
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.

SEMI-ANNUAL FINANCIAL STATEMENTS

for the period ended June 30, 2017

Sun Life BlackRock Canadian Balanced Fund	Sun Life MFS Canadian Bond Fund	Sun Life Milestone 2020 Fund
Sun Life BlackRock Canadian Composite Equity Fund	Sun Life MFS Canadian Equity Fund	Sun Life Milestone 2025 Fund
Sun Life BlackRock Canadian Equity Fund	Sun Life MFS Canadian Equity Growth Fund	Sun Life Milestone 2030 Fund
Sun Life BlackRock Canadian Universe Bond Fund	Sun Life MFS Canadian Equity Value Fund	Sun Life Milestone 2035 Fund
Sun Life Dynamic American Fund (formerly Sun Life Dynamic American Value Fund)	Sun Life MFS Dividend Income Fund	Sun Life Milestone Global Equity Fund
Sun Life Dynamic Energy Fund	Sun Life MFS Global Growth Fund	Sun Life Money Market Fund
Sun Life Dynamic Equity Income Fund	Sun Life MFS Global Total Return Fund	Sun Life Multi-Strategy Bond Fund
Sun Life Dynamic Strategic Yield Fund	Sun Life MFS Global Value Fund	Sun Life Multi-Strategy Target Return Fund
Sun Life Granite Balanced Growth Portfolio	Sun Life MFS International Growth Fund	Sun Life NWQ Flexible Income Fund
Sun Life Granite Balanced Portfolio	Sun Life MFS International Value Fund	Sun Life Schroder Emerging Markets Fund
Sun Life Granite Conservative Portfolio	Sun Life MFS Low Volatility Global Equity Fund	Sun Life Sentry Conservative Balanced Fund
Sun Life Granite Enhanced Income Portfolio	Sun Life MFS Low Volatility International Equity Fund	Sun Life Sentry Global Mid Cap Fund
Sun Life Granite Growth Portfolio	Sun Life MFS Monthly Income Fund	Sun Life Sentry Infrastructure Fund
Sun Life Granite Income Portfolio	Sun Life MFS U.S. Equity Fund	Sun Life Sentry Value Fund
Sun Life Granite Moderate Portfolio	Sun Life MFS U.S. Growth Fund	Sun Life Templeton Global Bond Fund
Sun Life Granite Tactical Completion Fund	Sun Life MFS U.S. Value Fund	



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Sun Life BlackRock Canadian Balanced Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	38,857,234	73,347,425
Short-term investments	—	—
Cash	188,546	288,638
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	199,484	79,863
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	125,642
Accrued interest	—	—
Dividends receivable	—	—
Distributions receivable from underlying funds	22,338	855,380
Subscriptions receivable	216,405	12,446
	39,484,007	74,709,394
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	3,044	4,582
Redemptions payable	33,967	111,906
Distributions payable	—	—
Due to investment dealers	307,714	982,908
Management fees payable	24,424	24,061
Total liabilities (excluding net assets attributable to holders of redeemable units)	369,149	1,123,457
Net Assets Attributable to Holders of Redeemable Units	39,114,858	73,585,937
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	14,006,770	14,064,897
Series T5	472,767	424,983
Series E	—	—
Series F	367,551	268,304
Series I	22,124,256	56,439,206
Series O	2,143,514	2,388,547
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	11.88	11.60
Series T5	14.84	14.75
Series E	—	—
Series F	12.41	12.07
Series I	12.88	12.44
Series O	10.98	10.65

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	177,886	254,464
Interest income for distribution purposes	153	135
Distributions from underlying funds	222,870	228,146
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	7,409,055	691,316
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	48,038	1,181,478
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	(4,959,441)	1,659,828
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	119,622	(175,192)
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	3,018,183	3,840,175
Net gain (loss) on foreign exchange	97	3,623
Other income	—	—
Total income (loss)	3,018,280	3,843,798
Expenses (note 5)		
Management fees	125,750	117,009
Administration fees	23,387	22,488
Independent review committee fees	162	345
Withholding tax	5,650	18,416
Transaction costs (note 2)	1,156	320
Total operating expenses	156,105	158,578
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	2,862,175	3,685,220
Finance Cost		
Interest expense	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,862,175	3,685,220
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	427,113	654,777
Series T5	12,476	21,999
Series E	—	(21,377)
Series F	10,366	3,492
Series I	2,321,504	2,923,294
Series O	90,716	103,035
Weighted Average Number of Units Outstanding		
Series A	1,189,474	1,188,110
Series T5	28,756	32,125
Series E	—	126,068
Series F	25,841	8,454
Series I	3,921,883	4,317,875
Series O	207,296	176,110
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.36	0.55
Series T5	0.43	0.68
Series E	—	(0.17)
Series F	0.40	0.41
Series I	0.59	0.68
Series O	0.44	0.59

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Balanced Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	(\$)	Series T5 (\$)	(\$)	Series E (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	14,064,897	12,304,589	424,983	460,175	–	1,190,882
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	427,113	654,777	12,476	21,999	–	(21,377)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	1,700,271	2,421,441	71,759	36,998	–	33,026
Redemption of redeemable units	(2,185,264)	(1,401,830)	(36,247)	(79,481)	–	(1,202,457)
Reinvestment of distributions to holders of redeemable units	96,881	66,814	10,526	11,307	–	63
Capitalized distributions	–	–	–	–	–	–
	(388,112)	1,086,425	46,038	(31,176)	–	(1,169,368)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(97,128)	(67,370)	(10,730)	(11,434)	–	(137)
Return of capital	–	–	–	–	–	–
	(97,128)	(67,370)	(10,730)	(11,434)	–	(137)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(58,127)	1,673,832	47,784	(20,611)	–	(1,190,882)
Net Assets Attributable to Holders of Redeemable Units at end of period	14,006,770	13,978,421	472,767	439,564	–	–
	2017	2016	2017	2016	2017	2016
	Series F (\$)	(\$)	Series I (\$)	(\$)	Series O (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	268,304	140,455	56,439,206	50,780,250	2,388,547	1,762,607
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	10,366	3,492	2,321,504	2,923,294	90,716	103,035
Redeemable Unit Transactions						
Proceeds from redeemable units issued	93,569	604	5,606,567	4,325,142	99,054	10,499
Redemption of redeemable units	(4,262)	(64,710)	(42,243,021)	(4,229,413)	(434,838)	(46,182)
Reinvestment of distributions to holders of redeemable units	2,415	437	183,483	321,689	17,462	10,832
Capitalized distributions	–	–	–	–	–	–
	91,722	(63,669)	(36,452,971)	417,418	(318,322)	(24,851)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(2,841)	(437)	(183,483)	(322,485)	(17,427)	(10,832)
Return of capital	–	–	–	–	–	–
	(2,841)	(437)	(183,483)	(322,485)	(17,427)	(10,832)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	99,247	(60,614)	(34,314,950)	3,018,227	(245,033)	67,352
Net Assets Attributable to Holders of Redeemable Units at end of period	367,551	79,841	22,124,256	53,798,477	2,143,514	1,829,959

	2017	2016
	Total (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	73,585,937	66,638,958
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,862,175	3,685,220
Redeemable Unit Transactions		
Proceeds from redeemable units issued	7,571,220	6,827,710
Redemption of redeemable units	(44,903,632)	(7,024,073)
Reinvestment of distributions to holders of redeemable units	310,767	411,142
Capitalized distributions	–	–
	(37,021,645)	214,779
Distributions to Holders of Redeemable Units		
From capital gains	–	–
From net investment income	(311,609)	(412,695)
Return of capital	–	–
	(311,609)	(412,695)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(34,471,079)	3,487,304
Net Assets Attributable to Holders of Redeemable Units at end of period	39,114,858	70,126,262

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series E	
Redeemable Unit Transactions						
Balance – beginning of period	1,212,132	1,137,490	28,809	32,097	–	123,867
Units issued	142,978	223,576	4,782	2,533	–	3,551
Units issued on reinvestment of distributions	8,154	5,971	705	785	–	7
Units redeemed	(183,951)	(130,450)	(2,429)	(5,487)	–	(127,425)
Balance – end of period	1,179,313	1,236,587	31,867	29,928	–	–

	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
Redeemable Unit Transactions						
Balance – beginning of period	22,229	12,421	4,536,290	4,379,519	224,379	177,412
Units issued	7,537	54	438,196	363,634	8,926	1,061
Units issued on reinvestment of distributions	195	37	14,315	26,748	1,592	1,051
Units redeemed	(346)	(5,790)	(3,271,441)	(363,052)	(39,641)	(4,567)
Balance – end of period	29,615	6,722	1,717,360	4,406,849	195,256	174,957

	2017	2016
	Total	
Redeemable Unit Transactions		
Balance – beginning of period	6,023,839	5,862,806
Units issued	602,419	594,409
Units issued on reinvestment of distributions	24,961	34,599
Units redeemed	(3,497,808)	(636,771)
Balance – end of period	3,153,411	5,855,043

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Balanced Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	2,862,175	3,685,220
Adjustments for:		
Gain on short-term investments	–	–
Net realized (gain) loss on sale of investments	(7,409,055)	(691,316)
Change in unrealized (appreciation) depreciation in value of investments	4,959,441	(1,659,828)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	(119,622)	175,192
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	(222,870)	(228,146)
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(5,894,176)	(6,392,247)
Proceeds from sale of investments	42,506,144	5,150,168
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	–	4,904
Change in distributions receivable from underlying funds	833,042	727,456
Change in management fees payable	363	18,522
Change in other payables and accrued expenses	(382)	4,287
Net Cash Provided by (Used in) Operating Activities	37,515,060	794,212
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(842)	(757)
Proceeds from redeemable units issued	7,367,261	6,647,857
Redemption of redeemable units	(44,981,571)	(6,940,936)
Net Cash Provided by (Used in) Financing Activities	(37,615,152)	(293,836)
Net increase (decrease) in cash	(100,092)	500,376
Cash (bank indebtedness) at beginning of period	288,638	136,243
Cash (bank indebtedness) at end of period	188,546	636,619
Dividends received, net of withholding taxes	172,236	240,952
Interest received, net of withholding taxes	153	135
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Balanced Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
Consumer Discretionary				
iShares Global Consumer Discretionary ETF	9,495	570,022	1,220,416	
		570,022	1,220,416	3.12
Consumer Staples				
iShares Global Consumer Staples ETF	8,334	675,300	1,106,582	
		675,300	1,106,582	2.83
Health Care				
iShares Global Healthcare ETF	13,106	1,116,831	1,861,222	
		1,116,831	1,861,222	4.76
Industrials				
iShares Global Industrials ETF	7,029	397,750	772,825	
		397,750	772,825	1.98
Real Estate				
iShares Global Real Estate Index ETF	4,521	127,528	128,396	
		127,528	128,396	0.33
Information Technology				
iShares Global Tech ETF	13,018	947,255	2,213,567	
		947,255	2,213,567	5.66
Utilities				
iShares Global Utilities ETF	4,824	206,626	307,170	
		206,626	307,170	0.79

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Bonds				
iShares Core U.S. Aggregate Bond ETF	19,756	2,383,420	2,809,714	
iShares iBoxx \$ High Yield Corporate Bond ETF	6,720	639,893	771,404	
iShares International Treasury Bond ETF	15,092	1,675,454	1,875,328	
iShares J.P. Morgan USD Emerging Markets Bond ETF	5,206	625,523	773,192	
		5,324,290	6,229,638	15.92
Total Exchange-Traded Funds		9,365,602	13,839,816	35.39

	Number of Units	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life BlackRock Canadian Composite Equity Fund, Series I	1,423,576	13,841,179	15,797,708	
Sun Life BlackRock Canadian Universe Bond Fund, Series I	868,211	9,250,451	9,219,710	
Total Mutual Funds		23,091,630	25,017,418	63.95
Transaction Costs		(1,373)		
Total Investments		32,455,859	38,857,234	99.34
Currency Forward Contracts¹			199,484	0.51
Other Assets less Liabilities			58,140	0.15
Total Net Assets			39,114,858	100.00

(1) Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	5,916,247	USD	(4,465,995)	119,846
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	3,931,375	USD	(2,967,676)	79,638
							199,484

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life BlackRock Canadian Balanced Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and

specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Balanced Fund (Continued)

The Fund is exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds.

The Fund also invests in financial assets which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	June 30, 2017	
AAA/Aaa	0,51	
Total	0,51	

Rating	As a % of Net Assets	
	December 31, 2016	
AAA/Aaa	0,11	
Total	0,11	

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, either directly or indirectly through underlying internally and externally managed funds, including cash and cash equivalents. The Fund is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Bonds		
Foreign Bonds	15.9	15.6
Equities		
Industrials	2.0	2.0
Consumer Discretionary	3.1	2.9
Consumer Staples	2.8	2.8
Health Care	4.8	4.3
Real Estate	0.3	0.2
Information Technology	5.7	5.2
Telecommunication Services	–	0.1
Utilities	0.8	0.5
Mutual Funds	63.9	66.1
Other Assets less Liabilities	0.7	0.3
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Balanced Fund (Continued)

unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

June 30, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Exchange-Traded				
Funds	13,839,816	–	–	13,839,816
Mutual Funds	25,017,418	–	–	25,017,418
Currency Forward				
Contracts	–	199,484	–	199,484
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Exchange-Traded				
Funds	24,722,073	–	–	24,722,073
Mutual Funds	48,625,352	–	–	48,625,352
Currency Forward				
Contracts	–	79,863	–	79,863

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Derivative assets and liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$1,156 (\$320 for the period ended June 30, 2016).

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$1,724,329 (\$1,724,329 as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Balanced Fund (Continued)

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	199,484	79,863
Investments designated at fair value through profit or loss	38,857,234	73,347,425
Total financial assets at fair value through profit or loss	39,056,718	73,427,288
Financial assets at amortized cost		
Cash	188,546	288,638
Other receivables	238,743	993,468
Total financial assets at amortized cost	427,289	1,282,106
Total assets	39,484,007	74,709,394
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	369,149	1,123,457
Total liabilities (excluding net assets attributable to holders of redeemable units)	369,149	1,123,457

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	167,660	1,006,286
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	2,850,523	2,833,889
Total net gains (losses)	3,018,183	3,840,175

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	199,484	–	–	199,484
Total	199,484	–	–	199,484
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–
December 31, 2016				
Derivative assets –				
Forward Contracts	79,863	–	–	79,863
Total	79,863	–	–	79,863
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	April 07, 2011	April 15, 2011
Series T5 Units	August 24, 2011	September 01, 2011
Series F Units	April 07, 2011	April 15, 2011
Series I Units	April 07, 2011	April 15, 2011
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Composite Equity Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current assets		
Investments (non-derivative financial assets) (note 2)	934,845,692	826,113,264
Short-term investments	–	–
Cash	13,113,990	10,656,754
Margin	648,985	285,142
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	124,680
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	–	–
Accrued interest	–	–
Dividends receivable	2,498,196	2,139,983
Distributions receivable from underlying funds	–	–
Subscriptions receivable	783,691	1,349,395
	951,890,554	840,669,218
Liabilities		
Current liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	122,923	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	–	–
Redemptions payable	343,727	3,945,983
Distributions payable	–	24,463
Due to investment dealers	–	–
Management fees payable	–	–
Total liabilities (excluding net assets attributable to holders of redeemable units)	466,650	3,970,446
Net Assets Attributable to Holders of Redeemable Units	951,423,904	836,698,772
Net Assets Attributable to Holders of Redeemable Units per Unit – Series I (note 4)	11.10	11.02

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	12,942,890	9,834,871
Interest income for distribution purposes	18	326
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	13,734,028	(4,673,516)
Net realized gain (loss) on futures contracts	277,132	871,764
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	(22,490,087)	53,745,009
Change in unrealized appreciation (depreciation) in value of futures contracts	(247,603)	(123,513)
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	4,216,378	59,654,941
Net gain (loss) on foreign exchange	(514)	(7,205)
Other income	–	–
Total income (loss)	4,215,864	59,647,736
Expenses (note 5)		
Management fees	–	–
Administration fees	–	–
Independent review committee fees	–	3,265
Withholding tax	2,227	927
Transaction costs (note 2)	92,974	22,386
Total operating expenses	95,201	26,578
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	4,120,663	59,621,158
Finance Cost		
Interest expense	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) – Series I		
	4,120,663	59,621,158
Weighted Average Number of Units Outstanding – Series I		
	81,646,039	64,789,759
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) – Series I		
	0.05	0.92

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Composite Equity Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	836,698,772	586,909,772
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	4,120,663	59,621,158
Redeemable Unit Transactions		
Proceeds from redeemable units issued	229,508,526	71,183,305
Redemption of redeemable units	(118,928,503)	(25,816,384)
Reinvestment of distributions to holders of redeemable units	24,446	25,422
Capitalized distributions	–	–
	110,604,469	45,392,343
Distributions to Holders of Redeemable Units		
From capital gains	–	–
From net investment income	–	–
Return of capital	–	–
	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	114,725,132	105,013,501
Net Assets Attributable to Holders of Redeemable Units at end of period	951,423,904	691,923,273
	2017	2016
Redeemable Unit Transactions		
Balance – beginning of period	75,924,893	62,791,704
Units issued	20,365,164	7,368,242
Units issued on reinvestment of distributions	2,218	2,720
Units redeemed	(10,557,163)	(2,744,325)
Balance – end of period	85,735,112	67,418,341

Statements of Cash Flows For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	4,120,663	59,621,158
Adjustments for:		
Gain on short-term investments	–	–
Net realized (gain) loss on sale of investments	(13,734,028)	4,673,516
Change in unrealized (appreciation) depreciation in value of investments	22,490,087	(53,745,009)
Change in unrealized (appreciation) depreciation in value of futures contracts	247,603	123,513
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	(363,843)	(166,893)
Purchases of investments	(238,721,898)	(80,262,918)
Proceeds from sale of investments	121,140,437	24,451,234
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	(358,213)	(243,440)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	–	–
Change in other payables and accrued expenses	92,974	25,651
Net Cash Provided by (Used in) Operating Activities	(105,086,218)	(45,523,188)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(17)	(3)
Proceeds from redeemable units issued	230,074,230	70,998,790
Redemption of redeemable units	(122,530,759)	(25,740,256)
Net Cash Provided by (Used in) Financing Activities	107,543,454	45,258,531
Net increase (decrease) in cash	2,457,236	(264,657)
Cash (bank indebtedness) at beginning of period	10,656,754	9,174,905
Cash (bank indebtedness) at end of period	13,113,990	8,910,248
Dividends received, net of withholding taxes	12,582,450	9,590,504
Interest received, net of withholding taxes	18	326
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Composite Equity Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Wipak Ltd.	13,905	676,627	809,549	
Yamana Gold Inc.	429,575	3,397,475	1,344,570	
	123,917,739	108,713,880	11.43	
Industrials				
Aecon Group Inc.	26,379	369,819	425,757	
Air Canada	123,273	1,003,591	2,142,485	
ATS Automation Tooling Systems Inc.	34,671	459,648	460,778	
Badger Daylighting Ltd.	16,848	479,108	448,494	
Bombardier Inc., Class B	874,727	2,674,416	2,064,356	
Boyd Group Income Fund	8,255	559,558	793,718	
Brookfield Business Partners LP	11,885	331,522	416,807	
CAE Inc.	121,842	1,794,042	2,724,387	
Canadian National Railway Co.	343,741	23,346,116	36,168,428	
Canadian Pacific Railway Ltd.	66,614	10,472,035	13,899,011	
Exchange Income Corp.	12,678	520,809	419,135	
Finning International Inc.	76,668	1,919,429	1,948,901	
Morneau Shepell Inc.	24,576	462,346	512,164	
New Flyer Industries Inc.	22,200	770,956	1,204,128	
Ritchie Bros. Auctioneers Inc.	48,594	1,495,597	1,810,612	
Russel Metals Inc.	28,011	722,079	727,166	
SNC-Lavalin Group Inc.	68,345	3,276,772	3,832,104	
Stantec Inc.	51,980	1,459,524	1,697,147	
TFI International Inc.	39,495	951,698	1,104,675	
Toromont Industries Ltd.	35,466	1,092,433	1,693,147	
Transcontinental Inc., Class A	28,977	470,222	744,709	
Waste Connections Inc.	119,676	6,953,772	9,996,536	
Westjet Airlines Ltd.	53,228	1,126,941	1,232,228	
Westshore Terminals Investment Corp.	25,200	650,989	529,452	
WSP Global Inc.	29,068	1,087,548	1,564,149	
	64,450,970	88,560,474	9.31	
Consumer Discretionary				
Amaya Inc.	59,040	1,586,584	1,368,547	
BRP Inc.	13,908	380,226	528,365	
Canadian Tire Corp., Ltd., Class A	30,111	3,285,342	4,443,179	
Cineplex Inc.	28,801	1,185,264	1,522,421	
Cogeco Communications Inc.	10,484	622,656	830,438	
Corus Entertainment Inc.	50,061	828,460	682,331	
DHX Media Ltd.	58,387	489,366	335,141	
Dollarama Inc.	46,942	2,944,502	5,816,583	
Dorel Industries Inc., Class B	11,802	386,582	406,815	
EnerCare Inc.	47,417	765,385	935,063	
Gildan Activewear Inc.	102,340	2,931,027	4,078,249	
Great Canadian Gaming Corp.	26,634	568,166	636,020	
Hudson's Bay Company	48,224	844,832	557,952	
Linamar Corp.	20,810	973,457	1,330,175	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Magna International Inc.	163,990	7,314,061	9,850,879	
Martinrea International Inc.	38,407	381,343	406,730	
Quebecor Inc., Class B	37,512	1,064,540	1,610,015	
Shaw Communications Inc., Class B	185,787	4,594,407	5,255,914	
Sleep Country Canada Holdings Inc.	16,034	504,073	659,799	
Thomson Reuters Corp.	127,477	5,638,790	7,653,719	
Uni-Select Inc.	19,395	579,322	607,451	
	37,868,385	49,515,786	5.20	
Consumer Staples				
Alimentation Couche-Tard Inc., Class B	190,968	7,480,957	11,870,571	
Cott Corp.	62,937	842,825	1,178,810	
Empire Co., Ltd., Class A	72,313	1,635,462	1,599,564	
George Weston Ltd.	21,440	1,973,609	2,516,842	
Loblaw Companies Limited	94,044	5,523,454	6,784,334	
Maple Leaf Foods Inc.	38,220	794,912	1,251,323	
Metro Inc., Class A	103,535	3,034,151	4,418,874	
North West Co. Inc.	22,160	568,447	692,722	
Premium Brands Holdings Corp.	11,775	699,684	1,095,546	
Saputo Inc.	96,180	3,129,980	3,967,425	
The Jean Coutu Group PJC Inc., Class A	34,928	646,170	695,067	
	26,329,651	36,071,078	3.79	
Health Care				
Extencare Inc.	39,909	354,322	413,058	
Canopy Growth Corp.	66,554	696,767	530,435	
Knight Therapeutics Inc.	49,182	494,614	506,083	
Prometic Life Sciences Inc.	298,854	766,096	502,075	
Valeant Pharmaceuticals International Inc.	146,711	11,648,096	3,306,866	
	13,959,895	5,258,517	0.55	
Financials				
Alaris Royalty Corp.	16,382	470,124	377,277	
Bank of Montreal	296,010	22,473,664	28,186,072	
Brookfield Asset Management Inc., Class A	394,887	13,780,955	20,095,799	
Canadian Imperial Bank of Commerce	197,132	18,633,691	20,775,741	
Canadian Western Bank	40,160	1,160,512	1,099,581	
Chartwell Retirement Residences	86,852	1,000,752	1,345,337	
CI Financial Corp.	120,652	3,404,600	3,334,821	
ECN Capital Corp.	174,049	541,415	696,196	
Element Financial Corp.	177,370	2,131,436	1,578,593	
Fairfax Financial Holdings Ltd.	10,446	5,711,600	5,870,756	
Genworth MI Canada Inc.	14,526	401,621	518,288	
Great-West Lifeco Inc.	126,010	3,836,475	4,429,252	
Home Capital Group Inc.	27,925	878,818	474,446	
IGM Financial Inc.	37,046	1,556,274	1,489,990	
Industrial Alliance Insurance & Financial Services Inc.	48,226	2,044,250	2,713,195	
Intact Financial Corp.	59,480	4,604,463	5,826,661	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Composite Equity Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Kirkland Lake Gold Ltd.	84,496	818,682	1,036,766	
Laurentian Bank of Canada	15,394	776,376	833,893	
Manulife Financial Corp.	897,336	16,826,358	21,814,238	
National Bank of Canada	154,993	6,993,104	8,451,768	
Onex Corp.	37,110	2,426,562	3,852,389	
Power Corporation of Canada	165,908	4,725,925	4,907,559	
Power Financial Corp.	109,763	3,438,656	3,651,815	
Restaurant Brands International Inc.	106,958	5,564,897	8,678,572	
Royal Bank of Canada	661,533	48,594,737	62,289,948	
Sun Life Financial Inc.	278,578	10,269,951	12,914,876	
The Bank of Nova Scotia	545,583	34,958,164	42,560,930	
The Toronto-Dominion Bank	838,530	43,480,521	54,797,936	
TMX Group Ltd.	13,172	731,587	929,416	
Tricon Capital Group Inc.	57,043	610,839	662,840	
Trisura Group Ltd.	2,292	37,506	49,733	
	262,884,515	326,244,684	34.29	
Real Estate				
Allied Properties Real Estate Investment Trust	38,376	1,212,193	1,493,594	
Altus Group Ltd.	15,767	447,038	441,949	
Artis Real Estate Investment Trust	68,749	877,187	900,612	
Boardwalk Real Estate Investment Trust	16,741	915,547	796,035	
Brookfield Property Partners L.P.	96,277	2,310,850	2,953,778	
Canadian Apartment Properties REIT	61,743	1,531,194	2,072,713	
Canadian Real Estate Investment Trust	33,206	1,452,618	1,523,159	
Colliers International Group Inc.	14,781	630,383	1,083,447	
Cominar Real Estate Investment Trust, Class U	78,827	1,258,667	1,001,891	
Crombie Real Estate Investment Trust	39,693	517,905	556,893	
Dream Global Real Estate Investment Trust	62,056	560,349	677,652	
Dream Office Real Estate Investment Trust	47,645	1,157,396	931,460	
First Capital Realty Inc.	62,983	1,225,814	1,244,544	
FirstService Corp.	14,122	538,474	1,175,092	
Granite Real Estate Investment Trust	21,337	858,101	1,094,375	
H&R Real Estate Investment Trust	131,315	2,839,209	2,891,556	
Northview Apartment Real Estate Investment Trust	21,687	453,364	456,294	
Pure Industrial Real Estate Trust	123,967	651,326	852,893	
RioCan Real Estate Investment Trust	147,615	3,809,443	3,553,093	
Smart Real Estate Investment Trust	53,028	1,513,005	1,703,259	
	24,760,063	27,404,289	2.88	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Information Technology				
Blackberry Ltd.	218,882	2,921,837	2,836,711	
Celestica Inc.	56,445	723,869	994,561	
CGI Group Inc., Class A	119,542	5,128,024	7,920,853	
Computer Modelling Group Ltd.	34,764	400,851	353,898	
Constellation Software Inc.	8,947	3,455,847	6,069,734	
Enghouse Systems Ltd.	8,203	436,844	431,068	
Kinaxis Inc.	10,825	588,559	874,011	
MacDonald Dettwiler and Associates Ltd.	16,702	1,158,053	1,127,051	
Mitel Networks Corp.	40,125	414,446	382,391	
Open Text Corp.	119,889	3,566,476	4,907,057	
Shopify Inc.	38,437	4,420,809	4,328,006	
Sierra Wireless Inc.	14,517	582,417	528,709	
The Descartes Systems Group Inc.	34,438	698,226	1,086,519	
		24,496,258	31,840,569	3.35
Telecommunication Services				
BCE Inc.	408,312	20,685,743	23,845,421	
Rogers Communications Inc., Class B	162,574	7,544,825	9,957,658	
TELUS Corp.	269,368	9,971,141	12,059,605	
		38,201,709	45,862,684	4.82
Utilities				
Algonquin Power & Utilities Corp.	173,320	1,856,388	2,365,818	
AltaGas Ltd.	76,448	2,603,703	2,268,977	
Atco Ltd., Class I	34,069	1,431,519	1,727,639	
Boralex Inc.	24,316	507,102	533,979	
Brookfield Renewable Energy Partners L.P.	51,607	1,775,461	2,133,949	
Canadian Utilities Ltd., Class A	54,799	1,963,909	2,283,474	
Capital Power Corp.	40,098	930,034	975,183	
Emera Inc.	95,903	4,032,297	4,623,484	
Fortis Inc.	188,826	7,397,643	8,606,689	
Hydro One Ltd.	135,385	3,197,830	3,144,994	
Innergex Renewable Energy Inc.	43,928	518,572	626,413	
Northland Power Inc.	51,627	999,493	1,192,584	
Superior Plus Corp.	64,562	711,082	737,298	
TransAlta Corporation	131,148	1,534,787	1,087,217	
TransAlta Renewables Inc.	40,565	515,688	635,248	
		29,975,508	32,942,946	3.46
Total Equities		848,966,130	934,845,692	98.25
Transaction Costs		(209,847)		
Total Investments		848,756,283	934,845,692	98.25
Unrealized appreciation/(depreciation) on futures contracts⁽¹⁾			(122,923)	(0.01)
Other Assets less Liabilities			16,701,135	1.76
Total Net Assets			951,423,904	100.00

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Composite Equity Fund (Continued)

Schedule of Investments

(l) Futures Contracts Schedule

Name of Future	Contracted Value (\$)	Expiry Date	Numbers of Contracts	Contracted Price	Current Value (\$)	Unrealized Appreciation/ (Depreciation) (\$)
S&P Canada 60 Index	12,038,203	14-Sep-2017	67	889.37	11,915,280	(122,923)
					11,915,280	(122,923)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life BlackRock Canadian Composite Equity Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is subject to credit risk exposure related to its investment in indexed linked equity futures. However, as these investments are held directly with the exchanges, credit risk is not a significant risk to the Fund.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	361,172	0.04
Total	361,172	0.04
December 31, 2016		
United States Dollar	278,643	0.03
Total	278,643	0.03

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$18,059 (\$13,932 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in Canadian equities and from its investment in indexed linked equity futures. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$47,338,049 (\$41,834,834 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Composite Equity Fund (Continued)

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Energy	19.2	20.6
Materials	11.4	11.9
Industrials	9.3	8.7
Consumer Discretionary	5.2	5.0
Consumer Staples	3.8	3.8
Health Care	0.6	0.5
Financials	34.3	34.8
Real Estate	2.9	2.9
Information Technology	3.3	2.7
Telecommunication Services	4.8	4.8
Utilities	3.5	3.0
Other Assets less Liabilities	1.7	1.3
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the

measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	934,845,692	—	—	934,845,692
Financial Liabilities				
Futures Contracts	—	122,923	—	122,923

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	826,113,264	—	—	826,113,264
Futures Contracts	—	124,680	—	124,680

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Composite Equity Fund (Continued)

Derivative assets and liabilities

Derivative assets and liabilities consist of futures contracts, which are classified as Level 2 and are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$92,974 (\$22,386 for the period ended June 30, 2016).

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$3,254,803 (\$2,730,703 as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	124,680
Investments designated at fair value through profit or loss	934,845,692	826,113,264
Total financial assets at fair value through profit or loss	934,845,692	826,237,944
Financial assets at amortized cost		
Cash	13,113,990	10,656,754
Other receivables	3,930,872	3,774,520
Total financial assets at amortized cost	17,044,862	14,431,274
Total assets	951,890,554	840,669,218
Financial liabilities		
Derivative liabilities held for trading	122,923	–
Financial liabilities at amortized cost	343,727	3,970,446
Total liabilities (excluding net assets attributable to holders of redeemable units)	466,650	3,970,446

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/ financial liabilities held for trading	29,529	748,251
Net gain (loss) on financial assets/ financial liabilities designated at fair value through profit or loss	4,186,849	58,906,690
Total net gains (losses)	4,216,378	59,654,941

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series I Units	April 07, 2011	April 15, 2011

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Equity Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	164,215,642	163,657,014
Short-term investments	—	—
Cash	543,278	564,552
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	216,925	50,259
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	461,605
Accrued interest	—	—
Dividends receivable	—	103,052
Distributions receivable from underlying funds	—	2,959,307
Subscriptions receivable	12,321	132,409
	164,988,166	167,928,198
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	6,424	5,620
Redemptions payable	146,805	168,119
Distributions payable	—	—
Due to investment dealers	—	3,955,013
Management fees payable	19,559	17,051
Total liabilities (excluding net assets attributable to holders of redeemable units)	172,788	4,145,803
Net Assets Attributable to Holders of Redeemable Units	164,815,378	163,782,395
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	11,442,823	10,169,468
Series T5	128,841	119,433
Series T8	87,417	78,790
Series E	—	—
Series F	461,064	220,940
Series I	150,575,198	151,163,281
Series O	2,120,035	2,030,483
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	12.82	12.43
Series T5	16.46	16.35
Series T8	13.89	14.01
Series E	—	—
Series F	13.46	12.98
Series I	13.50	12.97
Series O	11.44	10.99

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	399,296	390,911
Interest income for distribution purposes	204	43
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	2,149,051	939,000
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	140,728	615,353
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	3,933,223	6,741,139
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	166,666	(87,121)
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	6,789,168	8,599,325
Net gain (loss) on foreign exchange	(1,521)	(1,995)
Other income	—	—
Total income (loss)	6,787,647	8,597,330
Expenses (note 5)		
Management fees	97,475	80,747
Administration fees	33,093	29,168
Independent review committee fees	129	789
Withholding tax	47,062	45,633
Transaction costs (note 2)	573	163
Total operating expenses	178,332	156,500
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	6,609,315	8,440,830
Finance Cost		
Interest expense	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	6,609,315	8,440,830
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	323,169	474,847
Series T5	3,821	5,250
Series T8	2,443	3,115
Series E	—	(34,412)
Series F	7,073	9,120
Series I	6,191,977	7,894,949
Series O	80,832	87,961
Weighted Average Number of Units Outstanding		
Series A	866,348	817,847
Series T5	7,654	7,098
Series T8	5,989	4,941
Series E	—	92,972
Series F	25,065	18,178
Series I	11,432,595	12,072,407
Series O	183,021	156,682
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.37	0.58
Series T5	0.50	0.74
Series T8	0.41	0.63
Series E	—	(0.37)
Series F	0.28	0.50
Series I	0.54	0.65
Series O	0.44	0.56

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Equity Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	10,169,468	8,471,888	119,433	106,019	78,790	66,543
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	323,169	474,847	3,821	5,250	2,443	3,115
Redeemable Unit Transactions						
Proceeds from redeemable units issued	1,769,014	1,618,546	9,522	1,158	11,500	10,365
Redemption of redeemable units	(818,872)	(905,040)	(3,539)	–	(5,000)	(10,679)
Reinvestment of distributions to holders of redeemable units	831	528	2,732	2,501	3,059	2,232
Capitalized distributions	–	–	–	–	–	–
	950,973	714,034	8,715	3,659	9,559	1,918
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(787)	(400)	(3,128)	(2,695)	(3,375)	(2,667)
Return of capital	–	–	–	–	–	–
	(787)	(400)	(3,128)	(2,695)	(3,375)	(2,667)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	1,273,355	1,188,481	9,408	6,214	8,627	2,366
Net Assets Attributable to Holders of Redeemable Units at end of period	11,442,823	9,660,369	128,841	112,233	87,417	68,909

	2017	2016	2017	2016	2017	2016
	Series E		Series F		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	–	910,489	220,940	242,961	151,163,281	143,164,612
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	–	(34,412)	7,073	9,120	6,191,977	7,894,949
Redeemable Unit Transactions						
Proceeds from redeemable units issued	–	48,161	234,717	–	2,426,814	1,411,754
Redemption of redeemable units	–	(924,187)	(1,688)	(46,862)	(9,206,874)	(8,622,998)
Reinvestment of distributions to holders of redeemable units	–	40	127	44	–	–
Capitalized distributions	–	–	–	–	–	–
	–	(875,986)	233,156	(46,818)	(6,780,060)	(7,211,244)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	(91)	(105)	(33)	–	–
Return of capital	–	–	–	–	–	–
	–	(91)	(105)	(33)	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	–	(910,489)	240,124	(37,731)	(588,083)	683,705
Net Assets Attributable to Holders of Redeemable Units at end of period	–	–	461,064	205,230	150,575,198	143,848,317

	2017	2016	2017	2016
	Series O		Total	
	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	2,030,483	1,499,574	163,782,395	154,462,086
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	80,832	87,961	6,609,315	8,440,830
Redeemable Unit Transactions				
Proceeds from redeemable units issued	53,659	105,538	4,505,226	3,195,522
Redemption of redeemable units	(44,939)	(40,109)	(10,080,912)	(10,549,875)
Reinvestment of distributions to holders of redeemable units	–	–	6,749	5,345
Capitalized distributions	–	–	–	–
	8,720	65,429	(5,568,937)	(7,349,008)
Distributions to Holders of Redeemable Units				
From capital gains	–	–	–	–
From net investment income	–	–	(7,395)	(5,886)
Return of capital	–	–	–	–
	–	–	(7,395)	(5,886)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	89,552	153,390	1,032,983	1,085,936
Net Assets Attributable to Holders of Redeemable Units at end of period	2,120,035	1,652,964	164,815,378	155,548,022

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
Redeemable Unit Transactions						
Balance – beginning of period	818,223	766,846	7,304	6,992	5,624	4,969
Units issued	137,885	149,148	569	77	809	757
Units issued on reinvestment of distributions	65	46	164	164	216	168
Units redeemed	(63,597)	(82,268)	(211)	–	(355)	(788)
Balance – end of period	892,576	833,772	7,826	7,233	6,294	5,106

	2017	2016	2017	2016	2017	2016
	Series E		Series F		Series I	
Redeemable Unit Transactions						
Balance – beginning of period	–	95,074	17,021	21,077	11,652,131	12,429,719
Units issued	–	5,394	17,344	–	180,773	122,224
Units issued on reinvestment of distributions	–	4	9	4	–	–
Units redeemed	–	(100,472)	(125)	(4,196)	(680,893)	(749,379)
Balance – end of period	–	34,249	16,885	11,152,011	11,802,564	

	2017	2016	2017	2016
	Series O		Total	
Redeemable Unit Transactions				
Balance – beginning of period	184,701	153,613	12,685,004	13,478,290
Units issued	4,649	10,547	342,029	288,147
Units issued on reinvestment of distributions	–	–	454	386
Units redeemed	(3,983)	(4,080)	(749,164)	(941,183)
Balance – end of period	185,367	160,080	12,278,323	12,825,640

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Equity Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	6,609,315	8,440,830
Adjustments for:		
Gain on short-term investments	–	–
Net realized (gain) loss on sale of investments	(2,149,051)	(939,000)
Change in unrealized (appreciation) depreciation in value of investments	(3,933,223)	(6,741,139)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	(166,666)	87,121
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(5,319,036)	(4,513,554)
Proceeds from sale of investments	7,348,701	8,465,020
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	103,052	59,731
Change in distributions receivable from underlying funds	2,959,307	2,866,508
Change in management fees payable	2,508	12,786
Change in other payables and accrued expenses	1,377	5,557
Net Cash Provided by (Used in) Operating Activities	5,456,284	7,743,860
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(646)	(541)
Proceeds from redeemable units issued	4,625,314	3,212,877
Redemption of redeemable units	(10,102,226)	(10,641,919)
Net Cash Provided by (Used in) Financing Activities	(5,477,558)	(7,429,583)
Net increase (decrease) in cash	(21,274)	314,277
Cash (bank indebtedness) at beginning of period	564,552	174,745
Cash (bank indebtedness) at end of period	543,278	489,022
Dividends received, net of withholding taxes	455,286	405,009
Interest received, net of withholding taxes	204	43
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Equity Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
Consumer Discretionary				
iShares S&P Global Consumer Discretionary Index ETF	276,917	5,897,306	8,722,886	
		5,897,306	8,722,886	5.29
Consumer Staples				
iShares Global Consumer Staples ETF	58,897	4,269,874	7,820,298	
		4,269,874	7,820,298	4.74
Health Care				
iShares Global Healthcare ETF	87,458	6,620,899	12,420,172	
		6,620,899	12,420,172	7.54
Industrials				
iShares S&P Global Industrials Index ETF	182,320	3,704,786	5,587,196	
		3,704,786	5,587,196	3.39
Information Technology				
iShares Global Tech ETF	90,153	5,990,803	15,329,522	
		5,990,803	15,329,522	9.31
Real Estate				
iShares Global Real Estate ETF	16,610	468,533	471,724	
		468,533	471,724	0.29

(1) Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	10,708,593	USD	(8,083,592)	216,925
							216,925

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life BlackRock Canadian Equity Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund is exposed indirectly to financial risks as a result of its investment in the Sun Life BlackRock Canadian Composite Equity Fund (the "Underlying Fund") and other exchange-traded funds presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

The accompanying notes are an integral part of the financial statements.

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Utilities				
iShares Global Utilities ETF	24,363	1,029,061	1,551,322	
		1,029,061	1,551,322	0.94
Total Exchange-Traded Funds		27,981,262	51,903,120	31.50
	Number of Units	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life BlackRock Canadian Composite Equity Fund, Series I	10,120,798	90,251,064	112,312,522	68.14
		90,251,064	112,312,522	68.14
Transaction Costs		(4,533)		
Total Investments		118,227,793	164,215,642	99.64
Currency Forward Contracts⁽¹⁾			216,925	0.13
Other Assets less Liabilities			382,811	0.23
Total Net Assets			164,815,378	100.00

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund is also exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds. The Underlying Fund is subject to credit risk exposure related to its investment in indexed linked equity futures. However, as these investments are held directly with the exchanges, credit risk is not a significant risk to the Fund.

Sun Life BlackRock Canadian Equity Fund (Continued)

The Fund invests in financial assets, both directly and indirectly through the Underlying Fund, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	June 30, 2017	
AAA/Aaa	0.13	
A/A	—	
Total	0.13	

Rating	As a % of Net Assets	
	December 31, 2016	
AAA/Aaa	—	
A/A	0.03	
Total	0.03	

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, either directly or indirectly through underlying internally and externally managed funds, including cash and cash equivalents. It is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The following tables summarize the Underlying Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)		Percentage of Net Assets (%)	
	June 30, 2017			
United States Dollar	42,635		0.03	
Total	42,635		0.03	

	Holdings Exposed to Currency Risk (\$CAD)		Percentage of Net Assets (%)	
	December 31, 2016			
United States Dollar	38,130		0.02	
Total	38,130		0.02	

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$2,132 (\$1,907 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying externally managed funds.

As at June 30, 2017 and December 31, 2016, the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in underlying externally managed funds.

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in equity securities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to the Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$5,588,104 (\$5,724,774 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Equity Fund (Continued)

The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Energy	13.1	14.4
Materials	7.8	8.3
Industrials	9.7	9.6
Consumer Discretionary	8.8	8.4
Consumer Staples	7.3	7.1
Health Care	7.9	7.2
Financials	23.4	24.4
Information Technology	11.6	10.7
Real Estate	2.2	2.6
Telecommunication Services	3.3	3.3
Utilities	3.3	3.0
Other Assets less Liabilities	1.6	1.0
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Exchange-Traded				
Funds	51,903,120	—	—	51,903,120
Mutual Funds	112,312,522	—	—	112,312,522
Currency				
Forward				
Contracts	—	216,925	—	216,925

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Exchange-Traded				
Funds	49,161,242	—	—	49,161,242
Mutual Funds	114,495,772	—	—	114,495,772
Currency				
Forward				
Contracts	—	50,259	—	50,259

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Equity Fund (Continued)

Derivative assets and liabilities

Derivative assets and liabilities consist of currency forward contracts, which are classified as Level 2 and are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$573 (\$163 for the period ended June 30, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds (“underlying funds”) to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund’s net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund’s interests in underlying funds are reported at fair value in “investments” in its Statements of Financial Position and its Schedule of Investments, which represents the Fund’s maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	216,925	50,259
Investments designated at fair value through profit or loss	164,215,642	163,657,014
Total financial assets at fair value through profit or loss	164,432,567	163,707,273
Financial assets at amortized cost		
Cash	543,278	564,552
Other receivables	12,321	3,656,373
Total financial assets at amortized cost	555,599	4,220,925
Total assets	164,988,166	167,928,198
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	172,788	4,145,803
Total liabilities (excluding net assets attributable to holders of redeemable units)	172,788	4,145,803

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	307,394	528,232
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	6,481,774	8,071,093
Total net gains (losses)	6,789,168	8,599,325

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Equity Fund (Continued)

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	216,925	–	–	216,925
Total	216,925	–	–	216,925
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–
December 31, 2016				
Derivative assets –				
Forward Contracts	50,259	–	–	50,259
Total	50,259	–	–	50,259
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	April 07, 2011	April 15, 2011
Series T5 Units	August 24, 2011	September 01, 2011
Series T8 Units	August 24, 2011	September 01, 2011
Series F Units	April 07, 2011	April 15, 2011
Series I Units	April 07, 2011	April 15, 2011
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	987,775,256	873,572,450
Short-term investments	–	–
Cash	1,619,884	82,923
Margin	–	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	756,538	9,572,473
Accrued interest	4,611,754	4,496,798
Dividends receivable	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	1,381,496	4,002,969
	996,144,928	891,727,613
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	–	–
Redemptions payable	764,779	12,184,490
Distributions payable	–	5,519
Due to investment dealers	336,957	–
Management fees payable	–	–
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,101,736	12,190,009
Net Assets Attributable to Holders of Redeemable Units	995,043,192	879,537,604
Net Assets Attributable to Holders of Redeemable Units per Unit – Series I (note 4)	10.62	10.53

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	–	–
Interest income for distribution purposes	13,375,678	16,001,027
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	(1,418,289)	843,824
Net realized gain (loss) on futures contracts	–	–
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	7,898,144	29,650,190
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	19,855,533	46,495,041
Net gain (loss) on foreign exchange	–	–
Other income	–	–
Total income (loss)	19,855,533	46,495,041
Expenses (note 5)		
Management fees	–	–
Administration fees	–	–
Independent review committee fees	–	5,522
Withholding tax	–	–
Transaction costs (note 2)	–	–
Total operating expenses	–	5,522
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	19,855,533	46,489,519
Finance Cost		
Interest expense	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) – Series I		
	19,855,533	46,489,519
Weighted Average Number of Units Outstanding – Series I		
	84,620,153	98,642,278
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) – Series I		
	0.23	0.47

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	879,537,604	890,009,882
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	19,855,533	46,489,519
Redeemable Unit Transactions		
Proceeds from redeemable units issued	259,654,015	544,597,288
Redemption of redeemable units	(164,009,489)	(159,446,256)
Reinvestment of distributions to holders of redeemable units	13,381,227	16,015,850
Capitalized distributions	—	—
	109,025,753	401,166,882
Distributions to Holders of Redeemable Units		
From capital gains	—	—
From net investment income	(13,375,698)	(15,995,509)
Return of capital	—	—
	(13,375,698)	(15,995,509)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	115,505,588	431,660,892
Net Assets Attributable to Holders of Redeemable Units at end of period	995,043,192	1,321,670,774
	2017	2016
Redeemable Unit Transactions		
Balance – beginning of period	83,548,055	82,774,061
Units issued	24,340,747	50,396,069
Units issued on reinvestment of distributions	1,259,546	1,476,738
Units redeemed	(15,446,054)	(14,723,142)
Balance – end of period	93,702,294	119,923,726

Statements of Cash Flows For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	19,855,533	46,489,519
Adjustments for:		
Gain on short-term investments	—	—
Net realized (gain) loss on sale of investments	1,418,289	(843,824)
Change in unrealized (appreciation) depreciation in value of investments	(7,898,144)	(29,650,190)
Change in unrealized (appreciation) depreciation in value of futures contracts	—	—
Change in unrealized (appreciation) depreciation in currency forward contracts	—	—
Change in unrealized (appreciation) depreciation in value of swaps	—	—
Non-cash income distributions from underlying funds	—	—
Change in fair value of option contracts	—	—
Change in fair value of credit default swaps	—	—
Change in margin	—	—
Purchases of investments	(262,114,661)	(574,723,706)
Proceeds from sale of investments	163,544,602	166,440,515
Purchases of short-term investments	—	—
Proceeds from sale of short-term investments	—	—
Change in dividends and interest receivable	(114,956)	(1,655,896)
Change in distributions receivable from underlying funds	—	—
Change in management fees payable	—	—
Change in other payables and accrued expenses	—	5,522
Net Cash Provided by (Used in) Operating Activities	(85,309,337)	(393,938,060)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	10	82
Proceeds from redeemable units issued	262,275,488	550,179,525
Redemption of redeemable units	(175,429,200)	(157,904,365)
Net Cash Provided by (Used in) Financing Activities	86,846,298	392,275,242
Net increase (decrease) in cash	1,536,961	(1,662,818)
Cash (bank indebtedness) at beginning of period	82,923	4,345,308
Cash (bank indebtedness) at end of period	1,619,884	2,682,490
Dividends received, net of withholding taxes	—	—
Interest received, net of withholding taxes	13,260,722	14,345,131
Interest paid	—	—

