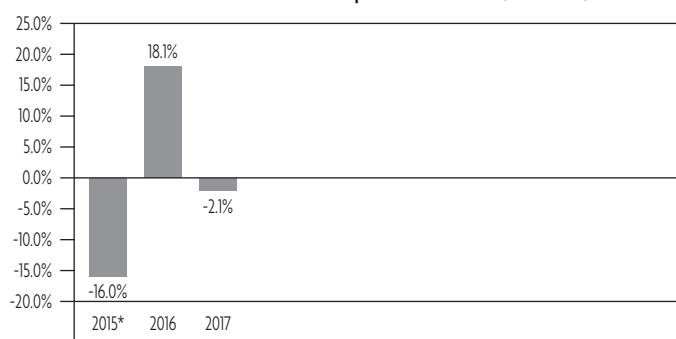


**Series O Shares – Annual return for the period ended December 31 and the six month period ended June 30, 2017**

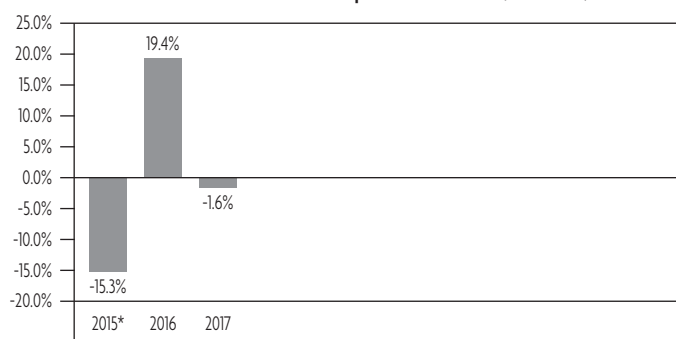


\* for the period of March 27, 2015 to December 31, 2015

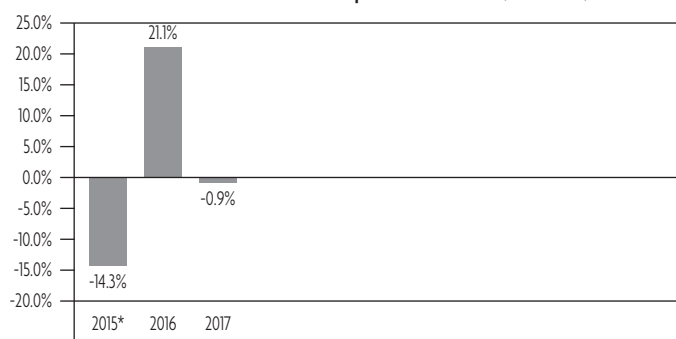
**Series AT5 Shares – Annual return for the period ended December 31 and the six month period ended June 30, 2017**



**Series F Shares – Annual return for the period ended December 31 and the six month period ended June 30, 2017**



**Series I Shares – Annual return for the period ended December 31 and the six month period ended June 30, 2017**



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

as at June 30, 2017

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

Holdings	Percentage of Net Asset Value of the Fund (%)
1 Cash	11.4
2 Winpak Ltd.	5.4
3 Computer Modelling Group Ltd.	4.9
4 Pulse Seismic Inc.	3.8
5 Firstservice Corp.	3.6
6 Dream Unlimited	3.6
7 Guardian Capital Group Ltd.	3.6
8 The Westaim Corporation	3.3
9 Great Canadian Gaming Corp.	3.3
10 Airboss of America Corp.	3.1
11 Calian Group Ltd.	3.0
12 Westshore Terminals	3.0
13 Solium Capital Inc.	2.8
14 AutoCanada Inc.	2.7
15 Laurentian Bank of Canada	2.5
16 Total Energy Services Inc.	2.5
17 Morguard Corp.	2.4
18 Boardwalk REIT	2.4
19 ShawCor Ltd.	2.3
20 Wajax Corp.	2.2
21 Gluskin Sheff & Associates Inc.	2.2
22 Russel Metals Inc.	2.1
23 ATS Automation Tooling Systems Inc.	2.0
24 Gamehost Inc.	2.0
25 Mullen Group Ltd.	2.0
	<b>82.1</b>
<b>Total Net Asset Value (000's)</b>	<b>\$ 95,960</b>



# Sun Life Sionna Canadian Small Cap Equity Class

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

	Percentage of Net Asset Value of the Fund (%)
Industrials	15.3
Real Estate	14.5
Energy	13.2
Cash and Cash Equivalents <sup>(3)</sup>	11.7
Financials	11.7
Consumer Discretionary	11.1
Materials	10.0
Information Technology	9.4
Health Care	1.7
Consumer Staples	1.4
	<b>100.0</b>

<sup>(1)</sup> All information is as at June 30, 2017. 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 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.*

## SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

### Sun Life Sionna Canadian Small Cap Equity 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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