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS						
Federal Bonds						
Canada Housing Trust No. 1	2.350%	15-Dec-2018	6,475,000	6,691,647	6,586,007	
Canada Housing Trust No. 1	4.100%	15-Dec-2018	4,955,000	5,401,616	5,163,858	
Canada Housing Trust No. 1	1.950%	15-Jun-2019	6,390,000	6,541,726	6,477,877	
Canada Housing Trust No. 1	2.000%	15-Dec-2019	6,405,000	6,588,786	6,507,171	
Canada Housing Trust No. 1	3.750%	15-Mar-2020	3,200,000	3,503,784	3,399,708	
Canada Housing Trust No. 1	1.200%	15-Jun-2020	2,875,000	2,880,661	2,856,049	
Canada Housing Trust No. 1	1.450%	15-Jun-2020	3,205,000	3,230,019	3,206,899	
Canada Housing Trust No. 1	1.250%	15-Dec-2020	6,450,000	6,454,886	6,389,431	
Canada Housing Trust No. 1	3.350%	15-Dec-2020	2,870,000	3,117,510	3,044,369	
Canada Housing Trust No. 1	1.250%	15-Jun-2021	6,750,000	6,754,707	6,651,683	
Canada Housing Trust No. 1	3.800%	15-Jun-2021	4,477,000	5,015,201	4,845,983	
Canada Housing Trust No. 1	1.150%	15-Dec-2021	3,295,000	3,279,387	3,217,187	
Canada Housing Trust No. 1	1.500%	15-Dec-2021	2,995,000	2,991,835	2,969,106	
Canada Housing Trust No. 1	2.650%	15-Mar-2022	4,075,000	4,328,455	4,242,840	
Canada Housing Trust No. 1	1.750%	15-Jun-2022	3,000,000	3,024,788	2,997,030	
Canada Housing Trust No. 1	1.750%	15-Jun-2022	3,750,000	3,761,784	3,749,262	
Canada Housing Trust No. 1	2.400%	15-Dec-2022	4,200,000	4,395,584	4,327,356	
Canada Housing Trust No. 1	2.350%	15-Sep-2023	2,585,000	2,669,475	2,652,803	
Canada Housing Trust No. 1	3.150%	15-Sep-2023	1,370,000	1,472,157	1,469,697	
Canada Housing Trust No. 1	2.900%	15-Jun-2024	3,650,000	3,904,020	3,868,367	
Canada Housing Trust No. 1	2.550%	15-Mar-2025	3,425,000	3,578,895	3,546,752	
Canada Housing Trust No. 1	1.950%	15-Dec-2025	1,550,000	1,549,277	1,530,127	
Canada Housing Trust No. 1	2.250%	15-Dec-2025	2,405,000	2,462,469	2,429,663	
Canada Housing Trust No. 1	1.900%	15-Sep-2026	4,315,000	4,307,829	4,214,083	
Canada Housing Trust No. 1	2.350%	15-Jun-2027	1,550,000	1,554,507	1,567,805	
Canada Housing Trust No. 1	2.350%	15-Jun-2027	1,420,000	1,473,385	1,433,497	
Canada Post Corp.	4.080%	16-Jul-2025	289,000	332,719	329,308	
Canada Post Corp.	4.360%	16-Jul-2040	296,000	366,176	372,508	
Canadian Government Bond	0.500%	01-Aug-2018	7,945,000	7,934,354	7,900,461	
Canadian Government Bond	1.250%	01-Sep-2018	5,330,000	5,382,342	5,343,421	
Canadian Government Bond	0.500%	01-Nov-2018	8,450,000	8,437,383	8,388,432	
Canadian Government Bond	0.500%	01-Feb-2019	8,240,000	8,205,006	8,167,115	
Canadian Government Bond	1.750%	01-Mar-2019	5,385,000	5,524,387	5,445,452	
Canadian Government Bond	0.750%	01-May-2019	8,315,000	8,311,538	8,263,949	
Canadian Government Bond	3.750%	01-Jun-2019	10,531,000	11,592,160	11,052,985	
Canadian Government Bond	0.750%	01-Aug-2019	4,000,000	3,998,329	3,969,585	
Canadian Government Bond	1.750%	01-Sep-2019	9,016,000	9,296,545	9,135,512	
Canadian Government Bond	1.500%	01-Mar-2020	12,185,000	12,454,037	12,289,301	
Canadian Government Bond	3.500%	01-Jun-2020	7,985,000	8,850,132	8,510,829	
Canadian Government Bond	0.750%	01-Sep-2020	10,265,000	10,212,627	10,115,478	
Canadian Government Bond	0.750%	01-Mar-2021	7,230,000	7,193,349	7,091,096	
Canadian Government Bond	10.500%	15-Mar-2021	195,000	305,188	259,768	
Canadian Government Bond	3.250%	01-Jun-2021	6,778,000	7,552,134	7,278,257	
Canadian Government Bond	9.750%	01-Jun-2021	202,000	304,242	266,739	
Canadian Government Bond	0.750%	01-Sep-2021	7,900,000	7,904,231	7,713,731	
Canadian Government Bond	0.500%	01-Mar-2022	8,125,000	7,907,895	7,804,875	
Canadian Government Bond	2.750%	01-Jun-2022	6,891,000	7,518,922	7,330,525	
Canadian Government Bond	9.250%	01-Jun-2022	100,000	153,452	137,238	
Canadian Government Bond	1.000%	01-Sep-2022	4,150,000	4,133,211	4,062,109	
Canadian Government Bond	1.500%	01-Jun-2023	7,480,000	7,568,842	7,484,198	
Canadian Government Bond	8.000%	01-Jun-2023	1,334,000	1,980,443	1,823,126	
Canadian Government Bond	2.500%	01-Jun-2024	7,013,000	7,535,351	7,444,617	
Canadian Government Bond	2.250%	01-Jun-2025	7,145,000	7,623,499	7,473,530	
Canadian Government Bond	9.000%	01-Jun-2025	753,000	1,265,384	1,163,657	
Canadian Government Bond	1.500%	01-Jun-2026	6,985,000	7,014,101	6,873,585	
Canadian Government Bond	1.000%	01-Jun-2027	8,290,000	7,920,214	7,726,314	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Canadian Government Bond	8.000%	01-Jun-2027	1,499,000	2,480,878	2,349,359	
Canadian Government Bond	5.750%	01-Jun-2029	5,749,000	8,331,077	8,120,344	
Canadian Government Bond	5.750%	01-Jun-2033	6,665,000	10,218,283	10,089,775	
Canadian Government Bond	5.000%	01-Jun-2037	7,292,000	10,754,245	10,745,324	
Canadian Government Bond	4.000%	01-Jun-2041	8,695,000	11,672,404	11,703,063	
Canadian Government Bond	3.500%	01-Dec-2045	8,655,000	11,096,561	11,118,528	
Canadian Government Bond	2.750%	01-Dec-2048	6,465,000	7,351,985	7,380,952	
Canadian Government Bond	2.750%	01-Dec-2064	1,618,000	1,859,970	1,938,538	
First Nations Finance Authority	3.400%	26-Jun-2024	200,000	212,478	210,500	
				349,690,464	344,218,694	34.58
Provincial Bonds						
Alberta Capital Finance Authority	4.450%	15-Dec-2025	250,000	289,625	286,719	
Financement-Quebec	2.400%	01-Dec-2018	1,050,000	1,077,399	1,067,199	
Financement-Quebec	2.450%	01-Dec-2019	1,350,000	1,391,910	1,383,337	
Financement-Quebec	5.250%	01-Jun-2034	957,000	1,209,879	1,256,530	
Hydro-Quebec	1.000%	25-May-2019	900,000	896,454	894,925	
Hydro-Quebec	11.000%	15-Aug-2020	822,000	1,246,143	1,055,433	
Hydro-Quebec	10.500%	15-Oct-2021	100,000	150,813	135,320	
Hydro-Quebec	9.625%	15-Jul-2022	302,000	453,425	412,322	
Hydro-Quebec	6.500%	15-Feb-2035	1,423,000	2,077,720	2,139,872	
Hydro-Quebec	6.000%	15-Feb-2040	731,000	1,004,612	1,099,013	
Hydro-Quebec	5.000%	15-Feb-2045	958,000	1,216,338	1,325,635	
Hydro-Quebec	5.000%	15-Feb-2050	1,057,000	1,413,495	1,516,279	
Hydro-Quebec	4.000%	15-Feb-2055	200,000	215,454	249,437	
Newfoundland & Labrador Hydro	3.600%	01-Dec-2045	300,000	309,884	315,765	
Ontario Electricity Financial Corp.	10.000%	06-Feb-2020	22,000	31,902	26,720	
Ontario Electricity Financial Corp.	8.900%	18-Aug-2022	94,000	133,878	125,321	
Ontario Electricity Financial Corp.	8.500%	26-May-2025	100,000	154,365	143,165	
Ontario Electricity Financial Corp.	8.250%	22-Jun-2026	796,000	1,197,997	1,157,712	
Province of Alberta	2.000%	01-Jun-2019	300,000	305,736	304,010	
Province of Alberta	4.000%	01-Dec-2019	866,000	952,585	918,876	
Province of Alberta	1.250%	01-Jun-2020	1,835,000	1,827,124	1,820,271	
Province of Alberta	1.350%	01-Sep-2021	1,865,000	1,861,328	1,831,079	
Province of Alberta	1.600%	01-Sep-2022	300,000	300,450	294,518	
Province of Alberta	2.550%	15-Dec-2022	1,250,000	1,299,679	1,284,112	
Province of Alberta	3.400%	01-Dec-2023	400,000	417,277	429,213	
Province of Alberta	3.100%	01-Jun-2024	450,000	473,016	474,998	
Province of Alberta	2.350%	01-Jun-2025	2,100,000	2,104,502	2,099,541	
Province of Alberta	2.200%	01-Jun-2026	2,320,000	2,327,737	2,271,896	
Province of Alberta	2.550%	01-Jun-2027	600,000	604,584	600,579	
Province of Alberta	2.900%	20-Sep-2029	990,000	1,003,227	1,006,294	
Province of Alberta	3.500%	01-Jun-2031	875,000	939,696	943,075	
Province of Alberta	3.900%	01-Dec-2033	725,000	788,553	817,631	
Province of Alberta	4.500%	01-Dec-2040	435,000	538,476	539,831	
Province of Alberta	3.450%	01-Dec-2043	1,550,000	1,607,812	1,655,663	
Province of Alberta	3.300%	01-Dec-2046	3,435,000	3,520,571	3,584,076	
Province of Alberta	3.050%	01-Dec-2048	950,000	958,646	949,468	
Province of British Columbia	4.650%	18-Dec-2018	1,229,000	1,357,100	1,290,413	
Province of British Columbia	2.250%	01-Mar-2019	800,000	822,969	813,987	
Province of British Columbia	5.300%	17-Jun-2019	2,000	2,231	2,155	
Province of British Columbia	4.100%	18-Dec-2019	1,185,000	1,305,198	1,262,771	
Province of British Columbia	3.700%	18-Dec-2020	1,449,000	1,589,713	1,552,327	
Province of British Columbia	3.250%	18-Dec-2021	1,350,000	1,465,378	1,434,559	
Province of British Columbia	2.700%	18-Dec-2022	1,050,000	1,100,496	1,091,419	
Province of British Columbia	8.000%	08-Sep-2023	137,000	197,786	183,641	
Province of British Columbia	3.300%	18-Dec-2023	1,025,000	1,107,256	1,099,809	
Province of British Columbia	9.000%	23-Aug-2024	35,000	52,113	50,556	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Province of British Columbia	2.850%	18-Jun-2025	1,550,000	1,644,051	1,617,723	
Province of British Columbia	2.300%	18-Jun-2026	900,000	902,587	897,417	
Province of British Columbia	2.550%	18-Jun-2027	450,000	454,986	455,653	
Province of British Columbia	6.150%	19-Nov-2027	50,000	67,793	66,833	
Province of British Columbia	5.700%	18-Jun-2029	1,622,000	2,167,917	2,141,133	
Province of British Columbia	6.350%	18-Jun-2031	1,263,000	1,813,489	1,801,705	
Province of British Columbia	5.400%	18-Jun-2035	440,000	591,217	601,963	
Province of British Columbia	4.700%	18-Jun-2037	938,000	1,169,371	1,203,259	
Province of British Columbia	4.950%	18-Jun-2040	1,150,000	1,500,467	1,546,081	
Province of British Columbia	4.300%	18-Jun-2042	1,918,000	2,336,924	2,391,272	
Province of British Columbia	3.200%	18-Jun-2044	2,515,000	2,533,035	2,652,555	
Province of British Columbia	2.800%	18-Jun-2048	2,010,000	1,943,776	1,974,226	
Province of Manitoba	5.500%	15-Nov-2018	400,000	457,516	423,050	
Province of Manitoba	1.150%	21-Nov-2019	400,000	399,448	397,880	
Province of Manitoba	4.750%	11-Feb-2020	450,000	512,780	487,623	
Province of Manitoba	4.150%	03-Jun-2020	407,000	453,696	437,280	
Province of Manitoba	1.600%	05-Sep-2020	300,000	303,240	300,285	
Province of Manitoba	1.550%	05-Sep-2021	740,000	741,611	733,025	
Province of Manitoba	3.850%	01-Dec-2021	500,000	551,516	542,457	
Province of Manitoba	2.550%	02-Jun-2023	600,000	613,727	615,076	
Province of Manitoba	3.300%	02-Jun-2024	625,000	665,695	667,544	
Province of Manitoba	2.450%	02-Jun-2025	1,060,000	1,069,530	1,067,968	
Province of Manitoba	4.400%	05-Sep-2025	418,000	468,584	479,596	
Province of Manitoba	7.750%	22-Dec-2025	48,000	66,003	67,064	
Province of Manitoba	2.550%	02-Jun-2026	1,250,000	1,270,516	1,259,938	
Province of Manitoba	2.600%	02-Jun-2027	250,000	251,303	251,468	
Province of Manitoba	3.250%	05-Sep-2029	300,000	311,050	316,210	
Province of Manitoba	6.300%	05-Mar-2031	400,000	566,817	556,591	
Province of Manitoba	5.700%	05-Mar-2037	463,000	619,243	648,819	
Province of Manitoba	4.600%	05-Mar-2038	568,000	682,340	705,349	
Province of Manitoba	4.650%	05-Mar-2040	478,000	577,060	602,942	
Province of Manitoba	4.100%	05-Mar-2041	654,000	753,078	767,297	
Province of Manitoba	4.400%	05-Mar-2042	350,000	418,496	429,732	
Province of Manitoba	3.350%	05-Mar-2043	300,000	303,485	314,102	
Province of Manitoba	4.050%	05-Sep-2045	1,025,000	1,150,817	1,209,154	
Province of Manitoba	2.850%	05-Sep-2046	1,280,000	1,193,628	1,220,894	
Province of Manitoba	3.400%	05-Sep-2048	375,000	380,895	399,999	
Province of Manitoba	3.150%	05-Sep-2052	250,000	236,823	252,230	
Province of New Brunswick	4.400%	03-Jun-2019	601,000	654,573	635,873	
Province of New Brunswick	4.500%	02-Jun-2020	915,000	1,029,797	991,603	
Province of New Brunswick	3.350%	03-Dec-2021	626,000	671,685	665,359	
Province of New Brunswick	1.550%	04-May-2022	650,000	632,241	638,687	
Province of New Brunswick	2.850%	02-Jun-2023	650,000	682,471	676,410	
Province of New Brunswick	3.650%	03-Jun-2024	550,000	602,193	598,739	
Province of New Brunswick	2.600%	14-Aug-2026	400,000	399,922	403,124	
Province of New Brunswick	2.350%	14-Aug-2027	300,000	300,834	293,612	
Province of New Brunswick	5.650%	27-Dec-2028	280,000	357,217	358,139	
Province of New Brunswick	5.500%	27-Jan-2034	375,000	499,829	496,217	
Province of New Brunswick	4.650%	26-Sep-2035	460,000	530,786	565,137	
Province of New Brunswick	4.550%	26-Mar-2037	545,000	639,492	664,982	
Province of New Brunswick	4.800%	26-Sep-2039	572,000	694,823	726,383	
Province of New Brunswick	4.800%	03-Jun-2041	650,000	801,309	832,432	
Province of New Brunswick	3.550%	03-Jun-2043	745,000	761,291	799,455	
Province of New Brunswick	3.800%	14-Aug-2045	875,000	947,800	981,717	
Province of New Brunswick	3.100%	14-Aug-2048	300,000	292,230	298,827	
Province of New Brunswick	3.550%	03-Jun-2055	125,000	126,196	135,267	
Province of Newfoundland and Labrador	10.950%	15-Apr-2021	18,000	28,122	23,889	
Province of Newfoundland and Labrador	1.950%	02-Jun-2022	500,000	504,750	498,672	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Province of Newfoundland and Labrador	2.300%	02-Jun-2025	700,000	688,220	691,087	
Province of Newfoundland and Labrador	3.000%	02-Jun-2026	725,000	750,418	748,229	
Province of Newfoundland and Labrador	6.150%	17-Apr-2028	200,000	263,808	261,611	
Province of Newfoundland and Labrador	6.550%	17-Oct-2030	350,000	483,235	486,387	
Province of Newfoundland and Labrador	5.600%	17-Oct-2033	232,000	287,108	306,090	
Province of Newfoundland and Labrador	5.700%	17-Oct-2035	200,000	250,140	271,279	
Province of Newfoundland and Labrador	4.500%	17-Apr-2037	250,000	287,604	298,198	
Province of Newfoundland and Labrador	4.650%	17-Oct-2040	409,000	460,175	502,431	
Province of Newfoundland and Labrador	3.300%	17-Oct-2046	1,090,000	1,046,396	1,096,460	
Province of Newfoundland and Labrador	3.700%	17-Oct-2048	300,000	320,150	326,760	
Province of Nova Scotia	4.150%	25-Nov-2019	627,000	696,330	667,212	
Province of Nova Scotia	4.100%	01-Jun-2021	702,000	776,104	764,113	
Province of Nova Scotia	2.150%	01-Jun-2025	400,000	398,682	394,257	
Province of Nova Scotia	2.100%	01-Jun-2027	350,000	343,517	337,107	
Province of Nova Scotia	6.600%	01-Jun-2027	400,000	548,632	542,801	
Province of Nova Scotia	6.600%	01-Dec-2031	200,000	290,797	288,329	
Province of Nova Scotia	5.800%	01-Jun-2033	300,000	415,599	410,600	
Province of Nova Scotia	4.500%	01-Jun-2037	517,000	605,219	633,711	
Province of Nova Scotia	4.700%	01-Jun-2041	453,000	542,040	579,201	
Province of Nova Scotia	4.400%	01-Jun-2042	650,000	766,523	802,446	
Province of Nova Scotia	3.500%	02-Jun-2062	865,000	907,426	957,759	
Province of Ontario	2.100%	08-Sep-2018	5,375,000	5,498,688	5,434,926	
Province of Ontario	1.750%	09-Oct-2018	300,000	305,970	302,293	
Province of Ontario	4.400%	02-Jun-2019	5,241,000	5,781,863	5,547,392	
Province of Ontario	2.100%	08-Sep-2019	2,850,000	2,923,953	2,896,089	
Province of Ontario	4.200%	02-Jun-2020	7,005,000	7,777,998	7,537,954	
Province of Ontario	4.850%	02-Jun-2020	300,000	344,222	328,372	
Province of Ontario	4.000%	02-Jun-2021	6,118,000	6,812,584	6,640,172	
Province of Ontario	1.350%	08-Mar-2022	1,900,000	1,881,690	1,857,184	
Province of Ontario	3.150%	02-Jun-2022	7,675,000	8,247,300	8,122,211	
Province of Ontario	9.500%	13-Jul-2022	842,000	1,209,553	1,143,115	
Province of Ontario	1.950%	27-Jan-2023	1,400,000	1,411,278	1,396,416	
Province of Ontario	2.850%	02-Jun-2023	7,800,000	8,162,353	8,140,298	
Province of Ontario	8.100%	08-Sep-2023	823,000	1,173,682	1,106,413	
Province of Ontario	7.500%	07-Feb-2024	550,000	767,495	729,104	
Province of Ontario	3.500%	02-Jun-2024	7,325,000	7,980,505	7,938,970	
Province of Ontario	2.600%	02-Jun-2025	8,700,000	8,937,276	8,889,002	
Province of Ontario	8.500%	02-Dec-2025	602,000	934,235	878,585	
Province of Ontario	2.400%	02-Jun-2026	5,350,000	5,438,988	5,354,698	
Province of Ontario	8.000%	02-Jun-2026	205,000	298,548	297,359	
Province of Ontario	2.600%	02-Jun-2027	2,045,000	2,081,827	2,070,375	
Province of Ontario	7.600%	02-Jun-2027	1,965,000	2,942,751	2,855,749	
Province of Ontario	6.500%	08-Mar-2029	2,978,000	4,176,011	4,137,682	
Province of Ontario	6.200%	02-Jun-2031	1,482,000	2,082,748	2,078,009	
Province of Ontario	5.850%	08-Mar-2033	2,719,000	3,755,075	3,773,145	
Province of Ontario	5.600%	02-Jun-2035	4,006,000	5,456,282	5,560,400	
Province of Ontario	4.700%	02-Jun-2037	3,958,000	4,931,426	5,042,461	
Province of Ontario	4.600%	02-Jun-2039	3,404,000	4,173,378	4,324,742	
Province of Ontario	4.650%	02-Jun-2041	4,795,000	5,999,104	6,192,744	
Province of Ontario	3.500%	02-Jun-2043	6,650,000	7,069,161	7,302,312	
Province of Ontario	3.450%	02-Jun-2045	7,803,000	8,147,771	8,527,552	
Province of Ontario	2.900%	02-Dec-2046	9,985,000	9,611,057	9,868,179	
Province of Ontario	2.800%	02-Jun-2048	5,745,000	5,554,503	5,588,635	
Province of Prince Edward Island	4.250%	24-Sep-2019	2,000	2,063	2,122	
Province of Prince Edward Island	6.100%	29-Jul-2027	37,000	43,833	47,893	
Province of Prince Edward Island	5.700%	15-Jun-2035	46,000	52,852	61,707	
Province of Prince Edward Island	4.650%	19-Nov-2037	11,000	10,993	13,309	
Province of Prince Edward Island	4.600%	19-May-2041	192,000	222,140	233,543	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Province of Prince Edward Island	3.600%	17-Jan-2053	200,000	197,088	210,494	
Province of Quebec	4.500%	01-Dec-2018	2,748,000	2,996,613	2,874,031	
Province of Quebec	4.500%	01-Dec-2019	3,221,000	3,568,263	3,456,912	
Province of Quebec	4.500%	01-Dec-2020	4,507,000	5,089,135	4,938,912	
Province of Quebec	4.250%	01-Dec-2021	5,310,000	5,999,718	5,854,144	
Province of Quebec	3.500%	01-Dec-2022	4,735,000	5,185,429	5,105,144	
Province of Quebec	9.375%	16-Jan-2023	1,209,000	1,833,298	1,670,018	
Province of Quebec	3.000%	01-Sep-2023	3,995,000	4,216,319	4,209,552	
Province of Quebec	3.750%	01-Sep-2024	3,750,000	4,144,494	4,136,307	
Province of Quebec	5.350%	01-Jun-2025	300,000	370,078	364,506	
Province of Quebec	2.750%	01-Sep-2025	3,950,000	4,105,766	4,081,881	
Province of Quebec	8.500%	01-Apr-2026	1,339,000	2,037,338	1,972,640	
Province of Quebec	2.500%	01-Sep-2026	3,670,000	3,748,642	3,706,137	
Province of Quebec	2.750%	01-Sep-2027	1,665,000	1,693,758	1,709,373	
Province of Quebec	6.000%	01-Oct-2029	1,912,000	2,592,336	2,583,514	
Province of Quebec	6.250%	01-Jun-2032	2,888,000	4,087,127	4,109,124	
Province of Quebec	5.750%	01-Dec-2036	2,344,000	3,265,267	3,349,645	
Province of Quebec	5.000%	01-Dec-2038	2,703,000	3,464,536	3,601,881	
Province of Quebec	5.000%	01-Dec-2041	5,153,000	6,773,103	6,996,580	
Province of Quebec	4.250%	01-Dec-2043	4,140,000	4,951,036	5,125,378	
Province of Quebec	3.500%	01-Dec-2045	6,730,000	7,116,095	7,438,597	
Province of Quebec	3.500%	01-Dec-2048	4,490,000	4,856,643	5,021,416	
Province of Saskatchewan	1.950%	01-Mar-2019	300,000	305,437	303,594	
Province of Saskatchewan	9.600%	04-Feb-2022	41,000	60,937	54,668	
Province of Saskatchewan	3.200%	03-Jun-2024	675,000	724,935	718,908	
Province of Saskatchewan	2.550%	02-Jun-2026	685,000	701,674	692,242	
Province of Saskatchewan	2.650%	02-Jun-2027	250,000	249,805	253,447	
Province of Saskatchewan	5.750%	05-Mar-2029	350,000	458,791	457,788	
Province of Saskatchewan	6.400%	05-Sep-2031	299,000	409,652	424,282	
Province of Saskatchewan	5.800%	05-Sep-2033	375,000	517,345	517,245	
Province of Saskatchewan	5.600%	05-Sep-2035	225,000	305,750	310,850	
Province of Saskatchewan	5.000%	05-Mar-2037	260,000	320,922	340,055	
Province of Saskatchewan	4.750%	01-Jun-2040	680,000	846,676	876,573	
Province of Saskatchewan	3.400%	03-Feb-2042	550,000	571,539	586,293	
Province of Saskatchewan	3.900%	02-Jun-2045	910,000	1,010,177	1,059,758	
Province of Saskatchewan	2.750%	02-Dec-2046	1,520,000	1,415,192	1,438,195	
Province of Saskatchewan	3.300%	02-Jun-2048	840,000	864,770	889,465	
Province of Saskatchewan	3.750%	05-Mar-2054	300,000	344,640	350,472	
				333,334,206	334,362,590	33.61
Municipal Bonds						
City of Montreal	5.000%	01-Dec-2018	400,000	443,166	420,330	
City of Montreal	5.450%	01-Dec-2019	500,000	562,019	545,527	
City of Montreal	4.500%	01-Dec-2021	250,000	280,525	276,028	
City of Montreal	3.500%	01-Sep-2023	450,000	467,803	481,283	
City of Montreal	3.500%	01-Sep-2024	400,000	418,829	428,762	
City of Montreal	3.000%	01-Sep-2025	250,000	260,613	258,549	
City of Montreal	2.750%	01-Sep-2026	350,000	353,278	353,222	
City of Montreal	3.000%	01-Sep-2027	70,000	70,314	71,842	
City of Montreal	4.250%	01-Dec-2032	350,000	387,963	399,394	
City of Montreal	4.100%	01-Dec-2034	300,000	318,188	339,581	
City of Montreal	3.150%	01-Dec-2036	150,000	149,675	149,951	
City of Montreal	6.000%	01-Jun-2043	370,000	521,737	542,748	
City of Ottawa	4.400%	22-Oct-2033	100,000	119,750	116,553	
City of Ottawa	4.600%	14-Jul-2042	300,000	356,300	371,724	
City of Ottawa	3.100%	27-Jul-2048	100,000	98,840	96,642	
City of Ottawa	4.200%	30-Jul-2053	100,000	118,000	119,659	
City of Toronto	4.500%	02-Dec-2019	363,000	407,322	388,227	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
City of Toronto	6.800%	26-Jul-2021	100,000	126,760	118,835	
City of Toronto	3.500%	06-Dec-2021	500,000	535,243	531,973	
City of Toronto	3.900%	29-Sep-2023	350,000	397,195	382,984	
City of Toronto	2.400%	07-Jun-2027	350,000	349,073	342,308	
City of Toronto	2.950%	28-Apr-2035	300,000	282,741	294,989	
City of Toronto	3.500%	02-Jun-2036	200,000	201,016	210,825	
City of Toronto	5.200%	01-Jun-2040	402,000	481,836	530,642	
City of Toronto	4.700%	10-Jun-2041	250,000	302,473	312,040	
City of Toronto	3.800%	13-Dec-2042	200,000	192,462	219,997	
City of Toronto	4.150%	10-Mar-2044	150,000	159,049	174,832	
City of Toronto	3.250%	24-Jun-2046	345,000	336,686	346,350	
City of Vancouver	3.750%	24-Oct-2023	150,000	170,520	162,981	
City of Winnipeg	5.200%	17-Jul-2036	100,000	122,564	128,185	
City of Winnipeg	4.100%	01-Jun-2045	200,000	219,458	225,917	
City of Winnipeg	4.300%	15-Nov-2051	150,000	171,975	178,285	
Municipal Finance Authority of British Columbia	5.100%	20-Nov-2018	300,000	338,480	315,695	
Municipal Finance Authority of British Columbia	2.050%	02-Jun-2019	400,000	402,314	405,320	
Municipal Finance Authority of British Columbia	4.875%	03-Jun-2019	556,000	620,021	592,861	
Municipal Finance Authority of British Columbia	4.450%	01-Jun-2020	312,000	351,918	337,228	
Municipal Finance Authority of British Columbia	1.650%	19-Apr-2021	300,000	302,178	298,654	
Municipal Finance Authority of British Columbia	4.150%	01-Jun-2021	703,000	778,591	764,631	
Municipal Finance Authority of British Columbia	3.350%	01-Jun-2022	200,000	205,765	212,741	
Municipal Finance Authority of British Columbia	3.750%	26-Sep-2023	300,000	325,948	327,311	
Municipal Finance Authority of British Columbia	2.650%	02-Oct-2025	150,000	149,393	152,518	
Municipal Finance Authority of British Columbia	2.500%	19-Apr-2026	500,000	500,375	501,312	
Municipal Finance Authority of British Columbia	4.950%	01-Dec-2027	523,000	622,232	634,732	
Regional Municipality of Halton	3.150%	06-Apr-2045	100,000	99,579	97,727	
Regional Municipality of Ottawa-Carleton	6.200%	10-Sep-2019	50,000	61,196	54,907	
Regional Municipality of Peel	2.300%	02-Nov-2026	300,000	298,174	292,410	
Regional Municipality of Peel	4.250%	02-Dec-2033	200,000	199,204	230,686	
Regional Municipality of Peel	5.100%	29-Jun-2040	352,000	436,975	459,246	
Regional Municipality of Peel	3.850%	30-Oct-2042	250,000	264,458	275,808	
The Regional Municipality of York	5.000%	29-Apr-2019	400,000	445,650	425,812	
The Regional Municipality of York	4.500%	30-Jun-2020	21,000	21,611	22,711	
The Regional Municipality of York	4.000%	30-Jun-2021	300,000	327,208	324,098	
The Regional Municipality of York	2.600%	15-Dec-2025	500,000	502,987	502,441	
The Regional Municipality of York	2.350%	09-Jun-2027	250,000	250,000	243,867	
The Regional Municipality of York	4.000%	31-May-2032	225,000	243,720	251,477	
The Regional Municipality of York	3.650%	13-May-2033	350,000	360,875	377,295	
The Regional Municipality of York	4.050%	01-May-2034	350,000	382,397	395,145	
The Regional Municipality of York	4.150%	18-Nov-2041	50,000	52,928	57,829	
The Regional Municipality of York	3.750%	13-May-2043	100,000	109,090	108,675	
				18,036,640	18,184,302	1.83
Corporate Bonds						
407 International Inc.	4.300%	26-May-2021	252,000	286,183	273,511	
407 International Inc.	3.350%	16-May-2024	300,000	317,997	319,347	
407 International Inc.	2.430%	04-May-2027	250,000	251,205	247,543	
407 International Inc.	6.470%	27-Jul-2029	250,000	331,750	342,555	
407 International Inc.	5.960%	03-Dec-2035	350,000	459,370	483,207	
407 International Inc.	5.750%	14-Feb-2036	300,000	392,250	394,503	
407 International Inc.	4.450%	15-Nov-2041	300,000	331,714	351,289	
407 International Inc.	4.190%	25-Apr-2042	300,000	326,382	339,206	
407 International Inc.	3.830%	11-May-2046	350,000	359,397	375,050	
407 International Inc.	3.600%	21-May-2047	375,000	379,890	389,309	
407 International Inc.	3.980%	11-Sep-2052	300,000	298,673	328,106	
407 International Inc.	4.680%	07-Oct-2053	200,000	227,100	247,657	
Aeroports de Montreal	6.550%	11-Oct-2033	400,000	553,555	582,961	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Aeroports de Montreal	5.670%	16-Oct-2037	350,000	451,713	487,208	
Aeroports de Montreal	3.919%	26-Sep-2042	200,000	214,780	229,088	
Aeroports de Montreal	3.918%	12-Jun-2045	200,000	199,846	230,601	
Aeroports de Montreal	3.360%	24-Apr-2047	150,000	150,000	157,909	
AIMCo Realty Investors LP	2.266%	26-Jun-2024	150,000	150,000	148,251	
Aimia Inc.	5.600%	17-May-2019	200,000	216,268	185,390	
Alectra Inc.	4.521%	29-Apr-2021	316,000	350,066	345,585	
Alectra Inc.	3.239%	21-Nov-2024	100,000	100,000	105,893	
Alectra Inc.	2.488%	17-May-2027	525,000	524,850	517,302	
Algonquin Power Co.	5.500%	25-Jul-2018	200,000	220,976	207,785	
Algonquin Power Co.	4.820%	15-Feb-2021	100,000	99,940	107,612	
Algonquin Power Co.	4.650%	15-Feb-2022	50,000	49,932	54,126	
Algonquin Power Co.	4.090%	17-Feb-2027	100,000	99,929	105,086	
Alimentation Couche-Tard Inc.	3.319%	01-Nov-2019	300,000	312,892	309,493	
Alimentation Couche-Tard Inc.	4.214%	21-Aug-2020	200,000	216,124	212,636	
Alimentation Couche-Tard Inc.	3.899%	01-Nov-2022	300,000	322,600	319,071	
Alimentation Couche-Tard Inc.	3.600%	02-Jun-2025	450,000	463,718	465,512	
Alliance Pipeline LP	4.928%	16-Dec-2019	300,000	315,210	314,430	
Alliance Pipeline LP	5.546%	31-Dec-2023	56,222	60,089	59,907	
Alliance Pipeline LP	6.765%	31-Dec-2025	221,696	262,461	257,672	
Allied Properties Real Estate Investment Trust	3.748%	13-May-2020	225,000	226,800	232,119	
Allied Properties Real Estate Investment Trust	3.934%	14-Nov-2022	100,000	100,000	102,875	
Allied Properties Real Estate Investment Trust	3.636%	21-Apr-2025	200,000	200,000	196,422	
AltaGas Ltd.	4.550%	17-Jan-2019	150,000	155,527	156,040	
AltaGas Ltd.	4.070%	01-Jun-2020	150,000	157,920	157,821	
AltaGas Ltd.	3.720%	28-Sep-2021	200,000	207,983	209,471	
AltaGas Ltd.	3.570%	12-Jun-2023	200,000	203,575	207,442	
AltaGas Ltd.	4.400%	15-Mar-2024	200,000	212,918	216,040	
AltaGas Ltd.	3.840%	15-Jan-2025	200,000	214,656	208,875	
AltaGas Ltd.	4.120%	07-Apr-2026	250,000	258,135	263,700	
AltaGas Ltd.	5.160%	13-Jan-2044	100,000	112,520	109,833	
AltaGas Ltd.	4.500%	15-Aug-2044	200,000	188,935	199,794	
AltaLink Investments LP	3.674%	05-Jun-2019	50,000	50,000	51,414	
AltaLink Investments LP	3.265%	05-Jun-2020	150,000	159,765	154,556	
AltaLink Investments LP	2.244%	07-Mar-2022	150,000	152,565	149,346	
AltaLink LP	3.621%	17-Sep-2020	50,000	50,000	52,865	
AltaLink LP	2.978%	28-Nov-2022	200,000	212,458	208,878	
AltaLink LP	3.668%	06-Nov-2023	350,000	372,460	379,431	
AltaLink LP	3.399%	06-Jun-2024	400,000	427,368	426,727	
AltaLink LP	2.747%	29-May-2026	270,000	274,309	274,994	
AltaLink LP	5.381%	26-Mar-2040	11,000	11,560	14,322	
AltaLink LP	4.872%	15-Nov-2040	111,000	123,784	136,531	
AltaLink LP	4.462%	08-Nov-2041	200,000	228,000	235,740	
AltaLink LP	3.990%	30-Jun-2042	450,000	447,505	495,483	
AltaLink LP	4.922%	17-Sep-2043	200,000	250,480	250,572	
AltaLink LP	4.054%	21-Nov-2044	200,000	200,000	221,716	
AltaLink LP	4.090%	30-Jun-2045	250,000	252,594	279,743	
AltaLink LP	3.717%	03-Dec-2046	300,000	293,634	313,638	
AltaLink LP	4.446%	11-Jul-2053	200,000	224,644	236,916	
Arrow Lakes Power Corp.	5.516%	05-Apr-2041	24,517	24,813	29,549	
Artis Real Estate Investment Trust	3.753%	27-Mar-2019	150,000	148,797	151,955	
Asian Development Bank	1.375%	11-Jun-2020	500,000	501,350	497,077	
Asian Development Bank	4.650%	16-Feb-2027	103,000	105,443	121,119	
Bank of Montreal	3.210%	13-Sep-2018	800,000	834,193	816,522	
Bank of Montreal	2.430%	04-Mar-2019	500,000	510,856	507,113	
Bank of Montreal	2.840%	04-Jun-2020	1,000,000	1,039,869	1,030,184	
Bank of Montreal	2.100%	06-Oct-2020	1,150,000	1,159,701	1,159,794	
Bank of Montreal	1.880%	31-Mar-2021	1,010,000	1,015,139	1,007,211	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Bank of Montreal	3.400%	23-Apr-2021	850,000	889,028	894,482	
Bank of Montreal	1.610%	28-Oct-2021	1,750,000	1,741,613	1,718,328	
Bank of Montreal	2.120%	16-Mar-2022	900,000	908,092	900,620	
Bank of Montreal	4.609%	10-Sep-2025	432,000	507,080	499,091	
Bank of Montreal	2.700%	09-Dec-2026	500,000	499,749	502,984	
Bank of Nova Scotia	2.290%	28-Jun-2024	1,100,000	1,099,934	1,090,178	
bcIMC Realty Corp.	2.150%	11-Aug-2022	110,000	109,968	109,499	
bcIMC Realty Corp.	3.000%	31-Mar-2027	450,000	456,500	458,412	
bcIMC Realty Corporation	2.960%	07-Mar-2019	600,000	616,922	613,174	
bcIMC Realty Corporation	2.100%	03-Jun-2021	250,000	249,903	250,833	
bcIMC Realty Corporation	3.510%	29-Jun-2022	350,000	370,118	371,513	
bcIMC Realty Corporation	2.840%	03-Jun-2025	400,000	402,378	407,714	
Bell Canada	3.500%	10-Sep-2018	300,000	308,761	306,495	
Bell Canada	5.520%	26-Feb-2019	159,000	175,101	168,695	
Bell Canada	3.350%	18-Jun-2019	650,000	680,017	669,083	
Bell Canada	3.540%	12-Jun-2020	300,000	312,720	313,060	
Bell Canada	3.250%	17-Jun-2020	650,000	678,737	673,663	
Bell Canada	4.950%	19-May-2021	350,000	393,066	385,694	
Bell Canada	3.150%	29-Sep-2021	475,000	494,417	492,211	
Bell Canada	2.000%	01-Oct-2021	600,000	599,160	593,942	
Bell Canada	3.000%	03-Oct-2022	800,000	803,574	823,417	
Bell Canada	3.350%	22-Mar-2023	600,000	635,976	625,905	
Bell Canada	4.700%	11-Sep-2023	480,000	533,221	534,990	
Bell Canada	2.700%	27-Feb-2024	650,000	653,399	650,160	
Bell Canada	3.550%	02-Mar-2026	500,000	517,340	521,126	
Bell Canada	2.900%	12-Aug-2026	675,000	674,131	668,475	
Bell Canada	6.550%	01-May-2029	100,000	125,943	127,619	
Bell Canada	7.850%	02-Apr-2031	380,000	528,848	537,347	
Bell Canada	9.700%	15-Dec-2032	100,000	162,390	162,889	
Bell Canada	6.100%	16-Mar-2035	250,000	296,680	315,652	
Bell Canada	4.750%	29-Sep-2044	350,000	393,890	381,695	
Bell Canada	4.350%	18-Dec-2045	350,000	339,943	360,237	
Bell Canada	4.450%	27-Feb-2047	350,000	348,163	365,999	
Blackbird Infrastructure 407 GP, FRN	1.713%	08-Oct-2021	150,000	148,832	148,309	
BMO Capital Trust II, FRN	10.221%	31-Dec-2107	382,000	468,723	426,498	
BMW Canada Inc.	2.330%	26-Sep-2018	200,000	201,376	201,865	
BMW Canada Inc.	2.270%	26-Nov-2018	200,000	202,985	201,875	
BMW Canada Inc.	1.780%	19-Oct-2020	200,000	201,476	198,849	
BMW Canada Inc.	1.880%	11-Dec-2020	200,000	200,000	199,462	
BMW Canada Inc.	1.830%	15-Jun-2021	200,000	201,108	198,055	
Borealis Infrastructure Trust	6.350%	01-Dec-2020	34,424	37,865	37,065	
Bow Centre Street LP	3.797%	13-Jun-2023	200,000	207,025	193,045	
BP LP	3.244%	09-Jan-2020	91,550	91,550	92,983	
British Columbia Ferry Services Inc.	6.250%	13-Oct-2034	432,000	581,745	601,902	
British Columbia Ferry Services Inc.	5.581%	11-Jan-2038	333,000	401,991	446,342	
British Columbia Ferry Services Inc.	4.702%	23-Oct-2043	200,000	239,428	246,797	
Broadcast Centre Trust	7.530%	01-May-2027	23,498	29,487	29,720	
Brookfield Asset Management Inc.	3.950%	09-Apr-2019	450,000	468,886	465,904	
Brookfield Asset Management Inc.	5.300%	01-Mar-2021	200,000	223,992	219,824	
Brookfield Asset Management Inc.	4.540%	31-Mar-2023	400,000	425,494	434,938	
Brookfield Asset Management Inc.	4.820%	28-Jan-2026	650,000	701,385	719,441	
Brookfield Asset Management Inc.	3.800%	16-Mar-2027	315,000	314,893	323,657	
Brookfield Asset Management Inc.	5.950%	14-Jun-2035	321,000	336,765	378,782	
Brookfield Infrastructure Finance ULC	3.538%	30-Oct-2020	200,000	200,000	206,700	
Brookfield Infrastructure Finance ULC	3.452%	11-Mar-2022	350,000	352,749	359,386	
Brookfield Infrastructure Finance ULC	3.315%	22-Feb-2024	500,000	505,454	502,913	
Brookfield Renewable Energy Partners ULC	5.250%	05-Nov-2018	216,000	232,971	225,904	
Brookfield Renewable Energy Partners ULC	5.140%	13-Oct-2020	415,000	464,032	451,315	

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Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Brookfield Renewable Energy Partners ULC	4.790%	07-Feb-2022	300,000	314,492	327,522	
Brookfield Renewable Energy Partners ULC	3.752%	02-Jun-2025	500,000	499,380	517,618	
Brookfield Renewable Energy Partners ULC	3.630%	15-Jan-2027	365,000	365,078	368,694	
Brookfield Renewable Energy Partners ULC	5.840%	05-Nov-2036	13,000	11,821	15,079	
Bruce Power LP	2.844%	23-Jun-2021	125,000	125,000	127,353	
Bruce Power LP	3.000%	21-Jun-2024	150,000	149,984	151,259	
Bruce Power LP	3.969%	23-Jun-2026	825,000	850,950	873,585	
Bruce Power LP	4.010%	21-Jun-2029	400,000	404,416	417,820	
Cadillac Fairview Finance Trust	4.310%	25-Jan-2021	610,000	677,964	661,430	
Caisse Centrale Desjardins	2.443%	17-Jul-2019	600,000	607,785	609,310	
Caisse Centrale Desjardins	1.748%	02-Mar-2020	1,050,000	1,040,997	1,049,212	
Caisse Centrale Desjardins	2.091%	17-Jan-2022	725,000	729,607	724,098	
Calloway Real Estate Investment Trust	3.749%	11-Feb-2021	125,000	131,175	129,858	
Calloway Real Estate Investment Trust	3.730%	22-Jul-2022	100,000	100,289	103,666	
Calloway Real Estate Investment Trust	3.985%	30-May-2023	100,000	99,750	104,529	
Calloway Real Estate Investment Trust	3.556%	06-Feb-2025	100,000	100,410	101,030	
Cameco Corp.	5.670%	02-Sep-2019	286,000	317,024	302,252	
Cameco Corp.	3.750%	14-Nov-2022	300,000	306,331	301,985	
Cameco Corp.	4.190%	24-Jun-2024	300,000	303,620	304,748	
Cameco Corp.	5.090%	14-Nov-2042	100,000	99,954	92,505	
Canadian Credit Card Trust II	1.829%	24-Mar-2020	575,000	575,838	575,135	
Canadian Imperial Bank of Commerce	1.700%	09-Oct-2018	1,150,000	1,154,107	1,153,420	
Canadian Imperial Bank of Commerce	2.350%	24-Jun-2019	650,000	663,908	659,106	
Canadian Imperial Bank of Commerce	1.660%	20-Jan-2020	975,000	977,565	973,087	
Canadian Imperial Bank of Commerce	1.850%	14-Jul-2020	400,000	401,458	400,717	
Canadian Imperial Bank of Commerce	1.900%	26-Apr-2021	1,000,000	1,004,836	998,177	
Canadian Imperial Bank of Commerce	1.640%	12-Jul-2021	1,000,000	1,000,123	986,336	
Canadian Imperial Bank of Commerce	2.040%	21-Mar-2022	810,000	813,686	807,588	
Canadian National Railway Co.	2.750%	18-Feb-2021	150,000	156,563	154,648	
Canadian National Railway Co.	2.800%	22-Sep-2025	250,000	254,120	257,120	
Canadian National Railway Co.	3.950%	22-Sep-2045	230,000	232,544	253,991	
Canadian Natural Resources Ltd.	3.050%	19-Jun-2019	400,000	398,917	406,742	
Canadian Natural Resources Ltd.	2.600%	03-Dec-2019	400,000	398,858	403,782	
Canadian Natural Resources Ltd.	2.050%	01-Jun-2020	600,000	600,681	594,998	
Canadian Natural Resources Ltd.	2.890%	14-Aug-2020	600,000	614,740	607,998	
Canadian Natural Resources Ltd.	3.310%	11-Feb-2022	825,000	828,854	841,457	
Canadian Natural Resources Ltd.	3.550%	03-Jun-2024	350,000	349,710	356,427	
Canadian Natural Resources Ltd.	3.420%	01-Dec-2026	350,000	350,000	341,402	
Canadian Pacific Railway Co.	5.100%	14-Jan-2022	100,000	112,860	111,645	
Canadian Pacific Railway Co.	6.450%	17-Nov-2039	403,000	542,687	562,314	
Canadian Real Estate Investment Trust	4.323%	15-Jan-2021	200,000	214,590	210,440	
Canadian Real Estate Investment Trust	2.951%	18-Jan-2023	55,000	54,998	54,472	
Canadian Tire Corp., Ltd.	6.445%	24-Feb-2034	222,000	258,254	282,938	
Canadian Utilities Ltd.	3.122%	09-Nov-2022	250,000	262,825	262,454	
Canadian Western Bank	3.077%	14-Jan-2019	150,000	152,292	152,286	
Canadian Western Bank	2.377%	23-Jan-2020	125,000	125,000	125,160	
Canadian Western Bank	2.751%	29-Jun-2020	250,000	252,418	252,136	
Canadian Western Bank	2.788%	13-Sep-2021	200,000	201,040	200,446	
Canadian Western Bank	2.737%	16-Jun-2022	350,000	350,000	347,963	
Canadian Western Bank	3.463%	17-Dec-2024	200,000	199,762	202,992	
Capital City Link General Partnership	4.386%	31-Mar-2046	298,823	318,788	328,507	
Capital Desjardins Inc.	5.187%	05-May-2020	628,000	713,394	682,356	
Capital Desjardins Inc.	4.954%	15-Dec-2026	300,000	334,646	332,409	
Capital Power Corp.	4.850%	21-Feb-2019	50,000	50,314	51,920	
Capital Power Corp.	5.276%	16-Nov-2020	537,000	588,584	576,166	
CARDS II Trust	2.155%	15-Oct-2020	550,000	554,500	555,521	
Caterpillar Financial Services Ltd.	1.750%	03-Jun-2019	150,000	149,988	150,352	
Caterpillar Financial Services Ltd.	1.500%	08-Jun-2020	200,000	199,778	197,910	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
CDP Financial Inc.	4.600%	15-Jul-2020	818,000	917,629	888,168	
Central 1 Credit Union	1.870%	16-Mar-2020	250,000	249,935	248,793	
Central 1 Credit Union	3.060%	14-Oct-2026	200,000	199,918	200,932	
Central 1 Credit Union, FRN	2.890%	25-Apr-2024	100,000	99,986	100,559	
Centre Street Trust	3.690%	14-Jun-2021	100,000	100,000	99,698	
Centre Street Trust	3.693%	14-Jun-2022	179,897	179,877	176,702	
Chartwell Retirement Residences	3.786%	11-Dec-2023	200,000	200,000	199,193	
Chip Mortgage Trust	2.330%	29-Apr-2020	100,000	100,000	98,596	
Chip Mortgage Trust	2.981%	15-Nov-2021	100,000	100,000	98,705	
Choice Properties LP	3.000%	20-Sep-2019	200,000	199,622	203,957	
Choice Properties LP	3.600%	20-Apr-2020	250,000	259,786	258,959	
Choice Properties LP	3.600%	20-Sep-2021	100,000	100,196	104,152	
Choice Properties LP	3.600%	20-Sep-2022	200,000	211,768	208,061	
Choice Properties Real Estate Investment Trust	3.498%	08-Feb-2021	200,000	210,470	207,615	
Choice Properties Real Estate Investment Trust	3.196%	07-Mar-2023	200,000	205,402	203,954	
Choice Properties Real Estate Investment Trust	4.055%	24-Nov-2025	200,000	216,688	210,637	
Choice Properties REIT	3.554%	05-Jul-2018	300,000	309,890	305,660	
Choice Properties REIT	2.297%	14-Sep-2020	100,000	100,745	100,164	
Choice Properties REIT	4.903%	05-Jul-2023	100,000	100,000	110,541	
Choice Properties REIT	4.293%	08-Feb-2024	100,000	106,267	107,324	
CI Financial Corp.	2.645%	07-Dec-2020	300,000	300,000	302,886	
CI Financial Corp.	2.775%	25-Nov-2021	150,000	150,000	151,200	
CIBC Capital Trust	9.976%	30-Jun-2108	846,000	1,046,986	967,875	
CIBC Capital Trust	10.250%	30-Jun-2108	187,000	267,419	251,314	
Cogeco Cable Inc.	5.150%	16-Nov-2020	215,000	233,767	233,483	
Cogeco Cable Inc.	4.925%	14-Feb-2022	100,000	109,113	109,256	
Cogeco Cable Inc.	4.175%	26-May-2023	150,000	158,543	159,098	
Cominar Real Estate Investment Trust	3.620%	21-Jun-2019	250,000	250,587	249,239	
Cominar Real Estate Investment Trust	4.230%	04-Dec-2019	200,000	202,700	201,582	
Cominar Real Estate Investment Trust	4.941%	27-Jul-2020	150,000	157,885	153,421	
Cominar Real Estate Investment Trust	4.250%	08-Dec-2021	175,000	174,795	173,557	
Cominar Real Estate Investment Trust	4.164%	01-Jun-2022	200,000	204,442	196,388	
Cominar Real Estate Investment Trust	4.247%	23-May-2023	110,000	110,000	106,810	
Concordia University	6.550%	02-Sep-2042	150,000	232,206	225,178	
Co-operators Financial Services Ltd.	5.778%	10-Mar-2020	51,000	51,418	54,977	
CPPIB Capital Inc.	1.000%	15-Jan-2019	930,000	929,346	926,068	
CPPIB Capital Inc.	1.100%	10-Jun-2019	900,000	899,838	895,884	
CPPIB Capital Inc.	1.400%	04-Jun-2020	700,000	700,885	697,010	
Crombie Real Estate Investment Trust	3.986%	31-Oct-2018	100,000	100,000	101,631	
Crombie Real Estate Investment Trust	2.775%	10-Feb-2020	100,000	99,768	98,720	
Crombie Real Estate Investment Trust	3.962%	01-Jun-2021	100,000	102,000	101,278	
Crosslinx Transit Solutions GP	4.651%	30-Sep-2046	240,000	239,395	248,971	
CT Real Estate Investment Trust	2.159%	01-Jun-2021	100,000	100,000	98,888	
CT Real Estate Investment Trust	2.852%	09-Jun-2022	150,000	150,000	151,055	
CT Real Estate Investment Trust	3.527%	09-Jun-2025	100,000	100,000	101,809	
CT Real Estate Investment Trust	3.289%	01-Jun-2026	150,000	150,000	148,604	
CT Real Estate Investment Trust	3.469%	16-Jun-2027	100,000	100,000	99,354	
CU Inc.	6.800%	13-Aug-2019	197,000	237,851	217,902	
CU Inc.	9.920%	01-Apr-2022	50,000	76,885	66,537	
CU Inc.	9.400%	01-May-2023	28,000	40,300	38,256	
CU Inc.	5.563%	26-May-2028	100,000	124,396	123,846	
CU Inc.	5.896%	20-Nov-2034	200,000	267,270	268,536	
CU Inc.	5.183%	21-Nov-2035	135,000	167,354	170,118	
CU Inc.	5.556%	30-Oct-2037	150,000	181,145	197,515	
CU Inc.	5.580%	26-May-2038	240,000	288,194	317,857	
CU Inc.	6.500%	07-Mar-2039	71,000	98,142	104,153	
CU Inc.	4.543%	24-Oct-2041	400,000	439,272	473,829	
CU Inc.	3.805%	10-Sep-2042	450,000	445,032	479,315	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
CU Inc.	4.722%	09-Sep-2043	400,000	488,724	489,274	
CU Inc.	4.085%	02-Sep-2044	675,000	714,515	750,729	
CU Inc.	3.763%	19-Nov-2046	300,000	300,260	319,538	
CU Inc.	4.947%	18-Nov-2050	13,000	12,788	16,624	
CU Inc.	3.857%	14-Nov-2052	100,000	100,200	106,614	
CU Inc.	4.558%	07-Nov-2053	150,000	176,401	181,078	
CU Inc.	4.211%	29-Oct-2055	200,000	200,000	229,478	
CU Inc.	4.593%	24-Oct-2061	200,000	221,122	246,775	
CU Inc.	3.825%	11-Sep-2062	200,000	202,250	211,540	
Daimler Canada Finance Inc.	1.420%	02-Oct-2018	200,000	198,931	199,493	
Daimler Canada Finance Inc.	1.780%	19-Aug-2019	300,000	297,890	299,638	
Daimler Canada Finance Inc.	1.800%	16-Dec-2019	150,000	149,991	149,710	
Daimler Canada Finance Inc.	1.570%	25-May-2020	315,000	315,000	311,514	
Daimler Canada Finance Inc.	1.910%	08-Jul-2021	375,000	374,904	371,157	
Daimler Canada Finance Inc.	2.230%	16-Dec-2021	300,000	302,691	299,763	
Dollarama Inc.	3.095%	05-Nov-2018	450,000	465,172	458,178	
Dollarama Inc.	2.337%	22-Jul-2021	220,000	220,000	220,640	
Dollarama Inc.	2.203%	10-Nov-2022	108,000	108,000	106,563	
Dream Office Real Estate Investment Trust	4.074%	21-Jan-2020	100,000	100,021	101,266	
Eagle Credit Card Trust	2.849%	17-Oct-2018	300,000	306,779	305,067	
Eagle Credit Card Trust	2.147%	17-Sep-2020	200,000	199,780	201,505	
Emera Inc.	4.830%	02-Dec-2019	100,000	106,594	106,692	
Emera Inc.	2.900%	16-Jun-2023	250,000	250,000	253,381	
Enbridge Gas Distribution Inc.	4.040%	23-Nov-2020	300,000	326,700	321,283	
Enbridge Gas Distribution Inc.	4.770%	17-Dec-2021	150,000	171,272	167,463	
Enbridge Gas Distribution Inc.	3.150%	22-Aug-2024	150,000	155,117	157,186	
Enbridge Gas Distribution Inc.	3.310%	11-Sep-2025	325,000	336,100	343,517	
Enbridge Gas Distribution Inc.	2.500%	05-Aug-2026	400,000	398,062	396,263	
Enbridge Gas Distribution Inc.	6.100%	19-May-2028	250,000	314,725	314,730	
Enbridge Gas Distribution Inc.	5.210%	25-Feb-2036	400,000	480,131	493,383	
Enbridge Gas Distribution Inc.	4.000%	22-Aug-2044	325,000	323,221	353,664	
Enbridge Gas Distribution Inc.	4.950%	22-Nov-2050	151,000	167,668	191,593	
Enbridge Inc.	4.770%	02-Sep-2019	346,000	370,465	366,427	
Enbridge Inc.	4.530%	09-Mar-2020	300,000	322,500	318,767	
Enbridge Inc.	4.260%	01-Feb-2021	50,000	54,275	53,218	
Enbridge Inc.	3.160%	11-Mar-2021	350,000	353,398	358,811	
Enbridge Inc.	3.190%	05-Dec-2022	450,000	455,849	461,777	
Enbridge Inc.	3.940%	30-Jun-2023	350,000	367,528	371,889	
Enbridge Inc.	3.200%	08-Jun-2027	500,000	499,790	487,893	
Enbridge Inc.	7.200%	18-Jun-2032	260,000	326,059	345,283	
Enbridge Inc.	5.570%	14-Nov-2035	100,000	119,137	115,189	
Enbridge Inc.	4.240%	27-Aug-2042	550,000	508,019	536,174	
Enbridge Inc.	4.570%	11-Mar-2044	325,000	340,741	332,892	
Enbridge Inc.	4.560%	28-Mar-2064	100,000	99,922	99,314	
Enbridge Income Fund	4.100%	22-Feb-2019	250,000	259,049	258,956	
Enbridge Income Fund	4.850%	22-Feb-2022	100,000	108,250	109,708	
Enbridge Income Fund	3.940%	13-Jan-2023	300,000	325,839	318,277	
Enbridge Income Fund	3.950%	19-Nov-2024	475,000	480,673	502,687	
Enbridge Pipelines Inc.	4.490%	12-Nov-2019	300,000	330,194	319,163	
Enbridge Pipelines Inc.	4.450%	06-Apr-2020	300,000	329,854	320,332	
Enbridge Pipelines Inc.	3.790%	17-Aug-2023	300,000	319,143	319,990	
Enbridge Pipelines Inc.	8.200%	15-Feb-2024	50,000	72,323	65,537	
Enbridge Pipelines Inc.	3.450%	29-Sep-2025	400,000	426,786	418,164	
Enbridge Pipelines Inc.	3.000%	10-Aug-2026	180,000	181,353	180,853	
Enbridge Pipelines Inc.	6.550%	17-Nov-2027	56,000	65,468	71,557	
Enbridge Pipelines Inc.	5.080%	19-Dec-2036	150,000	176,067	175,593	
Enbridge Pipelines Inc.	5.350%	10-Nov-2039	321,000	371,942	391,558	
Enbridge Pipelines Inc.	4.550%	17-Aug-2043	200,000	222,500	221,278	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Enbridge Pipelines Inc.	4.550%	29-Sep-2045	325,000	327,081	360,370	
Enbridge Pipelines Inc.	4.130%	09-Aug-2046	220,000	222,538	229,016	
Enercare Solutions Inc.	4.600%	03-Feb-2020	300,000	310,626	314,474	
Enercare Solutions Inc.	3.380%	21-Feb-2022	125,000	124,978	126,182	
Enercare Solutions Inc.	3.990%	21-Feb-2024	125,000	124,978	128,020	
Enmax Corp.	3.805%	05-Dec-2024	100,000	100,000	103,528	
EPCOR Utilities Inc.	5.650%	16-Nov-2035	234,000	294,118	303,827	
EPCOR Utilities Inc.	6.650%	15-Apr-2038	169,000	244,592	248,566	
EPCOR Utilities Inc.	5.750%	24-Nov-2039	172,000	206,972	232,017	
EPCOR Utilities Inc.	4.550%	28-Feb-2042	200,000	238,418	235,990	
Fairfax Financial Holdings Ltd.	7.500%	19-Aug-2019	150,000	171,075	165,086	
Fairfax Financial Holdings Ltd.	7.250%	22-Jun-2020	171,000	194,907	191,989	
Fairfax Financial Holdings Ltd.	6.400%	25-May-2021	220,000	251,770	246,558	
Fairfax Financial Holdings Ltd.	5.840%	14-Oct-2022	350,000	372,677	390,143	
Fairfax Financial Holdings Ltd.	4.500%	22-Mar-2023	250,000	250,378	261,385	
Fairfax Financial Holdings Ltd.	4.950%	03-Mar-2025	200,000	215,952	213,198	
Fairfax Financial Holdings Ltd.	4.700%	16-Dec-2026	300,000	299,007	311,149	
Federated Co-operatives Ltd.	3.917%	17-Jun-2025	150,000	150,000	150,963	
Fifth Avenue LP	4.710%	05-Aug-2021	43,375	43,375	45,612	
Finning International Inc.	3.232%	03-Jul-2020	150,000	151,489	153,269	
Finning International Inc.	5.077%	13-Jun-2042	100,000	103,422	109,603	
First Capital Realty Inc.	4.950%	30-Nov-2018	100,000	108,890	104,205	
First Capital Realty Inc.	5.480%	30-Jul-2019	122,000	135,981	130,406	
First Capital Realty Inc.	5.600%	30-Apr-2020	210,000	236,349	229,141	
First Capital Realty Inc.	4.500%	01-Mar-2021	200,000	219,940	213,969	
First Capital Realty Inc.	4.430%	31-Jan-2022	150,000	159,675	161,001	
First Capital Realty Inc.	3.950%	05-Dec-2022	200,000	210,990	210,619	
First Capital Realty Inc.	3.900%	30-Oct-2023	200,000	214,536	209,600	
First Capital Realty Inc.	4.790%	30-Aug-2024	250,000	266,829	274,710	
First Capital Realty Inc.	4.323%	31-Jul-2025	200,000	213,767	212,702	
First Capital Realty Inc.	3.604%	06-May-2026	250,000	256,604	251,570	
First National Financial Corp.	4.010%	09-Apr-2020	100,000	99,916	100,259	
Ford Credit Canada Co.	2.710%	23-Feb-2022	455,000	456,171	453,319	
Ford Credit Canada Co.	2.766%	22-Jun-2022	150,000	150,000	149,373	
Ford Credit Canada Ltd.	3.700%	02-Aug-2018	300,000	309,144	305,993	
Ford Credit Canada Ltd.	2.939%	19-Feb-2019	350,000	351,436	355,371	
Ford Credit Canada Ltd.	3.140%	14-Jun-2019	375,000	382,134	382,557	
Ford Credit Canada Ltd.	2.450%	07-May-2020	500,000	496,228	501,454	
Ford Credit Canada Ltd.	2.923%	16-Sep-2020	500,000	514,023	507,654	
Ford Credit Canada Ltd.	2.580%	10-May-2021	585,000	586,096	584,427	
Ford Credit Canada Ltd.	3.279%	02-Jul-2021	300,000	301,030	306,882	
Fortified Trust	1.670%	23-Jul-2021	490,000	490,290	483,833	
Fortis Inc.	2.850%	12-Dec-2023	310,000	315,220	314,425	
FortisAlberta Inc.	3.300%	30-Sep-2024	150,000	158,378	158,658	
FortisAlberta Inc.	6.220%	31-Oct-2034	66,000	76,516	90,369	
FortisAlberta Inc.	5.370%	30-Oct-2039	178,000	203,321	229,530	
FortisAlberta Inc.	4.850%	11-Sep-2043	350,000	437,880	432,364	
FortisAlberta Inc.	4.110%	29-Sep-2044	50,000	49,992	55,952	
FortisAlberta Inc.	4.270%	22-Sep-2045	100,000	106,812	114,878	
FortisAlberta Inc.	4.990%	03-Jan-2047	27,000	32,410	34,257	
FortisAlberta Inc.	4.800%	27-Oct-2050	11,000	10,506	13,759	
FortisAlberta Inc.	3.980%	23-Oct-2052	220,000	229,428	237,035	
FortisBC Energy Inc.	2.580%	08-Apr-2026	100,000	99,939	100,371	
FortisBC Energy Inc.	6.950%	21-Sep-2029	250,000	341,219	349,685	
FortisBC Energy Inc.	6.500%	01-May-2034	230,000	325,819	320,632	
FortisBC Energy Inc.	5.900%	26-Feb-2035	121,000	156,528	159,302	
FortisBC Energy Inc.	6.000%	02-Oct-2037	100,000	132,860	138,264	
FortisBC Energy Inc.	6.050%	15-Feb-2038	41,000	51,497	56,267	

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Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
FortisBC Energy Inc.	5.800%	13-May-2038	221,000	293,146	299,721	
FortisBC Energy Inc.	6.550%	24-Feb-2039	125,000	171,886	183,245	
FortisBC Energy Inc.	5.200%	06-Dec-2040	13,000	12,907	16,462	
FortisBC Energy Inc.	3.780%	06-Mar-2047	130,000	132,005	139,022	
FortisBC Inc.	5.600%	09-Nov-2035	174,000	204,497	223,444	
FortisBC Inc.	6.100%	02-Jun-2039	200,000	262,700	276,731	
FortisBC Inc.	4.000%	28-Oct-2044	150,000	153,158	163,816	
FortisBC Inc.	5.000%	24-Nov-2050	121,000	139,818	154,903	
Gaz Metro Inc.	5.450%	12-Jul-2021	200,000	234,303	227,065	
Gaz Metro Inc.	6.300%	31-Oct-2033	250,000	327,875	343,417	
Gaz Metro Inc.	5.700%	10-Jul-2036	100,000	124,281	133,127	
Gaz Metro Inc.	3.280%	09-Oct-2046	200,000	198,249	196,592	
Gaz Metro Inc.	3.530%	16-May-2047	120,000	119,868	123,341	
GE Capital Canada Funding Co.	4.600%	26-Jan-2022	750,000	836,561	830,980	
General Motors Financial of Canada Ltd.	3.080%	22-May-2020	400,000	399,877	407,055	
General Motors Financial of Canada Ltd.	2.600%	01-Jun-2022	150,000	149,846	147,624	
Genesis Trust II	1.675%	17-Sep-2018	450,000	450,653	450,983	
Genesis Trust II	2.433%	15-May-2019	650,000	664,781	659,071	
Genesis Trust II	1.699%	15-Apr-2020	600,000	599,914	599,135	
Genworth MI Canada Inc.	5.680%	15-Jun-2020	200,000	215,620	215,015	
Genworth MI Canada Inc.	4.242%	01-Apr-2024	100,000	100,000	102,042	
George Weston Ltd.	4.115%	17-Jul-2024	300,000	307,530	319,847	
Glacier Credit Card Trust	2.755%	20-Nov-2018	200,000	204,116	203,209	
Glacier Credit Card Trust	2.568%	20-Sep-2019	350,000	360,238	355,793	
Glacier Credit Card Trust	2.237%	20-Sep-2020	300,000	306,150	302,706	
Glacier Credit Card Trust	2.048%	20-Sep-2022	150,000	150,000	148,148	
Grand Renewable Solar LP	3.926%	31-Jan-2035	145,050	145,050	145,023	
Granite REIT Holdings LP	3.788%	05-Jul-2021	200,000	208,448	204,780	
Granite REIT Holdings LP	3.873%	30-Nov-2023	315,000	315,006	318,444	
Greater Toronto Airports Authority	5.960%	20-Nov-2019	450,000	533,171	495,455	
Greater Toronto Airports Authority	1.510%	16-Feb-2021	250,000	248,746	248,134	
Greater Toronto Airports Authority	3.040%	21-Sep-2022	350,000	353,983	368,138	
Greater Toronto Airports Authority	6.450%	03-Dec-2027	292,000	392,704	394,651	
Greater Toronto Airports Authority	6.450%	30-Jul-2029	207,797	265,702	257,085	
Greater Toronto Airports Authority	7.050%	12-Jun-2030	481,000	683,884	696,008	
Greater Toronto Airports Authority	7.100%	04-Jun-2031	385,000	561,564	567,181	
Greater Toronto Airports Authority	6.980%	15-Oct-2032	500,000	716,732	741,353	
Greater Toronto Airports Authority	5.630%	07-Jun-2040	250,000	331,151	354,140	
Greater Toronto Airports Authority	5.300%	25-Feb-2041	200,000	264,536	273,951	
Greater Toronto Airports Authority	4.530%	02-Dec-2041	500,000	585,306	624,538	
Great-West Lifeco Inc.	4.650%	13-Aug-2020	318,000	352,366	344,364	
Great-West Lifeco Inc.	6.740%	24-Nov-2031	100,000	129,157	135,811	
Great-West Lifeco Inc.	6.670%	21-Mar-2033	315,000	423,017	432,221	
Great-West Lifeco Inc.	5.998%	16-Nov-2039	271,000	340,741	364,860	
H&R Real Estate Investment Trust	4.450%	02-Mar-2020	150,000	158,850	157,342	
H&R Real Estate Investment Trust	2.923%	06-May-2022	110,000	110,106	108,996	
H&R Real Estate Investment Trust	3.369%	30-Jan-2024	235,000	235,867	233,429	
Halifax International Airport Authority	5.503%	19-Jul-2041	125,000	158,975	166,092	
Halifax International Airport Authority	4.888%	15-Nov-2050	34,000	32,325	43,575	
HCN Canadian Holdings-I LP	3.350%	25-Nov-2020	275,000	278,679	284,461	
Health Montreal Collective LP	6.721%	30-Sep-2049	1,000,000	1,297,040	1,375,659	
Hollis Receivables Term Trust II	2.434%	26-Jun-2019	400,000	410,857	405,776	
Hollis Receivables Term Trust II	1.788%	26-Feb-2020	250,000	248,253	249,948	
Home Trust Co.	3.400%	10-Dec-2018	200,000	201,450	196,751	
Honda Canada Finance Inc.	1.631%	12-Aug-2019	250,000	251,763	249,534	
Honda Canada Finance Inc.	2.155%	18-Feb-2021	375,000	377,034	376,645	
Honda Canada Finance Inc.	1.823%	07-Dec-2021	245,000	245,000	241,694	
Honda Canada Finance Inc.	2.268%	15-Jul-2022	215,000	215,000	215,195	

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Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Hospital Infrastructure Partners NOH Partnership	5.439%	31-Jan-2045	488,745	583,494	578,616	
HSBC Bank Canada	2.078%	26-Nov-2018	700,000	701,176	704,486	
HSBC Bank Canada	2.491%	13-May-2019	650,000	660,012	658,963	
HSBC Bank Canada	2.938%	14-Jan-2020	825,000	852,995	847,210	
HSBC Bank Canada	1.816%	07-Jul-2020	710,000	703,663	707,798	
HSBC Bank Canada	2.449%	29-Jan-2021	650,000	651,157	659,330	
HSBC Bank Canada	2.908%	29-Sep-2021	600,000	621,646	617,719	
HSBC Bank Canada	2.170%	29-Jun-2022	300,000	300,000	297,788	
Husky Energy Inc.	5.000%	12-Mar-2020	189,000	208,300	202,707	
Husky Energy Inc.	3.550%	12-Mar-2025	575,000	582,677	581,570	
Husky Energy Inc.	3.600%	10-Mar-2027	455,000	456,629	453,671	
Hydro One Inc.	2.780%	09-Oct-2018	550,000	568,653	559,419	
Hydro One Inc.	1.480%	18-Nov-2019	200,000	199,994	199,783	
Hydro One Inc.	1.620%	30-Apr-2020	220,000	220,609	219,586	
Hydro One Inc.	4.400%	01-Jun-2020	258,000	282,629	277,304	
Hydro One Inc.	1.840%	24-Feb-2021	300,000	301,050	299,881	
Hydro One Inc.	3.200%	13-Jan-2022	400,000	420,999	420,084	
Hydro One Inc.	7.350%	03-Jun-2030	350,000	497,869	501,581	
Hydro One Inc.	6.930%	01-Jun-2032	310,000	436,722	442,731	
Hydro One Inc.	6.350%	31-Jan-2034	300,000	412,950	414,507	
Hydro One Inc.	5.360%	20-May-2036	376,000	444,952	478,471	
Hydro One Inc.	4.890%	13-Mar-2037	250,000	301,625	301,962	
Hydro One Inc.	6.030%	03-Mar-2039	153,000	191,545	212,442	
Hydro One Inc.	4.390%	26-Sep-2041	150,000	166,331	173,788	
Hydro One Inc.	4.590%	09-Oct-2043	350,000	410,888	417,470	
Hydro One Inc.	4.170%	06-Jun-2044	300,000	329,066	337,031	
Hydro One Inc.	3.910%	23-Feb-2046	200,000	205,916	216,414	
Hydro One Inc.	5.000%	19-Oct-2046	200,000	244,714	256,499	
Hydro One Inc.	3.720%	18-Nov-2047	325,000	334,158	341,584	
Hydro One Inc.	4.000%	22-Dec-2051	180,000	177,586	195,323	
Hydro One Inc.	3.790%	31-Jul-2062	275,000	268,912	287,397	
Hydro Ottawa Holdings Inc.	2.614%	03-Feb-2025	200,000	199,590	201,355	
Hydro Ottawa Holdings Inc.	3.639%	02-Feb-2045	200,000	185,800	204,011	
IGM Financial Inc.	3.440%	26-Jan-2027	450,000	458,900	458,950	
IGM Financial Inc.	7.000%	31-Dec-2032	288,000	375,540	388,934	
IGM Financial Inc.	6.000%	10-Dec-2040	116,000	147,043	148,814	
IGM Financial Inc.	4.560%	25-Jan-2047	150,000	151,642	161,935	
Industrial Alliance Insurance & Financial Services Inc.	3.300%	15-Sep-2028	330,000	329,918	340,486	
Industrial Alliance Insurance & Financial Services Inc., FRN	2.800%	16-May-2024	250,000	253,291	252,726	
Intact Financial Corp.	5.410%	03-Sep-2019	245,000	268,235	263,810	
Intact Financial Corp.	4.700%	18-Aug-2021	125,000	134,286	137,461	
Intact Financial Corp.	3.770%	02-Mar-2026	125,000	124,979	133,124	
Intact Financial Corp.	2.850%	07-Jun-2027	350,000	349,941	343,026	
Intact Financial Corp.	6.400%	23-Nov-2039	205,000	257,521	282,473	
Intact Financial Corp.	5.160%	16-Jun-2042	75,000	84,554	90,436	
Integrated Team Solutions PCH Partnership	4.875%	31-May-2046	199,821	215,947	224,806	
Integrated Team Solutions SJHC Partnership	5.946%	30-Nov-2042	103,046	122,081	132,561	
Inter Pipeline Ltd.	3.839%	30-Jul-2018	300,000	317,760	306,908	
Inter Pipeline Ltd.	3.448%	20-Jul-2020	300,000	316,377	311,567	
Inter Pipeline Ltd.	4.967%	02-Feb-2021	200,000	221,440	217,855	
Inter Pipeline Ltd.	3.776%	30-May-2022	200,000	204,498	210,768	
Inter Pipeline Ltd.	2.608%	13-Sep-2023	300,000	302,448	297,266	
Inter Pipeline Ltd.	2.734%	18-Apr-2024	320,000	321,556	317,464	
Inter Pipeline Ltd.	3.173%	24-Mar-2025	225,000	224,958	227,033	
Inter Pipeline Ltd.	3.484%	16-Dec-2026	240,000	240,000	243,609	
Inter Pipeline Ltd.	4.637%	30-May-2044	400,000	401,024	431,226	
Inter-American Development Bank	1.875%	20-Mar-2020	150,000	149,577	151,537	
Inter-American Development Bank	4.400%	26-Jan-2026	897,000	1,026,073	1,031,582	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
International Bank for Reconstruction & Development	1.125%	11-Mar-2020	1,200,000	1,196,916	1,189,742	
International Bank for Reconstruction & Development	1.250%	18-Mar-2021	300,000	297,804	296,271	
John Deere Canada Funding Inc.	2.650%	16-Jul-2018	250,000	253,947	253,017	
John Deere Canada Funding Inc.	1.750%	28-Jan-2019	150,000	149,831	150,350	
John Deere Canada Funding Inc.	2.350%	24-Jun-2019	200,000	202,541	202,609	
John Deere Canada Funding Inc.	2.050%	17-Sep-2020	200,000	201,041	200,730	
John Deere Canada Funding Inc.	1.850%	24-Mar-2021	160,000	159,987	159,037	
John Deere Canada Funding Inc.	2.050%	13-May-2022	150,000	149,880	149,077	
Kingston Solar LP	3.571%	31-Jul-2035	98,773	98,773	96,888	
Kraft Canada Inc.	2.700%	06-Jul-2020	150,000	150,105	151,925	
Labrador-Island Link Funding Trust	3.760%	01-Jun-2033	400,000	463,197	454,473	
Labrador-Island Link Funding Trust	3.860%	01-Dec-2045	500,000	592,715	594,639	
Labrador-Island Link Funding Trust	3.850%	01-Dec-2053	700,000	813,703	854,091	
Laurentian Bank of Canada	3.278%	15-Oct-2018	150,000	154,419	152,588	
Laurentian Bank of Canada	2.810%	13-Jun-2019	200,000	202,424	202,834	
Laurentian Bank of Canada	2.500%	23-Jan-2020	280,000	277,687	281,676	
Laurentian Bank of Canada	2.750%	22-Apr-2021	225,000	224,521	227,250	
Leisureworld Senior Care LP	3.474%	03-Feb-2021	50,000	50,000	52,155	
Loblaw Companies Limited	3.748%	12-Mar-2019	500,000	524,190	516,493	
Loblaw Companies Limited	5.220%	18-Jun-2020	250,000	281,625	273,132	
Loblaw Companies Limited	4.860%	12-Sep-2023	500,000	569,699	559,240	
Loblaw Companies Limited	6.450%	09-Feb-2028	127,000	157,579	159,690	
Loblaw Companies Limited	6.500%	22-Jan-2029	150,000	180,320	189,756	
Loblaw Companies Limited	6.850%	01-Mar-2032	132,000	164,654	174,527	
Loblaw Companies Limited	6.540%	17-Feb-2033	131,000	158,588	168,995	
Loblaw Companies Limited	6.050%	09-Jun-2034	150,000	174,000	186,458	
Loblaw Companies Limited	6.150%	29-Jan-2035	200,000	235,020	252,647	
Loblaw Companies Limited	5.900%	18-Jan-2036	250,000	286,614	309,170	
Lower Mattagami Energy LP	2.307%	21-Oct-2026	270,000	265,503	263,681	
Lower Mattagami Energy LP	5.139%	18-May-2041	250,000	310,444	317,973	
Lower Mattagami Energy LP	4.944%	21-Sep-2043	150,000	187,907	187,993	
Lower Mattagami Energy LP	4.176%	23-Feb-2046	300,000	298,895	337,856	
Lower Mattagami Energy LP	4.175%	23-Apr-2052	150,000	164,658	167,863	
Magna International Inc.	3.100%	15-Dec-2022	350,000	349,955	361,402	
Manitoba Telecom Services Inc.	4.590%	01-Oct-2018	150,000	161,490	155,316	
Manitoba Telecom Services Inc.	4.000%	27-May-2024	300,000	308,734	321,154	
Manufacturers Life Insurance Co.	2.640%	15-Jan-2025	300,000	308,523	304,832	
Manufacturers Life Insurance Co.	2.389%	05-Jan-2026	200,000	202,840	201,376	
Manulife Bank of Canada	1.915%	01-Sep-2021	200,000	200,462	197,662	
Manulife Bank of Canada	2.082%	26-May-2022	350,000	350,368	345,911	
Manulife Finance Delaware LP, FRN	5.059%	15-Dec-2041	525,000	532,425	594,117	
Manulife Financial Capital Trust II, FRN	7.405%	31-Dec-2108	679,000	804,514	761,705	
Manulife Financial Corp.	7.768%	08-Apr-2019	278,000	342,866	305,742	
Maritime Link Financing Trust	3.500%	01-Dec-2052	950,000	1,026,461	1,028,989	
Master Credit Card Trust II	2.723%	21-Nov-2018	675,000	690,837	686,281	
MCAP Commercial LP	3.955%	11-Mar-2019	50,000	50,000	49,777	
Metro Inc.	3.200%	01-Dec-2021	200,000	202,528	207,099	
Metro Inc.	5.970%	15-Oct-2035	297,000	339,160	368,712	
Metro Inc.	5.030%	01-Dec-2044	225,000	240,572	257,583	
Milit-Air Inc.	5.750%	30-Jun-2019	43,353	47,517	45,423	
Morguard Corp.	4.013%	18-Nov-2020	125,000	125,000	127,057	
Muskrat Falls / Labrador Transmission Assets Funding	3.630%	01-Jun-2029	400,000	436,834	444,421	
Muskrat Falls / Labrador Transmission Assets Funding	3.830%	01-Jun-2037	500,000	554,878	577,241	
Muskrat Falls / Labrador Transmission Assets Funding	3.860%	01-Dec-2048	750,000	917,243	898,437	
National Bank of Canada	2.794%	09-Aug-2018	325,000	333,067	329,784	
National Bank of Canada	2.404%	28-Oct-2019	700,000	714,348	710,997	
National Bank of Canada	1.742%	03-Mar-2020	650,000	647,863	649,092	
National Bank of Canada	1.809%	26-Jul-2021	500,000	503,549	495,541	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
National Bank of Canada	2.105%	18-Mar-2022	650,000	644,460	648,750	
National Bank of Canada	1.957%	30-Jun-2022	400,000	400,000	396,021	
NAV Canada	5.304%	17-Apr-2019	213,000	240,995	226,592	
NAV Canada	4.397%	18-Feb-2021	150,000	166,391	163,234	
NAV Canada	7.560%	01-Mar-2027	164,500	213,390	206,289	
NAV Canada	7.400%	01-Jun-2027	250,000	358,692	357,021	
NAV Canada	3.534%	23-Feb-2046	200,000	198,820	217,040	
NBC Asset Trust, FRN	7.447%	31-Dec-2049	241,000	284,779	270,986	
Nissan Canada Financial Services Inc.	1.584%	07-Oct-2019	300,000	300,000	298,349	
Nissan Canada Financial Services Inc.	1.750%	09-Apr-2020	300,000	301,179	298,822	
North West Redwater Partnership	2.100%	23-Feb-2022	375,000	368,473	372,417	
North West Redwater Partnership	3.200%	24-Apr-2026	375,000	374,942	384,439	
North West Redwater Partnership	4.250%	01-Jun-2029	400,000	413,318	436,363	
North West Redwater Partnership	4.150%	01-Jun-2033	325,000	342,614	350,295	
North West Redwater Partnership	4.750%	01-Jun-2037	205,000	209,964	234,960	
North West Redwater Partnership	4.350%	10-Jan-2039	475,000	482,999	514,731	
North West Redwater Partnership	4.050%	22-Jul-2044	480,000	489,586	499,587	
North West Redwater Partnership Ltd.	3.200%	22-Jul-2024	300,000	317,175	310,036	
North West Redwater Partnership Ltd.	2.800%	01-Jun-2027	500,000	498,695	490,889	
North West Redwater Partnership Ltd.	3.650%	01-Jun-2035	460,000	467,153	464,530	
North West Redwater Partnership Ltd.	3.700%	23-Feb-2043	350,000	343,518	344,234	
Northwestconnect Group Partnership	5.950%	30-Apr-2041	329,550	400,883	403,952	
Nova Scotia Power Inc.	8.850%	19-May-2025	50,000	74,101	69,763	
Nova Scotia Power Inc.	5.670%	14-Nov-2035	200,000	251,100	256,293	
Nova Scotia Power Inc.	5.950%	27-Jul-2039	159,000	195,590	215,969	
Nova Scotia Power Inc.	5.610%	15-Jun-2040	258,000	335,044	339,443	
Nova Scotia Power Inc.	4.150%	06-Mar-2042	150,000	164,250	164,190	
Nova Scotia Power Inc.	4.500%	20-Jul-2043	250,000	254,047	288,432	
Nova Scotia Power Inc.	3.612%	01-May-2045	150,000	151,450	150,209	
OMERS Realty Corp.	3.203%	24-Jul-2020	200,000	211,880	208,070	
OMERS Realty Corp.	2.971%	05-Apr-2021	200,000	210,378	206,879	
OMERS Realty Corp.	1.823%	09-May-2022	200,000	200,000	196,748	
OMERS Realty Corp.	3.358%	05-Jun-2023	350,000	375,444	369,930	
OMERS Realty Corp.	2.858%	23-Feb-2024	225,000	234,626	230,982	
OMERS Realty Corp.	3.328%	12-Nov-2024	250,000	262,638	263,560	
Ontario School Boards Financing Corp.	5.483%	26-Nov-2029	86,174	90,791	99,830	
Ontario School Boards Financing Corp.	5.070%	18-Apr-2031	52,224	53,183	58,448	
Ontario School Boards Financing Corp.	5.376%	25-Jun-2032	53,792	56,343	61,882	
OPB Finance Trust	1.880%	24-Feb-2022	651,000	642,915	646,292	
OPB Finance Trust	2.900%	24-May-2023	100,000	99,931	103,493	
OPB Finance Trust	2.950%	02-Feb-2026	275,000	274,857	283,093	
OPB Finance Trust	2.980%	25-Jan-2027	510,000	512,385	523,026	
OPB Finance Trust	3.890%	04-Jul-2042	400,000	423,812	439,528	
Ottawa MacDonald-Cartier International Airport Authority	3.933%	09-Jun-2045	500,000	502,250	531,921	
Pembina Pipeline Corp.	4.890%	29-Mar-2021	227,000	243,969	246,585	
Pembina Pipeline Corp.	3.770%	24-Oct-2022	300,000	306,770	315,033	
Pembina Pipeline Corp.	2.990%	22-Jan-2024	280,000	282,320	279,704	
Pembina Pipeline Corp.	3.540%	03-Feb-2025	300,000	302,550	306,751	
Pembina Pipeline Corp.	3.710%	11-Aug-2026	200,000	204,100	204,458	
Pembina Pipeline Corp.	4.240%	15-Jun-2027	400,000	396,213	421,251	
Pembina Pipeline Corp.	4.750%	30-Apr-2043	300,000	314,400	306,081	
Pembina Pipeline Corp.	4.810%	25-Mar-2044	500,000	470,467	515,727	
Pembina Pipeline Corp.	4.740%	21-Jan-2047	130,000	129,917	133,003	
Penske Truck Leasing Canada Inc.	2.950%	12-Jun-2020	100,000	100,794	101,586	
Plenary Health Bridgepoint LP	7.246%	31-Aug-2042	244,511	336,625	353,526	
Plenary Health Care Partnerships Humber LP	4.895%	31-May-2039	289,139	319,499	333,338	
Plenary Health Care Partnerships Humber LP	4.822%	30-Nov-2044	200,000	218,696	233,385	
Plenary Properties LTAP LP	6.288%	31-Jan-2044	493,077	628,301	664,250	

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Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Power Corporation of Canada	7.570%	22-Apr-2019	241,000	292,524	264,077	
Power Corporation of Canada	8.570%	22-Apr-2039	100,000	149,180	162,106	
Power Corporation of Canada	4.810%	31-Jan-2047	125,000	125,000	140,107	
Power Financial Corp.	6.900%	11-Mar-2033	199,000	258,638	271,619	
PSP Capital Inc.	3.030%	22-Oct-2020	500,000	535,762	522,548	
PSP Capital Inc.	1.340%	18-Aug-2021	950,000	946,002	932,509	
PSP Capital Inc.	1.730%	21-Jun-2022	1,300,000	1,300,000	1,286,902	
PSP Capital Inc.	2.090%	22-Nov-2023	685,000	684,911	681,804	
PSP Capital Inc.	3.290%	04-Apr-2024	900,000	966,348	960,178	
Reliance LP	5.187%	15-Mar-2019	150,000	156,788	156,216	
Reliance LP	3.813%	15-Sep-2020	200,000	201,014	205,067	
Reliance LP	4.075%	02-Aug-2021	200,000	200,000	206,931	
RioCan Real Estate Investment Trust	3.850%	28-Jun-2019	200,000	209,692	207,270	
RioCan Real Estate Investment Trust	3.620%	01-Jun-2020	100,000	100,195	103,897	
RioCan Real Estate Investment Trust	2.185%	26-Aug-2020	150,000	150,000	149,484	
RioCan Real Estate Investment Trust	2.194%	09-Apr-2021	250,000	250,690	247,523	
RioCan Real Estate Investment Trust	3.716%	13-Dec-2021	200,000	211,876	209,087	
RioCan Real Estate Investment Trust	3.746%	30-May-2022	200,000	201,070	209,211	
RioCan Real Estate Investment Trust	2.830%	03-Oct-2022	140,000	139,996	140,284	
RioCan Real Estate Investment Trust	3.725%	18-Apr-2023	200,000	201,772	208,299	
Rogers Communications Inc.	2.800%	13-Mar-2019	250,000	256,318	254,587	
Rogers Communications Inc.	5.380%	04-Nov-2019	321,000	358,641	346,697	
Rogers Communications Inc.	4.700%	29-Sep-2020	600,000	653,033	649,644	
Rogers Communications Inc.	5.340%	22-Mar-2021	958,000	1,091,401	1,066,004	
Rogers Communications Inc.	4.000%	06-Jun-2022	400,000	429,440	430,236	
Rogers Communications Inc.	4.000%	13-Mar-2024	420,000	432,092	452,474	
Rogers Communications Inc.	6.680%	04-Nov-2039	400,000	509,312	544,062	
Rogers Communications Inc.	6.110%	25-Aug-2040	552,000	652,126	706,798	
Royal Bank of Canada	2.820%	12-Jul-2018	1,530,000	1,581,737	1,551,517	
Royal Bank of Canada	2.890%	11-Oct-2018	300,000	307,182	305,281	
Royal Bank of Canada	2.770%	11-Dec-2018	1,420,000	1,460,171	1,444,914	
Royal Bank of Canada	1.400%	26-Apr-2019	1,000,000	1,003,400	997,766	
Royal Bank of Canada	2.980%	07-May-2019	575,000	597,740	588,940	
Royal Bank of Canada	2.350%	09-Dec-2019	950,000	965,772	964,021	
Royal Bank of Canada	1.590%	23-Mar-2020	450,000	454,617	448,784	
Royal Bank of Canada	1.920%	17-Jul-2020	1,050,000	1,051,890	1,053,263	
Royal Bank of Canada	2.860%	04-Mar-2021	1,400,000	1,448,671	1,444,195	
Royal Bank of Canada	2.030%	15-Mar-2021	1,500,000	1,514,388	1,503,091	
Royal Bank of Canada	1.650%	15-Jul-2021	1,150,000	1,150,337	1,133,550	
Royal Bank of Canada	1.583%	13-Sep-2021	1,090,000	1,087,567	1,068,654	
Royal Bank of Canada	1.968%	02-Mar-2022	1,450,000	1,445,086	1,440,114	
Royal Bank of Canada	2.000%	21-Mar-2022	1,000,000	1,001,740	993,501	
Royal Bank of Canada	2.333%	05-Dec-2023	710,000	710,000	709,687	
Royal Bank of Canada	2.990%	06-Dec-2024	1,325,000	1,358,099	1,357,070	
Royal Bank of Canada	4.930%	16-Jul-2025	475,000	563,066	558,813	
Royal Office Finance LP	5.209%	12-Nov-2032	648,943	795,187	797,435	
Saputo Inc.	2.654%	26-Nov-2019	200,000	203,163	203,743	
Saputo Inc.	2.196%	23-Jun-2021	250,000	250,000	250,665	
Saputo Inc.	1.939%	13-Jun-2022	150,000	150,000	147,438	
Saputo Inc.	2.827%	21-Nov-2023	200,000	200,000	202,567	
Scotiabank Capital Trust, FRN	5.650%	31-Dec-2056	478,000	571,341	584,476	
Scotiabank Tier I Trust, FRN	7.802%	30-Jun-2108	450,000	514,485	497,141	
Sea To Sky Highway Investment LP	2.629%	31-Aug-2030	359,022	359,008	349,491	
Shaw Communications Inc.	5.650%	01-Oct-2019	769,000	856,320	830,387	
Shaw Communications Inc.	5.500%	07-Dec-2020	369,000	417,774	407,818	
Shaw Communications Inc.	4.350%	31-Jan-2024	400,000	412,566	432,815	
Shaw Communications Inc.	3.800%	01-Mar-2027	210,000	213,964	216,433	
Shaw Communications Inc.	6.750%	09-Nov-2039	863,000	1,039,465	1,117,055	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Sinai Health System	3.527%	09-Jun-2056	250,000	250,000	245,769	
Smart Real Estate Investment Trust	2.876%	21-Mar-2022	100,000	100,009	99,850	
Smart Real Estate Investment Trust	3.444%	28-Aug-2026	380,000	380,247	373,717	
SNC-Lavalin Group Inc.	6.190%	03-Jul-2019	193,000	217,796	207,426	
SNC-Lavalin Innisfree McGill Finance Inc.	6.632%	30-Jun-2044	543,766	689,762	719,985	
Societe en commandite CE Sebastopol	4.141%	31-Jul-2047	100,000	100,000	103,957	
South Coast British Columbia Transportation Authority	3.800%	02-Nov-2020	209,000	228,547	222,468	
South Coast British Columbia Transportation Authority	3.050%	04-Jun-2025	200,000	201,992	207,450	
South Coast British Columbia Transportation Authority	4.450%	09-Jun-2044	250,000	290,710	300,338	
South Coast British Columbia Transportation Authority	3.850%	09-Feb-2052	250,000	270,851	276,501	
SP LP / SPI LP	3.210%	15-Jun-2019	89,210	89,210	90,332	
SSL Finance Inc.	4.099%	31-Oct-2045	250,000	250,000	264,012	
Sun Life Capital Trust II	5.863%	31-Dec-2108	330,000	381,261	357,866	
Sun Life Financial Inc.	5.700%	02-Jul-2019	180,000	203,842	193,770	
Sun Life Financial Inc.	4.570%	23-Aug-2021	300,000	327,012	329,365	
Sun Life Financial Inc.	2.600%	25-Sep-2025	150,000	154,008	151,961	
Sun Life Financial Inc.	3.100%	19-Feb-2026	500,000	503,755	514,441	
Sun Life Financial Inc.	3.050%	19-Sep-2028	725,000	732,541	738,612	
Sun Life Financial Inc., FRN	2.770%	13-May-2024	150,000	151,390	152,041	
Sun Life Financial Inc., FRN	5.400%	29-May-2042	268,000	303,407	325,199	
Suncor Energy Inc.	3.100%	26-Nov-2021	300,000	315,720	310,330	
Suncor Energy Inc.	3.000%	14-Sep-2026	585,000	582,443	582,822	
Suncor Energy Inc.	5.390%	26-Mar-2037	321,000	361,836	380,076	
Suncor Energy Inc.	4.340%	13-Sep-2046	235,000	234,765	247,604	
TD Capital Trust III, FRN	7.243%	31-Dec-2049	800,000	960,832	863,231	
TD Capital Trust IV	10.000%	30-Jun-2108	350,000	485,280	467,565	
TD Capital Trust IV, FRN	6.631%	30-Jun-2108	562,000	690,097	644,755	
TELUS Communications Inc.	10.650%	19-Jun-2021	30,000	42,763	39,044	
TELUS Communications Inc.	9.650%	08-Apr-2022	75,000	102,097	98,089	
TELUS Corp.	5.050%	04-Dec-2019	650,000	713,698	698,361	
TELUS Corp.	5.050%	23-Jul-2020	721,000	800,765	784,985	
TELUS Corp.	3.600%	26-Jan-2021	200,000	214,039	209,851	
TELUS Corp.	3.200%	05-Apr-2021	375,000	382,829	388,439	
TELUS Corp.	2.350%	28-Mar-2022	650,000	649,761	650,592	
TELUS Corp.	3.350%	01-Apr-2024	725,000	741,646	749,421	
TELUS Corp.	3.750%	17-Jan-2025	550,000	576,811	580,889	
TELUS Corp.	3.750%	10-Mar-2026	480,000	480,907	504,180	
TELUS Corp.	4.400%	01-Apr-2043	400,000	398,660	404,433	
TELUS Corp.	5.150%	26-Nov-2043	350,000	367,826	394,164	
TELUS Corp.	4.850%	05-Apr-2044	605,000	617,404	654,044	
TELUS Corp.	4.750%	17-Jan-2045	300,000	301,470	319,692	
TELUS Corp.	4.400%	29-Jan-2046	300,000	287,729	303,264	
TELUS Corp.	4.700%	06-Mar-2048	200,000	212,542	212,485	
Teranet Holdings LP	4.807%	16-Dec-2020	450,000	495,751	480,873	
Teranet Holdings LP	3.646%	18-Nov-2022	150,000	150,878	153,636	
Teranet Holdings LP	5.754%	17-Dec-2040	300,000	326,620	332,862	
Teranet Holdings LP	6.100%	17-Jun-2041	221,000	259,154	255,189	
The Bank of Nova Scotia	2.462%	14-Mar-2019	900,000	910,631	913,324	
The Bank of Nova Scotia	2.400%	28-Oct-2019	1,000,000	1,017,540	1,015,656	
The Bank of Nova Scotia	2.270%	13-Jan-2020	800,000	815,810	810,260	
The Bank of Nova Scotia	2.130%	15-Jun-2020	1,180,000	1,193,536	1,190,786	
The Bank of Nova Scotia	2.090%	09-Sep-2020	750,000	753,101	755,477	
The Bank of Nova Scotia	3.270%	11-Jan-2021	975,000	1,033,268	1,019,716	
The Bank of Nova Scotia	2.873%	04-Jun-2021	635,000	659,870	655,505	
The Bank of Nova Scotia	1.900%	02-Dec-2021	1,505,000	1,507,009	1,492,591	
The Bank of Nova Scotia	1.830%	27-Apr-2022	1,150,000	1,149,856	1,132,501	
The Bank of Nova Scotia	8.900%	20-Jun-2025	15,000	20,997	21,433	
The Bank of Nova Scotia	2.620%	02-Dec-2026	865,000	862,424	863,784	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
The Bank of Nova Scotia, FRN	3.036%	18-Oct-2024	1,025,000	1,053,777	1,049,766	
The Empire Life Insurance Co.	3.383%	16-Dec-2026	200,000	200,000	201,741	
The Manufacturers Life Insurance Co., FRN	2.926%	29-Nov-2023	200,000	200,900	203,089	
The Manufacturers Life Insurance Co., FRN	2.811%	21-Feb-2024	275,000	279,808	279,302	
The Manufacturers Life Insurance Co., FRN	2.100%	01-Jun-2025	600,000	598,086	601,069	
The Manufacturers Life Insurance Co., FRN	3.181%	22-Nov-2027	650,000	663,085	674,665	
The Ontario School Board Trust	5.900%	02-Jun-2033	600,000	777,000	808,920	
The Toronto-Dominion Bank	2.447%	02-Apr-2019	1,250,000	1,280,460	1,268,933	
The Toronto-Dominion Bank	1.693%	02-Apr-2020	1,000,000	1,000,669	998,259	
The Toronto-Dominion Bank	2.563%	24-Jun-2020	950,000	969,580	971,350	
The Toronto-Dominion Bank	2.045%	08-Mar-2021	1,105,000	1,114,848	1,109,127	
The Toronto-Dominion Bank	1.680%	08-Jun-2021	1,350,000	1,356,019	1,337,889	
The Toronto-Dominion Bank	2.621%	22-Dec-2021	1,500,000	1,546,448	1,535,471	
The Toronto-Dominion Bank	1.994%	23-Mar-2022	910,000	911,914	906,154	
The Toronto-Dominion Bank	5.828%	09-Jul-2023	443,000	489,962	461,796	
The Toronto-Dominion Bank	1.909%	18-Jul-2023	1,330,000	1,326,320	1,302,396	
The Toronto-Dominion Bank	3.226%	24-Jul-2024	1,325,000	1,391,675	1,397,791	
The Toronto-Dominion Bank	9.150%	26-May-2025	14,000	19,861	20,283	
Thomson Reuters Corp.	3.369%	23-May-2019	375,000	388,819	385,291	
Thomson Reuters Corp.	4.350%	30-Sep-2020	529,000	575,237	565,577	
Thomson Reuters Corp.	3.309%	12-Nov-2021	350,000	361,002	363,138	
TMX Group Ltd.	3.253%	03-Oct-2018	250,000	256,385	254,804	
TMX Group Ltd.	4.461%	03-Oct-2023	200,000	209,671	217,608	
Toromont Industries Ltd.	3.710%	30-Sep-2025	125,000	125,000	127,229	
Toronto Hydro Corp.	4.490%	12-Nov-2019	177,000	199,001	188,629	
Toronto Hydro Corp.	3.540%	18-Nov-2021	300,000	323,650	319,591	
Toronto Hydro Corp.	2.910%	10-Apr-2023	200,000	208,020	207,449	
Toronto Hydro Corp.	2.520%	25-Aug-2026	100,000	99,984	99,798	
Toronto Hydro Corp.	5.540%	21-May-2040	200,000	250,372	267,267	
Toronto Hydro Corp.	4.080%	16-Sep-2044	50,000	49,974	55,627	
Toronto Hydro Corp.	3.550%	28-Jul-2045	200,000	199,100	203,324	
Toronto Hydro Corp.	3.960%	09-Apr-2063	200,000	218,540	218,823	
Toyota Credit Canada Inc.	2.750%	18-Jul-2018	400,000	410,244	405,305	
Toyota Credit Canada Inc.	2.800%	21-Nov-2018	350,000	356,058	355,920	
Toyota Credit Canada Inc.	2.250%	23-May-2019	250,000	252,176	252,730	
Toyota Credit Canada Inc.	2.480%	19-Nov-2019	200,000	199,972	203,307	
Toyota Credit Canada Inc.	1.800%	19-Feb-2020	400,000	399,721	400,024	
Toyota Credit Canada Inc.	2.050%	20-May-2020	326,000	331,643	327,756	
Toyota Credit Canada Inc.	1.750%	21-Jul-2021	200,000	199,538	197,679	
Toyota Credit Canada Inc.	2.020%	28-Feb-2022	400,000	401,178	397,704	
TransAlta Corporation	6.400%	18-Nov-2019	200,000	206,469	212,547	
TransAlta Corporation	5.000%	25-Nov-2020	400,000	412,116	416,437	
TransAlta Corporation	7.300%	22-Oct-2029	192,000	213,002	202,532	
TransAlta Corporation	6.900%	15-Nov-2030	221,000	175,229	227,172	
TransCanada PipeLines Ltd.	3.650%	15-Nov-2021	400,000	419,109	425,868	
TransCanada PipeLines Ltd.	3.690%	19-Jul-2023	700,000	733,418	748,836	
TransCanada PipeLines Ltd.	3.300%	17-Jul-2025	800,000	811,059	835,919	
TransCanada PipeLines Ltd.	8.290%	05-Feb-2026	31,000	40,764	42,177	
TransCanada PipeLines Ltd.	7.900%	15-Apr-2027	114,000	145,982	157,314	
TransCanada PipeLines Ltd.	6.280%	26-May-2028	300,000	368,355	372,058	
TransCanada PipeLines Ltd.	6.500%	09-Dec-2030	27,000	30,861	35,219	
TransCanada PipeLines Ltd.	8.050%	17-Feb-2039	300,000	477,789	476,338	
TransCanada PipeLines Ltd.	4.550%	15-Nov-2041	625,000	628,393	694,551	
TransCanada PipeLines Ltd.	4.350%	06-Jun-2046	450,000	469,016	490,971	
TransCanada Trust	4.650%	18-May-2077	500,000	509,375	502,819	
Transcontinental Inc.	3.897%	13-May-2019	100,000	100,000	102,162	
TransED Partners GP	3.951%	30-Sep-2050	300,000	277,473	294,296	
Union Gas Ltd.	8.750%	03-Aug-2018	37,000	47,930	39,671	

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Union Gas Ltd.	2.760%	02-Jun-2021	200,000	203,314	205,952	
Union Gas Ltd.	4.850%	25-Apr-2022	50,000	56,903	56,140	
Union Gas Ltd.	3.190%	17-Sep-2025	275,000	277,229	288,247	
Union Gas Ltd.	8.650%	10-Nov-2025	32,000	44,590	45,608	
Union Gas Ltd.	6.050%	02-Sep-2038	100,000	127,050	138,430	
Union Gas Ltd.	5.200%	23-Jul-2040	53,000	64,553	67,611	
Union Gas Ltd.	4.880%	21-Jun-2041	400,000	464,493	490,706	
Union Gas Ltd.	4.200%	02-Jun-2044	450,000	473,213	507,902	
Union Gas Ltd.	3.800%	01-Jun-2046	235,000	245,805	249,307	
University of Ottawa	3.256%	12-Oct-2056	150,000	150,000	145,140	
Vancouver Airport Authority	3.857%	10-Nov-2045	150,000	150,000	168,187	
Vancouver International Airport Authority	4.424%	07-Dec-2018	50,000	55,486	52,024	
Vancouver International Airport Authority	7.425%	07-Dec-2026	200,000	293,678	282,435	
Ventas Canada Finance Ltd.	3.000%	30-Sep-2019	250,000	253,132	255,119	
Ventas Canada Finance Ltd.	3.300%	01-Feb-2022	100,000	99,992	102,868	
Ventas Canada Finance Ltd.	4.125%	30-Sep-2024	200,000	208,949	212,618	
Veresen Inc.	3.060%	13-Jun-2019	325,000	333,276	331,237	
Veresen Inc.	3.430%	10-Nov-2021	160,000	159,986	165,186	
VW Credit Canada Inc.	2.800%	20-Aug-2018	260,000	261,122	263,159	
VW Credit Canada Inc.	2.500%	01-Oct-2019	250,000	255,915	252,702	
VW Credit Canada Inc.	2.150%	24-Jun-2020	350,000	346,039	349,831	
Wells Fargo Canada Corporation	2.780%	15-Nov-2018	725,000	748,530	736,702	
Wells Fargo Canada Corporation	2.944%	25-Jul-2019	850,000	881,263	870,680	
Wells Fargo Canada Corporation	3.040%	29-Jan-2021	800,000	836,762	828,665	
Wells Fargo Canada Corporation	3.460%	24-Jan-2023	300,000	311,223	317,413	
West Edmonton Mall Property Inc.	4.056%	13-Feb-2024	453,872	478,262	469,420	
Westcoast Energy Inc.	5.600%	16-Jan-2019	325,000	366,192	343,130	
Westcoast Energy Inc.	9.900%	10-Jan-2020	50,000	71,720	59,002	
Westcoast Energy Inc.	4.570%	02-Jul-2020	200,000	216,940	213,956	
Westcoast Energy Inc.	3.883%	28-Oct-2021	100,000	104,090	106,234	
Westcoast Energy Inc.	3.120%	05-Dec-2022	200,000	210,194	205,815	
Westcoast Energy Inc.	3.430%	12-Sep-2024	250,000	251,466	259,943	
Westcoast Energy Inc.	7.300%	18-Dec-2026	250,000	334,330	325,066	
Westcoast Energy Inc.	7.150%	20-Mar-2031	237,000	320,935	314,502	
Westcoast Energy Inc.	4.791%	28-Oct-2041	375,000	406,920	414,643	
Westjet Airlines Ltd.	3.287%	23-Jul-2019	300,000	303,701	305,051	
Winnipeg Airport Authority Inc.	4.569%	20-Nov-2019	250,000	275,520	265,610	
				289,032,589	291,009,670	29.25
Total Bonds				990,093,899	987,775,256	99.27
Total Investments				990,093,899	987,775,256	99.27
Other Assets less Liabilities					7,267,936	0.73
Total Net Assets					995,043,192	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life BlackRock Canadian Universe Bond Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency

exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	June 30, 2017	
AAA/Aaa	40.45	
AA/Aa	8.89	
A/A	38.95	
BBB/Bbb	10.92	
BB/Bb	0.02	
B/B	0.02	
Not Rated	0.02	
Total	99.27	

Rating	As a % of Net Assets	
	December 31, 2016	
AAA/Aaa	40.79	
AA/Aa	12.46	
A/A	35.35	
BBB/Bbb	10.60	
BB/Bb	0.13	
B/B	–	
Not Rated	–	
Total	99.33	

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated primarily in the Canadian Dollar, the functional currency of the Fund. As a result, the Fund did not have any significant exposure to currency risk.

(ii) Interest rate risk

The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	–
1-5 years	438,501,017
More than 5 years	549,274,239
Total	987,775,256

	December 31, 2016 (\$)
Less than 1 year	–
1-5 years	381,976,792
More than 5 years	491,595,658
Total	873,572,450

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$107,693,730 (\$94,586,050 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is not currently exposed to other market risk as no equities are held in the Fund.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Bonds		
Federal Bonds	34.6	34.9
Provincial Bonds	33.6	31.8
Municipal Bonds	1.8	1.7
Corporate Bonds	29.3	30.9
Other Assets less Liabilities	0.7	0.7
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The accompanying notes are an integral part of the financial statements.

Sun Life BlackRock Canadian Universe Bond Fund (Continued)

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	987,775,256	–	987,775,256

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	873,572,450	–	873,572,450

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided

by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Funds have been classified as Level 2.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	987,775,256	873,572,450
Total financial assets at fair value through profit or loss	987,775,256	873,572,450
Financial assets at amortized cost		
Cash	1,619,884	82,923
Other receivables	6,749,788	18,072,240
Total financial assets at amortized cost	8,369,672	18,155,163
Total assets	996,144,928	891,727,613
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	1,101,736	12,190,009
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,101,736	12,190,009

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	19,855,533	46,495,041
Total net gains (losses)	19,855,533	46,495,041

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series I Units	April 07, 2011	April 15, 2011

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic American Fund

(formerly Sun Life Dynamic American Value Fund)

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	3,419,555	2,550,893
Short-term investments	—	—
Cash	8,136	48,190
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	—	—
Unrealized appreciation on swaps	—	—
Due from investment dealers	3,339	500
Accrued interest	—	—
Dividends receivable	—	—
Distributions receivable from underlying funds	—	—
Subscriptions receivable	24,531	8,015
	3,455,561	2,607,598
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	395	295
Redemptions payable	4,502	500
Distributions payable	—	—
Due to investment dealers	24,631	54,078
Management fees payable	2,347	2,061
Total liabilities (excluding net assets attributable to holders of redeemable units)	31,875	56,934
Net Assets Attributable to Holders of Redeemable Units	3,423,686	2,550,664
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	1,043,372	996,098
Series T5	12,482	11,702
Series T8	16,918	16,375
Series E	—	—
Series F	12,826	11,956
Series I	2,190,227	1,417,694
Series O	147,861	96,839
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	10.98	10.30
Series T5	15.90	15.29
Series T8	15.23	14.85
Series E	—	—
Series F	11.26	10.51
Series I	11.59	10.75
Series O	11.55	10.72

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	—	—
Interest income for distribution purposes	—	20
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	41,563	(4,885)
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	—	—
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	180,776	(20,231)
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	—	—
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	222,339	(25,096)
Net gain (loss) on foreign exchange	—	—
Other income	—	—
Total income (loss)	222,339	(25,096)
Expenses (note 5)		
Management fees	12,365	8,685
Administration fees	1,933	1,128
Independent review committee fees	12	8
Withholding tax	—	—
Transaction costs (note 2)	—	—
Total operating expenses	14,310	9,821
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	208,029	(34,917)
Finance Cost		
Interest expense	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	208,029	(34,917)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	80,082	(11,929)
Series T5	833	(493)
Series T8	1,155	(640)
Series E	—	(12,084)
Series F	873	(789)
Series I	117,991	(9,337)
Series O	7,095	355
Weighted Average Number of Units Outstanding		
Series A	102,289	81,048
Series T5	773	732
Series T8	1,090	1,013
Series E	—	14,084
Series F	1,138	1,298
Series I	157,006	74,766
Series O	11,671	3,714
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.78	(0.15)
Series T5	1.08	(0.67)
Series T8	1.06	(0.63)
Series E	—	(0.86)
Series F	0.77	(0.61)
Series I	0.75	(0.12)
Series O	0.61	0.10

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic American Fund (Continued)

(formerly Sun Life Dynamic American Value Fund)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A	Series T5	Series T5	Series T5	Series T8	Series T8
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	996,098	534,589	11,702	11,168	16,375	15,754
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	80,082	(11,929)	833	(493)	1,155	(640)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	262,485	368,072	–	–	–	2,800
Redemption of redeemable units	(295,253)	(22,590)	–	–	(500)	(2,970)
Reinvestment of distributions to holders of redeemable units	206	154	260	294	551	634
Capitalized distributions	–	–	–	–	–	–
	(32,562)	345,636	260	294	51	464
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(246)	(118)	(313)	(292)	(663)	(632)
Return of capital	–	–	–	–	–	–
	(246)	(118)	(313)	(292)	(663)	(632)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	47,274	333,589	780	(491)	543	(808)
Net Assets Attributable to Holders of Redeemable Units at end of period	1,043,372	868,178	12,482	10,677	16,918	14,946

	2017	2016	2017	2016	2017	2016
	Series E	Series F	Series F	Series F	Series I	Series I
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	–	121,504	11,956	16,803	1,417,694	605,036
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	–	(12,084)	873	(789)	117,991	(9,337)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	–	20,000	–	–	736,622	349,313
Redemption of redeemable units	–	(129,419)	–	(5,168)	(82,080)	(17,279)
Reinvestment of distributions to holders of redeemable units	–	4	15	12	–	–
Capitalized distributions	–	–	–	–	–	–
	–	(109,415)	15	(5,156)	654,542	332,034
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	(5)	(18)	(9)	–	–
Return of capital	–	–	–	–	–	–
	–	(5)	(18)	(9)	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	–	(121,504)	870	(5,954)	772,533	322,697
Net Assets Attributable to Holders of Redeemable Units at end of period	–	–	12,826	10,849	2,190,227	927,733

	2017	2016	2017	2016
	Series O	Total	Series O	Total
	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	96,839	16,044	2,550,664	1,320,898
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	7,095	355	208,029	(34,917)
Redeemable Unit Transactions				
Proceeds from redeemable units issued	63,512	27,882	1,062,619	768,067
Redemption of redeemable units	(19,585)	(264)	(397,418)	(177,690)
Reinvestment of distributions to holders of redeemable units	–	–	1,032	1,098
Capitalized distributions	–	–	–	–
	43,927	27,618	666,233	591,475
Distributions to Holders of Redeemable Units				
From capital gains	–	–	–	–
From net investment income	–	–	(1,240)	(1,056)
Return of capital	–	–	–	–
	–	–	(1,240)	(1,056)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	51,022	27,973	873,022	555,502
Net Assets Attributable to Holders of Redeemable Units at end of period	147,861	44,017	3,423,686	1,876,400

	2017	2016	2017	2016	2017	2016
	Series A	Series T5	Series T5	Series T5	Series T8	Series T8
Redeemable Unit Transactions						
Balance – beginning of period	96,674	54,256	765	724	1,102	1,017
Units issued	24,477	40,503	–	–	–	192
Units issued on reinvestment of distributions	22	16	20	21	43	44
Units redeemed	(26,136)	(2,538)	–	–	(34)	(198)
Balance – end of period	95,037	92,237	785	745	1,111	1,055

	2017	2016	2017	2016	2017	2016
	Series E	Series F	Series F	Series F	Series I	Series I
Redeemable Unit Transactions						
Balance – beginning of period	–	12,363	1,138	1,690	131,840	60,251
Units issued	–	2,043	–	–	63,953	37,144
Units issued on reinvestment of distributions	–	–	1	1	–	–
Units redeemed	–	(14,406)	–	(555)	(6,867)	(1,820)
Balance – end of period	–	–	1,139	1,136	188,926	95,575

	2017	2016	2017	2016
	Series O	Total	Series O	Total
Redeemable Unit Transactions				
Balance – beginning of period	9,030	1,599	240,549	131,900
Units issued	5,435	2,972	93,865	82,854
Units issued on reinvestment of distributions	–	–	86	82
Units redeemed	(1,665)	(28)	(34,702)	(19,545)
Balance – end of period	12,800	4,543	299,798	195,291

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic American Fund (Continued)

(formerly Sun Life Dynamic American Value Fund)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017	2016
	(\$)	(\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	208,029	(34,917)
Adjustments for:		
Gain on short-term investments	—	—
Net realized (gain) loss on sale of investments	(41,563)	4,885
Change in unrealized (appreciation) depreciation in value of investments	(180,776)	20,231
Change in unrealized (appreciation) depreciation in value of futures contracts	—	—
Change in unrealized (appreciation) depreciation in currency forward contracts	—	—
Change in unrealized (appreciation) depreciation in value of swaps	—	—
Non-cash income distributions from underlying funds	—	—
Change in fair value of option contracts	—	—
Change in fair value of credit default swaps	—	—
Change in margin	—	—
Purchases of investments	(977,012)	(633,998)
Proceeds from sale of investments	298,403	49,461
Purchases of short-term investments	—	—
Proceeds from sale of short-term investments	—	—
Change in dividends and interest receivable	—	—
Change in distributions receivable from underlying funds	—	—
Change in management fees payable	286	1,516
Change in other payables and accrued expenses	100	213
Net Cash Provided by (Used in) Operating Activities	(692,533)	(592,609)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(208)	42
Proceeds from redeemable units issued	1,046,103	771,226
Redemption of redeemable units	(393,416)	(174,302)
Net Cash Provided by (Used in) Financing Activities	652,479	596,966
Net increase (decrease) in cash	(40,054)	4,357
Cash (bank indebtedness) at beginning of period	48,190	(4,009)
Cash (bank indebtedness) at end of period	8,136	348
Dividends received, net of withholding taxes	—	—
Interest received, net of withholding taxes	—	20
Interest paid	—	—

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic American Fund (Continued)

(formerly Sun Life Dynamic American Value Fund)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Dynamic American Fund, Series O	273,564	3,093,618	3,419,555	
		3,093,618	3,419,555	99.88
Total Investments		3,093,618	3,419,555	99.88
Other Assets less Liabilities			4,131	0.12
Total Net Assets			3,423,686	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Dynamic American Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in underlying externally managed funds.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities indirectly through underlying externally managed funds, including cash and cash equivalents. It is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying externally managed funds.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in underlying externally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Information Technology	22.8	25.7
Industrials	21.8	35.0
Healthcare	19.1	9.8
Financials	15.2	20.5
Materials	8.4	8.8
Consumer Discretionary	8.0	—
Consumer Staples	4.1	—
Other Assets less Liabilities	0.6	0.2
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic American Fund (Continued)

(formerly Sun Life Dynamic American Value Fund)

- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	3,419,555	—	—	3,419,555

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	2,550,893	—	—	2,550,893

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated non-capital losses of \$19,009 (nil as at December 31, 2015). The non-capital losses for tax purposes are available for carry forward until the year ending 2036.

The Fund had no accumulated capital losses.

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series A	11,384	124,991
Series T5	785	12,482
Series T8	820	12,486
Series F	1,139	12,827
Series I	1,137	13,184
Series O	—	—

	December 31, 2016	
	Units	Market Value (\$)
Series A	11,369	117,138
Series T5	765	11,702
Series T8	788	11,705
Series F	1,138	11,957
Series I	1,137	12,228
Series O	1,116	11,970

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at June 30, 2017 and December 31, 2016, SLA held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series I	39,802	461,449

	December 31, 2016	
	Units	Market Value (\$)
Series I	39,802	427,996

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic American Fund (Continued)

(formerly Sun Life Dynamic American Value Fund)

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$25,755 (nil for the period ended December 31, 2016).

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	3,419,555	2,550,893
Total financial assets at fair value through profit or loss	3,419,555	2,550,893
Financial assets at amortized cost		
Cash	8,136	48,190
Other receivables	27,870	8,515
Total financial assets at amortized cost	36,006	56,705
Total assets	3,455,561	2,607,598
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	31,875	56,934
Total liabilities (excluding net assets attributable to holders of redeemable units)	31,875	56,934

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	222,339	(25,096)
Total net gains (losses)	222,339	(25,096)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	January 29, 2015	February 02, 2015
Series T5 Units	January 29, 2015	February 02, 2015
Series T8 Units	January 29, 2015	February 02, 2015
Series F Units	January 29, 2015	February 02, 2015
Series I Units	January 29, 2015	February 02, 2015
Series O Units	January 29, 2015	February 02, 2015

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

Fund Name Change

Effective February 10, 2017, the Fund changed its name from the Sun Life Dynamic American Value Fund to the Sun Life Dynamic American Fund.

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Energy Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	82,310,125	58,611,829
Short-term investments	–	–
Cash	22,954,077	11,906,790
Margin	259,740	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	433,575	–
Unrealized appreciation on swaps	439,582	397,168
Due from investment dealers	4,442,772	–
Accrued interest	–	–
Dividends receivable	192,566	132,995
Distributions receivable from underlying funds	–	–
Subscriptions receivable	3,231	200,400
	111,035,668	71,249,182
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	15,969	127,923
Unrealized depreciation on swaps	295,512	2,721
Accrued expenses	6,215	4,122
Redemptions payable	500	300
Distributions payable	–	–
Due to investment dealers	3,280,792	–
Management fees payable	8,016	7,064
	3,607,004	142,130
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,607,004	142,130
Net Assets Attributable to Holders of Redeemable Units	107,428,664	71,107,052
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	3,916,695	3,650,073
Series T5	11,130	11,325
Series T8	25,549	98,717
Series E	–	–
Series EF	–	–
Series F	263,325	197,615
Series I	102,691,779	66,256,442
Series O	520,186	892,880
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	8.94	11.11
Series T5	12.48	15.96
Series T8	11.67	15.20
Series E	–	–
Series EF	–	–
Series F	9.07	11.21
Series I	9.18	11.29
Series O	9.16	11.27

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	701,304	642,728
Interest income for distribution purposes	1,450	105
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	(2,073,971)	(358,270)
Net realized gain (loss) on futures contracts	(12,230)	–
Net realized gain (loss) on currency forward contracts	(326,762)	(316,963)
Net realized gain (loss) on option contracts	–	3,008
Net realized gain (loss) on swaps	(1,400,121)	98,075
Change in unrealized appreciation (depreciation) in value of investments	(15,545,103)	10,831,040
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	545,529	(185,894)
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	(250,377)	281,011
Net gains (losses) on investments	(18,360,281)	10,994,840
Net gain (loss) on foreign exchange	21	43,424
Other income	–	–
Total income (loss)	(18,360,260)	11,038,264
Expenses (note 5)		
Management fees	42,424	13,630
Administration fees	29,307	17,352
Independent review committee fees	45	299
Withholding tax	18,546	20,233
Transaction costs (note 2)	116,032	70,918
Total operating expenses	206,354	122,432
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	(18,566,614)	10,915,832
Finance Cost		
Interest expense	(100)	(14)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	(18,566,714)	10,915,818
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	(868,576)	238,558
Series T5	(2,500)	1,364
Series T8	(10,542)	6,479
Series E	–	(4,800)
Series EF	–	(335)
Series F	(49,754)	8,006
Series I	(17,496,681)	10,567,903
Series O	(138,661)	98,643
Weighted Average Number of Units Outstanding		
Series A	406,228	138,283
Series T5	826	684
Series T8	3,784	3,161
Series E	–	13,968
Series EF	–	1,003
Series F	23,797	5,043
Series I	8,511,020	6,039,361
Series O	65,052	53,720
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	(2.14)	1.73
Series T5	(3.03)	1.99
Series T8	(2.79)	2.05
Series E	–	(0.34)
Series EF	–	(0.33)
Series F	(2.09)	1.59
Series I	(2.06)	1.75
Series O	(2.13)	1.84

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Energy Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	3,650,073	339,486	11,325	8,721	98,717	8,721
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	(868,576)	238,558	(2,500)	1,364	(10,542)	6,479
Redeemable Unit Transactions						
Proceeds from redeemable units issued	1,833,625	1,934,723	2,300	(5)	74,206	60,407
Redemption of redeemable units	(698,571)	(75,138)	–	–	(136,557)	–
Reinvestment of distributions to holders of redeemable units	346	85	353	231	1,946	1,826
Capitalized distributions	–	–	–	–	–	–
	1,135,400	1,859,670	2,653	226	(60,405)	62,233
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(202)	(56)	(348)	(228)	(2,221)	(1,846)
Return of capital	–	–	–	–	–	–
	(202)	(56)	(348)	(228)	(2,221)	(1,846)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	266,622	2,098,172	(195)	1,362	(73,168)	66,866
Net Assets Attributable to Holders of Redeemable Units at end of period	3,916,695	2,437,658	11,130	10,083	25,549	75,587

	2017	2016	2017	2016	2017	2016
	Series E		Series EF		Series F	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	–	125,641	–	8,763	197,615	8,760
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	–	(4,800)	–	(335)	(49,754)	8,006
Redeemable Unit Transactions						
Proceeds from redeemable units issued	–	6,192	–	–	174,213	116,988
Redemption of redeemable units	–	(127,029)	–	(8,427)	(58,774)	(17)
Reinvestment of distributions to holders of redeemable units	–	3	–	–	59	24
Capitalized distributions	–	–	–	–	–	–
	–	(120,834)	–	(8,427)	115,498	116,995
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	(7)	–	(1)	(34)	(18)
Return of capital	–	–	–	–	–	–
	–	(7)	–	(1)	(34)	(18)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	–	(125,641)	–	(8,763)	65,710	124,983
Net Assets Attributable to Holders of Redeemable Units at end of period	–	–	–	–	263,325	133,743

	2017	2016	2017	2016	2017	2016
	Series I		Series O		Total	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	66,256,442	36,453,564	892,880	254,643	71,107,052	37,208,299
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	(17,496,681)	10,567,903	(138,661)	98,643	(18,566,714)	10,915,818
Redeemable Unit Transactions						
Proceeds from redeemable units issued	59,277,450	23,777,138	26,714	309,071	61,388,508	26,204,514
Redemption of redeemable units	(5,345,432)	(3,095,259)	(260,747)	(10,388)	(6,500,081)	(3,316,258)
Reinvestment of distributions to holders of redeemable units	–	–	–	–	2,704	2,169
Capitalized distributions	–	–	–	–	–	–
	53,932,018	20,681,879	(234,033)	298,683	54,891,131	22,890,425
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	–	–	–	(2,805)	(2,156)
Return of capital	–	–	–	–	–	–
	–	–	–	–	(2,805)	(2,156)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	36,435,337	31,249,782	(372,694)	397,326	36,321,612	33,804,087
Net Assets Attributable to Holders of Redeemable Units at end of period	102,691,779	67,703,346	520,186	651,969	107,428,664	71,012,386

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
Redeemable Unit Transactions						
Balance – beginning of period	328,508	39,043	709	677	6,494	691
Units issued	181,124	211,840	157	–	4,891	4,563
Units issued on reinvestment of distributions	35	9	26	17	144	135
Units redeemed	(71,539)	(8,365)	–	–	(9,340)	–
Balance – end of period	438,128	242,527	892	694	2,189	5,389

	2017	2016	2017	2016	2017	2016
	Series E		Series EF		Series F	
Redeemable Unit Transactions						
Balance – beginning of period	–	14,425	–	1,003	17,624	1,003
Units issued	–	777	–	–	17,454	12,170
Units issued on reinvestment of distributions	–	–	–	–	6	2
Units redeemed	–	(15,202)	–	(1,003)	(6,056)	(2)
Balance – end of period	–	–	–	–	29,028	13,173

	2017	2016	2017	2016	2017	2016
	Series I		Series O		Total	
Redeemable Unit Transactions						
Balance – beginning of period	5,870,408	4,170,406	79,199	29,147	6,302,942	4,256,395
Units issued	5,818,400	2,798,498	2,444	35,869	6,024,470	3,063,717
Units issued on reinvestment of distributions	–	–	–	–	211	163
Units redeemed	(507,221)	(337,807)	(24,871)	(1,074)	(619,027)	(363,453)
Balance – end of period	11,181,587	6,631,097	56,772	63,942	11,708,596	6,956,822

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Energy Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	(18,566,714)	10,915,818
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	2,073,971	358,270
Change in unrealized (appreciation) depreciation in value of investments	15,545,103	(10,831,040)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(545,529)	185,894
Change in unrealized (appreciation) depreciation in value of swaps	250,377	(281,011)
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	(259,740)	-
Purchases of investments	(59,608,209)	(36,157,141)
Proceeds from sale of investments	17,012,827	14,336,254
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	(59,571)	(39,809)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	952	4,258
Change in other payables and accrued expenses	118,125	74,866
Net Cash Provided by (Used in) Operating Activities	(44,038,408)	(21,433,641)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(101)	13
Proceeds from redeemable units issued	61,585,677	26,783,726
Redemption of redeemable units	(6,499,881)	(3,315,258)
Net Cash Provided by (Used in) Financing Activities	55,085,695	23,468,481
Net increase (decrease) in cash	11,047,287	2,034,840
Cash (bank indebtedness) at beginning of period	11,906,790	9,089,704
Cash (bank indebtedness) at end of period	22,954,077	11,124,544
Dividends received, net of withholding taxes	623,187	582,686
Interest received, net of withholding taxes	1,450	105
Interest paid	(100)	(14)

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Energy Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
ARC Resources Ltd.	133,076	2,420,254	2,256,969	
Canadian Natural Resources Ltd.	97,800	3,580,115	3,659,676	
ConocoPhillips	38,900	2,552,778	2,220,836	
Devon Energy Corp.	40,500	1,608,777	1,681,539	
Diamondback Energy Inc.	22,500	2,435,109	2,595,097	
Enbridge Inc.	71,400	3,673,794	3,688,524	
Enerplus Corp.	295,200	2,554,740	3,105,504	
EOG Resources Inc.	27,300	3,061,804	3,209,345	
Freehold Royalties Ltd.	105,200	1,376,135	1,372,860	
Gibson Energy Inc.	117,100	1,821,311	1,962,596	
Halliburton Co.	35,300	2,112,057	1,958,004	
NuVista Energy Ltd.	338,000	2,265,058	2,213,900	
Occidental Petroleum Corp.	15,300	1,320,613	1,189,625	
Parsley Energy Inc.	73,300	2,111,202	2,641,656	
Pembina Pipeline Corp.	86,887	3,332,672	3,731,798	
Pioneer Natural Resources Co.	12,800	2,512,322	2,652,759	
PrairieSky Royalty Ltd.	109,942	3,053,164	3,246,588	
Raging River Exploration Inc.	197,000	1,647,499	1,593,730	
Royal Dutch Shell PLC, ADR B Shares	44,261	3,056,744	3,128,735	
RSP Permian Inc.	62,200	2,471,166	2,606,745	
Schlumberger Ltd.	24,700	2,563,894	2,112,010	
Secure Energy Services Inc.	200,000	2,003,106	1,770,000	
Seven Generations Energy Ltd.	156,400	3,219,519	3,473,644	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Spartan Energy Corp.	269,966	2,176,767	1,660,291	
Suncor Energy Inc.	69,167	2,574,983	2,620,738	
Tamarack Valley Energy Ltd.	787,000	2,349,439	1,755,010	
Targa Resources Corp.	37,400	2,263,283	2,195,429	
TechnipFMC PLC	54,400	2,427,006	1,921,662	
Tenaris SA	57,400	2,455,429	2,321,345	
TORC Oil & Gas Ltd.	220,321	1,846,262	1,117,027	
Total SA	32,261	2,031,522	2,068,429	
Tourmaline Oil Corp.	33,700	1,145,144	939,556	
TransCanada Corporation	55,811	2,817,480	3,450,236	
US Silica Holdings Inc.	35,600	2,340,743	1,640,836	
Whitecap Resources Inc.	275,100	2,522,913	2,547,426	
		83,704,804	82,310,125	76.62
Total Equities		83,704,804	82,310,125	76.62
Transaction Costs		(110,129)		
Total Investments		83,594,675	82,310,125	76.62
Currency Forward Contracts⁽¹⁾			417,606	0.39
Unrealized appreciation/ (depreciation) on swaps⁽²⁾			144,070	0.13
Other Assets less Liabilities			24,556,863	22.86
Total Net Assets			107,428,664	100.00

(1) Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Bank of Montreal	A-1+	19-Jul-2017	CAD	291,399	USD	(220,000)	5,795
CIBC	A-1+	19-Jul-2017	CAD	2,108,867	USD	(1,600,000)	31,750
CIBC	A-1+	05-Jul-2017	CAD	3,433,948	USD	(2,643,003)	1,837
Royal Bank of Canada	A-1+	19-Jul-2017	CAD	6,309,796	USD	(4,604,000)	332,753
Royal Bank of Canada	A-1+	19-Jul-2017	CAD	2,563,098	USD	(1,936,000)	49,779
Royal Bank of Canada	A-1+	24-Aug-2017	CAD	59,422	EUR	(40,000)	55
The Toronto-Dominion Bank	A-1+	19-Jul-2017	CAD	349,141	USD	(260,000)	11,606
							433,575
Bank of Montreal	A-1+	19-Jul-2017	USD	10,000	CAD	(13,267)	(285)
CIBC	A-1+	23-Aug-2017	USD	660,000	CAD	(856,819)	(475)
CIBC	A-1+	24-Aug-2017	CAD	192,231	EUR	(130,000)	(712)
CIBC	A-1+	24-Aug-2017	EUR	108,000	CAD	(161,097)	(804)
Royal Bank of Canada	A-1+	24-Aug-2017	EUR	108,000	CAD	(160,373)	(81)
Royal Bank of Canada	A-1+	24-Aug-2017	EUR	110,000	CAD	(163,957)	(695)
Royal Bank of Canada	A-1+	24-Aug-2017	CAD	1,327,760	EUR	(898,000)	(5,031)
Royal Bank of Canada	A-1+	19-Jul-2017	USD	310,000	CAD	(410,328)	(7,886)
							(15,969)

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Energy Fund (Continued)

Schedule of Investments

(2) Swaps Schedule

Referenced Entity	Notional Units	Interest Rate	Expiry Date	Counterparty	Credit Rating for Counterparty	Market Value (\$)	Unrealized Gain/(Loss) (\$)
Antero Midstream Partners	35,000	1-month LIBOR + 45BPS	15-Jun-2018	Goldman Sachs & Co.	A-2	1,508,180	27,577
Black Stone Minerals LP	58,800	1-month LIBOR + 45BPS	15-Jun-2018	Goldman Sachs & Co.	A-2	1,225,444	33,447
Enterprise Products Partners	20,000	1-month LIBOR + 45BPS	15-Jun-2018	Goldman Sachs & Co.	A-2	714,155	20,504
Enterprise Products Partners	16,700	1-month LIBOR + 45BPS	30-Apr-2018	Goldman Sachs & Co.	A-2	596,320	17,242
Enterprise Products Partners	11,500	1-month LIBOR + 45BPS	23-May-2018	Goldman Sachs & Co.	A-2	410,639	11,873
Enterprise Products Partners	10,500	1-month LIBOR + 45BPS	27-Apr-2018	Goldman Sachs & Co.	A-2	374,931	10,841
Enterprise Products Partners	5,600	1-month LIBOR + 45BPS	26-Jun-2018	Goldman Sachs & Co.	A-2	196,945	4,327
Magellan Midstream Partners	13,000	1-month LIBOR + 45BPS	15-Jun-2018	Goldman Sachs & Co.	A-2	1,217,694	43,344
Magellan Midstream Partners	1,600	1-month LIBOR + 45BPS	26-Jun-2018	Goldman Sachs & Co.	A-2	149,870	4,341
Plains All Amer Pipeline	15,000	1-month LIBOR + 45BPS	26-Feb-2018	Goldman Sachs & Co.	A-2	522,467	61,169
Plains All Amer Pipeline	10,000	1-month LIBOR + 45BPS	15-Jun-2018	Goldman Sachs & Co.	A-2	348,311	30,973
Western Gas Partners LP	26,000	1-month LIBOR + 45BPS	23-May-2018	Goldman Sachs & Co.	A-2	1,888,881	96,570
Western Gas Partners LP	4,700	1-month LIBOR + 45BPS	26-Jun-2018	Goldman Sachs & Co.	A-2	341,452	12,757
Enterprise Products Partners	17,400	1-month LIBOR + 45BPS	13-Mar-2018	T.D. Bank Corp.	A-1+	621,315	15,479
Enterprise Products Partners	16,400	1-month LIBOR + 45BPS	08-Aug-2017	T.D. Bank Corp.	A-1+	585,607	14,590
Enterprise Products Partners	6,400	1-month LIBOR + 45BPS	27-Dec-2017	T.D. Bank Corp.	A-1+	228,530	5,694
Enterprise Products Partners	3,100	1-month LIBOR + 45BPS	29-Nov-2017	T.D. Bank Corp.	A-1+	110,694	2,758
Plains All Amer Pipeline	40,000	1-month LIBOR + 45BPS	29-Jan-2018	T.D. Bank Corp.	A-1+	1,393,245	17,662
Plains All Amer Pipeline	19,100	1-month LIBOR + 45BPS	04-Apr-2018	T.D. Bank Corp.	A-1+	665,275	8,434
						13,099,955	439,582
Antero Midstream Partners	(35,000)	1-month LIBOR + 45BPS	15-Jun-2018	Goldman Sachs & Co.	A-2	(1,481,348)	(745)
Black Stone Minerals LP	(58,800)	1-month LIBOR + 45BPS	15-Jun-2018	Goldman Sachs & Co.	A-2	(1,192,597)	(600)
Enterprise Products Partners	(20,000)	1-month LIBOR + 45BPS	15-Jun-2018	Goldman Sachs & Co.	A-2	(694,000)	(349)
Enterprise Products Partners	(16,700)	1-month LIBOR + 45BPS	30-Apr-2018	Goldman Sachs & Co.	A-2	(579,369)	(292)
Enterprise Products Partners	(11,500)	1-month LIBOR + 45BPS	23-May-2018	Goldman Sachs & Co.	A-2	(398,967)	(201)
Enterprise Products Partners	(10,500)	1-month LIBOR + 45BPS	27-Apr-2018	Goldman Sachs & Co.	A-2	(364,274)	(183)
Enterprise Products Partners	(5,600)	1-month LIBOR + 45BPS	26-Jun-2018	Goldman Sachs & Co.	A-2	(192,628)	(10)
EQT Midstream Partners LP	16,200	1-month LIBOR + 45BPS	26-Jun-2018	Goldman Sachs & Co.	A-2	1,570,136	(2,005)
EQT Midstream Partners LP	(16,200)	1-month LIBOR + 45BPS	26-Jun-2018	Goldman Sachs & Co.	A-2	(1,572,221)	(80)
Magellan Midstream Partners	(13,000)	1-month LIBOR + 45BPS	15-Jun-2018	Goldman Sachs & Co.	A-2	(1,174,941)	(591)
Magellan Midstream Partners	(1,600)	1-month LIBOR + 45BPS	26-Jun-2018	Goldman Sachs & Co.	A-2	(145,537)	(7)
Plains All Amer Pipeline	(15,000)	1-month LIBOR + 45BPS	26-Feb-2018	Goldman Sachs & Co.	A-2	(461,530)	(232)
Plains All Amer Pipeline	(10,000)	1-month LIBOR + 45BPS	15-Jun-2018	Goldman Sachs & Co.	A-2	(317,498)	(160)
Western Gas Partners LP	(26,000)	1-month LIBOR + 45BPS	23-May-2018	Goldman Sachs & Co.	A-2	(1,793,212)	(902)
Western Gas Partners LP	(4,700)	1-month LIBOR + 45BPS	26-Jun-2018	Goldman Sachs & Co.	A-2	(328,711)	(17)
Black Stone Minerals LP	8,400	1-month LIBOR + 45BPS	19-Dec-2017	T.D. Bank Corp.	A-1+	175,063	(3,082)
Black Stone Minerals LP	5,600	1-month LIBOR + 45BPS	22-Jan-2018	T.D. Bank Corp.	A-1+	116,709	(2,055)
Black Stone Minerals LP	5,200	1-month LIBOR + 45BPS	24-Aug-2017	T.D. Bank Corp.	A-1+	108,373	(1,908)
Black Stone Minerals LP	4,400	1-month LIBOR + 45BPS	12-Sep-2017	T.D. Bank Corp.	A-1+	91,700	(1,614)
Black Stone Minerals LP	3,400	1-month LIBOR + 45BPS	11-Sep-2017	T.D. Bank Corp.	A-1+	70,859	(1,247)
Black Stone Minerals LP	3,000	1-month LIBOR + 45BPS	08-Sep-2017	T.D. Bank Corp.	A-1+	62,523	(1,101)
Black Stone Minerals LP	2,200	1-month LIBOR + 45BPS	06-Sep-2017	T.D. Bank Corp.	A-1+	45,850	(807)
Black Stone Minerals LP	2,100	1-month LIBOR + 45BPS	25-Aug-2017	T.D. Bank Corp.	A-1+	43,766	(770)
Black Stone Minerals LP	2,000	1-month LIBOR + 45BPS	01-Dec-2017	T.D. Bank Corp.	A-1+	41,682	(734)
Black Stone Minerals LP	1,900	1-month LIBOR + 45BPS	30-Nov-2017	T.D. Bank Corp.	A-1+	39,598	(697)
Black Stone Minerals LP	1,200	1-month LIBOR + 45BPS	29-Nov-2017	T.D. Bank Corp.	A-1+	25,009	(440)
Black Stone Minerals LP	(8,400)	1-month LIBOR + 45BPS	19-Dec-2017	T.D. Bank Corp.	A-1+	(178,371)	(226)
Black Stone Minerals LP	600	1-month LIBOR + 45BPS	04-Dec-2017	T.D. Bank Corp.	A-1+	12,505	(220)
Black Stone Minerals LP	(5,600)	1-month LIBOR + 45BPS	22-Jan-2018	T.D. Bank Corp.	A-1+	(118,914)	(151)
Black Stone Minerals LP	(5,200)	1-month LIBOR + 45BPS	24-Aug-2017	T.D. Bank Corp.	A-1+	(110,397)	(117)
Black Stone Minerals LP	(4,400)	1-month LIBOR + 45BPS	12-Sep-2017	T.D. Bank Corp.	A-1+	(93,413)	(99)
Black Stone Minerals LP	(3,400)	1-month LIBOR + 45BPS	11-Sep-2017	T.D. Bank Corp.	A-1+	(72,183)	(76)
Black Stone Minerals LP	(3,000)	1-month LIBOR + 45BPS	08-Sep-2017	T.D. Bank Corp.	A-1+	(63,691)	(67)
Black Stone Minerals LP	(2,200)	1-month LIBOR + 45BPS	06-Sep-2017	T.D. Bank Corp.	A-1+	(46,707)	(49)
Black Stone Minerals LP	(2,100)	1-month LIBOR + 45BPS	25-Aug-2017	T.D. Bank Corp.	A-1+	(44,584)	(47)

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Energy Fund (Continued)

Schedule of Investments

Referenced Entity	Notional Units	Interest Rate	Expiry Date	Counterparty	Credit Rating for Counterparty	Market Value (\$)	Unrealized Gain/(Loss) (\$)
Black Stone Minerals LP	(2,000)	1-month LIBOR + 45BPS	01-Dec-2017	T.D. Bank Corp.	A-1+	(42,460)	(45)
Black Stone Minerals LP	(1,900)	1-month LIBOR + 45BPS	30-Nov-2017	T.D. Bank Corp.	A-1+	(40,337)	(43)
Black Stone Minerals LP	(1,200)	1-month LIBOR + 45BPS	29-Nov-2017	T.D. Bank Corp.	A-1+	(25,476)	(27)
Black Stone Minerals LP	(600)	1-month LIBOR + 45BPS	04-Dec-2017	T.D. Bank Corp.	A-1+	(12,738)	(13)
Enterprise Products Partners	(17,400)	1-month LIBOR + 45BPS	13-Mar-2018	T.D. Bank Corp.	A-1+	(606,604)	(768)
Enterprise Products Partners	(16,400)	1-month LIBOR + 45BPS	08-Aug-2017	T.D. Bank Corp.	A-1+	(571,623)	(605)
Enterprise Products Partners	(6,400)	1-month LIBOR + 45BPS	27-Dec-2017	T.D. Bank Corp.	A-1+	(223,072)	(236)
Enterprise Products Partners	(3,100)	1-month LIBOR + 45BPS	29-Nov-2017	T.D. Bank Corp.	A-1+	(108,051)	(114)
Hi-Crush Partners LP	42,000	1-month LIBOR + 45BPS	11-Aug-2017	T.D. Bank Corp.	A-1+	591,818	(120,001)
Hi-Crush Partners LP	29,812	1-month LIBOR + 45BPS	23-Aug-2017	T.D. Bank Corp.	A-1+	420,078	(85,177)
Hi-Crush Partners LP	19,588	1-month LIBOR + 45BPS	14-Aug-2017	T.D. Bank Corp.	A-1+	276,012	(55,966)
Hi-Crush Partners LP	(42,000)	1-month LIBOR + 45BPS	11-Aug-2017	T.D. Bank Corp.	A-1+	(712,572)	(754)
Hi-Crush Partners LP	(29,812)	1-month LIBOR + 45BPS	23-Aug-2017	T.D. Bank Corp.	A-1+	(505,790)	(535)
Hi-Crush Partners LP	(19,588)	1-month LIBOR + 45BPS	14-Aug-2017	T.D. Bank Corp.	A-1+	(332,330)	(352)
Magellan Midstream Partners	4,900	1-month LIBOR + 45BPS	17-Jan-2018	T.D. Bank Corp.	A-1+	458,977	(2,959)
Magellan Midstream Partners	4,100	1-month LIBOR + 45BPS	23-Jan-2018	T.D. Bank Corp.	A-1+	384,135	(2,383)
Magellan Midstream Partners	(4,900)	1-month LIBOR + 45BPS	17-Jan-2018	T.D. Bank Corp.	A-1+	(462,522)	(586)
Magellan Midstream Partners	(4,100)	1-month LIBOR + 45BPS	23-Jan-2018	T.D. Bank Corp.	A-1+	(387,008)	(490)
Plains All Amer Pipeline	(40,000)	1-month LIBOR + 45BPS	08-Jan-2018	T.D. Bank Corp.	A-1+	(1,377,327)	(1,744)
Plains All Amer Pipeline	(19,100)	1-month LIBOR + 45BPS	04-Apr-2018	T.D. Bank Corp.	A-1+	(657,674)	(833)
						(12,955,884)	(295,512)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Dynamic Energy Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar. Credit risk from other financial instruments is minimal.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is

considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	24,754,916	23.04
Euro	1,078,008	1.00
Total	25,832,924	24.04

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Energy Fund (Continued)

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	22,414,469	31.52
Euro	679,307	0.96
Total	23,093,776	32.48

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$1,291,646 (\$1,154,689 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in publicly traded equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$4,122,710 (\$2,950,314 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Energy	76.6	82.4
Other Assets less Liabilities	23.4	17.6
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Energy Fund (Continued)

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	82,310,125	–	–	82,310,125
Currency Forward				
Contracts	–	433,575	–	433,575
Swaps	–	439,582	–	439,582
Financial Liabilities				
Currency Forward				
Contracts	–	15,969	–	15,969
Swaps	–	295,512	–	295,512

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	58,611,829	–	–	58,611,829
Swaps	–	397,168	–	397,168
Financial Liabilities				
Currency Forward				
Contracts	–	127,923	–	127,923
Swaps	–	2,721	–	2,721

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Derivative assets and liabilities

Derivative assets and liabilities consist of foreign currency forward contracts and equity swaps, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$116,032 (\$70,918 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$7,808 (\$9,875 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$1,265,031 (\$1,265,031 as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series AT5	731	9,125
Series AT8	782	9,126
Series F	2,057	18,667
December 31, 2016		
	Units	Market Value (\$)
Series AT5	709	11,325
Series AT8	745	11,329
Series F	2,054	23,034

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Energy Fund (Continued)

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	873,157	397,168
Investments designated at fair value through profit or loss	82,310,125	58,611,829
Total financial assets at fair value through profit or loss	83,183,282	59,008,997
Financial assets at amortized cost		
Cash	22,954,077	11,906,790
Other receivables	4,898,309	333,395
Total financial assets at amortized cost	27,852,386	12,240,185
Total assets	111,035,668	71,249,182
Financial liabilities		
Derivative liabilities held for trading	311,481	130,644
Financial liabilities at amortized cost	3,295,523	11,486
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,607,004	142,130

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	(1,443,961)	(120,763)
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	(16,916,320)	11,115,603
Total net gains (losses)	(18,360,281)	10,994,840

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	433,575	(15,969)	–	417,606
Derivative assets –				
Swaps	439,582	(70,991)	–	368,591
Total	873,157	(86,960)	–	786,197
Derivative liabilities –				
Forward Contracts	(15,969)	15,969	–	–
Derivative liabilities –				
Swaps	(295,512)	70,991	–	(224,521)
Total	(311,481)	86,960	–	(224,521)
December 31, 2016				
Derivative assets –				
Forward Contracts	–	–	–	–
Derivative assets –				
Swaps	397,168	(2,721)	–	394,447
Total	397,168	(2,721)	–	394,447
Derivative liabilities –				
Forward Contracts	(127,923)	–	–	(127,923)
Derivative liabilities –				
Swaps	(2,721)	2,721	–	–
Total	(130,644)	2,721	–	(127,923)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	July 30, 2015	August 10, 2015
Series T5 Units	July 30, 2015	August 10, 2015
Series T8 Units	July 30, 2015	August 10, 2015
Series F Units	July 30, 2015	August 10, 2015
Series I Units	July 30, 2015	August 10, 2015
Series O Units	July 30, 2015	August 10, 2015

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

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Equity Income Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	54,590,822	41,526,134
Short-term investments	—	—
Cash	156,494	23,066
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	—	—
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	399
Accrued interest	—	—
Dividends receivable	—	—
Distributions receivable from underlying funds	276,206	—
Subscriptions receivable	376,648	900,962
	55,400,170	42,450,561
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	5,649	3,929
Redemptions payable	35,329	5,287
Distributions payable	—	—
Due to investment dealers	587,916	906,451
Management fees payable	35,181	26,127
Total liabilities (excluding net assets attributable to holders of redeemable units)	664,075	941,794
Net Assets Attributable to Holders of Redeemable Units	54,736,095	41,508,767
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	18,918,766	14,417,492
Series E	—	—
Series F	728,085	191,904
Series I	31,335,070	24,857,719
Series O	3,754,174	2,041,652
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	11.49	11.06
Series E	—	—
Series F	11.87	11.39
Series I	12.23	11.64
Series O	10.93	10.48

Approved on behalf of Trustee

"signed" Rick Headrick

President

"signed" Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	—	—
Interest income for distribution purposes	366	1,997
Distributions from underlying funds	1,537,033	825,433
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	128,843	6,934
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	—	—
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	1,639,626	1,226,701
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	—	—
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	3,305,868	2,061,065
Net gain (loss) on foreign exchange	—	—
Other income	—	—
Total income (loss)	3,305,868	2,061,065
Expenses (note 5)		
Management fees	164,802	106,455
Administration fees	26,208	14,058
Independent review committee fees	191	124
Withholding tax	—	—
Transaction costs (note 2)	—	—
Total operating expenses	191,201	120,637
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	3,114,667	1,940,428
Finance Cost		
Interest expense	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	3,114,667	1,940,428
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	927,067	813,043
Series E	—	(18,049)
Series F	17,824	3,095
Series I	1,995,103	1,061,005
Series O	174,673	81,334
Weighted Average Number of Units Outstanding		
Series A	1,474,923	1,021,758
Series E	—	245,282
Series F	32,049	3,696
Series I	2,436,140	1,120,591
Series O	271,430	100,198
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.63	0.80
Series E	—	(0.07)
Series F	0.56	0.84
Series I	0.82	0.95
Series O	0.64	0.81

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Equity Income Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series E		Series F	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	14,417,492	8,200,231	–	2,234,302	191,904	38,700
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	927,067	813,043	–	(18,049)	17,824	3,095
Redeemable Unit Transactions						
Proceeds from redeemable units issued	5,089,653	3,813,395	–	28,028	676,653	2,155
Redemption of redeemable units	(1,511,175)	(804,780)	–	(2,244,177)	(158,318)	(610)
Reinvestment of distributions to holders of redeemable units	357,848	244,352	–	9,977	10,153	888
Capitalized distributions	–	–	–	–	–	–
	3,936,326	3,252,967	–	(2,206,172)	528,488	2,433
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(362,119)	(249,707)	–	(10,081)	(10,131)	(888)
Return of capital	–	–	–	–	–	–
	(362,119)	(249,707)	–	(10,081)	(10,131)	(888)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	4,501,274	3,816,303	–	(2,234,302)	536,181	4,640
Net Assets Attributable to Holders of Redeemable Units at end of period	18,918,766	12,016,534	–	–	728,085	43,340

	2017	2016	2017	2016	2017	2016
	Series I		Series O		Total	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	24,857,719	8,538,281	2,041,652	858,724	41,508,767	19,870,238
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	1,995,103	1,061,005	174,673	81,334	3,114,667	1,940,428
Redeemable Unit Transactions						
Proceeds from redeemable units issued	7,628,875	8,547,632	1,686,515	518,502	15,081,696	12,909,712
Redemption of redeemable units	(3,146,627)	(990,022)	(145,423)	(136,681)	(4,961,543)	(4,176,270)
Reinvestment of distributions to holders of redeemable units	591,389	281,225	80,017	24,886	1,039,407	561,328
Capitalized distributions	–	–	–	–	–	–
	5,073,637	7,838,835	1,621,109	406,707	11,159,560	9,294,770
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(591,389)	(283,918)	(83,260)	(24,886)	(1,046,899)	(569,480)
Return of capital	–	–	–	–	–	–
	(591,389)	(283,918)	(83,260)	(24,886)	(1,046,899)	(569,480)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	6,477,351	8,615,922	1,712,522	463,155	13,227,328	10,665,718
Net Assets Attributable to Holders of Redeemable Units at end of period	31,335,070	17,154,203	3,754,174	1,321,879	54,736,095	30,535,956

	2017	2016	2017	2016	2017	2016
	Series A		Series E		Series F	
Redeemable Unit Transactions						
Balance – beginning of period	1,303,841	807,182	–	243,972	16,848	3,637
Units issued	443,879	375,085	–	3,166	56,875	195
Units issued on reinvestment of distributions	31,246	23,428	–	1,090	855	81
Units redeemed	(131,815)	(78,332)	–	(248,228)	(13,214)	(57)
Balance – end of period	1,647,151	1,127,363	–	–	61,364	3,856

	2017	2016	2017	2016	2017	2016
	Series I		Series O		Total	
Redeemable Unit Transactions						
Balance – beginning of period	2,135,300	804,018	194,838	89,457	3,650,827	1,948,266
Units issued	635,328	782,334	154,765	51,774	1,290,847	1,212,554
Units issued on reinvestment of distributions	48,744	25,561	7,328	2,511	88,173	52,671
Units redeemed	(257,832)	(89,878)	(13,450)	(13,606)	(416,311)	(430,101)
Balance – end of period	2,561,540	1,522,035	343,481	130,136	4,613,536	2,783,390

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Equity Income Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	3,114,667	1,940,428
Adjustments for:		
Gain on short-term investments	–	–
Net realized (gain) loss on sale of investments	(128,843)	(6,934)
Change in unrealized (appreciation) depreciation in value of investments	(1,639,626)	(1,226,701)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	(1,537,033)	(825,433)
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(11,735,146)	(8,650,708)
Proceeds from sale of investments	1,657,824	809,512
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	–	–
Change in distributions receivable from underlying funds	(276,107)	–
Change in management fees payable	9,054	18,112
Change in other payables and accrued expenses	1,720	2,737
Net Cash Provided by (Used in) Operating Activities	(10,533,490)	(7,938,987)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(7,591)	(5,398)
Proceeds from redeemable units issued	15,606,010	12,109,956
Redemption of redeemable units	(4,931,501)	(4,137,883)
Net Cash Provided by (Used in) Financing Activities	10,666,918	7,966,675
Net increase (decrease) in cash	133,428	27,688
Cash (bank indebtedness) at beginning of period	23,066	75,494
Cash (bank indebtedness) at end of period	156,494	103,182
Dividends received, net of withholding taxes	–	–
Interest received, net of withholding taxes	366	1,997
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Equity Income Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Dynamic Equity Income Fund, Series O	7,249,777	50,841,537	54,590,822	
		50,841,537	54,590,822	99.73
Total Investments		50,841,537	54,590,822	99.73
Other Assets less Liabilities			145,273	0.27
Total Net Assets			54,736,095	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Dynamic Equity Income Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in underlying externally managed funds.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities indirectly through underlying externally managed funds, including cash and cash equivalents. It is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying externally managed funds.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in underlying externally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Financials	17.0	19.1
Industrials	11.1	11.2
Consumer Discretionary	8.7	10.5
Information Technology	8.0	8.7
Utilities	7.9	7.9
Health Care	7.1	5.2
Telecommunication Services	7.1	8.1
Real Estate	6.7	8.8
Energy Infrastructure	6.4	6.0
Consumer Staples	4.2	4.8
Private Equity – Real Estate	2.2	2.6
Materials	1.5	0.9
Energy	1.3	–
Other Assets less Liabilities	10.8	6.2
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Equity Income Fund (Continued)

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Mutual Funds	54,590,822	—	—	54,590,822

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Mutual Funds	41,526,134	—	—	41,526,134

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$67,828 (nil for the period ended December 31, 2016).

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	—	—
Investments designated at fair value through profit or loss	54,590,822	41,526,134
Total financial assets at fair value through profit or loss	54,590,822	41,526,134
Financial assets at amortized cost		
Cash	156,494	23,066
Other receivables	652,755	901,361
Total financial assets at amortized cost	809,249	924,427
Total assets	55,400,071	42,450,561
Financial liabilities		
Derivative liabilities held for trading	—	—
Financial liabilities at amortized cost	663,976	941,794
Total liabilities (excluding net assets attributable to holders of redeemable units)	663,976	941,794

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Equity Income Fund (Continued)

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	3,305,868	2,061,065
Total net gains (losses)	3,305,868	2,061,065

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2013	January 17, 2013
Series F Units	January 11, 2013	January 17, 2013
Series I Units	January 11, 2013	January 17, 2013
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Strategic Yield Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	146,928,012	152,267,392
Short-term investments	–	–
Cash	27,645,057	24,251,792
Margin	129	30
Option contracts, at fair value – long	74,719	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	154,898	6,981
Unrealized appreciation on swaps	124,928	108,070
Due from investment dealers	1,067,144	30,876
Accrued interest	256,331	255,930
Dividends receivable	353,818	300,831
Distributions receivable from underlying funds	117,791	44,142
Subscriptions receivable	298,862	147,195
	177,021,689	177,413,239
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value – short	69,022	54,000
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	4,590	30,569
Unrealized depreciation on swaps	1,836	3,539
Accrued expenses	21,347	20,390
Redemptions payable	93,139	603,016
Distributions payable	–	–
Due to investment dealers	899,739	671,296
Management fees payable	121,076	120,268
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,210,749	1,503,078
Net Assets Attributable to Holders of Redeemable Units	175,810,940	175,910,161
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	60,103,577	61,287,511
Series E	–	–
Series F	1,259,286	842,764
Series I	103,860,908	103,680,167
Series O	10,587,169	10,099,719
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	10.00	9.94
Series E	–	–
Series F	10.47	10.39
Series I	11.02	10.81
Series O	9.91	9.82

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	1,758,012	1,177,171
Interest income for distribution purposes	552,041	627,290
Distributions from underlying funds	702,115	733,879
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	2,998,628	(3,317,316)
Net realized gain (loss) on futures contracts	(111,756)	8,504
Net realized gain (loss) on currency forward contracts	(308,808)	(808,984)
Net realized gain (loss) on option contracts	261,600	431,113
Net realized gain (loss) on swaps	538,539	(1,213)
Change in unrealized appreciation (depreciation) in value of investments	1,324,810	2,916,331
Change in unrealized appreciation (depreciation) in value of futures contracts	–	254
Change in unrealized appreciation (depreciation) in currency forward contracts	173,895	33,712
Change in unrealized appreciation (depreciation) in option contracts	38,191	(59,662)
Change in unrealized appreciation (depreciation) in value of swaps	18,560	138,056
Net gains (losses) on investments	7,945,827	1,879,135
Net gain (loss) on foreign exchange	(372,616)	(1,153,386)
Other income	–	–
Total income (loss)	7,573,211	725,749
Expenses (note 5)		
Management fees	627,286	592,075
Administration fees	109,236	86,864
Independent review committee fees	682	868
Withholding tax	100,112	68,540
Transaction costs (note 2)	69,621	41,202
Total operating expenses	906,937	789,549
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	6,666,274	(63,800)
Finance Cost		
Interest expense	(50)	(43)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		
	6,666,224	(63,843)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	1,905,777	(75,490)
Series E	–	(327,349)
Series F	27,274	(605)
Series I	4,343,060	292,879
Series O	390,113	46,722
Weighted Average Number of Units Outstanding		
Series A	6,023,388	5,525,052
Series E	–	1,471,943
Series F	96,480	59,757
Series I	9,344,576	9,547,309
Series O	1,003,541	829,736
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.32	(0.01)
Series E	–	(0.22)
Series F	0.28	(0.01)
Series I	0.46	0.03
Series O	0.39	0.06

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Strategic Yield Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A	Series E	Series F			
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	61,287,511	43,003,794	–	14,090,117	842,764	590,985
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	1,905,777	(75,490)	–	(327,349)	27,274	(605)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	4,745,047	22,937,175	–	332,782	624,110	68,690
Redemption of redeemable units	(7,828,221)	(5,109,215)	–	(14,093,878)	(234,880)	(14,485)
Reinvestment of distributions to holders of redeemable units	1,531,160	1,429,854	–	62,495	30,645	15,379
Capitalized distributions	–	–	–	–	–	–
	(1,552,014)	19,257,814	–	(13,698,601)	419,875	69,584
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(1,537,697)	(1,436,728)	–	(64,167)	(30,627)	(15,365)
Return of capital	–	–	–	–	–	–
	(1,537,697)	(1,436,728)	–	(64,167)	(30,627)	(15,365)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(1,183,934)	17,745,596	–	(14,090,117)	416,522	53,614
Net Assets Attributable to Holders of Redeemable Units at end of period	60,103,577	60,749,390	–	–	1,259,286	644,599
	2017	2016	2017	2016	2017	2016
	Series I	Series O	Total			
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	103,680,167	102,434,747	10,099,719	7,568,657	175,910,161	167,688,300
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	4,343,060	292,879	390,113	46,722	6,666,224	(63,843)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	3,862,684	5,921,547	1,272,676	2,347,190	10,504,517	31,607,384
Redemption of redeemable units	(8,025,003)	(5,085,585)	(1,156,965)	(648,633)	(17,245,069)	(24,951,796)
Reinvestment of distributions to holders of redeemable units	2,376,358	2,435,674	309,948	205,839	4,248,111	4,149,241
Capitalized distributions	–	–	–	–	–	–
	(1,785,961)	3,271,636	425,659	1,904,396	(2,492,441)	10,804,829
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(2,376,358)	(2,435,991)	(328,322)	(215,279)	(4,273,004)	(4,167,530)
Return of capital	–	–	–	–	–	–
	(2,376,358)	(2,435,991)	(328,322)	(215,279)	(4,273,004)	(4,167,530)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	180,741	1,128,524	487,450	1,735,839	(99,221)	6,573,456
Net Assets Attributable to Holders of Redeemable Units at end of period	103,860,908	103,563,271	10,587,169	9,304,496	175,810,940	174,261,756

	2017	2016	2017	2016	2017	2016
	Series A	Series E	Series F			
Redeemable Unit Transactions						
Balance – beginning of period	6,163,052	4,170,817	–	1,458,203	81,134	55,588
Units issued	465,497	2,292,437	–	34,888	58,172	6,647
Units issued on reinvestment of distributions	150,949	143,623	–	6,532	2,882	1,491
Units redeemed	(769,991)	(512,110)	–	(1,499,623)	(21,933)	(1,405)
Balance – end of period	6,009,507	6,094,767	–	–	120,255	62,321
	2017	2016	2017	2016	2017	2016
	Series I	Series O	Total			
Redeemable Unit Transactions						
Balance – beginning of period	9,587,422	9,371,332	1,028,008	757,776	16,859,616	15,813,716
Units issued	346,523	557,078	125,401	241,825	995,593	3,132,875
Units issued on reinvestment of distributions	213,785	228,852	30,786	21,202	398,402	401,700
Units redeemed	(724,718)	(477,888)	(116,115)	(66,411)	(1,632,757)	(2,557,437)
Balance – end of period	9,423,012	9,679,374	1,068,080	954,392	16,620,854	16,790,854

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Strategic Yield Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	6,666,224	(63,843)
Adjustments for:		
Gain on short-term investments	–	–
Net realized (gain) loss on sale of investments	(2,998,628)	3,317,316
Change in unrealized (appreciation) depreciation in value of investments	(1,324,810)	(2,916,331)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	(254)
Change in unrealized (appreciation) depreciation in currency forward contracts	(173,895)	(33,712)
Change in unrealized (appreciation) depreciation in value of swaps	(18,560)	(138,056)
Non-cash income distributions from underlying funds	(702,115)	(733,879)
Change in fair value of option contracts	(59,697)	21,889
Change in fair value of credit default swaps	–	(41,890)
Change in margin	(99)	356,248
Purchases of investments	(45,538,814)	(61,536,900)
Proceeds from sale of investments	55,033,439	42,443,843
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	(53,388)	(39,981)
Change in distributions receivable from underlying funds	(73,649)	–
Change in management fees payable	808	95,373
Change in other payables and accrued expenses	63,438	56,000
Net Cash Provided by (Used in) Operating Activities	10,820,254	(19,214,177)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(24,893)	(17,874)
Proceeds from redeemable units issued	10,352,850	31,492,771
Redemption of redeemable units	(17,754,946)	(24,948,318)
Net Cash Provided by (Used in) Financing Activities	(7,426,989)	6,526,579
Net increase (decrease) in cash	3,393,265	(12,687,598)
Cash (bank indebtedness) at beginning of period	24,251,792	36,760,692
Cash (bank indebtedness) at end of period	27,645,057	24,073,094
Dividends received, net of withholding taxes	1,604,913	1,013,304
Interest received, net of withholding taxes	551,640	682,636
Interest paid	(50)	(43)

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Strategic Yield Fund (Continued)

Schedule of Investments

As at June 30, 2017 (Unaudited)

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS						
Corporate Bonds						
Alectra Inc.	2.488%	17-May-2027	186,000	186,000	183,273	
Algonquin Power Co.	4.090%	17-Feb-2027	52,000	51,963	54,645	
Alliance Pipeline LP	4.928%	16-Dec-2019	204,000	222,876	213,812	
Alliance Pipeline LP	6.765%	31-Dec-2025	35,189	39,740	40,899	
AltaGas Ltd.	4.550%	17-Jan-2019	128,000	135,243	133,154	
AltaGas Ltd.	3.720%	28-Sep-2021	284,000	298,560	297,449	
AltaLink Investments LP	3.674%	05-Jun-2019	54,000	57,535	55,527	
AltaLink Investments LP	2.244%	07-Mar-2022	264,000	261,350	262,848	
AltaLink LP	3.621%	17-Sep-2020	132,000	144,179	139,563	
AltaLink LP	2.978%	28-Nov-2022	100,000	106,186	104,439	
AltaLink LP	3.668%	06-Nov-2023	499,000	543,392	540,960	
Bank of Montreal	2.840%	04-Jun-2020	228,000	238,518	234,882	
Bank of Montreal	3.400%	23-Apr-2021	405,000	434,273	426,194	
Bank of Montreal	1.610%	28-Oct-2021	74,000	73,996	72,661	
Bank of Montreal	2.120%	16-Mar-2022	301,000	299,101	301,207	
Bank of Nova Scotia	2.290%	28-Jun-2024	273,000	272,748	270,562	
bclMC Realty Corp.	2.100%	03-Jun-2021	171,000	172,072	171,570	
bclMC Realty Corp.	3.510%	29-Jun-2022	322,000	346,824	341,792	
bclMC Realty Corp.	3.000%	31-Mar-2027	155,000	157,778	157,897	
Bell Canada	3.350%	18-Jun-2019	12,000	12,585	12,352	
Bell Canada	4.950%	19-May-2021	176,000	199,134	193,949	
Bell Canada	4.700%	11-Sep-2023	308,000	344,426	343,285	
Bell Canada	2.700%	27-Feb-2024	57,000	57,622	57,014	
Brookfield Asset Management Inc.	4.540%	31-Mar-2023	200,000	216,064	217,469	
Brookfield Asset Management Inc.	5.040%	08-Mar-2024	216,000	239,932	240,899	
Brookfield Asset Management Inc.	3.800%	16-Mar-2027	180,000	179,939	184,947	
Brookfield Infrastructure Finance ULC	3.452%	11-Mar-2022	404,000	404,889	414,835	
Brookfield Infrastructure Finance ULC	3.315%	22-Feb-2024	211,000	213,938	212,229	
Brookfield Renewable Energy Partners ULC	5.140%	13-Oct-2020	138,000	154,939	150,076	
Brookfield Renewable Energy Partners ULC	4.790%	07-Feb-2022	194,000	212,717	211,798	
Brookfield Renewable Energy Partners ULC	3.630%	15-Jan-2027	125,000	126,211	126,265	
BRP Finance ULC	4.790%	07-Feb-2022	91,000	99,892	99,348	
Calloway Real Estate Investment Trust	3.730%	22-Jul-2022	46,000	47,694	47,686	
Calloway Real Estate Investment Trust	3.985%	30-May-2023	192,000	200,143	200,695	
Canadian Imperial Bank of Commerce	2.350%	24-Jun-2019	440,000	451,236	446,164	
Canadian Imperial Bank of Commerce	1.660%	20-Jan-2020	168,000	167,966	167,670	
Canadian Imperial Bank of Commerce	1.850%	14-Jul-2020	276,000	276,266	276,495	
Canadian National Railway Co.	2.800%	22-Sep-2025	302,000	304,187	310,601	
Canadian Natural Resources Ltd.	2.050%	01-Jun-2020	164,000	163,962	162,633	
Canadian Natural Resources Ltd.	3.310%	11-Feb-2022	49,000	50,267	49,977	
Canadian Natural Resources Ltd.	3.550%	03-Jun-2024	49,000	50,088	49,900	
Canadian Utilities Ltd.	3.122%	09-Nov-2022	221,000	234,156	232,009	
CI Financial Corp.	2.645%	07-Dec-2020	116,000	116,030	117,116	
CU Inc.	5.432%	23-Jan-2019	1,000	1,132	1,059	
CU Inc.	6.800%	13-Aug-2019	140,000	161,510	154,855	
Emera Inc.	4.830%	02-Dec-2019	294,000	327,360	313,674	
Emera Inc.	2.900%	16-Jun-2023	105,000	105,000	106,420	
Enbridge Gas Distribution Inc.	4.040%	23-Nov-2020	210,000	229,309	224,898	
Enbridge Income Fund	4.100%	22-Feb-2019	99,000	104,658	102,546	
Enbridge Income Fund	3.190%	05-Dec-2022	99,000	103,262	101,591	
Enbridge Income Fund	3.940%	13-Jan-2023	63,000	65,508	66,838	
Enbridge Pipelines Inc.	8.200%	15-Feb-2024	106,000	145,281	138,937	
Enbridge Southern Lights LP	4.014%	30-Jun-2040	114,603	117,468	114,080	
First Capital Realty Inc.	4.430%	31-Jan-2022	405,000	442,455	434,703	
First Capital Realty Inc.	3.950%	05-Dec-2022	189,000	199,779	199,035	
First Capital Realty Inc.	4.790%	30-Aug-2024	77,000	87,152	84,611	

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Strategic Yield Fund (Continued)

Schedule of Investments

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
First Capital Realty Inc.	4.323%	31-Jul-2025	63,000	67,427	67,001	
Fortis Inc.	2.850%	12-Dec-2023	159,000	159,185	161,270	
Greater Toronto Airports Authority	1.510%	16-Feb-2021	286,000	285,560	283,866	
H&R Real Estate Investment Trust	4.450%	02-Mar-2020	161,000	172,692	168,880	
H&R Real Estate Investment Trust	3.369%	30-Jan-2024	65,000	65,044	64,565	
Hydro One Inc.	1.620%	30-Apr-2020	29,000	29,049	28,945	
Hydro One Inc.	1.840%	24-Feb-2021	401,000	402,685	400,841	
Inter Pipeline Ltd.	4.967%	02-Feb-2021	286,000	317,292	311,533	
Inter Pipeline Ltd.	3.776%	30-May-2022	119,000	126,353	125,407	
Lower Mattagami Energy LP	4.331%	18-May-2021	221,000	246,669	240,560	
Lower Mattagami Energy LP	3.416%	20-Jun-2024	143,000	153,682	152,665	
North West Redwater Partnership	2.100%	23-Feb-2022	226,000	222,859	224,444	
North West Redwater Partnership	3.200%	22-Jul-2024	118,000	121,665	121,947	
North West Redwater Partnership	3.200%	24-Apr-2026	108,000	108,118	110,719	
North West Redwater Partnership	2.800%	01-Jun-2027	170,000	169,556	166,902	
OMERS Realty Corp.	2.971%	05-Apr-2021	235,000	246,543	243,082	
OMERS Realty Corp.	1.823%	09-May-2022	110,000	110,000	108,212	
OMERS Realty Corp.	3.328%	12-Nov-2024	304,000	326,069	320,489	
Pembina Pipeline Corp.	3.770%	24-Oct-2022	371,000	386,832	389,591	
Rogers Communications Inc.	5.340%	22-Mar-2021	539,000	615,730	599,767	
Royal Bank of Canada	2.350%	09-Dec-2019	117,000	119,735	118,727	
Royal Bank of Canada	1.920%	17-Jul-2020	453,000	450,802	454,408	
Royal Bank of Canada	2.860%	04-Mar-2021	45,000	47,047	46,421	
Royal Bank of Canada	1.650%	15-Jul-2021	132,000	132,028	130,112	
Royal Bank of Canada	1.968%	02-Mar-2022	412,000	403,981	409,191	
Royal Bank of Canada	2.000%	21-Mar-2022	110,000	109,984	109,285	
Royal Bank of Canada	2.333%	05-Dec-2023	301,000	302,011	300,867	
Shaw Communications Inc.	5.650%	01-Oct-2019	157,000	178,016	169,533	
Suncor Energy Inc.	5.800%	22-May-2018	180,000	198,315	186,640	
Suncor Energy Inc.	3.000%	14-Sep-2026	116,000	115,711	115,568	
TELUS Corp.	5.050%	23-Jul-2020	330,000	371,897	359,286	
TELUS Corp.	2.350%	28-Mar-2022	54,000	52,971	54,049	
TELUS Corp.	3.350%	15-Mar-2023	91,000	95,582	94,696	
The Bank of Nova Scotia	2.873%	04-Jun-2021	34,000	35,426	35,098	
The Bank of Nova Scotia	1.900%	02-Dec-2021	469,000	468,703	465,133	
The Toronto-Dominion Bank	2.447%	02-Apr-2019	27,000	27,785	27,409	
The Toronto-Dominion Bank	1.693%	02-Apr-2020	45,000	44,923	44,922	
The Toronto-Dominion Bank	2.563%	24-Jun-2020	25,000	25,863	25,562	
The Toronto-Dominion Bank	2.621%	22-Dec-2021	221,000	226,757	226,226	
The Toronto-Dominion Bank	1.994%	23-Mar-2022	63,000	63,000	62,734	
The Toronto-Dominion Bank	1.909%	18-Jul-2023	269,000	266,725	263,417	
The Toronto-Dominion Bank	3.226%	24-Jul-2024	853,000	893,776	899,860	
Union Gas Ltd.	8.750%	03-Aug-2018	352,000	420,408	377,411	
Union Gas Ltd.	4.850%	25-Apr-2022	138,000	158,218	154,946	
Union Gas Ltd.	3.790%	10-Jul-2023	104,000	112,451	112,557	
Ventas Canada Finance Ltd.	3.000%	30-Sep-2019	59,000	60,806	60,208	
Ventas Canada Finance Ltd.	2.550%	15-Mar-2023	119,000	118,945	117,565	
Ventas Canada Finance Ltd.	4.125%	30-Sep-2024	281,000	291,763	298,728	
Videotron Ltd.	5.000%	15-Jul-2022	11,000	15,465	15,161	
Videotron Ltd.	5.375%	15-Jun-2024	138,000	186,161	189,974	
Videotron Ltd.	5.625%	15-Jun-2025	143,000	153,736	154,917	
Westcoast Energy Inc.	5.600%	16-Jan-2019	1,000	1,116	1,056	
Westcoast Energy Inc.	4.570%	02-Jul-2020	211,000	231,450	225,723	
Westcoast Energy Inc.	3.120%	05-Dec-2022	237,000	239,870	243,890	
			21,610,928	21,413,959	12.18	

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Strategic Yield Fund (Continued)

Schedule of Investments

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Foreign Bonds						
Aetna Inc.	2.750%	15-Nov-2022	175,000	222,679	228,343	
Aetna Inc.	2.800%	15-Jun-2023	120,000	158,810	155,786	
Altria Group Inc.	2.850%	09-Aug-2022	174,000	224,082	229,662	
American Tower Corp.	4.500%	15-Jan-2018	139,000	191,172	183,016	
Anheuser-Busch InBev Finance Inc.	2.650%	01-Feb-2021	98,000	129,964	129,086	
Anheuser-Busch InBev Finance Inc.	3.300%	01-Feb-2023	231,000	318,861	309,300	
Anheuser-Busch InBev Finance Inc.	2.600%	15-May-2024	179,000	178,955	177,343	
Anthem Inc.	3.300%	15-Jan-2023	44,000	61,064	58,353	
Bank of America Corp.	4.100%	24-Jul-2023	321,000	448,104	441,913	
Boston Properties LP	5.625%	15-Nov-2020	205,000	307,345	292,527	
Boston Properties LP	4.125%	15-May-2021	182,000	254,542	249,462	
Brookfield Infrastructure Finance Pty Ltd.	3.455%	10-Oct-2017	16,000	16,100	16,086	
CC Holdings GS V LLC	3.849%	15-Apr-2023	15,000	19,583	20,506	
Comcast Cable Communications Holdings Inc.	9.455%	15-Nov-2022	88,000	160,434	153,158	
Constellation Brands Inc.	3.750%	01-May-2021	42,000	55,934	56,901	
Constellation Brands Inc.	6.000%	01-May-2022	151,000	222,570	224,058	
Crown Castle Towers LLC	6.113%	15-Jan-2020	421,000	634,325	588,178	
Federal Realty Investment Trust	2.750%	01-Jun-2023	34,000	44,819	43,420	
Federal Realty Investment Trust	3.950%	15-Jan-2024	86,000	119,044	116,433	
Heathrow Funding Ltd.	3.000%	17-Jun-2023	234,000	242,911	241,170	
Heathrow Funding Ltd.	3.250%	21-May-2025	429,000	437,485	443,194	
JPMorgan Chase & Co.	2.750%	23-Jun-2020	16,000	21,635	21,135	
JPMorgan Chase & Co.	2.550%	01-Mar-2021	232,000	310,695	302,933	
JPMorgan Chase & Co.	3.900%	15-Jul-2025	204,000	284,959	276,571	
Kimco Realty Corp.	2.700%	01-Mar-2024	120,000	152,482	148,965	
Medtronic Inc.	3.150%	15-Mar-2022	426,000	566,878	572,895	
Medtronic Inc.	3.500%	15-Mar-2025	25,000	32,939	33,809	
PepsiCo Inc.	2.750%	01-Mar-2023	13,000	17,943	17,117	
PepsiCo Inc.	2.150%	06-May-2024	72,000	71,953	71,081	
Pernod Ricard SA	4.450%	15-Jan-2022	93,000	128,861	129,631	
Pernod Ricard SA	4.250%	15-Jul-2022	125,000	172,500	173,336	
Reynolds American Inc.	8.125%	23-Jun-2019	245,000	381,898	355,037	
Simon Property Group LP	2.500%	15-Jul-2021	124,000	165,189	161,159	
Simon Property Group LP	2.750%	01-Feb-2023	30,000	39,537	38,840	
The Walt Disney Co.	2.350%	01-Dec-2022	411,000	543,044	535,336	
Thermo Fisher Scientific Inc.	3.600%	15-Aug-2021	88,000	121,254	119,191	
Thermo Fisher Scientific Inc.	3.300%	15-Feb-2022	27,000	34,916	36,271	
Union Pacific Corp.	4.163%	15-Jul-2022	162,000	229,367	227,803	
United Parcel Service Inc.	2.125%	21-May-2024	137,000	136,742	135,063	
United States Treasury Note	0.875%	31-Mar-2018	1,245,000	1,616,951	1,612,372	
United States Treasury Note	2.250%	15-Feb-2027	300,000	399,910	387,867	
UnitedHealth Group Inc.	2.875%	15-Dec-2021	456,000	607,401	605,678	
Visa Inc.	2.800%	14-Dec-2022	245,000	324,744	324,191	
Wells Fargo & Co.	3.000%	19-Feb-2025	434,000	555,660	555,452	
				11,366,241	11,199,628	6.37
Total Bonds				32,977,169	32,613,587	18.55

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Strategic Yield Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Enbridge Inc.	31,800	1,685,231	1,642,788	
Pembina Pipeline Corp.	46,282	1,661,646	1,987,812	
TransCanada Corp.	56,875	2,806,965	3,516,014	
		6,153,842	7,146,614	4.06
Materials				
PPG Industries Inc.	9,500	1,293,273	1,356,649	
		1,293,273	1,356,649	0.77
Industrials				
Canadian Pacific Railway Ltd.	10,900	2,051,308	2,274,285	
Honeywell International Inc.	13,400	1,840,614	2,319,592	
Mitsubishi Electric Corp.	94,000	1,789,937	1,755,223	
Raytheon Co.	4,700	876,106	985,657	
United Parcel Service Inc.	12,500	1,830,078	1,795,292	
United Technologies Corp.	7,100	971,420	1,125,949	
		9,359,463	10,255,998	5.83
Consumer Discretionary				
Comcast Corp.	39,600	1,517,578	2,001,600	
Home Depot Inc.	8,930	1,451,852	1,779,042	
MGM Resorts International	41,000	1,776,509	1,666,091	
Starbucks Corp.	22,000	1,672,717	1,666,000	
		6,418,656	7,112,733	4.05
Consumer Staples				
Altria Group Inc.	9,200	887,076	889,771	
Coca-Cola Co.	22,800	1,306,345	1,328,026	
Costco Wholesale Corp.	8,000	1,697,141	1,661,610	
Estee Lauder Cos Inc.	7,500	895,671	934,870	
Loblaw Cos Ltd.	19,800	1,368,062	1,428,372	
		6,154,295	6,242,649	3.55
Health Care				
Allergan plc	7,100	1,856,321	2,241,479	
Bayer AG	9,700	1,287,740	1,626,461	
Johnson & Johnson	5,500	885,532	944,929	
Medtronic PLC	16,300	1,595,695	1,878,734	
Merck & Co., Inc.	15,200	1,277,425	1,265,153	
Pfizer Inc.	42,000	1,840,950	1,832,182	
Shire PLC	4,100	904,296	880,009	
		9,647,959	10,668,947	6.07
Financials				
Atrium Mortgage Investment Corp.	37,100	431,320	449,652	
Blackstone Mortgage Trust Inc.	26,300	1,115,281	1,079,325	
Brookfield Asset Management Inc.	50,700	2,254,627	2,580,123	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Canadian Imperial Bank of Commerce	25,200	2,517,368	2,655,828	
JPMorgan Chase & Co.	23,400	2,033,409	2,777,610	
Prudential PLC	68,700	1,852,287	2,040,869	
Royal Bank of Canada	28,200	2,291,445	2,655,312	
Starwood Property Trust Inc.	35,900	1,112,954	1,043,897	
The Bank of Nova Scotia	45,900	3,105,004	3,580,660	
The Toronto-Dominion Bank	40,400	2,603,896	2,640,140	
Visa Inc.	7,400	735,077	901,262	
		20,052,668	22,404,678	12.74
Real Estate				
CT Real Estate Investment Trust	60,000	880,884	862,800	
Killam Apartment Real Estate Investment Trust	69,000	864,508	879,060	
RioCan Real Estate Investment Trust	23,260	572,535	559,868	
Smart Real Estate Investment Trust	31,784	916,774	1,020,902	
Weyerhaeuser Co.	18,800	753,798	817,922	
		3,988,499	4,140,552	2.36
Information Technology				
Apple Inc.	9,300	1,346,484	1,739,462	
Broadcom Ltd.	5,400	1,847,858	1,634,377	
Mastercard Inc.	6,000	716,889	946,364	
Microsoft Corp.	30,600	2,165,622	2,739,296	
Oracle Corp.	18,300	948,881	1,191,639	
Texas Instruments Inc.	8,500	856,753	849,227	
		7,882,487	9,100,365	5.18
Telecommunication Services				
American Tower Corp.	8,100	1,103,536	1,391,938	
BCE Inc.	47,200	2,610,713	2,756,480	
Rogers Communications Inc.	35,000	1,727,583	2,143,750	
Verizon Communications Inc.	37,300	2,406,886	2,163,400	
		7,848,718	8,455,568	4.81
Utilities				
Fortis Inc.	56,299	2,216,850	2,566,127	
Innervex Renewable Energy Inc.	132,300	1,488,443	1,886,598	
National Grid PLC	105,416	1,983,118	1,692,588	
NextEra Energy Inc.	10,200	1,441,526	1,856,268	
		7,129,937	8,001,581	4.55
Total Equities		85,929,797	94,886,334	53.97

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Strategic Yield Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Dynamic Aurion Total Return Bond Fund, Series O	875,287	9,223,091	8,805,383	
Dynamic Credit Spectrum Fund, Series O	490,647	4,625,971	4,445,265	
Dynamic High Yield Bond Fund, Series O	1,398,832	4,646,831	4,448,286	
Dynamic Premium Yield Fund, Series O	165,311	1,861,821	1,729,157	
Total Mutual Funds		20,357,714	19,428,091	11.05
Transaction Costs		(55,077)		
Total Investments		139,209,603	146,928,012	83.57
Currency Forward Contracts⁽¹⁾			150,308	0.09
Option Contracts⁽²⁾			5,697	–
Unrealized appreciation/(depreciation) on swaps⁽³⁾			123,092	0.07
Other Assets less Liabilities			28,603,831	16.27
Total Net Assets			175,810,940	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
The Toronto Dominion Bank	A-1+	10-Jul-2017	CAD	2,088,542	GBP	(1,200,000)	63,906
The Toronto Dominion Bank	A-1+	10-Jul-2017	CAD	952,076	JPY	(79,128,000)	37,243
The Toronto Dominion Bank	A-1+	10-Jul-2017	CAD	414,521	JPY	(33,770,000)	24,089
The Toronto Dominion Bank	A-1+	10-Jul-2017	CAD	1,850,542	EUR	(1,241,000)	11,674
The Toronto Dominion Bank	A-1+	10-Jul-2017	CAD	255,729	JPY	(21,230,000)	10,280
The Toronto Dominion Bank	A-1+	10-Jul-2017	CAD	71,321	JPY	(5,930,000)	2,762
The Toronto Dominion Bank	A-1+	10-Jul-2017	CAD	33,243	JPY	(2,700,000)	2,027
The Toronto Dominion Bank	A-1+	10-Jul-2017	CAD	63,022	JPY	(5,300,000)	1,746
The Toronto Dominion Bank	A-1+	10-Jul-2017	CAD	27,532	JPY	(2,280,000)	1,171
							154,898
The Toronto Dominion Bank	A-1+	10-Jul-2017	EUR	61,000	CAD	(90,512)	(124)
The Toronto Dominion Bank	A-1+	10-Jul-2017	JPY	8,128,000	CAD	(98,438)	(4,466)
							(4,590)

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Strategic Yield Fund (Continued)

Schedule of Investments

(2) Option Contracts

	Expiry Date	Number of Contracts	Average Cost (\$)	Current Value (\$)
Blackstone Group LP @31 Call Option	15-Sep-2017	223	38,807	74,719
			38,807	74,719
Alphabet Inc. @935 Put Option	21-Jul-2017	(7)	(9,818)	(17,636)
Blackstone Group LP @30 Put Option	15-Sep-2017	(223)	(34,174)	(8,833)
Costco Wholesale Corp. @155 Put Option	28-Jul-2017	(24)	(4,613)	(4,083)
Oracle Corp. @49 Put Option	21-Jul-2017	(129)	(8,752)	(6,199)
Texas Instruments Inc. @79 Put Option	07-Jul-2017	(78)	(8,002)	(25,223)
Western Digital Corp. @82.5 Put Option	21-Jul-2017	(81)	(9,362)	(7,048)
			(74,722)	(69,022)

(3) Swaps Schedule

Referenced Entity	Notional Units	Interest Rate	Expiry Date	Counterparty	Credit Rating for Counterparty	Market Value (\$)	Unrealized Gain/(Loss) (\$)
Enterprise Products Partners	14,100	1-month LIBOR +70BPS	30-Apr-2018	Goldman Sachs & Co.	A-2	503,479	14,558
Enterprise Products Partners	8,900	1-month LIBOR +70BPS	27-Apr-2018	Goldman Sachs & Co.	A-2	317,799	9,189
Enterprise Products Partners	6,600	1-month LIBOR +70BPS	22-Mar-2018	Goldman Sachs & Co.	A-2	235,671	6,814
Enterprise Products Partners	5,500	1-month LIBOR +70BPS	21-Mar-2018	Goldman Sachs & Co.	A-2	196,393	5,679
Enterprise Products Partners	2,700	1-month LIBOR +70BPS	23-Apr-2018	Goldman Sachs & Co.	A-2	96,411	2,788
The Blackstone Group	29,800	1-month LIBOR +70BPS	27-Apr-2018	Goldman Sachs & Co.	A-2	1,324,357	65,017
The Blackstone Group	12,000	1-month LIBOR +70BPS	27-Jul-2017	T.D. Bank Corp.	A-1+	533,298	20,883
						3,207,408	124,928
Enterprise Products Partners	(2,700)	1-month LIBOR +70BPS	23-Apr-2018	Goldman Sachs & Co.	A-2	(93,670)	(47)
Enterprise Products Partners	(5,500)	1-month LIBOR +70BPS	21-Mar-2018	Goldman Sachs & Co.	A-2	(190,810)	(96)
Enterprise Products Partners	(6,600)	1-month LIBOR +70BPS	22-Mar-2018	Goldman Sachs & Co.	A-2	(228,972)	(115)
Enterprise Products Partners	(8,900)	1-month LIBOR +70BPS	27-Apr-2018	Goldman Sachs & Co.	A-2	(308,765)	(155)
Enterprise Products Partners	(14,100)	1-month LIBOR +70BPS	30-Apr-2018	Goldman Sachs & Co.	A-2	(489,168)	(246)
The Blackstone Group	(29,800)	1-month LIBOR +70BPS	27-Apr-2018	Goldman Sachs & Co.	A-2	(1,259,973)	(634)
The Blackstone Group	(12,000)	1-month LIBOR +70BPS	27-Jul-2017	T.D. Bank Corp.	A-1+	(512,958)	(543)
						(3,084,316)	(1,836)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Dynamic Strategic Yield Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund is exposed indirectly to credit risk as a result of its investment in underlying externally managed funds.

The Fund also invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Strategic Yield Fund (Continued)

for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	June 30, 2017	
AAA/Aaa	1.57	
AA/Aa	4.21	
A/A	8.26	
BBB/Bbb	6.19	
BB/Ba	0.20	
Not Rated	0.06	
Total	20.49	

Rating	As a % of Net Assets	
	December 31, 2016	
AAA/Aaa	1.13	
AA/Aa	2.94	
A/A	7.23	
BBB/Bbb	6.24	
BB/Ba	0.4	
Not Rated	—	
Total	17.93	

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. However, the Fund also holds foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and minimize the currency risk exposure to the Fund.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016:

	Holdings Exposed to Currency Risk (\$CAD)		Percentage of Net Assets (%)
	June 30, 2017		
United States Dollar	73,561,296		41.84
Euro	(73,096)		(0.04)
British Pound	1,982,689		1.13
Japanese Yen	111,505		0.1
Total	75,582,394		42.99

	Holdings Exposed to Currency Risk (\$CAD)		Percentage of Net Assets (%)
	December 31, 2016		
United States Dollar	80,327,432		45.66
Euro	376,095		0.21
British Pound	(38,385)		(0.02)
Japanese Yen	—		—
Total	80,665,142		45.85

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$3,779,120 (\$4,033,257 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying externally managed funds.

The following tables summarize the Fund's direct exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

June 30, 2017 (\$)	
Less than 1 year	1,998,114
1-5 years	16,321,924
More than 5 years	14,293,549
Total	32,613,587

December 31, 2016 (\$)	
Less than 1 year	—
1-5 years	16,562,615
More than 5 years	14,859,559
Total	31,422,174

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Strategic Yield Fund (Continued)

\$1,752,639 (\$1,518,809 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in underlying externally managed funds.

The Fund is also exposed to other market risk as a result of its investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$4,744,317 (\$4,987,861 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Bonds		
Corporate Bonds	12.2	11.5
Foreign Bonds	6.4	6.4
Equities		
Energy	4.1	4.1
Materials	0.8	0.9
Industrials	5.8	3.8
Consumer Discretionary	4.0	5.0
Consumer Staples	3.5	4.0
Health Care	6.1	6.2
Financials	12.7	12.0
Real Estate	2.4	4.7
Information Technology	5.2	6.6
Telecommunication Services	4.8	5.1
Utilities	4.5	4.3
Mutual Funds		
Canadian Fixed Income	5.0	4.9
Global Equities	–	–
Income and Real Property	1.0	2.0
High Yield Fixed Income	5.1	5.1
Other Assets less Liabilities	16.4	13.4
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Strategic Yield Fund (Continued)

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	94,886,334	–	–	94,886,334
Bonds	–	32,613,587	–	32,613,587
Mutual Funds	19,428,091	–	–	19,428,091
Currency Forward				
Contracts	–	154,898	–	154,898
Option Contracts	74,719	–	–	74,719
Swaps	–	124,928	–	124,928
Financial Liabilities				
Currency Forward				
Contracts	–	4,590	–	4,590
Option Contracts	69,022	–	–	69,022
Swaps	–	1,836	–	1,836
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	99,757,214	–	–	99,757,214
Bonds	–	31,422,174	–	31,422,174
Mutual Funds	21,088,004	–	–	21,088,004
Currency Forward				
Contracts	–	6,981	–	6,981
Swaps	–	108,070	–	108,070
Financial Liabilities				
Currency Forward				
Contracts	–	30,569	–	30,569
Option Contracts	54,000	–	–	54,000
Swaps	–	3,539	–	3,539

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Bonds and short-term investments

Bonds include primarily government and corporate bonds, which are valued at the mean of the bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds and short-term investments have been classified as Level 2.

Derivative assets and liabilities

Derivative assets and liabilities consist of options, foreign currency forward contracts and equity swaps. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Forward contracts and equity swaps are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$69,621 (\$41,202 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$20,377 (\$815 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$3,150,135 (nil as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the

The accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Strategic Yield Fund (Continued)

investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "Investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	354,545	115,051
Investments designated at fair value through profit or loss	146,928,012	152,267,392
Total financial assets at fair value through profit or loss	147,282,557	152,382,443
Financial assets at amortized cost		
Cash	27,645,057	24,251,792
Other receivables	2,094,075	779,004
Total financial assets at amortized cost	29,739,132	25,030,796
Total assets	177,021,689	177,413,239
Financial liabilities		
Derivative liabilities held for trading	75,448	88,108
Financial liabilities at amortized cost	1,135,301	1,414,970
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,210,749	1,503,078

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	610,221	(258,220)
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	7,335,606	2,137,355
Total net gains (losses)	7,945,827	1,879,135

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	154,898	(4,590)	–	150,308
Derivative assets –				
Swaps	124,928	(1,836)	–	123,092
Total	279,826	(6,426)	–	273,400
Derivative liabilities –				
Forward Contracts	(4,590)	4,590	–	–
Derivative liabilities –				
Swaps	(1,836)	1,836	–	–
Total	(6,426)	6,426	–	–
December 31, 2016				
Derivative assets –				
Forward Contracts	6,981	(2,353)	–	4,628
Derivative assets –				
Swaps	108,070	(1,298)	–	106,772
Total	115,051	(3,651)	–	111,400
Derivative liabilities –				
Forward Contracts	(30,569)	2,353	–	(28,216)
Derivative liabilities –				
Swaps	(3,539)	1,298	–	(2,241)
Total	(34,108)	3,651	–	(30,457)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2013	January 17, 2013
Series F Units	January 11, 2013	January 17, 2013
Series I Units	January 11, 2013	January 17, 2013
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Balanced Growth Portfolio

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	950,316,282	771,970,250
Short-term investments	—	—
Cash	3,406,244	4,538,919
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	—	—
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	14,077,292
Accrued interest	—	—
Dividends receivable	—	80,634
Distributions receivable from underlying funds	785,947	5,240,738
Subscriptions receivable	3,421,025	2,394,420
	957,929,498	798,302,253
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	80,758	59,156
Redemptions payable	875,907	128,994
Distributions payable	—	—
Due to investment dealers	3,542,318	23,412,856
Management fees payable	450,793	342,580
Total liabilities (excluding net assets attributable to holders of redeemable units)	4,949,776	23,943,586
Net Assets Attributable to Holders of Redeemable Units	952,979,722	774,358,667
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	218,300,877	171,737,541
Series T5	3,384,270	3,196,772
Series T8	839,389	724,702
Series E	—	—
Series F	20,092,754	14,119,372
Series I	676,912,977	556,545,059
Series O	33,449,455	28,035,221
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	13.48	12.94
Series T5	17.20	16.92
Series T8	14.69	14.67
Series E	—	—
Series F	13.91	13.28
Series I	14.41	13.69
Series O	11.18	10.62

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	1,133,675	798,149
Interest income for distribution purposes	6,705	3,469
Distributions from underlying funds	5,147,188	3,530,427
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	6,893,929	4,074,381
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	—	—
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	30,776,657	1,194,691
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	—	—
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	43,958,154	9,601,117
Net gain (loss) on foreign exchange	(105,886)	(309,061)
Other income	—	—
Total income (loss)	43,852,268	9,292,056
Expenses (note 5)		
Management fees	2,127,597	1,193,088
Administration fees	380,816	212,266
Independent review committee fees	2,344	2,500
Withholding tax	170,051	119,689
Transaction costs (note 2)	7,308	3,587
Total operating expenses	2,688,116	1,531,130
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	41,164,152	7,760,926
Finance Cost		
Interest expense	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	41,164,152	7,760,926
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	7,538,407	1,157,467
Series T5	142,869	28,508
Series T8	30,080	(7,047)
Series E	—	(572,971)
Series F	699,410	56,846
Series I	31,248,631	6,910,430
Series O	1,504,755	187,693
Weighted Average Number of Units Outstanding		
Series A	14,832,747	8,930,375
Series T5	201,565	63,559
Series T8	53,067	37,175
Series E	—	1,380,965
Series F	1,237,981	475,886
Series I	44,236,808	26,217,565
Series O	2,818,725	1,966,543
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.51	0.13
Series T5	0.71	0.45
Series T8	0.57	(0.19)
Series E	—	(0.41)
Series F	0.56	0.12
Series I	0.71	0.26
Series O	0.53	0.10

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Balanced Growth Portfolio (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	171,737,541	87,869,689	3,196,772	417,675	724,702	776,468
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	7,538,407	1,157,467	142,869	28,508	30,080	(7,047)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	55,744,469	50,741,620	764,421	1,484,369	209,207	147,010
Redemption of redeemable units	(16,722,098)	(7,405,569)	(660,805)	(27,423)	(106,371)	(432,472)
Reinvestment of distributions to holders of redeemable units	18,475	5,405	25,998	13,380	13,199	7,555
Capitalized distributions	–	–	–	–	–	–
	39,040,846	43,341,456	129,614	1,470,326	116,035	(277,907)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(15,917)	(4,011)	(84,985)	(29,808)	(31,428)	(21,025)
Return of capital	–	–	–	–	–	–
	(15,917)	(4,011)	(84,985)	(29,808)	(31,428)	(21,025)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	46,563,336	44,494,912	187,498	1,469,026	114,687	(305,979)
Net Assets Attributable to Holders of Redeemable Units at end of period	218,300,877	132,364,601	3,384,270	1,886,701	839,389	470,489
	2017	2016	2017	2016	2017	2016
	Series E		Series F		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	–	13,292,502	14,119,372	5,625,704	556,545,059	286,638,324
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	–	(572,971)	699,410	56,846	31,248,631	6,910,430
Redeemable Unit Transactions						
Proceeds from redeemable units issued	–	991,055	6,610,382	3,168,127	110,241,893	161,353,623
Redemption of redeemable units	–	(13,709,868)	(1,336,613)	(1,069,937)	(21,122,606)	(7,260,297)
Reinvestment of distributions to holders of redeemable units	–	232	2,615	541	–	–
Capitalized distributions	–	–	–	–	–	–
	–	(12,718,581)	5,276,384	2,098,731	89,119,287	154,093,326
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	(950)	(2,412)	(407)	–	–
Return of capital	–	–	–	–	–	–
	–	(950)	(2,412)	(407)	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	–	(13,292,502)	5,973,382	2,155,170	120,367,918	161,003,756
Net Assets Attributable to Holders of Redeemable Units at end of period	–	–	20,092,754	7,780,874	676,912,977	447,642,080

	2017	2016	2017	2016	2017	2016
	Series O	(\$)	Total	(\$)	Total	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	28,035,221	20,523,115	774,358,667	415,143,477		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	1,504,755	187,693	41,164,152	7,760,926		
Redeemable Unit Transactions						
Proceeds from redeemable units issued	8,557,537	5,123,847	182,127,909	223,009,651		
Redemption of redeemable units	(4,648,321)	(2,220,799)	(44,596,814)	(32,126,365)		
Reinvestment of distributions to holders of redeemable units	263	–	60,550	27,113		
Capitalized distributions	–	–	–	–		
	3,909,479	2,903,048	137,591,645	190,910,399		
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–		
From net investment income	–	–	(134,742)	(56,201)		
Return of capital	–	–	–	–		
	–	–	(134,742)	(56,201)		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	5,414,234	3,090,741	178,621,055	198,615,124		
Net Assets Attributable to Holders of Redeemable Units at end of period	33,449,455	23,613,856	952,979,722	613,758,601		
	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Redeemable Unit Transactions						
Balance – beginning of period	13,274,177	6,893,991	188,888	24,139	49,398	50,336
Units issued	4,169,116	4,101,630	44,176	88,752	14,005	9,950
Units issued on reinvestment of distributions	1,379	431	1,506	799	887	511
Units redeemed	(1,247,068)	(595,792)	(37,804)	(1,642)	(7,137)	(28,992)
Balance – end of period	16,197,604	10,400,260	196,766	112,048	57,153	31,805
	2017	2016	2017	2016	2017	2016
	Series E		Series F		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Redeemable Unit Transactions						
Balance – beginning of period	–	1,313,262	1,062,854	430,167	40,668,207	21,379,117
Units issued	–	100,520	478,453	246,893	7,786,531	12,241,994
Units issued on reinvestment of distributions	–	24	189	42	–	–
Units redeemed	–	(1,413,806)	(97,387)	(84,422)	(1,493,864)	(550,328)
Balance – end of period	–	–	1,444,109	592,680	46,960,874	33,070,783
	2017	2016	2017	2016	2017	2016
	Series O		Total		Total	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Redeemable Unit Transactions						
Balance – beginning of period	2,639,233	1,971,521	57,882,757	32,062,533		
Units issued	780,437	498,534	13,272,718	17,288,273		
Units issued on reinvestment of distributions	25	–	3,986	1,807		
Units redeemed	(427,295)	(221,030)	(3,310,555)	(2,896,012)		
Balance – end of period	2,992,400	2,249,025	67,848,906	46,456,601		

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Balanced Growth Portfolio (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	41,164,152	7,760,926
Adjustments for:		
Gain on short-term investments	–	–
Net realized (gain) loss on sale of investments	(6,893,929)	(4,074,381)
Change in unrealized (appreciation) depreciation in value of investments	(30,776,657)	(1,194,691)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	(5,147,188)	(3,530,427)
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(375,147,417)	(364,099,844)
Proceeds from sale of investments	233,818,605	178,154,939
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	80,634	39,176
Change in distributions receivable from underlying funds	4,454,791	192,026
Change in management fees payable	108,213	218,780
Change in other payables and accrued expenses	28,910	46,738
Net Cash Provided by (Used in) Operating Activities	(138,309,886)	(186,486,758)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(74,192)	(29,088)
Proceeds from redeemable units issued	181,101,304	222,996,871
Redemption of redeemable units	(43,849,901)	(32,237,362)
Net Cash Provided by (Used in) Financing Activities	137,177,211	190,730,421
Net increase (decrease) in cash	(1,132,675)	4,243,663
Cash (bank indebtedness) at beginning of period	4,538,919	492,257
Cash (bank indebtedness) at end of period	3,406,244	4,735,920
Dividends received, net of withholding taxes	1,044,258	717,636
Interest received, net of withholding taxes	6,705	3,469
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Balanced Growth Portfolio (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares Core S&P 500 ETF	419,695	118,025,745	132,672,675	
		118,025,745	132,672,675	13.92
MUTUAL FUNDS				
ABSL Umbrella UCITS Fund	73,724	10,217,705	11,984,916	
Beutel Goodman Canadian Equity Fund, Class I	2,466,905	92,732,509	96,107,907	
Brandes U.S. Small Cap Equity Fund, Series I	546,852	11,115,849	13,392,122	
Invesco Global Real Estate Fund, Series I	2,869,463	36,017,102	35,698,994	
PH&N Bond Fund, Series O	8,576,746	90,280,003	88,509,447	
RBC Global High Yield Bond Fund, Series O	2,839,010	30,306,508	31,026,401	
Sun Life BlackRock Canadian Composite Equity Fund, Series I	5,047,003	53,571,353	56,007,605	
Sun Life BlackRock Canadian Universe Bond Fund, Series I	5,544,677	59,461,995	58,880,032	
Sun Life Dynamic Energy Fund, Series I	1,964,961	19,464,679	18,046,394	
Sun Life Granite Tactical Completion Fund, Series I	7,767,642	78,973,933	78,864,865	
Sun Life MFS Canadian Equity Growth Fund, Series I	450,248	20,396,271	22,384,824	
Sun Life MFS International Growth Fund, Series I	3,981,440	61,018,791	68,143,939	
Sun Life MFS International Value Fund, Series I	4,257,546	79,489,797	95,721,970	
Sun Life MFS Low Volatility International Equity Fund, Series I	508,069	5,049,836	5,455,745	
Sun Life MFS U.S. Growth Fund, Series I	1,527,920	38,726,729	46,530,360	
Sun Life NWQ Flexible Income Fund, Series I	1,381,269	13,711,431	14,031,483	
Sun Life Schroder Emerging Markets Fund, Series I	2,500,669	22,523,322	26,882,941	
Sun Life Sentry Global Mid Cap Fund, Series I	784,524	7,644,813	8,672,681	
Sun Life Sentry Infrastructure Fund, Series I	2,067,927	18,809,443	21,107,326	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Sun Life Sionna Canadian Small Cap Equity Class, Series I	629,484	5,853,853	6,108,201	
Templeton Global Bond (Hedged), Series O	1,600,620	13,818,741	14,085,454	
		769,184,663	817,643,607	85.80
Transaction Costs		(5,450)		
Total Investments		887,204,958	950,316,282	99.72
Other Assets less Liabilities			2,663,440	0.28
Total Net Assets			952,979,722	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Balanced Growth Portfolio (the "Portfolio") expose it to a variety of financial risks, which are described below. The Portfolio's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Portfolio are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Portfolio is exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Portfolio holds assets and liabilities, either directly or indirectly through underlying internally and externally managed

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Balanced Growth Portfolio (Continued)

funds, including cash and cash equivalents. It is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Portfolio. The value of the securities denominated in other currencies will fluctuate due to changes in interest rates.

(ii) Interest rate risk

The Portfolio is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Portfolio is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Portfolio's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Exchange-Traded Funds		
U.S. Equities	13.9	11.3
Mutual Funds		
Canadian Fixed Income	15.4	18.4
International Equities	19.0	14.9
Tactical Balanced	9.8	13.2
Canadian Equities	16.0	12.4
U.S. Equities	4.9	5.4
Global Equities	2.2	4.9
High Yield Fixed Income	3.3	3.8
Canadian Focused Equities	2.4	3.0
Global Fixed Income	1.4	3.0
Emerging Markets Equities	2.8	2.2
U.S. Small/Mid Cap Equities	1.4	1.9
Real Estate Equities	3.8	1.8
Energy Equities	1.9	1.5
Global Small/Mid Cap Equities	0.9	1.2
Canadian Small/Mid Cap Equities	0.6	0.8
Canadian Money Market	–	–
Other Assets less Liabilities	0.3	0.3
Total	100.0	100.0

Fair Value Disclosure

The Portfolio's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Portfolio classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Portfolio's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Portfolio's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Exchange-Traded Funds	132,672,675	–	–	132,672,675
Mutual Funds	817,643,607	–	–	817,643,607

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Balanced Growth Portfolio (Continued)

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Exchange-Traded Funds	87,725,571	–	–	87,725,571
Mutual Funds	684,244,679	–	–	684,244,679

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Portfolio's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Portfolio may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$7,308 (\$3,587 for the period ended June 30, 2016).

Taxation of the Portfolio

The Portfolio currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Interests in Underlying Funds

The Portfolio invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Portfolio, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Portfolio does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Portfolio's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of

Investments, which represents the Portfolio's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, the Portfolio had interests in underlying funds as noted in the following tables:

Underlying Fund	As at June 30, 2017	
	% of Net Assets	Ownership Interest %
Sun Life MFS Low Volatility International Equity Fund	1	26

Underlying Fund	As at December 31, 2016	
	% of Net Assets	Ownership Interest %
Sun Life MFS Low Volatility International Equity Fund	2	20

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	950,316,282	771,970,250
Total financial assets at fair value through profit or loss	950,316,282	771,970,250
Financial assets at amortized cost		
Cash	3,406,244	4,538,919
Other receivables	4,206,972	21,793,084
Total financial assets at amortized cost	7,613,216	26,332,003
Total assets	957,929,498	798,302,253
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	4,949,776	23,943,586
Total liabilities (excluding net assets attributable to holders of redeemable units)	4,949,776	23,943,586

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/ financial liabilities held for trading	–	–
Net gain (loss) on financial assets/ financial liabilities designated at fair value through profit or loss	43,958,154	9,601,117
Total net gains (losses)	43,958,154	9,601,117

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Balanced Growth Portfolio (Continued)

Establishment of the Portfolio

The origin dates on the series of units of the Portfolio are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2012	January 17, 2012
Series T5 Units	January 11, 2012	January 17, 2012
Series T8 Units	January 11, 2012	January 17, 2012
Series F Units	January 11, 2012	January 17, 2012
Series I Units	January 11, 2012	January 17, 2012
Series O units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Balanced Portfolio

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	2,173,337,915	1,770,150,394
Short-term investments	—	—
Cash	8,059,101	5,649,940
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	—	—
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	27,845,804
Accrued interest	—	—
Dividends receivable	—	40,401
Distributions receivable from underlying funds	2,690,034	11,774,851
Subscriptions receivable	7,640,815	5,914,550
	2,191,727,865	1,821,375,940
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	191,450	135,927
Redemptions payable	216,938	135,520
Distributions payable	—	—
Due to investment dealers	10,287,414	46,334,517
Management fees payable	1,047,107	771,729
Total liabilities (excluding net assets attributable to holders of redeemable units)	11,742,909	47,377,693
Net Assets Attributable to Holders of Redeemable Units	2,179,984,956	1,773,998,247
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	510,920,304	384,156,193
Series T5	3,819,047	3,024,957
Series D	45,327,455	48,029,975
Series E	—	—
Series F	36,311,743	18,421,370
Series I	1,509,301,130	1,258,917,964
Series O	74,305,277	61,447,788
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	12.74	12.27
Series T5	16.28	16.07
Series D	10.19	9.77
Series E	—	—
Series F	13.36	12.79
Series I	13.66	13.01
Series O	10.99	10.48

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	2,227,097	1,534,430
Interest income for distribution purposes	24,266	18,653
Distributions from underlying funds	14,906,605	8,984,239
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	16,318,923	8,550,141
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	—	—
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	61,220,143	4,799,608
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	—	—
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	94,697,034	23,887,071
Net gain (loss) on foreign exchange	(169,329)	(449,387)
Other income	—	—
Total income (loss)	94,527,705	23,437,684
Expenses (note 5)		
Management fees	4,878,362	2,389,710
Administration fees	898,715	434,549
Independent review committee fees	5,635	5,582
Withholding tax	333,641	230,100
Transaction costs (note 2)	6,743	6,477
Total operating expenses	6,123,096	3,066,418
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	88,404,609	20,371,266
Finance Cost		
Interest expense	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	88,404,609	20,371,266
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	15,766,548	3,581,052
Series T5	111,372	25,449
Series D	2,022,692	—
Series E	—	(1,324,337)
Series F	936,341	98,585
Series I	66,403,429	17,335,553
Series O	3,164,227	654,964
Weighted Average Number of Units Outstanding		
Series A	35,985,633	19,478,279
Series T5	203,080	115,348
Series D	4,676,663	—
Series E	—	3,686,002
Series F	2,057,752	210,346
Series I	104,829,153	64,543,090
Series O	6,386,951	2,958,791
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.44	0.18
Series T5	0.55	0.22
Series D	0.43	—
Series E	—	(0.36)
Series F	0.46	0.47
Series I	0.63	0.27
Series O	0.50	0.22

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Balanced Portfolio (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series D	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	384,156,193	171,767,971	3,024,957	1,389,857	48,029,975	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	15,766,548	3,581,052	111,372	25,449	2,022,692	–
Redeemable Unit Transactions						
Proceeds from redeemable units issued	147,815,817	124,381,682	901,998	853,532	197,764	–
Redemption of redeemable units	(36,825,746)	(15,169,100)	(175,163)	(30,935)	(4,922,976)	–
Reinvestment of distributions to holders of redeemable units	51,537	17,185	39,311	30,581	–	–
Capitalized distributions	–	–	–	–	–	–
	111,041,608	109,229,767	766,146	853,178	(4,725,212)	–
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(44,045)	(10,849)	(83,428)	(49,034)	–	–
Return of capital	–	–	–	–	–	–
	(44,045)	(10,849)	(83,428)	(49,034)	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	126,764,111	112,799,970	794,090	829,593	(2,702,520)	–
Net Assets Attributable to Holders of Redeemable Units at end of period	510,920,304	284,567,941	3,819,047	2,219,450	45,327,455	–
	2017	2016	2017	2016	2017	2016
	Series E		Series F		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	–	35,861,201	18,421,370	1,111,987	1,258,917,964	695,855,393
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	–	(1,324,337)	936,341	98,585	66,403,429	17,335,553
Redeemable Unit Transactions						
Proceeds from redeemable units issued	–	2,396,607	18,285,608	4,326,656	201,339,549	315,076,038
Redemption of redeemable units	–	(36,922,519)	(1,332,407)	(39,512)	(17,359,812)	(7,079,479)
Reinvestment of distributions to holders of redeemable units	–	(8,387)	8,307	(1,662)	–	–
Capitalized distributions	–	–	–	–	–	–
	–	(34,534,299)	16,961,508	4,285,482	183,979,737	307,996,559
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	(2,565)	(7,476)	(43)	–	–
Return of capital	–	–	–	–	–	–
	–	(2,565)	(7,476)	(43)	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	–	(35,861,201)	17,890,373	4,384,024	250,383,166	325,332,112
Net Assets Attributable to Holders of Redeemable Units at end of period	–	–	36,311,743	5,496,011	1,509,301,130	1,021,187,505

	2017	2016	2017	2016	2017	2016
	Series O		Total			
	(\$)	(\$)	(\$)	(\$)		(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	61,447,788	24,011,097	1,773,998,247	929,997,506		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	3,164,227	654,964	88,404,609	20,371,266		
Redeemable Unit Transactions						
Proceeds from redeemable units issued	18,946,620	13,993,374	387,487,356	461,027,889		
Redemption of redeemable units	(9,253,358)	(1,674,955)	(69,869,462)	(60,916,500)		
Reinvestment of distributions to holders of redeemable units	–	285	99,155	38,002		
Capitalized distributions	–	–	–	–		
	9,693,262	12,318,704	317,717,049	400,149,391		
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–		
From net investment income	–	–	(134,949)	(62,491)		
Return of capital	–	–	–	–		
	–	–	(134,949)	(62,491)		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	12,857,489	12,973,668	405,986,709	420,458,166		
Net Assets Attributable to Holders of Redeemable Units at end of period	74,305,277	36,984,765	2,179,984,956	1,350,455,672		
	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series D	
Redeemable Unit Transactions						
Balance – beginning of period	31,314,260	14,132,461	188,231	84,417	4,916,076	–
Units issued	11,689,784	10,492,086	54,604	53,615	19,505	–
Units issued on reinvestment of distributions	4,061	1,428	2,402	1,915	–	–
Units redeemed	(2,906,924)	(1,272,772)	(10,659)	(1,939)	(488,924)	–
Balance – end of period	40,101,181	23,353,203	234,578	138,008	4,446,657	–
	2017	2016	2017	2016	2017	2016
	Series E		Series F		Series I	
Redeemable Unit Transactions						
Balance – beginning of period	–	3,559,053	1,440,255	88,033	96,773,281	54,455,453
Units issued	–	243,656	1,378,573	346,844	15,026,717	24,975,684
Units issued on reinvestment of distributions	–	(832)	624	(132)	–	–
Units redeemed	–	(3,801,877)	(100,718)	(3,169)	(1,290,183)	(564,152)
Balance – end of period	–	–	2,718,734	431,576	110,509,815	78,866,985
	2017	2016	2017	2016	2017	2016
	Series O		Total			
Redeemable Unit Transactions						
Balance – beginning of period	5,862,672	2,331,037	140,494,775	74,650,454		
Units issued	1,749,753	1,380,396	29,918,936	37,492,281		
Units issued on reinvestment of distributions	–	28	7,087	2,407		
Units redeemed	(853,363)	(164,844)	(5,650,771)	(5,808,753)		
Balance – end of period	6,759,062	3,546,617	164,770,027	106,336,389		

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Balanced Portfolio (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	88,404,609	20,371,266
Adjustments for:		
Gain on short-term investments	–	–
Net realized (gain) loss on sale of investments	(16,318,923)	(8,550,141)
Change in unrealized (appreciation) depreciation in value of investments	(61,220,143)	(4,799,608)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	(14,906,605)	(8,984,239)
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(790,548,673)	(790,043,326)
Proceeds from sale of investments	471,598,781	421,307,375
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	40,401	74,912
Change in distributions receivable from underlying funds	9,084,817	89,620
Change in management fees payable	275,378	451,864
Change in other payables and accrued expenses	62,266	98,624
Net Cash Provided by (Used in) Operating Activities	(313,528,092)	(369,983,653)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(35,794)	(24,446)
Proceeds from redeemable units issued	385,761,091	464,534,959
Redemption of redeemable units	(69,788,044)	(60,724,851)
Net Cash Provided by (Used in) Financing Activities	315,937,253	403,785,662
Net increase (decrease) in cash	2,409,161	33,802,009
Cash (bank indebtedness) at beginning of period	5,649,940	2,941,351
Cash (bank indebtedness) at end of period	8,059,101	36,743,360
Dividends received, net of withholding taxes	1,933,857	1,379,242
Interest received, net of withholding taxes	24,266	18,653
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Balanced Portfolio (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares Core S&P 500 ETF	833,777	235,253,456	263,570,986	
iShares Core S&P 500 Index ETF (CAD- Hedged)	20,013	513,635	552,759	
		235,767,091	264,123,745	12.12
MUTUAL FUNDS				
ABSL Umbrella UCITS Fund	126,889	17,433,732	20,627,689	
Beutel Goodman Canadian Equity Fund, Series I	5,044,190	189,539,010	196,516,111	
Brandes U.S. Small Cap Equity Fund, Class I	1,039,020	21,008,262	25,445,072	
Invesco Global Real Estate Fund, Series I	4,792,865	60,371,033	59,628,032	
PH&N Bond Fund, Series O	27,178,108	286,331,144	280,469,917	
RBC Global High Yield Bond Fund, Series O	9,995,678	106,880,339	109,238,770	
Sun Life BlackRock Canadian Composite Equity Fund, Series I	10,217,516	108,420,177	113,385,822	
Sun Life BlackRock Canadian Universe Bond Fund, Series I	17,583,038	188,629,578	186,717,795	
Sun Life Dynamic Energy Fund, Series I	4,032,794	39,368,322	37,037,581	
Sun Life Granite Tactical Completion Fund, Series I	17,692,459	179,736,944	179,631,540	
Sun Life MFS Canadian Equity Growth Fund, Series I	939,515	42,477,301	46,709,603	
Sun Life MFS International Growth Fund, Series I	7,959,819	122,501,825	136,235,493	
Sun Life MFS International Value Fund, Series I	8,500,520	159,096,660	191,116,343	
Sun Life MFS Low Volatility International Equity Fund, Series I	637,419	6,341,799	6,844,728	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Sun Life MFS U.S. Growth Fund, Series I	3,052,140	77,194,373	92,948,041	
Sun Life NWQ Flexible Income Fund, Series I	4,329,505	43,089,739	43,980,845	
Sun Life Schroder Emerging Markets Fund, Series I	4,287,629	38,170,435	46,093,299	
Sun Life Sentry Global Mid Cap Fund, Series I	1,212,478	11,892,697	13,403,582	
Sun Life Sentry Infrastructure Fund, Series I	4,129,855	37,669,224	42,153,430	
Sun Life Sionna Canadian Small Cap Equity Class, Series I	1,282,166	12,126,102	12,441,496	
Templeton Global Bond (Hedged), Series O	7,794,202	67,284,052	68,588,981	
		1,815,562,748	1,909,214,170	87.58
Transaction Costs		(10,966)		
Total Investments		2,051,318,873	2,173,337,915	99.70
Other Assets less Liabilities			6,647,041	0.30
Total Net Assets			2,179,984,956	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Balanced Portfolio (the "Portfolio") expose it to a variety of financial risks, which are described below. The Portfolio's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Portfolio are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Portfolio is exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Balanced Portfolio (Continued)

once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Portfolio holds assets and liabilities, either directly or indirectly through underlying internally and externally managed funds, including cash and cash equivalents. It is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Portfolio. The value of the securities denominated in other currencies will fluctuate due to changes in interest rates.

(ii) Interest rate risk

The Portfolio is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Portfolio is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

The Portfolio's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Exchange-Traded Funds		
U.S. Equities	12.1	9.9
Mutual Funds		
Canadian Fixed Income	21.4	22.5
International Equities	16.3	13.6
Tactical Balanced	10.3	13.6
Canadian Equities	14.2	11.2
U.S. Equities	4.3	4.9
High Yield Fixed Income	5.0	4.8
Global Fixed Income	3.1	4.2
Global Equities	2.0	3.9
Canadian Focused Equities	2.1	2.7
Real Estate Equities	2.7	1.8
Emerging Markets Equities	2.1	1.8
U.S. Small/Mid Cap Equities	1.2	1.6
Energy Equities	1.7	1.5
Global Small/Mid Cap Equities	0.6	1.0
Canadian Small/Mid Cap Equities	0.6	0.5
Canadian Money Market	–	0.3
Other Assets less Liabilities	0.3	0.2
Total	100.0	100.0

Fair Value Disclosure

The Portfolio's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Portfolio classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Portfolio's equities do not trade frequently, observable

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Balanced Portfolio (Continued)

prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Portfolio's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

June 30, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Exchange-Traded Funds	264,123,745	–	–	264,123,745
Mutual Funds	1,909,214,170	–	–	1,909,214,170
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Exchange-Traded Funds	175,770,040	–	–	175,770,040
Mutual Funds	1,594,380,354	–	–	1,594,380,354

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Portfolio's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Portfolio may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$6,743 (\$6,477 for the period ended June 30, 2016).

Taxation of the Portfolio

The Portfolio currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Portfolio. Investment by the Company in the Portfolio is for the purposes of regulatory seed money investments. As at June 30, 2017, the Company held the following position in the Portfolio:

June 30, 2017		
	Units	Market Value (\$)
Series D	1,038	10,578
December 31, 2016		
	Units	Market Value (\$)
Series D	1,038	10,139

Interests in Underlying Funds

The Portfolio invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Portfolio, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Portfolio does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Portfolio's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Portfolio's maximum exposure to financial loss.

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Balanced Portfolio (Continued)

As at June 30, 2017 and December 31, 2016, the Portfolio had interests in underlying funds as noted in the following tables:

Underlying Funds	As at June 30, 2017	
	% of Net Assets	Ownership Interest %
ABSL Umbrella UCITS Fund	1	22
Sun Life Dynamic Energy Fund	2	34
Sun Life Granite Tactical Completion Fund	8	36
Sun Life MFS Canadian Equity Growth Fund	2	34
Sun Life MFS International Growth Fund	6	23
Sun Life MFS Low Volatility International Equity Fund	0.3	32
Sun Life NWQ Flexible Income Fund	2	21
Sun Life Sentry Global Mid Cap Fund	1	25
Sun Life Sentry Infrastructure Fund	2	27
Sun Life Sionna Canadian Small Cap Equity Class	1	13

Underlying Funds	As at December 31, 2016	
	% of Net Assets	Ownership Interest %
ABSL Umbrella UCITS Fund	1	22
Sun Life Dynamic Energy Fund	2	38
Sun Life Granite Tactical Completion Fund	12	37
Sun Life MFS Canadian Equity Growth Fund	3	34
Sun Life MFS International Growth Fund	3	1
Sun Life MFS Low Volatility International Equity Fund	1	41
Sun Life NWQ Flexible Income Fund	2	28
Sun Life Sentry Global Mid Cap Fund	1	30
Sun Life Sentry Infrastructure Fund	4	32
Sun Life Sionna Canadian Small Cap Equity Class	1	22

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	2,173,337,915	1,770,150,394
Total financial assets at fair value through profit or loss	2,173,337,915	1,770,150,394
Financial assets at amortized cost		
Cash	8,059,101	5,649,940
Other receivables	10,330,849	45,575,606
Total financial assets at amortized cost	18,389,950	51,225,546
Total assets	2,191,727,865	1,821,375,940
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	11,742,909	47,377,693
Total liabilities (excluding net assets attributable to holders of redeemable units)	11,742,909	47,377,693

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/ financial liabilities held for trading	–	–
Net gain (loss) on financial assets/ financial liabilities designated at fair value through profit or loss	94,697,034	23,887,071
Total net gains (losses)	94,697,034	23,887,071

Establishment of the Portfolio

The origin dates on the series of units of the Portfolio are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2012	January 17, 2012
Series T5 Units	January 11, 2012	January 17, 2012
Series D Units	July 29, 2016	July 29, 2016
Series F Units	January 11, 2012	January 17, 2012
Series I Units	January 11, 2012	January 17, 2012
Series O Units	April 01, 2014	April 01, 2014

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

Fund Merger

As of close of business on August 25, 2016, all assets of the Sun Life MFS Balanced Growth Fund and the Sun Life MFS Balanced Value Fund (the "Terminating Funds") were reclassified into the Sun Life Granite Balanced Portfolio (the "Continuing Fund").

Terminating Funds	Sun Life MFS Balanced Growth Fund and Sun Life MFS Balanced Value Fund	Continuing Fund Sun Life Granite Balanced Portfolio	Net Assets Acquired by Continuing Fund (\$)	Units Issued by Continuing Fund
Series A	Series A		14,088,195	1,131,964
Series D	Series D		49,454,964	4,988,548
Series F	Series F		5,552,222	427,696
Series I	Series I		4,608,188	349,428
Series O	Series O		5,721,672	538,439

Under the tax reorganization rules in the *Income Tax Act* (Canada), the discontinuation of the Terminating Funds was executed on a non-taxable basis. The execution of this merger is recorded as a subscription on the Continuing Fund's Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Conservative Portfolio

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	1,053,136,048	890,315,955
Short-term investments	—	—
Cash	—	909,693
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	—	—
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	19,051,655
Accrued interest	—	—
Dividends receivable	—	—
Distributions receivable from underlying funds	2,301,108	5,293,838
Subscriptions receivable	4,851,117	4,186,534
	1,060,288,273	919,757,675
Liabilities		
Current Liabilities		
Bank indebtedness	349,305	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	115,748	91,820
Redemptions payable	645,147	95,853
Distributions payable	—	—
Due to investment dealers	6,663,458	27,950,044
Management fees payable	618,954	515,081
Total liabilities (excluding net assets attributable to holders of redeemable units)	8,392,612	28,652,798
Net Assets Attributable to Holders of Redeemable Units	1,051,895,661	891,104,877
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	373,626,064	321,953,351
Series T5	5,491,169	5,603,667
Series E	—	—
Series F	25,178,927	14,658,286
Series I	602,261,982	505,650,469
Series O	45,337,519	43,239,104
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	11.48	11.14
Series T5	14.43	14.35
Series E	—	—
Series F	11.73	11.33
Series I	12.11	11.64
Series O	10.61	10.21

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	599,668	424,678
Interest income for distribution purposes	23,549	31,666
Distributions from underlying funds	11,281,524	7,048,852
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	7,267,370	1,586,815
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	—	—
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	17,749,029	6,968,818
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	—	—
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	36,921,140	16,060,829
Net gain (loss) on foreign exchange	(69,366)	(321,439)
Other income	—	—
Total income (loss)	36,851,774	15,739,390
Expenses (note 5)		
Management fees	3,000,195	1,814,074
Administration fees	556,959	333,539
Independent review committee fees	3,946	2,963
Withholding tax	89,950	63,684
Transaction costs (note 2)	2,125	1,975
Total operating expenses	3,653,175	2,216,235
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	33,198,599	13,523,155
Finance Cost		
Interest expense	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		
	33,198,599	13,523,155
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	10,166,638	4,518,732
Series T5	165,531	47,450
Series E	—	(960,115)
Series F	471,464	171,546
Series I	20,744,393	8,982,107
Series O	1,650,573	763,435
Weighted Average Number of Units Outstanding		
Series A	30,824,968	18,447,748
Series T5	377,664	180,428
Series E	—	5,790,319
Series F	1,565,198	390,755
Series I	46,115,113	28,621,670
Series O	4,175,535	2,887,298
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.33	0.24
Series T5	0.44	0.26
Series E	—	(0.17)
Series F	0.30	0.44
Series I	0.45	0.31
Series O	0.40	0.26

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Conservative Portfolio (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	(\$)	Series T5 (\$)	(\$)	Series E (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	321,953,351	130,506,379	5,603,667	2,362,522	–	56,427,133
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	10,166,638	4,518,732	165,531	47,450	–	(960,115)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	87,196,645	137,795,630	525,309	2,574,627	–	3,637,971
Redemption of redeemable units	(45,693,349)	(20,662,169)	(736,797)	(383,083)	–	(59,102,543)
Reinvestment of distributions to holders of redeemable units	52,224	23,028	70,745	46,319	–	2,146
Capitalized distributions	–	–	–	–	–	–
	41,555,520	117,156,489	(140,743)	2,237,863	–	(55,462,426)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	(69,161)	–	–
From net investment income	(49,445)	(17,348)	(137,286)	–	–	(4,592)
Return of capital	–	–	–	–	–	–
	(49,445)	(17,348)	(137,286)	(69,161)	–	(4,592)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	51,672,713	121,657,873	(112,498)	2,216,152	–	(56,427,133)
Net Assets Attributable to Holders of Redeemable Units at end of period	373,626,064	252,164,252	5,491,169	4,578,674	–	–
	2017	2016	2017	2016	2017	2016
	Series F (\$)	(\$)	Series I (\$)	(\$)	Series O (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	14,658,286	1,348,672	505,650,469	275,721,213	43,239,104	23,426,465
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	471,464	171,546	20,744,393	8,982,107	1,650,573	763,435
Redeemable Unit Transactions						
Proceeds from redeemable units issued	14,729,856	6,771,651	101,660,864	136,320,102	12,770,840	13,943,019
Redemption of redeemable units	(4,681,406)	(150,672)	(25,793,744)	(11,990,296)	(12,323,006)	(1,588,306)
Reinvestment of distributions to holders of redeemable units	3,466	635	–	–	8	–
Capitalized distributions	–	–	–	–	–	–
	10,051,916	6,621,614	75,867,120	124,329,806	447,842	12,354,713
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(2,739)	(408)	–	–	–	–
Return of capital	–	–	–	–	–	–
	(2,739)	(408)	–	–	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	10,520,641	6,792,752	96,611,513	133,311,913	2,098,415	13,118,148
Net Assets Attributable to Holders of Redeemable Units at end of period	25,178,927	8,141,424	602,261,982	409,033,126	45,337,519	36,544,613

	2017	2016
	Total (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	891,104,877	489,792,384
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	33,198,599	13,523,155
Redeemable Unit Transactions		
Proceeds from redeemable units issued	216,883,514	301,043,000
Redemption of redeemable units	(89,228,302)	(93,877,069)
Reinvestment of distributions to holders of redeemable units	126,443	72,128
Capitalized distributions	–	–
	127,781,655	207,238,059
Distributions to Holders of Redeemable Units		
From capital gains	–	(69,161)
From net investment income	(189,470)	(22,348)
Return of capital	–	–
	(189,470)	(91,509)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	160,790,784	220,669,705
Net Assets Attributable to Holders of Redeemable Units at end of period	1,051,895,661	710,462,089

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series E	
Redeemable Unit Transactions						
Balance – beginning of period	28,899,258	11,710,101	390,385	159,409	–	5,665,126
Units issued	7,648,389	12,505,823	36,196	176,682	–	369,647
Units issued on reinvestment of distributions	4,571	2,069	4,869	3,194	–	217
Units redeemed	(4,004,381)	(1,867,185)	(50,891)	(26,398)	–	(6,034,990)
Balance – end of period	32,547,837	22,350,808	380,559	312,887	–	–

	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
Redeemable Unit Transactions						
Balance – beginning of period	1,293,309	118,894	43,437,993	23,791,023	4,233,213	2,302,881
Units issued	1,256,561	600,370	8,459,483	11,787,303	1,214,268	1,373,379
Units issued on reinvestment of distributions	297	56	–	–	1	–
Units redeemed	(402,995)	(13,356)	(2,150,580)	(1,034,158)	(1,175,232)	(156,817)
Balance – end of period	2,147,172	705,964	49,746,896	34,544,168	4,272,250	3,519,443

	2017	2016
	Total	Total
Redeemable Unit Transactions		
Balance – beginning of period	78,254,158	43,747,434
Units issued	18,614,897	26,813,204
Units issued on reinvestment of distributions	9,738	5,536
Units redeemed	(7,784,079)	(9,132,904)
Balance – end of period	89,094,714	61,433,270

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Conservative Portfolio (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	33,198,599	13,523,155
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(7,267,370)	(1,586,815)
Change in unrealized (appreciation) depreciation in value of investments	(17,749,029)	(6,968,818)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(11,281,524)	(7,048,852)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(457,167,715)	(448,262,009)
Proceeds from sale of investments	328,408,489	272,339,759
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	-	21,983
Change in distributions receivable from underlying funds	2,992,730	(527,803)
Change in management fees payable	103,873	337,937
Change in other payables and accrued expenses	26,053	68,440
Net Cash Provided by (Used in) Operating Activities	(128,735,894)	(178,103,023)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(63,027)	(19,381)
Proceeds from redeemable units issued	216,218,931	300,701,134
Redemption of redeemable units	(88,679,008)	(93,155,987)
Net Cash Provided by (Used in) Financing Activities	127,476,896	207,525,766
Net increase (decrease) in cash	(1,258,998)	29,422,743
Cash (bank indebtedness) at beginning of period	909,693	(374,531)
Cash (bank indebtedness) at end of period	(349,305)	29,048,212
Dividends received, net of withholding taxes	509,718	382,977
Interest received, net of withholding taxes	23,549	31,666
Interest paid	-	-

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Conservative Portfolio (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares Core S&P 500 ETF	215,403	63,687,854	68,092,525	
		63,687,854	68,092,525	6.48
MUTUAL FUNDS				
Beutel Goodman Canadian Equity Fund, Class I	1,258,370	47,469,687	49,024,704	
Brandes U.S. Small Cap Equity Fund, Series I	301,975	6,325,565	7,395,227	
Invesco Global Real Estate Fund, Series I	1,169,285	14,820,773	14,547,072	
PH&N Bond Fund, Series O	25,890,814	273,090,957	267,185,437	
RBC Global High Yield Bond Fund, Series O	8,166,636	87,535,689	89,249,903	
Sun Life BlackRock Canadian Composite Equity Fund, Series I	2,554,214	27,354,620	28,344,626	
Sun Life BlackRock Canadian Universe Bond Fund, Series I	16,696,715	179,161,563	177,305,761	
Sun Life Dynamic Energy Fund, Series I	1,015,986	9,616,480	9,330,913	
Sun Life Granite Tactical Completion Fund, Series I	8,329,384	85,276,547	84,568,238	
Sun Life MFS Canadian Equity Growth Fund, Series I	236,895	10,796,353	11,777,662	
Sun Life MFS International Growth Fund, Series I	2,151,552	33,296,647	36,824,672	
Sun Life MFS International Value Fund, Series I	2,282,423	43,309,439	51,315,487	
Sun Life MFS Low Volatility International Equity Fund, Series I	143,922	1,431,311	1,545,464	
Sun Life MFS U.S. Growth Fund, Series I	806,707	20,581,681	24,566,980	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Sun Life NWQ Flexible Income Fund, Series I	3,637,420	36,045,950	36,950,368	
Sun Life Sentry Global Mid Cap Fund, Series I	390,751	3,820,152	4,319,634	
Sun Life Sentry Infrastructure Fund, Series I	1,000,488	9,173,497	10,211,981	
Sun Life Sionna Canadian Small Cap Equity Class, Series I	354,756	3,441,510	3,442,376	
Templeton Global Bond (Hedged), Series O	8,765,570	75,745,293	77,137,018	
		968,293,714	985,043,523	93.65
Transaction Costs		(2,827)		
Total Investments		1,031,978,741	1,053,136,048	100.13
Other Assets less Liabilities			(1,240,387)	(0.13)
Total Net Assets			1,051,895,661	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Conservative Portfolio (the "Portfolio") expose it to a variety of financial risks, which are described below. The Portfolio's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Portfolio are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Portfolio is exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Conservative Portfolio (Continued)

its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Portfolio holds assets and liabilities, either directly or indirectly through underlying internally and externally managed funds, including cash and cash equivalents. It is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Portfolio. The value of the securities denominated in other currencies will fluctuate due to changes in interest rates.

(ii) Interest rate risk

The Portfolio is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Portfolio is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

The Portfolio's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Exchange-Traded Funds		
U.S. Equities	6.5	5.0
Mutual Funds		
Canadian Fixed Income	42.3	41.5
Tactical Balanced	11.5	14.1
Global Fixed Income	7.3	9.4
High Yield Fixed Income	8.5	7.0
International Equities	8.5	6.0
Canadian Equities	7.4	5.5
U.S. Equities	2.3	3.1
Canadian Money Market	–	2.5
Global Equities	1.0	1.4
Canadian Focused Equities	1.1	1.2
Energy Equities	0.9	1.0
U.S. Small/Mid Cap Equities	0.7	1.0
Global Small/Mid Cap Equities	0.4	0.6
Real Estate Equities	1.4	0.4
Canadian Small/Mid Cap Equities	0.3	0.2
Emerging Markets Equities	–	–
Other Assets less Liabilities	(0.1)	0.1
Total	100.0	100.0

Fair Value Disclosure

The Portfolio's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Portfolio classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Portfolio's equities do not trade frequently, observable

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Conservative Portfolio (Continued)

prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Portfolio's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

June 30, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Exchange-Traded				
Funds	68,092,525	–	–	68,092,525
Mutual Funds	985,043,523	–	–	985,043,523
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Exchange-Traded				
Funds	44,782,569	–	–	44,782,569
Mutual Funds	845,533,386	–	–	845,533,386

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Portfolio's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Portfolio may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$2,125 (\$1,975 for the period ended June 30, 2016).

Taxation of the Portfolio

The Portfolio currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Interests in Underlying Funds

The Portfolio invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Portfolio, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Portfolio does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Portfolio's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Portfolio's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Conservative Portfolio (Continued)

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	1,053,136,048	890,315,955
Total financial assets at fair value through profit or loss	1,053,136,048	890,315,955
Financial assets at amortized cost		
Cash	–	909,693
Other receivables	7,152,225	28,532,027
Total financial assets at amortized cost	7,152,225	29,441,720
Total assets	1,060,288,273	919,757,675
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	8,392,612	28,652,798
Total liabilities (excluding net assets attributable to holders of redeemable units)	8,392,612	28,652,798

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	36,921,140	16,060,829
Total net gains (losses)	36,921,140	16,060,829

Establishment of the Portfolio

The origin dates on the series of units of the Portfolio are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2012	January 17, 2012
Series T5 Units	January 11, 2012	January 17, 2012
Series F Units	January 11, 2012	January 17, 2012
Series I Units	January 11, 2012	January 17, 2012
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Enhanced Income Portfolio

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	168,196,517	119,542,004
Short-term investments	—	—
Cash	2,535,938	13,857,282
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	322,783	45,044
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	3,498,045
Accrued interest	—	—
Dividends receivable	29,636	—
Distributions receivable from underlying funds	985,454	171,159
Subscriptions receivable	338,279	763,977
	172,408,607	137,877,511
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	172,426
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	25,584	21,159
Redemptions payable	200,895	78,611
Distributions payable	—	—
Due to investment dealers	1,770,691	4,355,231
Management fees payable	193,602	154,209
Total liabilities (excluding net assets attributable to holders of redeemable units)	2,190,772	4,781,636
Net Assets Attributable to Holders of Redeemable Units	170,217,835	133,095,875
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	101,263,177	81,335,677
Series E	—	—
Series F	6,947,942	5,928,652
Series I	47,690,921	33,850,733
Series O	14,315,795	11,980,813
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	9.64	9.63
Series E	—	—
Series F	10.19	10.11
Series I	10.75	10.60
Series O	9.97	9.85

Approved on behalf of Trustee

“signed” Rick Headrick	“signed” Paul Sergi
President	Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	275,061	19,263
Interest income for distribution purposes	10,590	4,291
Distributions from underlying funds	3,107,674	1,768,746
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	88,576	(367,346)
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	99,546	42,061
Net realized gain (loss) on option contracts	156,543	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	2,150,425	2,408,361
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	277,740	(22,306)
Change in unrealized appreciation (depreciation) in option contracts	7,293	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	6,173,448	3,853,070
Net gain (loss) on foreign exchange	(34,187)	(8,901)
Other income	—	—
Total income (loss)	6,139,261	3,844,169
Expenses (note 5)		
Management fees	927,010	564,346
Administration fees	129,895	74,203
Independent review committee fees	1,044	402
Withholding tax	17,367	2,889
Transaction costs (note 2)	17,790	196
Total operating expenses	1,093,106	642,036
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	5,046,155	3,202,133
Finance Cost		
Interest expense	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	5,046,155	3,202,133
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	2,710,000	2,362,795
Series E	—	(295,270)
Series F	226,548	47,723
Series I	1,589,543	739,784
Series O	520,064	347,101
Weighted Average Number of Units Outstanding		
Series A	9,380,081	5,711,450
Series E	—	1,147,130
Series F	624,005	86,044
Series I	3,805,005	1,353,046
Series O	1,329,358	763,448
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.29	0.41
Series E	—	(0.26)
Series F	0.36	0.55
Series I	0.42	0.55
Series O	0.39	0.45

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Enhanced Income Portfolio (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series E		Series F	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	81,335,677	42,623,068	–	10,780,275	5,928,652	504,255
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,710,000	2,362,795	–	(295,270)	226,548	47,723
Redeemable Unit Transactions						
Proceeds from redeemable units issued	27,294,974	26,822,346	–	216,414	1,437,905	1,311,410
Redemption of redeemable units	(9,628,635)	(6,499,853)	–	(10,696,928)	(556,972)	(101,225)
Reinvestment of distributions to holders of redeemable units	2,418,123	1,474,172	–	54,164	102,835	15,993
Capitalized distributions	–	–	–	–	–	–
	20,084,462	21,796,665	–	(10,426,350)	983,768	1,226,178
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(2,866,962)	(1,758,641)	–	(58,655)	(191,026)	(28,264)
Return of capital	–	–	–	–	–	–
	(2,866,962)	(1,758,641)	–	(58,655)	(191,026)	(28,264)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	19,927,500	22,400,819	–	(10,780,275)	1,019,290	1,245,637
Net Assets Attributable to Holders of Redeemable Units at end of period	101,263,177	65,023,887	–	–	6,947,942	1,749,892

	2017	2016	2017	2016	2017	2016
	Series I		Series O		Total	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	33,850,733	10,952,320	11,980,813	6,669,088	133,095,875	71,529,006
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	1,589,543	739,784	520,064	347,101	5,046,155	3,202,133
Redeemable Unit Transactions						
Proceeds from redeemable units issued	14,353,842	7,425,463	3,617,992	2,623,030	46,704,713	38,398,663
Redemption of redeemable units	(2,103,197)	(390,801)	(1,719,938)	(756,731)	(14,008,742)	(18,445,538)
Reinvestment of distributions to holders of redeemable units	1,169,900	421,604	318,302	191,624	4,009,160	2,157,557
Capitalized distributions	–	–	–	–	–	–
	13,420,545	7,456,266	2,216,356	2,057,923	36,705,131	22,110,682
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(1,169,900)	(421,648)	(401,438)	(232,878)	(4,629,326)	(2,500,086)
Return of capital	–	–	–	–	–	–
	(1,169,900)	(421,648)	(401,438)	(232,878)	(4,629,326)	(2,500,086)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	13,840,188	7,774,402	2,334,982	2,172,146	37,121,960	22,812,729
Net Assets Attributable to Holders of Redeemable Units at end of period	47,690,921	18,726,722	14,315,795	8,841,234	170,217,835	94,341,735
	2017	2016	2017	2016	2017	2016
	Series A		Series E		Series F	
Redeemable Unit Transactions						
Balance – beginning of period	8,442,866	4,372,351	–	1,135,542	586,271	49,960
Units issued	2,798,705	2,812,483	–	23,479	139,775	130,567
Units issued on reinvestment of distributions	249,121	153,165	–	5,816	10,032	1,592
Units redeemed	(986,527)	(676,477)	–	(1,164,837)	(54,337)	(10,137)
Balance – end of period	10,504,165	6,661,522	–	–	681,741	171,982
	2017	2016	2017	2016	2017	2016
	Series I		Series O		Total	
Redeemable Unit Transactions						
Balance – beginning of period	3,194,136	1,048,857	1,216,128	682,904	13,439,401	7,289,614
Units issued	1,326,487	716,185	360,409	270,328	4,625,376	3,953,042
Units issued on reinvestment of distributions	108,476	40,532	31,817	19,774	399,446	220,879
Units redeemed	(194,317)	(37,857)	(171,881)	(77,937)	(1,407,062)	(1,967,245)
Balance – end of period	4,434,782	1,767,717	1,436,473	895,069	17,057,161	9,496,290

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Enhanced Income Portfolio (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	5,046,155	3,202,133
Adjustments for:		
Gain on short-term investments	–	–
Net realized (gain) loss on sale of investments	(88,576)	367,346
Change in unrealized (appreciation) depreciation in value of investments	(2,150,425)	(2,408,361)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	(277,740)	22,306
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	(3,107,674)	(1,768,746)
Change in fair value of option contracts	(172,426)	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(83,951,334)	(31,011,194)
Proceeds from sale of investments	41,552,294	12,979,579
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	(29,636)	–
Change in distributions receivable from underlying funds	(814,295)	(429,716)
Change in management fees payable	39,393	99,769
Change in other payables and accrued expenses	9,133	14,115
Net Cash Provided by (Used in) Operating Activities	(43,945,131)	(18,932,769)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(620,166)	(341,365)
Proceeds from redeemable units issued	47,130,411	38,540,744
Redemption of redeemable units	(13,886,458)	(18,358,227)
Net Cash Provided by (Used in) Financing Activities	32,623,787	19,841,152
Net increase (decrease) in cash	(11,321,344)	908,383
Cash (bank indebtedness) at beginning of period	13,857,282	(50,570)
Cash (bank indebtedness) at end of period	2,535,938	857,813
Dividends received, net of withholding taxes	228,058	16,374
Interest received, net of withholding taxes	10,590	4,291
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Enhanced Income Portfolio (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares Core S&P 500 Index ETF (CAD - Hedged)	321,254	8,752,234	8,873,036	
iShares iBoxx \$ Investment Grade Corporate Bond ETF	52,109	8,190,902	8,155,397	
Vanguard Global ex-U.S. Real Estate ETF	98,415	7,094,940	7,189,407	
Vanguard REIT ETF	54,931	6,254,722	5,937,542	
		30,292,798	30,155,382	17.71
MUTUAL FUNDS				
Dynamic Equity Income Fund, Series O	3,047,786	21,994,113	22,949,830	
Guardian Global Dividend Growth Fund, Series I	1,461,801	26,035,003	27,677,741	
RBC Global High Yield Bond Fund, Series O	3,090,621	33,320,277	33,776,163	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Sun Life Dynamic Energy Fund, Series I	806,072	8,198,688	7,403,048	
Sun Life Granite Tactical Completion Fund, Series I	1,333,211	13,741,545	13,536,093	
Sun Life MFS Canadian Bond Fund, Series I	556,894	7,656,351	7,630,672	
Sun Life NWQ Flexible Income Fund, Series I	1,344,688	13,385,462	13,659,875	
Sun Life Sentry Infrastructure Fund, Series I	1,117,636	10,506,242	11,407,713	
		134,837,681	138,041,135	81.10
Transaction Costs		(6,048)		
Total Investments		165,124,431	168,196,517	98.81
Currency Forward Contracts⁽¹⁾			322,783	0.19
Other Assets less Liabilities			1,698,535	1.00
Total Net Assets			170,217,835	100.00

(1) Currency Forward Contracts

Counterparty	Credit Rating For Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	15,934,328	USD	(12,028,341)	322,783
							322,783

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Enhanced Income Portfolio (the "Portfolio") expose it to a variety of financial risks, which are described below. The Portfolio's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Portfolio are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Portfolio held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the

terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Portfolio is also exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Portfolio holds assets and liabilities, either directly or indirectly through underlying internally and externally managed funds, including cash and cash equivalents. It is therefore

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Enhanced Income Portfolio (Continued)

exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Portfolio. The value of the securities denominated in other currencies will fluctuate due to changes in interest rates.

(ii) Interest rate risk

The Portfolio is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Portfolio is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Portfolio's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Exchange-Traded Funds		
U.S. Fixed Income	4.8	2.6
U.S. Equities	5.2	–
Global Equities	4.2	3.3
Real Estate Equities	3.5	3.7
Mutual Funds		
Global Equities	23.0	26.9
Canadian Fixed Income	4.5	8.1
High Yield Fixed Income	19.8	19.9
Tactical Balanced	16.0	9.6
Canadian Focused Equities	–	6.3
Canadian Dividend & Income Equities	13.5	6.7
Energy Equities	4.3	2.7
Other Assets less Liabilities	1.2	10.2
Total	100.0	100.0

Fair Value Disclosure

The Portfolio's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Portfolio classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in

active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Portfolio's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Portfolio's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Exchange-Traded Funds	30,155,382	–	–	30,155,382
Mutual Funds	138,041,135	–	–	138,041,135
Currency Forward Contracts	–	322,783	–	322,783

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Enhanced Income Portfolio (Continued)

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Exchange-Traded				
Funds	12,859,727	–	–	12,859,727
Mutual Funds	106,682,277	–	–	106,682,277
Currency Forward				
Contracts	–	45,044	–	45,044
Financial Liabilities				
Option Contracts	172,426	–	–	172,426

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Portfolio's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Portfolio may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Derivative assets and liabilities

Derivative assets and liabilities consist of options and foreign currency forward contracts. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$17,790 (\$196 for the period ended June 30, 2016).

Taxation of the Portfolio

The Portfolio currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Interests in Underlying Funds

The Portfolio invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Portfolio, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Portfolio does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Portfolio's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Portfolio's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	322,783	45,044
Investments designated at fair value through profit or loss	168,196,517	119,542,004
Total financial assets at fair value through profit or loss	168,519,300	119,587,048
Financial assets at amortized cost		
Cash	2,535,938	13,857,282
Other receivables	1,353,369	4,433,181
Total financial assets at amortized cost	3,889,307	18,290,463
Total assets	172,408,607	137,877,511
Financial liabilities		
Derivative liabilities held for trading	–	172,426
Financial liabilities at amortized cost	2,190,772	4,609,210
Total liabilities (excluding net assets attributable to holders of redeemable units)	2,190,772	4,781,636

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Enhanced Income Portfolio (Continued)

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	541,122	19,755
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	5,632,326	3,833,315
Total net gains (losses)	6,173,448	3,853,070

Offsetting of Financial Assets and Liabilities

The following table shows the net impact of the Portfolio's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	322,783	–	–	322,783
Total	322,783	–	–	322,783
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–
December 31, 2016				
Derivative assets –				
Forward Contracts	45,044	–	–	45,044
Total	45,044	–	–	45,044
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–

Establishment of the Portfolio

The origin dates on the series of units of the Portfolio are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2013	January 17, 2013
Series F Units	January 11, 2013	January 17, 2013
Series I Units	January 11, 2013	January 17, 2013
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Growth Portfolio

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	595,105,213	469,724,410
Short-term investments	—	—
Cash	3,448,149	2,076,780
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	—	—
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	8,653,859
Accrued interest	—	112
Dividends receivable	—	37,848
Distributions receivable from underlying funds	357,880	3,265,219
Subscriptions receivable	2,378,306	849,813
	601,289,548	484,608,041
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	57,516	30,058
Redemptions payable	370,379	301,777
Distributions payable	7	—
Due to investment dealers	2,302,388	12,596,326
Management fees payable	374,140	269,833
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,104,430	13,197,994
Net Assets Attributable to Holders of Redeemable Units	598,185,118	471,410,047
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	183,190,419	136,896,174
Series T5	110,883	111,634
Series T8	140,880	168,466
Series E	—	—
Series F	11,011,910	5,472,568
Series I	383,970,937	313,676,343
Series O	19,760,089	15,084,862
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	13.51	12.93
Series T5	17.68	17.34
Series T8	15.05	14.99
Series E	—	—
Series F	13.95	13.28
Series I	14.49	13.72
Series O	11.08	10.50

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	761,792	569,135
Interest income for distribution purposes	3,792	3,480
Distributions from underlying funds	2,560,094	1,980,434
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	5,014,857	4,262,421
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	—	—
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	20,036,643	(1,535,629)
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	—	—
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	28,377,178	5,279,841
Net gain (loss) on foreign exchange	(53,152)	(221,226)
Other income	—	—
Total income (loss)	28,324,026	5,058,615
Expenses (note 5)		
Management fees	1,723,094	925,032
Administration fees	265,659	144,191
Independent review committee fees	1,756	1,647
Withholding tax	114,269	85,347
Transaction costs (note 2)	4,489	2,472
Total operating expenses	2,109,267	1,158,689
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	26,214,759	3,899,926
Finance Cost		
Interest expense	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	26,214,759	3,899,926
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	6,387,940	749,624
Series T5	5,353	(317)
Series T8	7,173	(7,905)
Series E	—	(440,163)
Series F	376,005	49,033
Series I	18,527,160	3,343,488
Series O	911,128	206,166
Weighted Average Number of Units Outstanding		
Series A	12,068,012	6,938,017
Series T5	6,638	6,605
Series T8	9,810	50,013
Series E	—	908,955
Series F	645,086	143,219
Series I	24,787,153	16,894,582
Series O	1,618,912	820,176
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.53	0.11
Series T5	0.81	(0.05)
Series T8	0.73	(0.16)
Series E	—	(0.48)
Series F	0.58	0.34
Series I	0.75	0.20
Series O	0.56	0.25

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Growth Portfolio (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017		2016		2017		2016	
	Series A (\$)	(\$)	Series T5 (\$)	(\$)	Series T8 (\$)	(\$)	(\$)	
Net Assets Attributable to Holders of Redeemable Units at beginning of period	136,896,174	68,867,206	111,634	113,833	168,466	919,248		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	6,387,940	749,624	5,353	(317)	7,173	(7,905)		
Redeemable Unit Transactions								
Proceeds from redeemable units issued	55,160,205	40,764,288	21,688	11,258	18,395	102,400		
Redemption of redeemable units	(15,258,114)	(5,785,746)	(27,709)	–	(52,832)	(270,597)		
Reinvestment of distributions to holders of redeemable units	16,163	4,242	2,767	2,939	5,607	31,776		
Capitalized distributions	–	–	–	–	–	–		
	39,918,254	34,982,784	(3,254)	14,197	(28,830)	(136,421)		
Distributions to Holders of Redeemable Units								
From capital gains	–	–	–	–	–	–		
From net investment income	(11,949)	(3,186)	(2,850)	(2,938)	(5,929)	(31,565)		
Return of capital	–	–	–	–	–	–		
	(11,949)	(3,186)	(2,850)	(2,938)	(5,929)	(31,565)		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	46,294,245	35,729,222	(751)	10,942	(27,586)	(175,891)		
Net Assets Attributable to Holders of Redeemable Units at end of period	183,190,419	104,596,428	110,883	124,775	140,880	743,357		
	2017		2016		2017		2016	
	Series E (\$)	(\$)	Series F (\$)	(\$)	Series I (\$)	(\$)	(\$)	
Net Assets Attributable to Holders of Redeemable Units at beginning of period	–	9,442,205	5,472,568	844,310	313,676,343	197,810,533		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	–	(440,163)	376,005	49,033	18,527,160	3,343,488		
Redeemable Unit Transactions								
Proceeds from redeemable units issued	–	744,352	6,256,065	1,673,283	60,262,352	79,307,339		
Redemption of redeemable units	–	(9,745,977)	(1,092,913)	(88,018)	(8,494,918)	(9,406,523)		
Reinvestment of distributions to holders of redeemable units	–	284	1,398	152	–	–		
Capitalized distributions	–	–	–	–	–	–		
	–	(9,001,341)	5,164,550	1,585,417	51,767,434	69,900,816		
Distributions to Holders of Redeemable Units								
From capital gains	–	–	–	–	–	–		
From net investment income	–	(701)	(1,213)	(106)	–	–		
Return of capital	–	–	–	–	–	–		
	–	(701)	(1,213)	(106)	–	–		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	–	(9,442,205)	5,539,342	1,634,344	70,294,594	73,244,304		
Net Assets Attributable to Holders of Redeemable Units at end of period	–	–	11,011,910	2,478,654	383,970,937	271,054,837		

	2017		2016		2017		2016	
	Series O (\$)	(\$)	Total (\$)	(\$)	Total (\$)	(\$)	(\$)	
Net Assets Attributable to Holders of Redeemable Units at beginning of period	15,084,862	5,616,710	471,410,047	283,614,045				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	911,128	206,166	26,214,759	3,899,926				
Redeemable Unit Transactions								
Proceeds from redeemable units issued	5,912,346	5,077,606	127,631,051	127,680,526				
Redemption of redeemable units	(2,148,247)	(417,261)	(27,074,733)	(25,714,122)				
Reinvestment of distributions to holders of redeemable units	–	–	25,935	39,393				
Capitalized distributions	–	–	–	–				
	3,764,099	4,660,345	100,582,253	102,005,797				
Distributions to Holders of Redeemable Units								
From capital gains	–	–	–	–				
From net investment income	–	–	(21,941)	(38,496)				
Return of capital	–	–	–	–				
	–	–	(21,941)	(38,496)				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	4,675,227	4,866,511	126,775,071	105,867,227				
Net Assets Attributable to Holders of Redeemable Units at end of period	19,760,089	10,483,221	598,185,118	389,481,272				
	2017		2016		2017		2016	
	Series A	Series T5	Series T8	Series A	Series T5	Series T8	Series A	Series T5
Redeemable Unit Transactions								
Balance – beginning of period	10,586,207	5,409,173	6,436	6,431	11,238	58,395		
Units issued	4,106,108	3,304,776	1,227	657	1,204	6,824		
Units issued on reinvestment of distributions	1,210	339	156	172	368	2,116		
Units redeemed	(1,133,415)	(467,704)	(1,548)	–	(3,452)	(17,906)		
Balance – end of period	13,560,110	8,246,584	6,271	7,260	9,358	49,429		
	2017		2016		2017		2016	
	Series E	Series F	Series I	Series E	Series F	Series I	Series E	Series F
Redeemable Unit Transactions								
Balance – beginning of period	–	940,601	412,149	64,550	22,864,797	14,729,945		
Units issued	–	76,723	455,678	131,565	4,219,081	6,023,736		
Units issued on reinvestment of distributions	–	29	100	12	–	–		
Units redeemed	–	(1,017,353)	(78,454)	(6,958)	(593,512)	(720,950)		
Balance – end of period	–	–	789,473	189,169	26,490,366	20,032,731		
	2017		2016		2017		2016	
	Series O	Total	Series O	Total	Series O	Total	Series O	Total
Redeemable Unit Transactions								
Balance – beginning of period	1,437,210	546,362	35,318,037	21,755,457				
Units issued	539,758	507,808	9,323,056	10,052,089				
Units issued on reinvestment of distributions	–	–	1,834	2,668				
Units redeemed	(193,572)	(41,258)	(2,003,953)	(2,272,129)				
Balance – end of period	1,783,396	1,012,912	42,638,974	29,538,085				

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Growth Portfolio (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	26,214,759	3,899,926
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(5,014,857)	(4,262,421)
Change in unrealized (appreciation) depreciation in value of investments	(20,036,643)	1,535,629
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(2,560,094)	(1,980,434)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(248,392,094)	(226,389,439)
Proceeds from sale of investments	148,978,317	123,931,737
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	37,960	28,657
Change in distributions receivable from underlying funds	2,907,339	242,904
Change in management fees payable	104,307	172,532
Change in other payables and accrued expenses	31,947	32,033
Net Cash Provided by (Used in) Operating Activities	(97,729,059)	(102,788,876)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	4,001	182
Proceeds from redeemable units issued	126,102,558	129,051,067
Redemption of redeemable units	(27,006,131)	(25,334,214)
Net Cash Provided by (Used in) Financing Activities	99,100,428	103,717,035
Net increase (decrease) in cash	1,371,369	928,159
Cash (bank indebtedness) at beginning of period	2,076,780	560,689
Cash (bank indebtedness) at end of period	3,448,149	1,488,848
Dividends received, net of withholding taxes	685,371	512,445
Interest received, net of withholding taxes	3,904	3,480
Interest paid	-	-

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Growth Portfolio (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares Core S&P 500 ETF	284,333	79,883,805	89,882,462	
		79,883,805	89,882,462	15.03
MUTUAL FUNDS				
ABSL Umbrella UCITS Fund	57,158	7,811,673	9,291,933	
Beutel Goodman Canadian Equity Fund, Class I	1,719,509	64,464,149	66,990,164	
Brandes U.S. Small Cap Equity Fund, Series I	381,100	7,821,530	9,332,939	
Invesco Global Real Estate Fund, Series I	2,772,449	34,502,520	34,492,033	
PH&N Bond Fund, Series O	2,689,841	28,262,472	27,758,353	
RBC Global High Yield Bond Fund, Series O	1,238,939	13,251,019	13,539,869	
Sun Life BlackRock Canadian Composite Equity Fund, Series I	3,484,608	36,762,643	38,669,389	
Sun Life BlackRock Canadian Universe Bond Fund, Series I	1,737,997	18,619,532	18,456,138	
Sun Life Dynamic Energy Fund, Series I	1,381,956	13,652,098	12,692,026	
Sun Life Granite Tactical Completion Fund, Series I	4,824,558	49,047,915	48,983,738	
Sun Life MFS Canadian Equity Growth Fund, Series I	316,644	14,228,025	15,742,518	
Sun Life MFS International Growth Fund, Series I	2,707,219	41,250,715	46,335,130	
Sun Life MFS International Value Fund, Series I	2,918,864	53,377,730	65,624,517	
Sun Life MFS Low Volatility International Equity Fund, Series I	228,056	2,264,585	2,448,911	
Sun Life MFS U.S. Growth Fund, Series I	1,042,119	26,226,081	31,736,076	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Sun Life NWQ Flexible Income Fund, Series I	592,697	5,903,037	6,020,853	
Sun Life Schroder Emerging Markets Fund, Series I	2,005,185	18,011,943	21,556,340	
Sun Life Sentry Global Mid Cap Fund, Series I	487,617	4,753,837	5,390,457	
Sun Life Sentry Infrastructure Fund, Series I	2,225,529	20,431,681	22,715,971	
Sun Life Sionna Canadian Small Cap Equity Class, Series I	456,763	4,323,320	4,432,202	
Templeton Global Bond (Hedged), Series O	342,408	2,955,042	3,013,194	
		467,921,547	505,222,751	84.46
Transaction Costs		(3,646)		
Total Investments		547,801,706	595,105,213	99.49
Other Assets less Liabilities			3,079,905	0.51
Total Net Assets			598,185,118	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Growth Portfolio (the "Portfolio") expose it to a variety of financial risks, which are described below. The Portfolio's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Portfolio are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Portfolio is exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Growth Portfolio (Continued)

the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Portfolio holds assets and liabilities, either directly or indirectly through underlying internally and externally managed funds, including cash and cash equivalents. It is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Portfolio. The value of the securities denominated in other currencies will fluctuate due to changes in interest rates.

(ii) Interest rate risk

The Portfolio is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Portfolio is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

The Portfolio's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Exchange-Traded Funds		
U.S. Equities	15.0	12.2
Mutual Funds		
International Equities	20.7	16.6
Canadian Equities	17.7	13.6
Tactical Balanced	9.2	12.7
Canadian Fixed Income	7.7	10.9
Global Equities	3.8	6.7
U.S. Equities	5.3	6.0
Real Estate Equities	5.8	3.7
Canadian Focused Equities	2.6	3.4
High Yield Fixed Income	2.3	3.2
Emerging Markets Equities	3.6	2.8
U.S. Small/Mid Cap Equities	1.6	2.1
Energy Equities	2.1	1.5
Global Fixed Income	0.5	1.5
Global Small/Mid Cap Equities	0.9	1.2
Canadian Small/Mid Cap Equities	0.7	1.0
Canadian Money Market	–	0.5
Other Assets less Liabilities	0.5	0.4
Total	100.0	100.0

Fair Value Disclosure

The Portfolio's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Portfolio classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Portfolio's equities do not trade frequently, observable prices may not be available. In such cases, fair value is

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Growth Portfolio (Continued)

determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Portfolio's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

June 30, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Exchange-Traded				
Funds	89,882,462	–	–	89,882,462
Mutual Funds	505,222,751	–	–	505,222,751
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Exchange-Traded				
Funds	57,479,158	–	–	57,479,158
Mutual Funds	412,245,252	–	–	412,245,252

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Portfolio's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Portfolio may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$4,489 (\$2,472 for the period ended June 30, 2016).

Taxation of the Portfolio

The Portfolio currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Interests in Underlying Funds

The Portfolio invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Portfolio, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Portfolio does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Portfolio's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Portfolio's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Growth Portfolio (Continued)

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	595,105,213	469,724,410
Total financial assets at fair value through profit or loss	595,105,213	469,724,410
Financial assets at amortized cost		
Cash	3,448,149	2,076,780
Other receivables	2,736,186	12,806,851
Total financial assets at amortized cost	6,184,335	14,883,631
Total assets	601,289,548	484,608,041
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	3,104,430	13,197,994
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,104,430	13,197,994

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	28,377,178	5,279,841
Total net gains (losses)	28,377,178	5,279,841

Establishment of the Portfolio

The origin dates on the series of units of the Portfolio are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2012	January 17, 2012
Series T5 Units	January 11, 2012	January 17, 2012
Series T8 Units	January 11, 2012	January 17, 2012
Series F Units	January 11, 2012	January 17, 2012
Series I Units	January 11, 2012	January 17, 2012
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Income Portfolio

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	149,996,920	121,214,344
Short-term investments	—	—
Cash	1,453,106	13,606,342
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	251,019	66,089
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	3,192,315
Accrued interest	—	—
Dividends receivable	26,189	—
Distributions receivable from underlying funds	673,015	134,149
Subscriptions receivable	232,952	52,567
	152,633,201	138,265,806
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	177,086
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	393
Unrealized depreciation on swaps	—	—
Accrued expenses	20,570	19,093
Redemptions payable	86,688	71,603
Distributions payable	—	—
Due to investment dealers	1,137,904	2,614,638
Management fees payable	127,213	110,748
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,372,375	2,993,561
Net Assets Attributable to Holders of Redeemable Units	151,260,826	135,272,245
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	76,944,319	70,621,705
Series E	—	—
Series F	7,094,341	4,548,113
Series I	50,662,501	47,465,691
Series O	16,559,665	12,636,736
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	10.11	9.99
Series E	—	—
Series F	10.54	10.37
Series I	11.07	10.83
Series O	10.36	10.16

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	218,767	63,897
Interest income for distribution purposes	5,653	1,844
Distributions from underlying funds	2,710,365	1,929,243
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	364,871	(490,303)
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	188,895	299,437
Net realized gain (loss) on option contracts	(15,619)	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	2,422,873	2,525,619
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	185,322	(76,670)
Change in unrealized appreciation (depreciation) in option contracts	180,032	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	6,261,159	4,253,067
Net gain (loss) on foreign exchange	(21,798)	(27,103)
Other income	—	—
Total income (loss)	6,239,361	4,225,964
Expenses (note 5)		
Management fees	628,709	440,987
Administration fees	113,274	76,069
Independent review committee fees	891	512
Withholding tax	(3,352)	9,585
Transaction costs (note 2)	17,060	339
Total operating expenses	756,582	527,492
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	5,482,779	3,698,472
Finance Cost		
Interest expense	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	5,482,779	3,698,472
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	2,536,569	2,003,033
Series E	—	(292,453)
Series F	222,671	51,311
Series I	2,100,528	1,569,467
Series O	623,011	367,114
Weighted Average Number of Units Outstanding		
Series A	7,327,390	5,062,729
Series E	—	1,389,445
Series F	574,491	111,988
Series I	4,412,076	3,524,330
Series O	1,444,129	897,450
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.35	0.40
Series E	—	(0.21)
Series F	0.39	0.46
Series I	0.48	0.45
Series O	0.43	0.41

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Income Portfolio (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series E		Series F	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	70,621,705	37,261,902	–	13,596,601	4,548,113	842,984
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,536,569	2,003,033	–	(292,453)	222,671	51,311
Redeemable Unit Transactions						
Proceeds from redeemable units issued	16,200,205	26,837,806	–	377,762	3,346,139	554,699
Redemption of redeemable units	(12,354,090)	(6,465,686)	–	(13,680,750)	(966,609)	(97,187)
Reinvestment of distributions to holders of redeemable units	1,715,649	1,190,179	–	56,227	89,056	19,120
Capitalized distributions	–	–	–	–	–	–
	5,561,764	21,562,299	–	(13,246,761)	2,468,586	476,632
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(1,775,719)	(1,248,361)	–	(57,387)	(145,029)	(27,874)
Return of capital	–	–	–	–	–	–
	(1,775,719)	(1,248,361)	–	(57,387)	(145,029)	(27,874)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	6,322,614	22,316,971	–	(13,596,601)	2,546,228	500,069
Net Assets Attributable to Holders of Redeemable Units at end of period	76,944,319	59,578,873	–	–	7,094,341	1,343,053

	2017	2016	2017	2016	2017	2016
	Series I		Series O		Total	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	47,465,691	34,504,627	12,636,736	8,144,918	135,272,245	94,351,032
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,100,528	1,569,467	623,011	367,114	5,482,779	3,698,472
Redeemable Unit Transactions						
Proceeds from redeemable units issued	7,176,783	7,059,203	4,719,682	2,405,771	31,442,809	37,235,241
Redemption of redeemable units	(6,080,501)	(2,111,701)	(1,413,048)	(663,622)	(20,814,248)	(23,018,946)
Reinvestment of distributions to holders of redeemable units	1,063,329	860,098	345,087	204,815	3,213,121	2,330,439
Capitalized distributions	–	–	–	–	–	–
	2,159,611	5,807,600	3,651,721	1,946,964	13,841,682	16,546,734
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(1,063,329)	(860,445)	(351,803)	(218,864)	(3,335,880)	(2,412,931)
Return of capital	–	–	–	–	–	–
	(1,063,329)	(860,445)	(351,803)	(218,864)	(3,335,880)	(2,412,931)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	3,196,810	6,516,622	3,922,929	2,095,214	15,988,581	17,832,275
Net Assets Attributable to Holders of Redeemable Units at end of period	50,662,501	41,021,249	16,559,665	10,240,132	151,260,826	112,183,307

	2017	2016	2017	2016	2017	2016
	Series A		Series E		Series F	
Redeemable Unit Transactions						
Balance – beginning of period	7,066,729	3,689,813	–	1,388,565	438,454	81,241
Units issued	1,596,820	2,707,063	–	39,451	317,091	54,382
Units issued on reinvestment of distributions	169,255	118,918	–	5,835	8,431	1,852
Units redeemed	(1,218,595)	(647,561)	–	(1,433,851)	(91,162)	(9,374)
Balance – end of period	7,614,209	5,868,233	–	–	672,814	128,101

	2017	2016	2017	2016	2017	2016
	Series I		Series O		Total	
Redeemable Unit Transactions						
Balance – beginning of period	4,384,826	3,223,523	1,244,217	807,275	13,134,226	9,190,417
Units issued	648,273	665,949	456,913	239,837	3,019,097	3,706,682
Units issued on reinvestment of distributions	96,239	80,609	33,305	20,380	307,230	227,594
Units redeemed	(552,870)	(198,802)	(136,124)	(66,421)	(1,998,751)	(2,356,009)
Balance – end of period	4,576,468	3,771,279	1,598,311	1,001,071	14,461,802	10,768,684

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Income Portfolio (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	5,482,779	3,698,472
Adjustments for:		
Gain on short-term investments	–	–
Net realized (gain) loss on sale of investments	(364,871)	490,303
Change in unrealized (appreciation) depreciation in value of investments	(2,422,873)	(2,525,619)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	(185,322)	76,670
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	(2,710,365)	(1,929,243)
Change in fair value of option contracts	(177,086)	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(62,846,765)	(37,334,188)
Proceeds from sale of investments	41,274,000	26,137,553
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	(26,189)	–
Change in distributions receivable from underlying funds	(538,866)	(370,722)
Change in management fees payable	16,465	75,560
Change in other payables and accrued expenses	5,355	13,872
Net Cash Provided by (Used in) Operating Activities	(22,493,738)	(11,667,342)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(122,759)	(81,976)
Proceeds from redeemable units issued	31,262,424	37,164,266
Redemption of redeemable units	(20,799,163)	(23,024,324)
Net Cash Provided by (Used in) Financing Activities	10,340,502	14,057,966
Net increase (decrease) in cash	(12,153,236)	2,390,624
Cash (bank indebtedness) at beginning of period	13,606,342	174,327
Cash (bank indebtedness) at end of period	1,453,106	2,564,951
Dividends received, net of withholding taxes	195,930	54,312
Interest received, net of withholding taxes	5,653	1,844
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Income Portfolio (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares Core S&P 500 Index ETF (CAD – Hedged)	184,065	5,002,549	5,083,875	
iShares iBoxx \$ Investment Grade Corporate Bond ETF	39,754	6,203,480	6,221,759	
Vanguard Global ex-U.S. Real Estate ETF	86,568	6,245,147	6,323,961	
Vanguard REIT ETF	47,641	5,442,128	5,149,559	
	22,893,304	22,779,154	15.06	
MUTUAL FUNDS				
Dynamic Equity Income Fund, Series O	2,018,453	14,572,087	15,198,953	
Guardian Global Dividend Growth Fund, Series I	946,606	16,631,523	17,923,033	
RBC Global High Yield Bond Fund, Series O	1,380,132	14,833,355	15,082,907	
Sun Life Dynamic Energy Fund, Series I	367,527	3,755,265	3,375,405	

(1) Currency Forward Contracts

Counterparty	Credit Rating For Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	12,391,633	USD	(9,354,068)	251,019
							251,019

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Income Portfolio (the "Portfolio") expose it to a variety of financial risks, which are described below. The Portfolio's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Portfolio are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Portfolio held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Sun Life Granite Tactical Completion Fund, Series I	1,218,148	12,559,005	12,367,853	
Sun Life MFS Canadian Bond Fund, Series I	2,684,327	37,052,387	36,781,189	
Sun Life NWQ Flexible Income Fund, Series I	1,533,527	15,245,868	15,578,182	
Sun Life Sentry Infrastructure Fund, Series I	1,068,898	10,398,045	10,910,244	
		125,047,535	127,217,766	84.10
Transaction Costs		(4,141)		
Total Investments		147,936,698	149,996,920	99.16
Currency Forward Contracts⁽¹⁾			251,019	0.17
Other Assets less Liabilities			1,012,887	0.67
Total Net Assets			151,260,826	100.00

from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Portfolio is also exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Portfolio holds assets and liabilities, either directly or indirectly through underlying internally and externally managed

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Income Portfolio (Continued)

funds, including cash and cash equivalents. It is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Portfolio. The value of the securities denominated in other currencies will fluctuate due to changes in interest rates.

(ii) Interest rate risk

The Portfolio is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Portfolio is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Portfolio's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Exchange-Traded Funds		
U.S. Fixed Income	4.1	4.9
U.S. Equities	3.4	–
Global Equities	4.2	3.2
Real Estate Equities	3.4	3.7
Mutual Funds		
Canadian Fixed Income	24.3	25.9
Global Equities	19.1	22.6
High Yield Fixed Income	10.0	10.3
Tactical Balanced	18.5	8.3
Canadian Focused Equities	–	5.4
Canadian Money Market	–	0.2
Canadian Dividend & Income Equities	10.0	5.1
Energy Equities	2.2	–
Other Assets less Liabilities	0.8	10.4
Total	100.0	100.0

Fair Value Disclosure

The Portfolio's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The

Portfolio classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Portfolio's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Portfolio's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Exchange-Traded Funds	22,779,154	–	–	22,779,154
Mutual Funds	127,217,766	–	–	127,217,766
Currency Forward Contracts	–	251,019	–	251,019

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Income Portfolio (Continued)

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Exchange-Traded				
Funds	15,891,796	–	–	15,891,796
Mutual Funds	105,322,548	–	–	105,322,548
Currency Forward				
Contracts	–	66,089	–	66,089
Financial Liabilities				
Currency Forward				
Contracts	–	393	–	393
Option Contracts	177,086	–	–	177,086

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Portfolio's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Portfolio may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Derivative assets and liabilities

Derivative assets and liabilities consist of options and foreign currency forward contracts. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$17,060 (\$339 for the period ended June 30, 2016).

Taxation of the Portfolio

The Portfolio currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Interests in Underlying Funds

The Portfolio invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Portfolio, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Portfolio does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Portfolio's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Portfolio's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, the Portfolio had interests in underlying funds as noted in the following tables:

Underlying Fund	As at June 30, 2017	
	% of Net Assets	Ownership Interest %
Sun Life MFS Canadian Bond Fund	24%	30%

Underlying Fund	As at December 31, 2016	
	% of Net Assets	Ownership Interest %
Sun Life MFS Canadian Bond Fund	26%	28%

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Income Portfolio (Continued)

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	251,019	66,089
Investments designated at fair value through profit or loss	149,996,920	121,214,344
Total financial assets at fair value through profit or loss	150,247,939	121,280,433
Financial assets at amortized cost		
Cash	1,453,106	13,606,342
Other receivables	932,156	3,379,031
Total financial assets at amortized cost	2,385,262	16,985,373
Total assets	152,633,201	138,265,806
Financial liabilities		
Derivative liabilities held for trading	–	177,479
Financial liabilities at amortized cost	1,372,375	2,816,082
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,372,375	2,993,561

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	538,630	222,767
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	5,722,529	4,030,300
Total net gains (losses)	6,261,159	4,253,067

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Portfolio's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	251,019	–	–	251,019
Total	251,019	–	–	251,019
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–
December 31, 2016				
Derivative assets –				
Forward Contracts	66,089	(393)	–	65,696
Total	66,089	(393)	–	65,696
Derivative liabilities –				
Forward Contracts	(393)	393	–	–
Total	(393)	393	–	–

Establishment of the Portfolio

The origin dates on the series of units of the Portfolio are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2013	January 17, 2013
Series F Units	January 11, 2013	January 17, 2013
Series I Units	January 11, 2013	January 17, 2013
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Moderate Portfolio

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	1,014,657,695	842,099,065
Short-term investments	—	—
Cash	3,876,154	9,241,940
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	—	—
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	17,843,493
Accrued interest	—	—
Dividends receivable	—	75,810
Distributions receivable from underlying funds	1,644,514	5,433,263
Subscriptions receivable	3,429,388	3,407,400
	1,023,607,751	878,100,971
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	104,757	78,420
Redemptions payable	396,961	163,425
Distributions payable	—	—
Due to investment dealers	4,911,198	33,603,020
Management fees payable	608,251	482,077
Total liabilities (excluding net assets attributable to holders of redeemable units)	6,021,167	34,326,942
Net Assets Attributable to Holders of Redeemable Units	1,017,586,584	843,774,029
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	315,919,684	258,689,277
Series T5	2,663,588	3,136,065
Series E	—	—
Series F	27,521,239	14,511,234
Series I	620,123,072	528,434,166
Series O	51,359,001	39,003,287
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	12.73	12.29
Series T5	15.89	15.73
Series E	—	—
Series F	13.21	12.69
Series I	13.53	12.93
Series O	11.02	10.54

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	896,060	618,765
Interest income for distribution purposes	8,456	23,315
Distributions from underlying funds	8,329,394	5,475,351
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	7,646,087	2,512,658
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	—	—
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	24,726,993	5,334,019
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	—	—
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	41,606,990	13,964,108
Net gain (loss) on foreign exchange	(102,853)	(240,133)
Other income	—	—
Total income (loss)	41,504,137	13,723,975
Expenses (note 5)		
Management fees	2,898,486	1,825,484
Administration fees	494,722	289,539
Independent review committee fees	3,377	2,815
Withholding tax	134,409	92,790
Transaction costs (note 2)	6,419	2,293
Total operating expenses	3,537,413	2,212,921
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	37,966,724	11,511,054
Finance Cost		
Interest expense	(10)	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	37,966,714	11,511,054
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	9,588,826	3,350,442
Series T5	100,619	12,428
Series E	—	(1,142,770)
Series F	686,036	94,664
Series I	25,715,393	8,649,160
Series O	1,875,840	547,130
Weighted Average Number of Units Outstanding		
Series A	23,022,802	14,972,954
Series T5	176,675	83,020
Series E	—	4,053,786
Series F	1,583,882	227,728
Series I	43,552,692	26,961,105
Series O	4,161,142	1,921,563
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.42	0.22
Series T5	0.57	0.15
Series E	—	(0.28)
Series F	0.43	0.42
Series I	0.59	0.32
Series O	0.45	0.28

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Moderate Portfolio (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	258,689,277	125,972,946	3,136,065	1,250,738	–	39,959,310
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	9,588,826	3,350,442	100,619	12,428	–	(1,142,770)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	75,266,786	102,442,765	512,657	541,551	–	2,333,062
Redemption of redeemable units	(27,621,089)	(18,496,369)	(1,056,878)	(61,531)	–	(41,147,947)
Reinvestment of distributions to holders of redeemable units	29,760	16,413	38,405	14,171	–	1,494
Capitalized distributions	–	–	–	–	–	–
	47,675,457	83,962,809	(505,816)	494,191	–	(38,813,391)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(33,876)	(12,281)	(67,280)	(34,350)	–	(3,149)
Return of capital	–	–	–	–	–	–
	(33,876)	(12,281)	(67,280)	(34,350)	–	(3,149)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	57,230,407	87,300,970	(472,477)	472,269	–	(39,959,310)
Net Assets Attributable to Holders of Redeemable Units at end of period	315,919,684	213,273,916	2,663,588	1,723,007	–	–
	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	14,511,234	1,412,728	528,434,166	279,764,136	39,003,287	14,885,303
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	686,036	94,664	25,715,393	8,649,160	1,875,840	547,130
Redeemable Unit Transactions						
Proceeds from redeemable units issued	14,353,698	3,956,721	84,049,068	153,159,402	13,480,261	14,026,713
Redemption of redeemable units	(2,030,215)	(135,342)	(18,075,555)	(7,040,742)	(3,011,112)	(2,528,429)
Reinvestment of distributions to holders of redeemable units	4,713	784	–	–	10,725	(16,756)
Capitalized distributions	–	–	–	–	–	–
	12,328,196	3,822,163	65,973,513	146,118,660	10,479,874	11,481,528
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(4,227)	(544)	–	–	–	–
Return of capital	–	–	–	–	–	–
	(4,227)	(544)	–	–	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	13,010,005	3,916,283	91,688,906	154,767,820	12,355,714	12,028,658
Net Assets Attributable to Holders of Redeemable Units at end of period	27,521,239	5,329,011	620,123,072	434,531,956	51,359,001	26,913,961

	2017	2016
	Total	Total
	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	843,774,029	463,245,161
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	37,966,714	11,511,054
Redeemable Unit Transactions		
Proceeds from redeemable units issued	187,662,470	276,460,214
Redemption of redeemable units	(51,794,849)	(69,410,360)
Reinvestment of distributions to holders of redeemable units	83,603	16,106
Capitalized distributions	–	–
	135,951,224	207,065,960
Distributions to Holders of Redeemable Units		
From capital gains	–	–
From net investment income	(105,383)	(50,324)
Return of capital	–	–
	(105,383)	(50,324)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	173,812,555	218,526,690
Net Assets Attributable to Holders of Redeemable Units at end of period	1,017,586,584	681,771,851

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series E	
Redeemable Unit Transactions						
Balance – beginning of period	21,045,330	10,356,330	199,387	77,572	–	3,935,983
Units issued	5,950,025	8,595,653	31,700	34,312	–	234,598
Units issued on reinvestment of distributions	2,330	1,359	2,410	902	–	149
Units redeemed	(2,179,056)	(1,541,084)	(65,891)	(3,922)	–	(4,170,730)
Balance – end of period	24,818,629	17,412,258	167,606	108,864	–	–

	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
Redeemable Unit Transactions						
Balance – beginning of period	1,143,929	112,391	40,870,982	21,966,406	3,700,054	1,432,593
Units issued	1,094,302	317,054	6,299,614	12,117,934	1,235,613	1,363,352
Units issued on reinvestment of distributions	358	62	–	–	1,019	(1,616)
Units redeemed	(155,068)	(10,927)	(1,344,384)	(558,661)	(277,051)	(246,874)
Balance – end of period	2,083,521	418,580	45,826,212	33,525,679	4,659,635	2,547,455

	2017	2016
	Total	Total
Redeemable Unit Transactions		
Balance – beginning of period	66,959,682	37,881,275
Units issued	14,611,254	22,662,903
Units issued on reinvestment of distributions	6,117	856
Units redeemed	(4,021,450)	(6,532,198)
Balance – end of period	77,555,603	54,012,836

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Moderate Portfolio (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	37,966,714	11,511,054
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(7,646,087)	(2,512,658)
Change in unrealized (appreciation) depreciation in value of investments	(24,726,993)	(5,334,019)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(8,329,394)	(5,475,351)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(391,066,739)	(392,948,859)
Proceeds from sale of investments	248,355,835	206,071,857
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	75,810	30,419
Change in distributions receivable from underlying funds	3,788,749	(196,754)
Change in management fees payable	126,174	329,090
Change in other payables and accrued expenses	32,756	59,805
Net Cash Provided by (Used in) Operating Activities	(141,423,175)	(188,465,416)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(21,780)	(37,590)
Proceeds from redeemable units issued	187,640,482	277,968,182
Redemption of redeemable units	(51,561,313)	(69,223,564)
Net Cash Provided by (Used in) Financing Activities	136,057,389	208,707,028
Net increase (decrease) in cash	(5,365,786)	20,241,612
Cash (bank indebtedness) at beginning of period	9,241,940	741,646
Cash (bank indebtedness) at end of period	3,876,154	20,983,258
Dividends received, net of withholding taxes	837,461	554,608
Interest received, net of withholding taxes	8,456	25,101
Interest paid	(10)	-

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Moderate Portfolio (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares Core S&P 500 ETF	328,273	94,859,493	103,772,638	
		94,859,493	103,772,638	10.20
MUTUAL FUNDS				
ABSL Umbrella UCITS Fund	41,482	5,638,596	6,743,473	
Beutel Goodman Canadian Equity Fund, Class I	2,039,399	76,572,034	79,452,756	
Brandes U.S. Small Cap Equity Fund, Series I	401,620	8,120,685	9,835,472	
Invesco Global Real Estate Fund, Series I	1,567,232	19,795,250	19,497,928	
PH&N Bond Fund, Series O	16,300,870	171,903,280	168,220,091	
RBC Global High Yield Bond Fund, Series O	6,081,016	64,855,559	66,456,995	
Sun Life BlackRock Canadian Composite Equity Fund, Series I	4,060,923	43,059,249	45,064,878	
Sun Life BlackRock Canadian Universe Bond Fund, Series I	10,545,462	113,187,886	111,984,368	
Sun Life Dynamic Energy Fund, Series I	1,612,292	15,852,862	14,807,447	
Sun Life Granite Tactical Completion Fund, Series I	8,285,680	84,184,339	84,124,507	
Sun Life MFS Canadian Equity Growth Fund, Series I	377,590	17,110,876	18,772,545	
Sun Life MFS International Growth Fund, Series I	3,226,675	49,745,881	55,225,827	
Sun Life MFS International Value Fund, Series I	3,423,201	64,736,269	76,963,494	
Sun Life MFS Low Volatility International Equity Fund, Series I	187,619	1,863,371	2,014,687	
Sun Life MFS U.S. Growth Fund, Series I	1,188,572	29,976,879	36,196,056	
Sun Life NWQ Flexible Income Fund, Series I	2,517,255	25,008,004	25,571,285	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Sun Life Schroder Emerging Markets Fund, Series I	1,392,585	12,527,188	14,970,712	
Sun Life Sentry Global Mid Cap Fund, Series I	398,583	3,925,840	4,406,220	
Sun Life Sentry Infrastructure Fund, Series I	1,400,610	12,887,133	14,296,025	
Sun Life Sionna Canadian Small Cap Equity Class, Series I	507,637	4,759,082	4,925,853	
Templeton Global Bond (Hedged), Series O	5,835,732	50,576,462	51,354,438	
		876,286,725	910,885,057	89.51
Transaction Costs		(4,317)		
Total Investments		971,141,901	1,014,657,695	99.71
Other Assets less Liabilities			2,928,889	0.29
Total Net Assets			1,017,586,584	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Moderate Portfolio (the "Portfolio") expose it to a variety of financial risks, which are described below. The Portfolio's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Portfolio are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Portfolio is exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Moderate Portfolio (Continued)

contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Portfolio holds assets and liabilities, either directly or indirectly through underlying internally and externally managed funds, including cash and cash equivalents. It is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Portfolio. The value of the securities denominated in other currencies will fluctuate due to changes in interest rates.

(ii) Interest rate risk

The Portfolio is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Portfolio is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

The Portfolio's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Exchange-Traded Funds		
U.S. Equities	10.2	8.2
Mutual Funds		
Canadian Fixed Income	27.5	29.7
Tactical Balanced	10.8	14.1
Canadian Equities	12.2	10.5
International Equities	13.9	10.1
High Yield Fixed Income	6.5	6.1
Global Fixed Income	5.0	5.0
U.S. Equities	3.6	4.4
Global Equities	1.4	2.4
Canadian Focused Equities	1.8	2.2
Real Estate Equities	1.9	1.5
U.S. Small/Mid Cap Equities	1.0	1.4
Emerging Markets Equities	1.5	1.2
Energy Equities	1.5	1.0
Canadian Money Market	–	0.9
Global Small/Mid Cap Equities	0.4	0.6
Canadian Small/Mid Cap Equities	0.5	0.5
Other Assets less Liabilities	0.3	0.2
Total	100.0	100.0

Fair Value Disclosure

The Portfolio's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Portfolio classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Portfolio's equities do not trade frequently, observable

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Moderate Portfolio (Continued)

prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Portfolio's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

June 30, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Exchange-Traded				
Funds	103,772,638	–	–	103,772,638
Mutual Funds	910,885,057	–	–	910,885,057
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Exchange-Traded				
Funds	68,870,990	–	–	68,870,990
Mutual Funds	773,228,075	–	–	773,228,075

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Portfolio's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Portfolio may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017, were \$6,419 (\$2,293 for the period ended June 30, 2016).

Taxation of the Portfolio

The Portfolio currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Interests in Underlying Funds

The Portfolio invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Portfolio, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Portfolio does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Portfolio's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Portfolio's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Moderate Portfolio (Continued)

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	1,014,657,695	842,099,065
Total financial assets at fair value through profit or loss	1,014,657,695	842,099,065
Financial assets at amortized cost		
Cash	3,876,154	9,241,940
Other receivables	5,073,902	26,759,966
Total financial assets at amortized cost	8,950,056	36,001,906
Total assets	1,023,607,751	878,100,971
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	6,021,167	34,326,942
Total liabilities (excluding net assets attributable to holders of redeemable units)	6,021,167	34,326,942

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	41,606,990	13,964,108
Total net gains (losses)	41,606,990	13,964,108

Establishment of the Portfolio

The origin dates on the series of units of the Portfolio are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2012	January 17, 2012
Series T5 Units	January 11, 2012	January 17, 2012
Series F Units	January 11, 2012	January 17, 2012
Series I Units	January 11, 2012	January 17, 2012
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Tactical Completion Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	79,424,256	–
Short-term investments	397,678,461	516,592,399
Cash	48,295,679	46,193,170
Margin	37,772	481
Option contracts, at fair value-long	1,971,277	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	–	–
Accrued interest	294,017	112,781
Dividends receivable	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	–	–
	527,701,462	562,898,831
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value-short	25,600,559	8,263,671
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	26,509	29,574
Redemptions payable	–	–
Distributions payable	–	–
Due to investment dealers	–	–
Management fees payable	–	–
Total liabilities (excluding net assets attributable to holders of redeemable units)	25,627,068	8,293,245
Net Assets Attributable to Holders of Redeemable Units	502,074,394	554,605,586
Net Assets Attributable to Holders of Redeemable Units per Unit – Series I (note 4)	10.15	10.22

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30, 2017 and the period from February 5, 2016 to June 30, 2016 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	–	12
Interest income for distribution purposes	1,569,461	3,832
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	103,550	51,399
Net realized gain (loss) on futures contracts	1,546	266,544
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	10,325,696	(4,513)
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	(15,077)	37,397
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	(10,236,805)	(959,347)
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	1,748,371	(604,676)
Net gain (loss) on foreign exchange	(1,341,580)	1,002,052
Other income	–	–
Total income (loss)	406,791	397,376
Expenses (note 5)		
Management fees	–	–
Administration fees	132,847	3,119
Independent review committee fees	–	58
Withholding tax	–	–
Transaction costs (note 2)	2,163,136	30,018
Total operating expenses	2,295,983	33,195
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	(1,889,192)	364,181
Finance Cost		
Interest expense	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) – Series I		
	(1,889,192)	364,181
Weighted Average Number of Units Outstanding – Series I		
	46,970,351	1,629,733
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) – Series I		
	(0.04)	0.22

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Tactical Completion Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six months ended June 30, 2017 and the period from
February 5, 2016 to June 30, 2016 (unaudited)

	2017 (\$)	2016 (\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	554,605,586	150,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	(1,889,192)	364,181
Redeemable Unit Transactions		
Proceeds from redeemable units issued	252,240,000	196,018,286
Redemption of redeemable units	(302,882,000)	–
Reinvestment of distributions to holders of redeemable units	–	–
Capitalized distributions	–	–
	(50,642,000)	196,018,286
Distributions to Holders of Redeemable Units		
From capital gains	–	–
From net investment income	–	–
Return of capital	–	–
	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(52,531,192)	196,382,467
Net Assets Attributable to Holders of Redeemable Units at end of period	502,074,394	196,532,467

	2017	2016
Redeemable Unit Transactions		
Balance – beginning of period	54,273,737	15,000
Units issued	24,601,468	19,782,688
Units issued on reinvestment of distributions	–	–
Units redeemed	(29,424,123)	–
Balance – end of period	49,451,082	19,797,688

Statements of Cash Flows

For the six months ended June 30, 2017 and the period from
February 5, 2016 to June 30, 2016 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	(1,889,192)	364,181
Adjustments for:		
Gain on short-term investments	(212,072)	(1,132)
Net realized (gain) loss on sale of investments	(103,550)	(51,399)
Change in unrealized (appreciation) depreciation in value of investments	15,077	(37,397)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	15,365,611	4,534,041
Change in fair value of credit default swaps	–	–
Change in margin	(37,291)	(16)
Purchases of investments	(79,467,342)	(35,522)
Proceeds from sale of investments	27,018	36,264
Purchases of short-term investments	(1,735,737,261)	(178,199,693)
Proceeds from sale of short-term investments	1,854,967,812	18,332,003
Change in dividends and interest receivable	(181,236)	(2,705)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	–	–
Change in other payables and accrued expenses	(3,065)	2,691
Net Cash Provided by (Used in) Operating Activities	52,744,509	(155,058,684)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	–	–
Proceeds from redeemable units issued	252,240,000	196,018,286
Redemption of redeemable units	(302,882,000)	–
Net Cash Provided by (Used in) Financing Activities	(50,642,000)	196,018,286
Net increase (decrease) in cash	2,102,509	40,959,602
Cash (bank indebtedness) at beginning of period	46,193,170	150,000
Cash (bank indebtedness) at end of period	48,295,679	41,109,602
Dividends received, net of withholding taxes	–	12
Interest received, net of withholding taxes	1,388,225	1,127
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Tactical Completion Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM INVESTMENTS						
Treasury Bills						
Canadian Treasury Bill	0.513%	13-Jul-2017	12,917,000	12,903,954	12,903,954	
Canadian Treasury Bill	0.511%	27-Jul-2017	25,555,000	25,524,462	25,524,462	
Canadian Treasury Bill	0.519%	10-Aug-2017	21,761,000	21,730,099	21,730,099	
Canadian Treasury Bill	0.527%	24-Aug-2017	24,515,000	24,476,641	24,476,641	
Canadian Treasury Bill	0.515%	07-Sep-2017	25,337,000	25,291,997	25,291,997	
Canadian Treasury Bill	0.511%	21-Sep-2017	25,000,000	24,952,500	24,952,500	
Canadian Treasury Bill	0.702%	05-Oct-2017	28,623,000	28,563,562	28,563,562	
United States Treasury Bill	0.782%	27-Jul-2017	5,508,000	7,499,031	7,141,523	
United States Treasury Bill	0.878%	24-Aug-2017	7,512,000	10,032,712	9,736,317	
United States Treasury Bill	0.984%	07-Sep-2017	6,514,000	8,683,977	8,440,066	
United States Treasury Bill	0.948%	21-Sep-2017	7,116,000	9,389,829	9,219,471	
				199,048,764	197,980,592	39.43
Bankers' Acceptances						
Bank of Montreal	0.694%	07-Jul-2017	15,008,000	14,999,445	14,999,445	
Bank of Montreal	0.949%	29-Sep-2017	15,000,000	14,964,600	14,964,600	
Canadian Imperial Bank of Commerce	0.719%	25-Jul-2017	14,000,000	13,983,480	13,983,480	
Canadian Imperial Bank of Commerce	0.414%	31-Jul-2017	14,613,000	14,605,547	14,605,547	
National Bank of Canada	0.767%	27-Jul-2017	10,000,000	9,993,700	9,993,700	
National Bank of Canada	0.961%	29-Sep-2017	10,000,000	9,976,100	9,976,100	
Royal Bank of Canada	0.691%	07-Jul-2017	15,007,000	14,999,046	14,999,046	
The Bank of Nova Scotia	0.980%	25-Sep-2017	21,461,000	21,410,996	21,410,996	
The Toronto-Dominion Bank	0.685%	18-Jul-2017	10,000,000	9,994,000	9,994,000	
The Toronto-Dominion Bank	0.731%	19-Jul-2017	5,000,000	4,993,900	4,993,900	
The Toronto-Dominion Bank	0.719%	08-Aug-2017	12,114,000	12,099,463	12,099,463	
				142,020,277	142,020,277	28.29
Discount Commercial Paper						
CU Inc.	0.870%	02-Aug-2017	5,000,000	4,995,000	4,995,000	
Plaza Trust	0.928%	21-Aug-2017	5,000,000	4,987,950	4,987,950	
Plaza Trust	0.952%	05-Sep-2017	5,000,000	4,986,350	4,986,350	
Plaza Trust	0.950%	03-Oct-2017	5,000,000	4,986,500	4,986,500	
Plaza Trust	0.960%	16-Oct-2017	5,000,000	4,985,450	4,985,450	
Prime Trust	0.971%	21-Jul-2017	10,000,000	9,976,900	9,976,900	
Ridge Trust	0.814%	27-Jul-2017	5,000,000	4,996,100	4,996,100	
SAFE Trust	0.919%	22-Sep-2017	6,800,000	6,784,292	6,784,292	
SOUND Trust	0.950%	27-Sep-2017	5,000,000	4,988,050	4,988,050	
Storm King Funding	0.979%	25-Aug-2017	6,000,000	5,991,000	5,991,000	
				57,677,592	57,677,592	11.49
Total Short-Term Investments				398,746,633	397,678,461	79.21
BONDS						
Corporate Bonds						
Bank of Montreal	1.650%	29-Mar-2018	10,000,000	10,044,750	10,036,810	
Canadian Imperial Bank of Commerce	1.019%	08-May-2018	8,000,000	8,002,050	8,003,960	
Canadian Imperial Bank of Commerce	1.379%	01-Jun-2018	7,000,000	7,025,210	7,023,056	
National Bank of Canada	1.402%	14-Jun-2018	9,284,000	9,319,623	9,314,579	
Royal Bank of Canada	1.071%	11-Apr-2018	15,000,000	15,000,000	15,004,725	
Royal Bank of Canada	1.015%	30-Jul-2018	5,000,000	5,000,000	5,001,250	
The Bank of Nova Scotia	1.534%	20-Apr-2018	5,000,000	5,025,450	5,020,600	
The Bank of Nova Scotia	1.040%	27-Jun-2018	15,000,000	15,000,000	15,000,000	
The Toronto-Dominion Bank	1.616%	28-Mar-2018	5,000,000	5,022,250	5,019,276	
				79,439,333	79,424,256	15.82
Total Bonds				79,439,333	79,424,256	15.82
Transaction Costs				-		
Total Investments				478,185,966	477,102,717	95.03
Option Contracts⁽¹⁾					(23,629,282)	(4.71)
Other Assets less Liabilities					48,600,959	9.68
Total Net Assets					502,074,394	100.00

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Tactical Completion Fund (Continued)

Schedule of Investments

(l) Option Contracts

	Expiry Date	Number of Contracts	Average Cost (\$)	Current Value (\$)
SPDR S&P 500 Trust @270 Call Option	15-Sep-2017	5,250	109,091	23,864
SPDR S&P Oil & Gas @38 Call Option	21-Jul-2017	15,400	80,000	15,856
SPDR S&P Oil & Gas @39 Call Option	19-Jan-2018	21,400	12,562,066	1,931,557
			12,751,157	1,971,277
Financial Select Sector @24 Put Option	18-Aug-2017	(41,000)	(2,449,348)	(1,464,284)
iShares MSCI EAFE ETF @65 Put Option	21-Jul-2017	(15,500)	(1,469,514)	(986,363)
iShares MSCI Emerging Market @41.5 Put Option	18-Aug-2017	(14,000)	(1,327,272)	(1,681,817)
SPDR S&P 500 Trust @250 Call Option	15-Sep-2017	(5,250)	(1,752,271)	(593,181)
SPDR S&P Oil & Gas @34 Call Option	21-Jul-2017	(15,400)	(680,000)	(400,000)
SPDR S&P Oil & Gas @34 Put Option	21-Jul-2017	(15,400)	(2,579,997)	(4,549,995)
SPDR S&P Oil & Gas @36 Put Option	19-Jan-2018	(21,400)	(8,476,615)	(15,007,777)
SPDR S&P Oil & Gas @42 Call Option	19-Jan-2018	(21,400)	(1,222,856)	(917,142)
			(19,957,873)	(25,600,559)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Tactical Completion Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets
	June 30, 2017
AAA/Aaa	72.81
AA/Aa	12.35
A/A	5.85
Not Rated	4.41
Total	95.42

Rating	As a % of Net Assets
	December 31, 2016
AAA/Aaa	81.83
AA/Aa	3.60
A/A	—
Not Rated	7.72
Total	93.15

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Tactical Completion Fund (Continued)

The following table summarizes the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	13,557,975	2.70
Euro	37,801	0.01
Total	13,595,776	2.71

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	9,720,521	1.75
Euro	36,097	0.01
Total	9,756,618	1.76

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$679,789 (\$487,831 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	472,101,467
1-5 years	5,001,250
More than 5 years	—
Total	477,102,717

	December 31, 2016 (\$)
Less than 1 year	516,592,399
1-5 years	—
More than 5 years	—
Total	516,592,399

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$1,280,496 (\$954,743 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is not currently exposed to other market risk as no equities are held in the Fund.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Short-Term Investments		
Treasury Bills	39.4	67.8
Bankers' Acceptances	28.3	24.8
Discount Commercial Paper	11.5	0.5
Bonds		
Corporate Bonds	15.8	—
Option Contracts	(4.7)	(1.5)
Other Assets less Liabilities	9.7	8.4
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Tactical Completion Fund (Continued)

measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

June 30, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Short-Term				
Investments	–	397,678,461	–	397,678,461
Bonds	–	79,424,256	–	79,424,256
Option				
Contracts	1,971,277	–	–	1,971,277
Financial Liabilities				
Option				
Contracts	25,600,559	–	–	25,600,559

December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Short-Term				
Investments	–	516,592,399	–	516,592,399
Financial Liabilities				
Option				
Contracts	8,263,671	–	–	8,263,671

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and February 5 to December 31, 2016.

Bonds and short-term investments

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds and short-term investments have been classified as Level 2.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Derivative assets and liabilities

Derivative assets and liabilities consist of options contracts, which are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for Portfolio transactions for the period ended June 30, 2017 were \$2,163,136 (\$30,018 for the period ended June 30, 2016).

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	1,971,277	–
Investments designated at fair value through profit or loss	477,102,717	516,592,399
Total financial assets at fair value through profit or loss	479,073,994	516,592,399
Financial assets at amortized cost		
Cash	48,295,679	46,193,170
Other receivables	331,789	113,262
Total financial assets at amortized cost	48,627,468	46,306,432
Total assets	527,701,462	562,898,831
Financial liabilities		
Derivative liabilities held for trading	25,600,559	8,263,671
Financial liabilities at amortized cost	26,509	29,574
Total liabilities (excluding net assets attributable to holders of redeemable units)	25,627,068	8,293,245

The accompanying notes are an integral part of the financial statements.

Sun Life Granite Tactical Completion Fund (Continued)

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016
Net gain (loss) on financial assets/financial liabilities held for trading	90,437	(697,316)
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	1,657,934	92,640
Total net gains (losses)	1,748,371	(604,676)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series I Units	February 05, 2016	February 11, 2016

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Bond Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	120,399,870	124,528,793
Short-term investments	1,000,000	–
Cash	126,785	1,111,354
Margin	496,892	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	71,150	121,449
Unrealized appreciation on currency forward contracts	1,228,598	25,053
Unrealized appreciation on swaps	–	–
Due from investment dealers	–	–
Accrued interest	744,876	837,078
Dividends receivable	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	200,065	92,795
	124,268,236	126,716,522
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	37,380
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	613,174	169,570
Unrealized depreciation on currency forward contracts	4,126	402,587
Unrealized depreciation on swaps	–	–
Accrued expenses	11,984	11,635
Redemptions payable	120,500	2,865,820
Distributions payable	89	–
Due to investment dealers	–	–
Management fees payable	56,558	58,197
Total liabilities (excluding net assets attributable to holders of redeemable units)	806,431	3,545,189
Net Assets Attributable to Holders of Redeemable Units	123,461,805	123,171,333
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	24,306,620	25,960,509
Series D	28,011,672	29,048,752
Series E	–	–
Series F	5,658,056	5,440,245
Series FX	416,658	407,265
Series I	62,082,788	59,266,430
Series O	2,986,011	3,048,132
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	14.18	14.05
Series D	14.26	14.12
Series E	–	–
Series F	10.49	10.39
Series FX	14.32	14.18
Series I	13.70	13.57
Series O	10.20	10.10

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	–	–
Interest income for distribution purposes	2,059,808	1,759,823
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	615,530	37,156
Net realized gain (loss) on futures contracts	(96,757)	(82,827)
Net realized gain (loss) on currency forward contracts	(622,507)	441,955
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	149,939	2,287,885
Change in unrealized appreciation (depreciation) in value of futures contracts	(493,903)	(551,135)
Change in unrealized appreciation (depreciation) in currency forward contracts	1,602,006	1,243,217
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	3,214,116	5,136,074
Net gain (loss) on foreign exchange	(8,367)	44,056
Other income	–	–
Total income (loss)	3,205,749	5,180,130
Expenses (note 5)		
Management fees	295,347	266,777
Administration fees	61,411	59,785
Independent review committee fees	583	524
Withholding tax	–	–
Transaction costs (note 2)	–	–
Total operating expenses	357,341	327,086
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	2,848,408	4,853,044
Finance Cost		
Interest expense	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,848,408	4,853,044
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	482,472	919,400
Series D	638,461	1,382,142
Series E	–	27,208
Series F	106,093	130,996
Series FX	9,393	22,202
Series I	1,540,005	2,202,626
Series O	71,984	168,470
Weighted Average Number of Units Outstanding		
Series A	1,759,704	1,453,858
Series D	2,001,174	2,101,825
Series E	–	362,020
Series F	507,211	273,929
Series FX	28,873	33,126
Series I	4,294,473	3,089,253
Series O	285,119	318,463
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.27	0.63
Series D	0.32	0.66
Series E	–	0.08
Series F	0.21	0.48
Series FX	0.33	0.67
Series I	0.36	0.71
Series O	0.25	0.53

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Bond Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series D		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	25,960,509	15,610,320	29,048,752	30,238,423	–	3,646,433
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	482,472	919,400	638,461	1,382,142	–	27,208
Redeemable Unit Transactions						
Proceeds from redeemable units issued	4,023,171	10,170,413	332,045	268,221	–	305,462
Redemption of redeemable units	(6,147,203)	(2,354,761)	(1,979,866)	(1,612,487)	–	(3,978,648)
Reinvestment of distributions to holders of redeemable units	220,637	214,017	332,184	370,803	–	7,355
Capitalized distributions	–	–	–	–	–	–
	(1,903,395)	8,029,669	(1,315,637)	(973,463)	–	(3,665,831)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(232,966)	(221,578)	(359,904)	(401,988)	–	(7,810)
Return of capital	–	–	–	–	–	–
	(232,966)	(221,578)	(359,904)	(401,988)	–	(7,810)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(1,653,889)	8,727,491	(1,037,080)	6,691	–	(3,646,433)
Net Assets Attributable to Holders of Redeemable Units at end of period	24,306,620	24,337,811	28,011,672	30,245,114	–	–

	2017	2016	2017	2016	2017	2016
	Series F		Series FX		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	5,440,245	2,399,660	407,265	466,583	59,266,430	40,659,074
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	106,093	130,996	9,393	22,202	1,540,005	2,202,626
Redeemable Unit Transactions						
Proceeds from redeemable units issued	1,353,823	1,210,140	24,360	–	12,919,818	17,166,300
Redemption of redeemable units	(1,237,742)	(657,793)	(24,360)	–	(11,643,465)	(5,915,934)
Reinvestment of distributions to holders of redeemable units	59,756	32,910	5,465	6,611	1,004,260	763,611
Capitalized distributions	–	–	–	–	–	–
	175,837	585,257	5,465	6,611	2,280,613	12,013,977
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(64,119)	(38,441)	(5,465)	(6,624)	(1,004,260)	(764,572)
Return of capital	–	–	–	–	–	–
	(64,119)	(38,441)	(5,465)	(6,624)	(1,004,260)	(764,572)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	217,811	677,812	9,393	22,189	2,816,358	13,452,031
Net Assets Attributable to Holders of Redeemable Units at end of period	5,658,056	3,077,472	416,658	488,772	62,082,788	54,111,105

	2017	2016	2017	2016	2017	2016
	Series O		Total			
	(\$)	(\$)	(\$)	(\$)		(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	3,048,132	2,493,217	123,171,333	95,513,710		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	71,984	168,470	2,848,408	4,853,044		
Redeemable Unit Transactions						
Proceeds from redeemable units issued	675,478	1,400,671	19,328,695	30,521,207		
Redemption of redeemable units	(809,583)	(309,673)	(21,842,219)	(14,829,296)		
Reinvestment of distributions to holders of redeemable units	47,310	56,530	1,669,612	1,451,837		
Capitalized distributions	–	–	–	–		
	(86,795)	1,147,528	(843,912)	17,143,748		
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–		
From net investment income	(47,310)	(56,530)	(1,714,024)	(1,497,543)		
Return of capital	–	–	–	–		
	(47,310)	(56,530)	(1,714,024)	(1,497,543)		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(62,121)	1,259,468	290,472	20,499,249		
Net Assets Attributable to Holders of Redeemable Units at end of period	2,986,011	3,752,685	123,461,805	116,012,959		

	2017	2016	2017	2016	2017	2016
	Series A		Series D		Series E	
Redeemable Unit Transactions						
Balance – beginning of period	1,848,182	1,111,231	2,056,757	2,141,603	–	362,274
Units issued	283,216	717,068	23,240	18,744	–	30,336
Units issued on reinvestment of distributions	15,546	15,023	23,273	25,934	–	730
Units redeemed	(433,299)	(165,857)	(139,016)	(112,988)	–	(393,340)
Balance – end of period	1,713,645	1,677,465	1,964,254	2,073,293	–	–

	2017	2016	2017	2016	2017	2016
	Series F		Series FX		Series I	
Redeemable Unit Transactions						
Balance – beginning of period	523,516	230,912	28,721	32,915	4,367,244	2,997,047
Units issued	128,472	115,058	1,682	–	941,567	1,242,469
Units issued on reinvestment of distributions	5,690	3,126	382	460	73,228	55,549
Units redeemed	(118,548)	(62,439)	(1,682)	–	(851,177)	(434,197)
Balance – end of period	539,130	286,657	29,103	33,375	4,530,862	3,860,868

	2017	2016	2017	2016
	Series O		Total	
Redeemable Unit Transactions				
Balance – beginning of period	301,853	246,976	9,126,273	7,122,958
Units issued	65,997	137,534	1,444,174	2,261,209
Units issued on reinvestment of distributions	4,638	5,527	122,757	106,349
Units redeemed	(79,632)	(30,197)	(1,623,354)	(1,199,018)
Balance – end of period	292,856	359,840	9,069,850	8,291,498

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Bond Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	2,848,408	4,853,044
Adjustments for:		
Gain on short-term investments	(316)	(2,843)
Net realized (gain) loss on sale of investments	(615,530)	(37,156)
Change in unrealized (appreciation) depreciation in value of investments	(149,939)	(2,287,885)
Change in unrealized (appreciation) depreciation in value of futures contracts	493,903	551,135
Change in unrealized (appreciation) depreciation in currency forward contracts	(1,602,006)	(1,243,217)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	(534,272)	(620,393)
Purchases of investments	(26,074,562)	(43,597,699)
Proceeds from sale of investments	30,968,954	24,562,939
Purchases of short-term investments	(8,499,725)	(16,398,151)
Proceeds from sale of short-term investments	7,500,041	18,797,640
Change in dividends and interest receivable	92,202	(45,467)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(1,639)	44,705
Change in other payables and accrued expenses	349	10,564
Net Cash Provided by (Used in) Operating Activities	4,425,868	(15,412,784)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(44,323)	(44,648)
Proceeds from redeemable units issued	19,221,425	30,239,434
Redemption of redeemable units	(24,587,539)	(14,826,666)
Net Cash Provided by (Used in) Financing Activities	(5,410,437)	15,368,120
Net increase (decrease) in cash	(984,569)	(44,664)
Cash (bank indebtedness) at beginning of period	1,111,354	368,039
Cash (bank indebtedness) at end of period	126,785	323,375
Dividends received, net of withholding taxes	-	-
Interest received, net of withholding taxes	2,152,010	1,714,356
Interest paid	-	-

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Bond Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
National Bank of Canada	0.450%	4-Jul-2017	1,000,000	1,000,000	1,000,000	
Total Short-Term Notes				1,000,000	1,000,000	0.81
BONDS						
Federal Bonds						
Canada Housing Trust No. 1	1.950%	15-Jun-2019	1,375,000	1,411,832	1,393,910	
Canadian Government Bond	0.500%	1-Feb-2019	825,000	819,687	817,703	
Canadian Government Bond	0.750%	1-Sep-2021	4,540,000	4,489,389	4,432,954	
Canadian Government Bond	0.500%	1-Mar-2022	1,650,000	1,599,094	1,584,990	
Canadian Government Bond	2.500%	1-Jun-2024	2,815,000	3,031,518	2,988,250	
Canadian Government Bond	1.500%	1-Jun-2026	2,100,000	2,097,251	2,066,504	
Canadian Government Bond	1.000%	1-Jun-2027	2,450,000	2,344,682	2,283,410	
Canadian Government Bond	5.750%	1-Jun-2033	1,885,000	2,906,729	2,853,597	
Canadian Government Bond	3.500%	1-Dec-2045	2,990,000	3,804,246	3,841,063	
Canadian Government Bond	2.750%	1-Dec-2048	265,000	309,547	302,545	
Canadian Government Bond	2.750%	1-Dec-2064	880,000	1,028,190	1,054,335	
				23,842,165	23,619,261	19.13
Provincial Bonds						
Province of Alberta	4.000%	1-Dec-2019	4,540,000	5,024,988	4,817,203	
Province of Alberta	2.900%	20-Sep-2029	810,000	845,624	823,331	
Province of Alberta	3.450%	1-Dec-2043	4,650,000	4,853,077	4,966,990	
Province of British Columbia	3.250%	18-Dec-2021	2,065,000	2,253,865	2,194,345	
Province of British Columbia	4.950%	18-Jun-2040	500,000	653,380	672,209	
Province of Manitoba	4.650%	5-Mar-2040	1,190,000	1,416,007	1,501,049	
Province of Manitoba	4.100%	5-Mar-2041	1,440,000	1,636,971	1,689,460	
Province of Ontario	4.000%	2-Jun-2021	6,610,000	7,369,140	7,174,165	
Province of Ontario	3.150%	2-Jun-2022	2,880,000	3,090,467	3,047,813	
Province of Ontario	2.400%	2-Jun-2026	1,040,000	1,062,449	1,040,913	
Province of Ontario	4.700%	2-Jun-2037	3,775,000	4,750,548	4,809,321	
Province of Ontario	3.450%	2-Jun-2045	2,010,000	2,101,745	2,196,640	
Province of Quebec	4.500%	1-Dec-2019	4,225,000	4,714,997	4,534,447	
Province of Saskatchewan	4.750%	1-Jun-2040	525,000	632,495	676,766	
				40,405,753	40,144,652	32.52
Municipal Bonds						
City of Montreal	4.250%	1-Dec-2032	450,000	502,875	513,506	
				502,875	513,506	0.42
Corporate Bonds						
Alectra Inc.	3.958%	30-Jul-2042	450,000	442,810	496,011	
Altalink LP	3.990%	30-Jun-2042	255,000	254,108	280,774	
Bank of Montreal	4.609%	10-Sep-2025	1,775,000	2,058,893	2,050,664	
Barrick Gold Corp.	4.100%	1-May-2023	555,000	786,456	780,813	
Bruce Power LP	2.844%	23-Jun-2021	1,110,000	1,122,486	1,130,898	
Bruce Power LP	4.010%	21-Jun-2029	410,000	410,016	428,265	
Cameco Corp.	4.190%	24-Jun-2024	370,000	369,852	375,856	
Canadian Western Bank	2.751%	29-Jun-2020	780,000	789,360	786,664	
Enbridge Inc.	3.940%	30-Jun-2023	230,000	230,000	244,384	
Enbridge Inc.	4.240%	27-Aug-2042	1,410,000	1,346,483	1,374,554	
Enercare Solutions Inc.	3.380%	21-Feb-2022	415,000	414,925	418,924	
General Motors Financial of Canada Ltd.	3.080%	22-May-2020	925,000	920,406	941,315	
Glacier Credit Card Trust	2.568%	20-Sep-2019	170,000	170,000	172,814	
Hydro One Inc.	5.000%	19-Oct-2046	209,000	246,821	268,041	
IGM Financial Inc.	4.560%	25-Jan-2047	290,000	290,000	313,074	
Iron Mountain Canada Operations ULC	6.125%	15-Aug-2021	250,000	259,375	259,792	
Metro Inc.	3.200%	1-Dec-2021	325,000	337,838	336,536	
National Bank of Canada	2.404%	28-Oct-2019	505,000	505,000	512,933	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
North West Redwater Partnership / NWR Financing Co Ltd.	3.650%	1-Jun-2035	335,000	334,776	338,299	
Nova Scotia Power Inc.	3.612%	1-May-2045	1,280,000	1,209,102	1,281,783	
Omers Realty Corporation	3.358%	5-Jun-2023	410,000	410,000	433,346	
Pembina Pipeline Corp.	4.810%	25-Mar-2044	525,000	493,710	541,513	
Power Corp of Canada.	4.810%	31-Jan-2047	1,120,000	1,120,000	1,255,358	
Rogers Communications Inc.	2.800%	13-Mar-2019	505,000	520,403	514,265	
Royal Bank of Canada	2.333%	5-Dec-2023	425,000	423,640	424,813	
Royal Bank of Canada	4.930%	16-Jul-2025	1,530,000	1,761,439	1,799,967	
Shaw Communications Inc.	6.750%	9-Nov-2039	245,000	290,812	317,124	
SP LP / SPI LP	3.210%	15-Jun-2019	281,010	276,182	284,546	
The Bank of Nova Scotia	3.270%	11-Jan-2021	1,565,000	1,655,695	1,636,774	
The Toronto-Dominion Bank	3.226%	24-Jul-2024	2,900,000	3,040,545	3,059,316	
Videotron Ltd.	5.625%	15-Jun-2025	490,000	497,113	530,833	
VW Credit Canada Inc.	2.800%	20-Aug-2018	460,000	459,595	465,589	
				23,447,841	24,055,838	19.48
Foreign Bonds						
American International Group Inc.	3.750%	10-Jul-2025	673,000	913,325	891,760	
Anheuser-Busch InBev Finance Inc.	2.650%	1-Feb-2021	302,000	429,275	397,797	
Anheuser-Busch InBev Finance Inc.	4.900%	1-Feb-2046	385,000	547,683	566,585	
AT&T Inc.	3.800%	1-Mar-2024	140,000	182,408	186,195	
AT&T Inc.	4.500%	15-May-2035	943,000	1,195,353	1,208,491	
Bank of America Corp.	3.950%	21-Apr-2025	1,681,000	2,142,301	2,214,237	
Becton Dickinson and Co.	4.669%	6-Jun-2047	432,000	580,484	585,618	
Berry Plastics Corp.	5.125%	15-Jul-2023	375,000	503,047	508,929	
Best Buy Co., Inc.	5.500%	15-Mar-2021	500,000	731,739	707,260	
Best Buy Co., Inc., Unsecured Note	5.500%	15-Mar-2021	250,000	346,772	353,630	
Building Materials Corp. of America	5.375%	15-Nov-2024	300,000	406,459	412,500	
Charter Communications Operating LLC	4.908%	23-Jul-2025	350,000	459,524	491,855	
Constellation Brands Inc.	4.250%	1-May-2023	350,000	468,233	484,534	
Discover Bank	3.100%	4-Jun-2020	774,000	1,007,042	1,025,027	
Dominion Resources Inc	3.625%	1-Dec-2024	300,000	384,767	399,791	
EDP Finance BV	5.250%	14-Jan-2021	325,000	442,078	453,565	
Emera US Finance LP	4.750%	15-Jun-2046	591,000	746,574	813,239	
Equinix Inc.	5.375%	1-Apr-2023	600,000	809,601	813,312	
ERAC USA Finance LLC	7.000%	15-Oct-2037	300,000	453,911	507,277	
Fidelity National Information Services Inc.	5.000%	15-Oct-2025	572,000	824,404	830,923	
Forest Laboratories Inc.	4.875%	15-Feb-2021	186,000	221,071	260,111	
Gilead Sciences Inc.	4.800%	1-Apr-2044	400,000	443,518	567,384	
Hanesbrands Inc.	4.875%	15-May-2026	402,000	526,839	531,867	
HCA Inc.	5.250%	15-Jun-2026	342,000	462,470	480,132	
Imperial Tobacco Finance PLC	3.750%	21-Jul-2022	356,000	451,721	481,895	
ING Bank NV	5.800%	25-Sep-2023	300,000	418,585	440,527	
Intercontinental Exchange Inc.	4.000%	15-Oct-2023	230,000	306,643	320,462	
Johnson Controls International plc	4.500%	15-Feb-2047	49,000	63,170	67,921	
JPMorgan Chase & Co.	3.125%	23-Jan-2025	950,000	1,284,545	1,227,776	
Lear Corp.	5.250%	15-Jan-2025	450,000	593,326	618,747	
Liberty Mutual Group Inc.	4.250%	15-Jun-2023	325,000	431,450	449,635	
Life Technologies Corp.	5.000%	15-Jan-2021	496,000	568,336	690,645	
Masco Corp.	4.375%	1-Apr-2026	590,000	791,694	821,173	
Morgan Stanley	3.950%	23-Apr-2027	500,000	582,850	656,532	
NXP BV / NXP Funding LLC	4.125%	15-Jun-2020	425,000	553,497	581,102	
Reynolds American Inc.	4.000%	12-Jun-2022	106,000	130,628	146,039	
Reynolds American Inc.	4.450%	12-Jun-2025	76,000	99,312	105,916	
Sabine Pass Liquefaction LLC	5.625%	1-Mar-2025	600,000	781,252	860,840	
Sealed Air Corp.	5.125%	1-Dec-2024	500,000	667,570	699,675	
SES SA	3.600%	4-Apr-2023	500,000	511,319	661,883	
Shire Acquisitions Investments Ireland DAC Co.	2.875%	23-Sep-2023	522,000	690,076	672,889	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Sirius XM Radio Inc.	5.375%	15-Apr-2025	750,000	982,022	1,015,422	
SunTrust Bank/Atlanta GA	3.300%	15-May-2026	690,000	900,924	877,492	
The Goldman Sachs Group Inc.	2.625%	25-Apr-2021	500,000	662,779	651,211	
The Goldman Sachs Group Inc.	3.625%	22-Jan-2023	685,000	929,510	919,337	
The Southern Co.	2.350%	1-Jul-2021	267,000	350,400	344,551	
UBS Group Funding Jersey Ltd.	3.000%	15-Apr-2021	324,000	426,159	427,613	
Verizon Communications Inc.	4.812%	15-Mar-2039	484,000	610,344	637,516	
Walgreens Boots Alliance Inc.	3.800%	18-Nov-2024	300,000	384,147	405,281	
Wells Fargo & Co.	4.100%	3-Jun-2026	871,000	1,173,504	1,172,604	
Wm. Wrigley Jr. Company	3.375%	21-Oct-2020	313,000	321,618	419,910	
				30,896,259	32,066,613	25.97
Total Bonds				119,094,893	120,399,870	97.52
Total Investments				120,094,893	121,399,870	98.33
Currency Forward Contracts⁽¹⁾					1,224,472	0.99
Futures Contracts⁽²⁾					(542,024)	(0.44)
Other Assets less Liabilities					1,379,487	1.12
Total Net Assets					123,461,805	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Merrill Lynch	A-1	10-Aug-2017	CAD	33,990,007	USD	(25,244,541)	1,228,598
							1,228,598
BNP PARIBAS	A-1	10-Aug-2017	USD	92,000	CAD	(123,520)	(4,126)
							(4,126)

⁽²⁾ Futures Contracts

Name of Future	Contracted Value (\$)	Expiry Date	Numbers of Contracts	Contracted Price	Current Value (\$)	Unrealized Appreciation/Depreciation (\$)
CBOT 2-Year T-Note Futures	(7,589,308)	29-Sep-2017	(27)	108	(7,577,854)	11,454
CBOT 5-Year T-Note Futures	1,840,420	30-Jun-2017	12	118	1,846,995	6,575
CBOT 10-Year T-Note Futures	(18,959,393)	20-Sep-2017	(116)	126	(18,911,182)	48,210
CBOT 10-Year T-Note Futures	(3,856,693)	20-Sep-2017	(22)	135	(3,851,782)	4,911
					(28,493,823)	71,150
Canadian 5-Year Bond Futures	8,086,285	20-Sep-2017	65	124	7,937,150	(149,135)
CBOT 5-Year T-Note Futures	613,443	29-Sep-2017	4	118	612,134	(1,309)
CBOT 5-Year T-Note Futures	(1,835,985)	30-Jun-2017	(12)	118	(1,846,995)	(11,009)
MTL 10-Year Canadian Bond Futures	1,885,910	20-Sep-2017	13	145	1,827,150	(58,760)
MTL 10-Year Canadian Bond Futures	12,280,800	20-Sep-2017	85	144	11,946,750	(334,050)
CBOT 10-Year T-Note Futures	1,404,544	20-Sep-2017	8	135	1,400,648	(3,896)
CBOT 30-Year Bond Futures	(988,836)	20-Sep-2017	(5)	152	(997,970)	(9,134)
CBOT Ultra Bond Futures	(1,905,741)	20-Sep-2017	(9)	163	(1,938,797)	(33,056)
CBOT Ultra Bond Futures	(848,863)	20-Sep-2017	(4)	163	(861,687)	(12,825)
					18,078,383	(613,174)

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Bond Fund (Continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Canadian Bond Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund also invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	June 30, 2017	
AAA/Aaa	21.59	
AA/Aa	7.53	
A/A	39.04	
BBB/Bbb	25.80	
BB/Bb	3.96	
B/B	0.41	
Not Rated	1.00	
Total	99.33	

Rating	As a % of Net Assets	
	December 31, 2016	
AAA/Aaa	15.48	
AA/Aa	16.77	
A/A	35.61	
BBB/Bbb	29.35	
BB/Bb	3.49	
B/B	0.42	
Not Rated	-	
Total	101.12	

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	917,078	0.74
Total	917,078	0.74

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	1,467,838	1.19
Total	1,467,838	1.19

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$45,854 (\$73,392 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Bond Fund (Continued)

(ii) Interest rate risk

The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	1,000,000
1-5 years	43,917,040
More than 5 years	76,482,830
Total	121,399,870

	December 31, 2016 (\$)
Less than 1 year	–
1-5 years	44,895,731
More than 5 years	79,633,062
Total	124,528,793

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$13,716,506 (\$14,496,408 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is not currently exposed to other market risk as no equities are held in the Fund.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Short-Term Investments		
Bankers' Acceptances	0.8	–
Bonds		
Federal Bonds	19.1	13.0
Provincial Bonds	32.5	36.1
Municipal Bonds	0.4	0.4
Corporate Bonds	19.5	22.1
Foreign Bonds	26.0	29.5
Other Assets less Liabilities	1.7	(1.1)
Total	100.0	100.0

The accompanying notes are an integral part of the financial statements.

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

Sun Life MFS Canadian Bond Fund (Continued)

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

June 30, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Bonds	–	120,399,870	–	120,399,870
Short-Term Investments	–	1,000,000	–	1,000,000
Futures Contracts	–	71,150	–	71,150
Currency Forward Contracts	–	1,228,598	–	1,228,598
Financial Liabilities				
Futures Contracts	–	613,174	–	613,174
Currency Forward Contracts	–	4,126	–	4,126
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Bonds	–	124,528,793	–	124,528,793
Futures Contracts	–	121,449	–	121,449
Currency Forward Contracts	–	25,053	–	25,053
Financial Liabilities				
Futures Contracts	–	169,570	–	169,570
Currency Forward Contracts	–	402,587	–	402,587

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Bonds and short-term investments

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds and short-term investments have been classified as Level 2.

Derivative assets and liabilities

Derivative assets and liabilities consist of foreign currency forward contracts and futures contracts. Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Futures contracts are classified as Level 2 and are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out. Gains or losses arising from futures contracts are recorded as unrealized gain (loss) on futures contracts and shown as an asset (liability) on the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	1,299,748	146,502
Investments designated at fair value through profit or loss	121,399,870	124,528,793
Total financial assets at fair value through profit or loss	122,699,618	124,675,295
Financial assets at amortized cost		
Cash	126,785	1,111,354
Other receivables	1,441,833	929,873
Total financial assets at amortized cost	1,568,618	2,041,227
Total assets	124,268,236	126,716,522
Financial liabilities		
Derivative liabilities held for trading	617,300	572,157
Financial liabilities at amortized cost	189,131	2,973,032
Total liabilities (excluding net assets attributable to holders of redeemable units)	806,431	3,545,189

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	388,839	1,051,210
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	2,825,277	4,084,864
Total net gains (losses)	3,214,116	5,136,074

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Bond Fund (Continued)

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	1,228,598	–	–	1,228,598
Total	1,228,598	–	–	1,228,598
Derivative liabilities –				
Forward Contracts	(4,126)	–	–	(4,126)
Total	(4,126)	–	–	(4,126)
December 31, 2016				
Derivative assets –				
Forward Contracts	25,053	(10,791)	–	14,262
Total	25,053	(10,791)	–	14,262
Derivative liabilities –				
Forward Contracts	(402,587)	10,791	–	(391,796)
Total	(402,587)	10,791	–	(391,796)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	March 27, 2009	March 31, 2009
Series D Units	July 15, 1988	July 15, 1988
Series F Units	March 30, 2012	April 02, 2012
Series FX Units	February 13, 2008	February 13, 2008
Series I Units	November 21, 2008	November 28, 2008
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	8,855,381	8,251,431
Short-term investments	—	—
Cash	58,373	165,739
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	—	—
Unrealized appreciation on swaps	—	—
Due from investment dealers	112,798	—
Accrued interest	—	—
Dividends receivable	21,751	19,028
Distributions receivable from underlying funds	—	—
Subscriptions receivable	668	593
	9,048,971	8,436,791
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	1,836	1,543
Redemptions payable	1,449	3,235
Distributions payable	—	—
Due to investment dealers	—	53,988
Management fees payable	13,579	11,253
Total liabilities (excluding net assets attributable to holders of redeemable units)	16,864	70,019
Net Assets Attributable to Holders of Redeemable Units	9,032,107	8,366,772
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	4,480,747	3,619,801
Series D	2,188,716	2,318,956
Series E	—	—
Series F	1,263,053	1,259,677
Series I	800,913	860,843
Series O	298,678	307,495
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	17.70	17.74
Series D	18.49	18.45
Series E	—	—
Series F	17.99	17.93
Series I	18.68	18.50
Series O	10.89	10.79

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	116,931	88,289
Interest income for distribution purposes	207	674
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	158,693	(59,751)
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	—	—
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	(195,510)	245,898
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	—	—
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	80,321	275,110
Net gain (loss) on foreign exchange	6	(86)
Other income	—	—
Total income (loss)	80,327	275,024
Expenses (note 5)		
Management fees	67,242	44,667
Administration fees	9,171	6,385
Independent review committee fees	76	32
Withholding tax	35	—
Transaction costs (note 2)	1,360	1,752
Total operating expenses	77,884	52,836
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	2,443	222,188
Finance Cost		
Interest expense	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,443	222,188
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	(20,513)	87,611
Series D	5,656	71,395
Series E	—	(11,633)
Series F	6,237	38,151
Series I	8,324	25,661
Series O	2,739	11,003
Weighted Average Number of Units Outstanding		
Series A	234,566	142,059
Series D	121,337	143,396
Series E	—	35,073
Series F	71,944	55,283
Series I	43,852	36,364
Series O	27,512	21,733
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	(0.09)	0.62
Series D	0.05	0.50
Series E	—	(0.33)
Series F	0.09	0.69
Series I	0.19	0.71
Series O	0.10	0.51

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series D		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	3,619,801	1,873,951	2,318,956	2,354,611	–	320,471
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	(20,513)	87,611	5,656	71,395	–	(11,633)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	1,531,116	870,195	21,098	17,489	–	11,589
Redemption of redeemable units	(649,680)	(232,768)	(156,994)	(329,849)	–	(320,415)
Reinvestment of distributions to holders of redeemable units	362	99	–	–	–	10
Capitalized distributions	–	–	–	–	–	–
	881,798	637,526	(135,896)	(312,360)	–	(308,816)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(339)	(73)	–	–	–	(22)
Return of capital	–	–	–	–	–	–
	(339)	(73)	–	–	–	(22)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	860,946	725,064	(130,240)	(240,965)	–	(320,471)
Net Assets Attributable to Holders of Redeemable Units at end of period	4,480,747	2,599,015	2,188,716	2,113,646	–	–
	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	1,259,677	873,422	860,843	580,682	307,495	160,255
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	6,237	38,151	8,324	25,661	2,739	11,003
Redeemable Unit Transactions						
Proceeds from redeemable units issued	99,030	241,890	101,978	43,483	3,167	97,780
Redemption of redeemable units	(101,882)	(11,283)	(170,232)	(64,527)	(14,723)	(14,053)
Reinvestment of distributions to holders of redeemable units	693	332	–	–	–	–
Capitalized distributions	–	–	–	–	–	–
	(2,159)	230,939	(68,254)	(21,044)	(11,556)	83,727
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(702)	(251)	–	–	–	–
Return of capital	–	–	–	–	–	–
	(702)	(251)	–	–	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	3,376	268,839	(59,930)	4,617	(8,817)	94,730
Net Assets Attributable to Holders of Redeemable Units at end of period	1,263,053	1,142,261	800,913	585,299	298,678	254,985

	2017	2016				
	Total	Total				
	(\$)	(\$)				
Net Assets Attributable to Holders of Redeemable Units at beginning of period	8,366,772	6,163,392				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,443	222,188				
Redeemable Unit Transactions						
Proceeds from redeemable units issued	1,756,389	1,282,426				
Redemption of redeemable units	(1,093,511)	(972,895)				
Reinvestment of distributions to holders of redeemable units	1,055	441				
Capitalized distributions	–	–				
	663,933	309,972				
Distributions to Holders of Redeemable Units						
From capital gains	–	–				
From net investment income	(1,041)	(346)				
Return of capital	–	–				
	(1,041)	(346)				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	665,335	531,814				
Net Assets Attributable to Holders of Redeemable Units at end of period	9,032,107	6,695,206				
	2017	2016	2017	2016	2017	2016
	Series A		Series D		Series E	
Redeemable Unit Transactions						
Balance – beginning of period	204,088	119,659	125,710	145,508	–	34,358
Units issued	85,199	56,274	1,129	1,118	–	1,358
Units issued on reinvestment of distributions	20	6	–	–	–	1
Units redeemed	(36,217)	(14,973)	(8,451)	(20,348)	–	(35,717)
Balance – end of period	253,090	160,966	118,388	126,278	–	–
	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
Redeemable Unit Transactions						
Balance – beginning of period	70,253	55,403	46,534	35,806	28,496	16,932
Units issued	5,469	15,267	5,445	2,655	289	10,389
Units issued on reinvestment of distributions	38	21	–	–	–	–
Units redeemed	(5,554)	(727)	(9,106)	(3,834)	(1,353)	(1,451)
Balance – end of period	70,206	69,964	42,873	34,627	27,432	25,870
	2017	2016				
	Total	Total				
	(\$)	(\$)				
Redeemable Unit Transactions						
Balance – beginning of period	475,081	407,666				
Units issued	97,531	87,061				
Units issued on reinvestment of distributions	58	28				
Units redeemed	(60,681)	(77,050)				
Balance – end of period	511,989	417,705				

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	2,443	222,188
Adjustments for:		
Gain on short-term investments	—	—
Net realized (gain) loss on sale of investments	(158,693)	59,751
Change in unrealized (appreciation) depreciation in value of investments	195,510	(245,898)
Change in unrealized (appreciation) depreciation in value of futures contracts	—	—
Change in unrealized (appreciation) depreciation in currency forward contracts	—	—
Change in unrealized (appreciation) depreciation in value of swaps	—	—
Non-cash income distributions from underlying funds	—	—
Change in fair value of option contracts	—	—
Change in fair value of credit default swaps	—	—
Change in margin	—	—
Purchases of investments	(2,153,699)	(1,627,740)
Proceeds from sale of investments	1,344,786	1,288,663
Purchases of short-term investments	—	—
Proceeds from sale of short-term investments	—	—
Change in dividends and interest receivable	(2,723)	(3,426)
Change in distributions receivable from underlying funds	—	—
Change in management fees payable	2,326	7,560
Change in other payables and accrued expenses	1,653	2,863
Net Cash Provided by (Used in) Operating Activities	(768,397)	(296,039)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	14	95
Proceeds from redeemable units issued	1,756,314	1,282,962
Redemption of redeemable units	(1,095,297)	(972,488)
Net Cash Provided by (Used in) Financing Activities	661,031	310,569
Net increase (decrease) in cash	(107,366)	14,530
Cash (bank indebtedness) at beginning of period	165,739	34,216
Cash (bank indebtedness) at end of period	58,373	48,746
Dividends received, net of withholding taxes	114,173	84,863
Interest received, net of withholding taxes	207	674
Interest paid	—	—

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Advantage Oil & Gas Ltd.	3,472	31,712	30,449	
Canadian Natural Resources Ltd.	8,175	294,767	305,909	
Crescent Point Energy Corp.	2,750	54,630	27,280	
Enbridge Inc.	8,847	476,658	457,036	
Husky Energy Inc.	2,671	57,265	39,317	
Seven Generations Energy Ltd.	2,259	54,630	50,172	
Suncor Energy Inc.	10,876	386,303	412,092	
TORC Oil & Gas Ltd.	6,231	50,551	31,591	
Tourmaline Oil Corp.	1,956	74,894	54,533	
TransCanada Corp.	5,785	287,890	357,629	
Trinidad Drilling Ltd.	7,751	33,057	15,114	
ZCL Composites Inc.	1,163	9,568	15,142	
		1,811,925	1,796,264	19.89
Materials				
Agnico Eagle Mines Ltd.	2,857	131,173	167,077	
Agrium Inc.	1,349	139,552	158,548	
Barrick Gold Corp.	3,842	82,026	79,260	
CCL Industries Inc., Class B	2,300	74,831	150,903	
Detour Gold Corp.	1,580	35,293	23,984	
First Quantum Minerals Ltd.	5,394	68,476	59,172	
Franco-Nevada Corp.	803	62,575	75,137	
Goldcorp Inc.	7,245	176,007	121,136	
Intertape Polymer Group Inc.	1,318	26,106	32,541	
Lundin Mining Corp.	10,723	59,521	79,029	
Methanex Corp.	1,312	76,549	75,112	
Tahoe Resources Inc.	2,244	38,482	25,088	
		970,591	1,046,987	11.59
Industrials				
Air Canada	1,767	19,860	30,710	
Boyd Group Income Fund	585	42,932	56,248	
CAE Inc.	1,818	27,696	40,650	
Canadian National Railway Co.	3,296	194,657	346,805	
Canadian Pacific Railway Ltd.	1,437	275,089	299,830	
New Flyer Industries Inc.	896	37,506	48,599	
Ritchie Bros Auctioneers Inc.	957	43,475	35,658	
SNC-Lavalin Group Inc.	1,598	77,697	89,600	
Stantec Inc.	2,582	84,574	84,302	
Transcontinental Inc., Class A	3,907	67,924	100,410	
Waste Connections Inc.	2,380	122,791	198,760	
		994,201	1,331,572	14.74
Consumer Discretionary				
Aritzia Inc.	730	12,249	10,965	
Dollarama Inc.	545	32,384	67,531	
Gildan Activewear Inc.	837	32,288	33,354	
Magna International Inc.	902	51,524	54,183	
Quebecor Inc., Class B	3,705	113,418	159,019	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Restaurant Brands				
International Inc.	324	17,379	26,289	
Sleep Country Canada Holdings Inc.	407	12,533	16,749	
Thomson Reuters Corp.	2,819	148,621	169,253	
Uni-Select Inc.	1,343	44,201	42,063	
		464,597	579,406	6.41
Consumer Staples				
Alimentation Couche-Tard Inc., Class B	3,142	128,157	195,307	
Loblaw Companies Limited	2,503	147,982	180,566	
Maple Leaf Foods Inc.	731	24,755	23,933	
Premium Brands Holdings Corp.	231	9,778	21,493	
		310,672	421,299	4.67
Health Care				
Valeant Pharmaceuticals International Inc.	599	43,172	13,501	
		43,172	13,501	0.15
Financials				
Bank of Montreal	2,201	194,518	209,579	
CI Financial Corp.	1,355	39,849	37,452	
ECN Capital Corp.	6,384	19,342	25,536	
Element Financial Corp.	5,991	71,729	53,320	
Fairfax Financial Holdings Ltd.	109	68,240	61,259	
IGM Financial Inc.	1,170	51,969	47,057	
Intact Financial Corp.	1,266	93,512	124,017	
Manulife Financial Corp.	13,622	286,820	331,151	
National Bank of Canada	971	45,396	52,949	
Royal Bank of Canada	7,356	504,787	692,641	
The Bank of Nova Scotia	6,583	400,339	513,540	
The Toronto-Dominion Bank	10,412	486,998	680,424	
		2,263,499	2,828,925	31.32
Real Estate				
Boardwalk Real Estate Investment Trust	1,806	87,128	85,875	
Dream Office Real Estate Investment Trust	3,591	61,364	70,204	
		148,492	156,079	1.73
Information Technology				
CGI Group Inc.	3,251	196,958	215,411	
Constellation Software Inc.	116	55,163	78,696	
Kinaxis Inc.	258	7,909	20,832	
Mitel Networks Corp.	5,040	54,701	48,031	
Shopify Inc.	173	15,262	19,480	
		329,993	382,450	4.23
Telecommunication Services				
TELUS Corp.	4,766	192,338	213,374	
		192,338	213,374	2.36

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Utilities				
Just Energy Group Inc.	2,912	23,505	19,802	
Superior Plus Corp.	5,755	62,303	65,722	
		85,808	85,524	0.95
Total Equities		7,615,288	8,855,381	98.04
Transaction Costs		(3,699)		
Total Investments		7,611,589	8,855,381	98.04
Other Assets less Liabilities			176,726	1.96
Total Net Assets			9,032,107	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Canadian Equity Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund had no significant investments in debt instruments and/or derivatives and, therefore, did not have significant exposure to credit risk. Credit risk from other financial instruments is minimal.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are primarily denominated in currencies other

than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	2,595	0.03
Total	2,595	0.03

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	2,407	0.03
Total	2,407	0.03

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$130 (\$120 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in publicly traded equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$442,769 (\$412,572 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Fund (Continued)

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Energy	19.9	22.4
Materials	11.6	11.7
Industrials	14.7	12.3
Consumer Discretionary	6.4	6.1
Consumer Staples	4.7	3.5
Health Care	0.2	0.1
Financials	31.3	33.0
Real Estate	1.7	2.1
Information Technology	4.2	4.1
Telecommunication Services	2.4	2.2
Utilities	0.9	1.1
Other Assets less Liabilities	2.0	1.4
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar

securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	8,855,381	–	–	8,855,381

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	8,251,431	–	–	8,251,431

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$1,360 (\$1,752 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Fund (Continued)

Fund to those brokers for the period ended June 30, 2017 was \$932 (\$2,307 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	8,855,381	8,251,431
Total financial assets at fair value through profit or loss	8,855,381	8,251,431
Financial assets at amortized cost		
Cash	58,373	165,739
Other receivables	135,217	19,621
Total financial assets at amortized cost	193,590	185,360
Total assets	9,048,971	8,436,791
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	16,864	70,019
Total liabilities (excluding net assets attributable to holders of redeemable units)	16,864	70,019

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	80,321	275,110
Total net gains (losses)	80,321	275,110

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	March 27, 2009	March 31, 2009
Series D Units	March 25, 2004	March 26, 2004
Series F Units	February 13, 2008	February 13, 2008
Series I Units	November 21, 2008	November 28, 2008
Series O Units	April 01, 2014	April 01, 2014

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

Anticipated Future Fund Change

As announced on July 24, 2017, the Fund will be merging into the Sun Life MFS Canadian Equity Growth Fund on or about October 27, 2017. The Fund was closed to new investors as of the date of the announcement.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Growth Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	136,313,923	137,865,794
Short-term investments	1,600,000	2,000,000
Cash	34,351	140,831
Margin	–	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	1,042	26,080
Accrued interest	20	25
Dividends receivable	293,046	234,552
Distributions receivable from underlying funds	–	–
Subscriptions receivable	11,207	23,847
	138,253,589	140,291,129
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	10,895	10,504
Redemptions payable	2,600	1,003
Distributions payable	–	–
Due to investment dealers	–	151,828
Management fees payable	30,344	29,492
Total liabilities (excluding net assets attributable to holders of redeemable units)	43,839	192,827
Net Assets Attributable to Holders of Redeemable Units	138,209,750	140,098,302
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	4,010,569	3,358,326
Series D	13,758,069	14,851,380
Series E	–	–
Series F	3,437,743	3,355,707
Series I	116,547,790	118,147,710
Series O	455,579	385,179
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	47.79	45.87
Series D	49.87	47.75
Series E	–	–
Series F	49.06	46.96
Series I	49.72	47.49
Series O	11.69	11.17

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	1,692,293	1,247,758
Interest income for distribution purposes	1,527	2,478
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	5,449,988	(3,338,254)
Net realized gain (loss) on futures contracts	–	–
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	358,739	3,763,204
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	7,502,547	1,675,186
Net gain (loss) on foreign exchange	1,382	(134)
Other income	–	–
Total income (loss)	7,503,929	1,675,052
Expenses (note 5)		
Management fees	156,907	141,126
Administration fees	62,628	43,071
Independent review committee fees	207	499
Withholding tax	48,603	29,382
Transaction costs (note 2)	32,909	32,588
Total operating expenses	301,254	246,666
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	7,202,675	1,428,386
Finance Cost		
Interest expense	(48)	(3)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	7,202,627	1,428,383
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	142,705	7,024
Series D	653,953	(19,051)
Series E	–	(7,425)
Series F	155,709	13,289
Series I	6,229,646	1,429,317
Series O	20,614	5,229
Weighted Average Number of Units Outstanding		
Series A	77,871	59,632
Series D	293,010	334,396
Series E	–	12,741
Series F	69,868	73,539
Series I	2,451,444	1,777,706
Series O	35,976	30,190
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.83	0.12
Series D	2.23	(0.06)
Series E	–	(0.58)
Series F	2.23	0.18
Series I	2.54	0.80
Series O	0.57	0.17

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Growth Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	Series B (\$)	Series D (\$)	Series C (\$)	Series E (\$)	Series F (\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	3,358,326	2,394,387	14,851,380	15,162,448	–	128,987
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	142,705	7,024	653,953	(19,051)	–	(7,425)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	793,581	357,307	178,893	30,235	–	75
Redemption of redeemable units	(284,064)	(80,373)	(1,925,642)	(927,511)	–	(121,631)
Reinvestment of distributions to holders of redeemable units	817	471	14,446	46	–	4
Capitalized distributions	–	–	–	–	–	–
	510,334	277,405	(1,732,303)	(897,230)	–	(121,552)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(796)	(358)	(14,961)	(23)	–	(10)
Return of capital	–	–	–	–	–	–
	(796)	(358)	(14,961)	(23)	–	(10)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	652,243	284,071	(1,093,311)	(916,304)	–	(128,987)
Net Assets Attributable to Holders of Redeemable Units at end of period	4,010,569	2,678,458	13,758,069	14,246,144	–	–
	2017	2016	2017	2016	2017	2016
	Series F (\$)	Series G (\$)	Series I (\$)	Series H (\$)	Series O (\$)	Series P (\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	3,355,707	3,176,363	118,147,710	65,768,652	385,179	259,699
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	155,709	13,289	6,229,646	1,429,317	20,614	5,229
Redeemable Unit Transactions						
Proceeds from redeemable units issued	51,684	72,160	19,444,510	26,577,774	61,502	77,471
Redemption of redeemable units	(125,215)	(289,165)	(27,274,076)	(13,295)	(11,716)	(8,346)
Reinvestment of distributions to holders of redeemable units	8,677	955	800,250	–	2,469	–
Capitalized distributions	–	–	–	–	–	–
	(64,854)	(216,050)	(7,029,316)	26,564,479	52,255	69,125
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(8,819)	(832)	(800,250)	–	(2,469)	–
Return of capital	–	–	–	–	–	–
	(8,819)	(832)	(800,250)	–	(2,469)	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	82,036	(203,593)	(1,599,920)	27,993,796	70,400	74,354
Net Assets Attributable to Holders of Redeemable Units at end of period	3,437,743	2,972,770	116,547,790	93,762,448	455,579	334,053

	2017	2016
	Total (\$)	Total (\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	140,098,302	86,890,536
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	7,202,627	1,428,383
Redeemable Unit Transactions		
Proceeds from redeemable units issued	20,530,170	27,115,022
Redemption of redeemable units	(29,620,713)	(1,440,321)
Reinvestment of distributions to holders of redeemable units	826,659	1,476
Capitalized distributions	–	–
	(8,263,884)	25,676,177
Distributions to Holders of Redeemable Units		
From capital gains	–	–
From net investment income	(827,295)	(1,223)
Return of capital	–	–
	(827,295)	(1,223)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(1,888,552)	27,103,337
Net Assets Attributable to Holders of Redeemable Units at end of period	138,209,750	113,993,873

	2017	2016	2017	2016	2017	2016
	Series A	Series B	Series D	Series C	Series E	Series F
Redeemable Unit Transactions						
Balance – beginning of period	73,215	56,591	311,037	345,726	–	12,740
Units issued	16,702	8,773	3,612	729	–	8
Units issued on reinvestment of distributions	17	11	292	1	–	–
Units redeemed	(6,013)	(1,965)	(39,061)	(21,779)	–	(12,748)
Balance – end of period	83,921	63,410	275,880	324,677	–	–

	2017	2016	2017	2016	2017	2016
	Series F	Series G	Series I	Series H	Series O	Series P
Redeemable Unit Transactions						
Balance – beginning of period	71,461	73,640	2,487,986	1,508,147	34,476	25,307
Units issued	1,058	1,726	396,183	624,568	5,266	7,866
Units issued on reinvestment of distributions	178	22	16,259	–	213	–
Units redeemed	(2,625)	(6,620)	(556,189)	(310)	(992)	(860)
Balance – end of period	70,072	68,768	2,344,239	2,132,405	38,963	32,313

	2017	2016
	Total	Total
Redeemable Unit Transactions		
Balance – beginning of period	2,978,175	2,022,151
Units issued	422,821	643,670
Units issued on reinvestment of distributions	16,959	34
Units redeemed	(604,880)	(44,282)
Balance – end of period	2,813,075	2,621,573

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Growth Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	7,202,627	1,428,383
Adjustments for:		
Gain on short-term investments	(1,519)	(1,720)
Net realized (gain) loss on sale of investments	(5,449,988)	3,338,254
Change in unrealized (appreciation) depreciation in value of investments	(358,739)	(3,763,204)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(38,847,442)	(41,004,707)
Proceeds from sale of investments	46,048,341	14,560,499
Purchases of short-term investments	(52,300,000)	(34,596,694)
Proceeds from sale of short-term investments	52,701,519	33,399,854
Change in dividends and interest receivable	(58,489)	(103,902)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	852	21,532
Change in other payables and accrued expenses	33,300	40,575
Net Cash Provided by (Used in) Operating Activities	8,970,462	(26,681,130)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(636)	253
Proceeds from redeemable units issued	20,542,810	26,716,855
Redemption of redeemable units	(29,619,116)	(1,423,219)
Net Cash Provided by (Used in) Financing Activities	(9,076,942)	25,293,889
Net increase (decrease) in cash	(106,480)	(1,387,241)
Cash (bank indebtedness) at beginning of period	140,831	1,576,419
Cash (bank indebtedness) at end of period	34,351	189,178
Dividends received, net of withholding taxes	1,585,196	1,115,211
Interest received, net of withholding taxes	1,532	1,741
Interest paid	(48)	(3)

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Growth Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Yield	Maturity Date	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
National Bank of Canada	0.450%	4-Jul-17	1,600,000	1,600,000	1,600,000	
Total Short-Term Notes				1,600,000	1,600,000	1.16

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Caltex Australia Ltd.	3,286	108,689	103,472	
Canadian Natural Resources Ltd.	88,717	3,127,511	3,319,790	
Concho Resources Inc.	157	25,449	24,779	
Enbridge Inc.	110,285	5,937,469	5,697,323	
Oil Search Ltd.	17,749	128,554	120,584	
Pioneer Natural Resources Co.	295	63,925	61,138	
Seven Generations Energy Ltd.	51,433	1,229,308	1,142,327	
Suncor Energy Inc.	129,047	4,646,018	4,889,591	
TORC Oil & Gas Ltd.	140,713	1,065,041	713,415	
Tourmaline Oil Corp.	44,246	1,556,959	1,233,578	
TransCanada Corp.	66,949	3,443,411	4,138,787	
	21,332,334	21,444,784	21,444,784	15.52

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Materials				
Agnico Eagle Mines Ltd.	29,905	1,648,927	1,748,844	
Agrium Inc.	14,050	1,681,151	1,651,297	
Air Liquide SA	1,798	261,220	288,166	
Akzo Nobel NV	2,874	263,803	323,922	
CCL Industries Inc.	27,120	1,194,126	1,779,343	
Croda International PLC	2,443	133,557	160,108	
Detour Gold Corp.	36,139	822,734	548,590	
Ecolab Inc.	339	49,863	58,444	
First Quantum Minerals Ltd.	54,189	900,504	594,453	
Franco-Nevada Corp.	18,073	1,464,986	1,691,091	
Goldcorp Inc.	60,161	1,377,049	1,005,892	
Linde AG	1,233	268,568	302,812	
Lundin Mining Corp.	140,028	720,030	1,032,006	
Methanex Corp.	12,949	707,582	741,330	
Monsanto Co.	687	91,095	105,602	
Sika AG	15	96,025	125,307	
Symrise AG	2,285	177,821	209,915	
The Sherwin-Williams Co.	527	176,792	240,202	
Vulcan Materials Co.	1,183	159,133	194,627	
	12,194,966	12,801,951	12,801,951	9.26

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Industrials				
AMETEK Inc.	1,370	86,703	107,767	
Boyd Group Income Fund	14,621	1,108,405	1,405,809	
Brambles Ltd.	12,255	136,343	118,784	
Brenntag AG	2,377	163,886	178,440	
Canadian National Railway Co.	63,130	4,806,197	6,642,734	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Canadian Pacific Railway Ltd.	15,837	3,143,718	3,304,513	
Equifax Inc.	711	98,576	126,890	
Experian PLC	6,439	151,429	171,080	
Fortive Corp.	1,076	59,341	88,525	
GEA Group AG	3,306	187,769	175,459	
Honeywell International Inc.	529	69,467	91,572	
Intertek Group PLC	3,149	173,076	224,014	
Legrand SA	1,003	70,351	90,998	
Prysmian SpA	4,298	121,685	163,934	
Ritchie Bros Auctioneers Inc.	25,265	1,131,415	941,374	
Rolls-Royce Holdings PLC	14,557	208,282	218,801	
Rolls-Royce Holdings PLC, C Shares	986,971	1,737	1,665	
Roper Industries Inc.	607	129,680	182,518	
Schneider Electric SA	3,500	312,048	348,751	
SNC-Lavalin Group Inc.	15,845	836,411	888,429	
Stantec Inc.	30,549	990,724	997,425	
TOTO Ltd.	3,700	178,145	183,466	
Union Pacific Corp.	1,061	130,116	150,069	
Univar Inc.	601	21,172	22,791	
Verisk Analytics Inc.	979	94,126	107,270	
Waste Connections Inc.	27,614	1,655,690	2,306,597	
Xylem Inc.	949	63,528	68,316	
Yamato Holdings Co., Ltd.	1,800	51,852	47,404	
	16,181,872	19,355,395	19,355,395	14.00

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Consumer Discretionary				
Amazon.com Inc.	584	476,517	734,171	
Aramark	2,930	125,120	155,937	
Aritzia Inc.	16,572	276,586	248,911	
Bandai Namco Holdings Inc.	900	43,427	39,842	
Burberry Group PLC	6,182	170,953	173,220	
Comcast Corp.	5,064	198,581	255,962	
Compass Group PLC	9,704	220,895	265,195	
Dollar Tree Inc.	526	53,698	47,764	
Dollarama Inc.	12,716	1,033,812	1,575,640	
Gildan Activewear Inc.	19,494	753,373	776,836	
Kering	820	217,246	362,199	
Lululemon Athletica Inc.	243	20,081	18,831	
LVMH Moët Hennessy Louis Vuitton SA	1,458	327,696	471,451	
Marriott International Inc.	987	92,766	128,579	
Monster Beverage Corp.	1,539	98,535	99,295	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Growth Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Netflix Inc.	1,143	147,756	221,787	
NIKE Inc.	2,201	149,397	168,648	
Paddy Power Betfair PLC	1,386	188,089	191,256	
Paddy Power PLC	5	548	692	
Panera Bread Co.	198	57,982	80,907	
priceline.com Inc.	111	171,893	269,646	
Publicis Groupe SA	1,776	168,249	171,810	
Quebecor Inc., Class B	38,009	1,327,011	1,631,346	
Restaurant Brands International Inc.	7,002	382,619	568,142	
Ross Stores Inc.	1,048	63,988	78,573	
Six Flags Entertainment Corp.	519	40,537	40,179	
Sleep Country Canada Holdings Inc.	18,205	563,811	749,136	
Starbucks Corp.	2,422	162,244	183,411	
Thomson Reuters Corp.	41,848	2,143,216	2,512,554	
Uni-Select Inc.	32,729	1,066,720	1,025,072	
Whitbread PLC	3,169	242,258	212,072	
WPP plc	8,595	245,178	234,018	
Yum China Holdings Inc.	1,778	66,989	91,047	
	11,297,771	13,784,129	9.97	
Consumer Staples				
Alimentation				
Couche-Tard Inc., Class B	43,146	2,092,852	2,681,955	
AMBEV SA	15,612	113,487	111,312	
Carlsberg A/S, Class B	840	94,764	116,391	
Colgate-Palmolive Co.	1,468	127,728	141,328	
Constellation Brands Inc.	937	157,334	235,747	
Costco Wholesale Corp.	372	69,266	77,265	
Dairy Farm International Holdings Ltd.	200	2,207	2,047	
Danone SA	4,755	408,089	463,519	
Diageo PLC	8,608	305,354	329,413	
Japan Tobacco Inc.	5,400	236,150	246,353	
Loblaw Companies Limited	26,282	1,745,461	1,895,983	
L'Oreal SA	1,736	400,900	469,029	
Maple Leaf Foods Inc.	16,764	567,667	548,853	
Mondelez International Inc.	1,137	56,961	63,775	
Nestle SA	7,915	750,913	895,736	
Pernod-Ricard SA	3,368	490,087	584,939	
Philip Morris International Inc.	1,228	185,945	187,310	
Premium Brands Holdings Corp.	5,548	270,200	516,186	
Reckitt Benckiser Group PLC	3,763	422,059	494,124	
Shiseido Co., Ltd.	3,200	109,704	147,726	
Sundrug Co., Ltd.	3,500	126,990	169,504	
The Estee Lauder Companies Inc.	719	75,975	89,623	
	8,810,093	10,468,118	7.57	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Health Care				
Abbott Laboratories	1,620	92,786	102,270	
Allergan PLC	293	87,763	92,500	
Bayer AG	2,664	413,054	446,690	
Biogen Inc.	251	92,942	88,456	
BioMarin Pharmaceutical Inc.	356	45,489	41,990	
Bristol-Myers Squibb Co.	1,342	95,287	97,112	
Celgene Corp.	1,498	213,605	252,656	
Cie Generale d'Optique Essilor International SA	1,353	205,627	223,259	
CR Bard Inc.	287	74,586	117,823	
Danaher Corp.	2,469	203,759	270,596	
Edwards Lifesciences Corp.	624	87,084	95,820	
Eli Lilly & Co.	985	98,926	105,280	
Fresenius Medical Care AG & Co., KGaA	2,364	244,944	294,734	
McKesson Corp.	138	32,988	29,489	
Medtronic PLC	2,036	206,663	234,669	
Mettler-Toledo International Inc.	450	199,909	343,952	
Novartis AG	4,674	527,389	505,818	
Novo Nordisk A/S	2,848	164,665	158,188	
Qiagen NV	4,433	159,579	191,245	
Regeneron Pharmaceuticals Inc.	193	104,207	123,104	
Roche Holding AG	2,306	756,149	763,674	
Smith & Nephew PLC	5,612	125,071	125,439	
Sonova Holding AG	714	119,002	150,761	
Stryker Corp.	553	79,786	99,669	
Terumo Corp.	5,500	249,475	281,302	
The Cooper Companies Inc.	62	12,555	19,278	
Thermo Fisher Scientific Inc.	1,540	243,704	348,940	
UnitedHealth Group Inc.	655	153,178	157,727	
Zoetis Inc.	1,834	118,057	148,578	
	5,208,229	5,911,019	4.28	
Financials				
AEON Financial Service Co., Ltd.	4,100	103,163	112,692	
Ala Group Ltd.	60,800	449,788	577,052	
Aon PLC	980	149,836	169,209	
Bank of Montreal	32,017	2,847,747	3,048,659	
Charles Schwab Corp.	2,661	111,069	148,463	
CI Financial Corp.	30,933	902,871	854,988	
Credicorp Ltd.	877	162,200	204,318	
DBS Group Holdings Ltd.	10,700	174,040	209,323	
Element Financial Corp.	8,599	107,522	76,531	
Grupo Financiero Banorte SAB de CV	18,924	130,558	156,682	
Grupo Financiero Inbursa SAB de CV	21,696	45,905	48,259	
HDFC Bank Ltd.	4,147	323,392	468,396	
HSBC Holdings PLC	20,735	218,991	248,943	
Intact Financial Corp.	14,233	1,234,233	1,394,265	
IntercontinentalExchange Group, Inc.	2,180	130,413	186,631	
Julius Baer Group Ltd.	1,961	100,393	134,166	
Manulife Financial Corp.	161,902	3,394,004	3,935,838	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Growth Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Morgan Stanley	1,216	71,691	70,370	
Royal Bank of Canada	83,458	6,294,695	7,858,405	
The Bank of Nova Scotia	68,630	4,369,572	5,353,826	
The Blackstone Group LP	490	18,461	21,223	
The Goldman Sachs Group Inc.	213	61,560	61,383	
The Toronto-Dominion Bank	112,389	5,943,194	7,344,621	
UBS Group AG	14,902	324,076	328,196	
	27,669,374	33,012,439		23.90
Information Technology				
Accenture PLC	3,149	407,671	505,803	
Activision Blizzard Inc.	3,511	209,803	262,504	
Adobe Systems Inc.	2,493	284,584	457,935	
Alibaba Group Holding Ltd.	2,865	315,676	524,258	
Alphabet Inc., Class A	500	443,870	603,688	
Alphabet Inc., Class C	345	230,092	407,158	
Amadeus IT Holding SA	4,523	255,422	350,727	
Amphenol Corp.	1,193	101,670	114,373	
Analog Devices Inc.	441	45,991	44,558	
Apple Inc.	1,470	209,389	274,947	
Baidu Inc.	1,126	264,277	261,554	
Broadcom Ltd.	853	166,213	258,171	
CGI Group Inc.	39,106	2,427,287	2,591,164	
Cognizant Technology Solutions Corp.	1,727	122,112	148,926	
Constellation Software Inc.	2,680	1,389,874	1,818,139	
Dassault Systemes SA	1,822	172,066	211,830	
Electronic Arts Inc.	1,875	194,547	257,435	
Facebook Inc.	4,001	517,939	784,508	
Fidelity National Information Services Inc.	1,068	108,855	118,451	
Fiserv Inc.	1,510	187,564	239,914	
FleetCor Technologies Inc.	592	105,936	110,873	
Global Payments Inc.	910	105,016	106,742	
Intuit Inc.	1,023	134,765	176,448	
Keyence Corp.	200	71,144	114,058	
Kinaxis Inc.	5,958	246,914	481,049	
MasterCard Inc., Class A	2,610	292,924	411,668	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MediaTek Inc.	7,000	116,851	77,850	
Mellanox Technologies Ltd.	1,104	67,760	62,082	
Microsoft Corp.	6,829	530,411	611,329	
NHN Corp.	103	78,410	97,973	
Nice Systems Ltd., ADR	3,309	252,760	338,292	
NVIDIA Corp.	1,094	66,879	205,388	
OBIC Co., Ltd.	1,500	58,228	119,629	
PayPal Holdings Inc.	634	36,317	44,191	
PTC Inc.	242	17,011	17,323	
Salesforce.com Inc.	2,205	189,742	247,991	
SAP AG	3,969	423,143	537,638	
Shopify Inc.	3,996	361,378	449,950	
Taiwan Semiconductor Manufacturing Co., Ltd., ADR	12,461	399,136	565,762	
Telefonaktiebolaget LM Ericsson, Class B	18,043	208,772	167,384	
Visa Inc., Class A	4,777	410,031	581,801	
		12,228,430	15,761,464	11.40
Real Estate				
American Tower Corp.	2,164	264,884	371,871	
Boardwalk Real Estate Investment Trust	20,192	1,011,999	960,130	
		1,276,883	1,332,001	0.96
Telecommunication Services				
Altice USA Inc	303	12,038	12,710	
SoftBank Corp.	1,800	147,663	189,264	
TELUS Corp.	50,048	2,133,318	2,240,649	
		2,293,019	2,442,623	1.77
Total Equities		118,492,971	136,313,923	98.63
Transaction Costs		(59,958)		
Total Investments		120,033,013	137,913,923	99.79
Other Assets less Liabilities			295,827	0.21
Total Net Assets			138,209,750	100.00

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Growth Fund (Continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Canadian Equity Growth Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

	As a % of Net Assets
Rating	June 30, 2017
AA/Aa	1.16
Total	1.16

	As a % of Net Assets
Rating	December 31, 2016
AA/Aa	1.43
Total	1.43

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	19,047,644	13.78
Euro	6,885,237	4.98
British Pound	3,065,068	2.22
Swiss Franc	2,927,528	2.12
Japanese Yen	1,655,270	1.20
Hong Kong Dollar	577,052	0.42
Australian Dollar	342,840	0.25
Danish Krone	274,579	0.20
Singapore Dollar	211,243	0.15
Mexican Peso	210,486	0.15
Swedish Krona	167,384	0.12
Korean Won	97,973	0.07
New Taiwan Dollar	77,850	0.06
Brazilian Real	-	-
Total	35,540,154	25.72

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	20,474,787	14.61
Euro	6,507,853	4.65
British Pound	3,076,611	2.20
Swiss Franc	2,723,342	1.94
Japanese Yen	1,640,884	1.17
Hong Kong Dollar	497,936	0.36
Australian Dollar	293,560	0.21
Danish Krone	335,870	0.24
Singapore Dollar	220,516	0.16
Mexican Peso	162,950	0.12
Swedish Krona	211,158	0.15
Korean Won	96,377	0.07
New Taiwan Dollar	63,060	0.05
Brazilian Real	488	-
Total	36,305,392	25.93

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$1,777,008 (\$1,815,270 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Growth Fund (Continued)

(ii) Interest rate risk

The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	1,600,000
1-5 years	–
More than 5 years	–
Total	1,600,000

	December 31, 2016 (\$)
Less than 1 year	2,000,000
1-5 years	–
More than 5 years	–
Total	2,000,000

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$175 (\$164 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in equity securities directly or indirectly through the underlying fund. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$6,815,696 (\$6,893,290 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Short-Term Investments		
Bankers' Acceptances	1.2	1.4
Equities		
Energy	15.5	16.9
Materials	9.2	8.5
Industrials	14.0	11.9
Consumer Discretionary	10.0	11.0
Consumer Staples	7.6	6.6
Health Care	4.3	4.1
Financials	23.9	24.9
Information Technology	11.4	10.7
Real Estate	0.9	1.6
Telecommunication Services	1.8	1.7
Utilities	–	0.5
Other Assets less Liabilities	0.2	0.2
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Growth Fund (Continued)

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	136,312,258	–	1,665	136,313,923
Short-Term Investments	–	1,600,000	–	1,600,000
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	137,864,724	–	1,070	137,865,794
Short-Term Investments	–	2,000,000	–	2,000,000

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

The following is a reconciliation of Level 3 fair value assets as at June 30, 2017 and December 31, 2016.

	June 30, 2017 (\$)
Opening Balance	1,070
Net purchases and sales	687
Net transfers in (out)	–
Gains (Losses)	
Realized	6
Unrealized	(98)
Closing Balance	1,665
	December 31, 2016 (\$)
Opening Balance	2,179
Net purchases and sales	(1,146)
Net transfers in (out)	–
Gains (Losses)	
Realized	40
Unrealized	(3)
Closing Balance	1,070

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the assets at cost or derive the prices indirectly from other observable market prices.

The accompanying notes are an integral part of the financial statements.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$32,909 (\$32,588 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$19,828 (\$34,086 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$2,397,788 (nil as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Sun Life MFS Canadian Equity Growth Fund (Continued)

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	137,913,923	139,865,794
Total financial assets at fair value through profit or loss	137,913,923	139,865,794
Financial assets at amortized cost		
Cash	34,351	140,831
Other receivables	305,315	284,504
Total financial assets at amortized cost	339,666	425,335
Total assets	138,253,589	140,291,129
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	43,839	192,827
Total liabilities (excluding net assets attributable to holders of redeemable units)	43,839	192,827

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	7,502,547	1,675,186
Total net gains (losses)	7,502,547	1,675,186

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	March 27, 2009	March 31, 2009
Series D Units	July 15, 1988	July 15, 1988
Series F Units	February 13, 2008	February 13, 2008
Series I Units	March 24, 2005	March 24, 2005
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Value Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	26,031,711	24,064,308
Short-term investments	–	–
Cash	14,217	–
Margin	–	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	127,148	302,228
Accrued interest	–	–
Dividends receivable	53,948	48,517
Distributions receivable from underlying funds	–	–
Subscriptions receivable	186,390	4,192
	26,413,414	24,419,245
Liabilities		
Current Liabilities		
Bank indebtedness	–	171,064
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	4,075	3,649
Redemptions payable	21,768	18,902
Distributions payable	–	–
Due to investment dealers	36,117	–
Management fees payable	23,075	20,684
Total liabilities (excluding net assets attributable to holders of redeemable units)	85,035	214,299
Net Assets Attributable to Holders of Redeemable Units	26,328,379	24,204,946
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	3,721,810	2,658,776
Series D	10,225,836	10,483,259
Series E	–	–
Series F	1,274,110	1,209,047
Series I	10,290,709	9,133,592
Series O	815,914	720,272
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	21.53	21.24
Series D	22.59	22.19
Series E	–	–
Series F	22.25	21.83
Series I	22.75	22.17
Series O	12.03	11.73

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	262,846	203,638
Interest income for distribution purposes	–	9
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	619,222	180,359
Net realized gain (loss) on futures contracts	–	–
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	(241,023)	336,923
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	641,045	720,929
Net gain (loss) on foreign exchange	14	(124)
Other income	–	–
Total income (loss)	641,059	720,805
Expenses (note 5)		
Management fees	115,814	95,390
Administration fees	20,475	16,502
Independent review committee fees	151	99
Withholding tax	–	–
Transaction costs (note 2)	2,420	4,417
Total operating expenses	138,860	116,408
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	502,199	604,397
Finance Cost		
Interest expense	(42)	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	502,157	604,397
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	31,678	57,391
Series D	190,554	261,694
Series E	–	(8,686)
Series F	22,908	26,768
Series I	241,462	243,163
Series O	15,555	24,067
Weighted Average Number of Units Outstanding		
Series A	153,680	93,316
Series D	465,004	518,601
Series E	–	24,545
Series F	56,110	50,230
Series I	434,831	252,984
Series O	62,003	56,359
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.21	0.62
Series D	0.41	0.50
Series E	–	(0.35)
Series F	0.41	0.53
Series I	0.56	0.96
Series O	0.25	0.43

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Value Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series D		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	2,658,776	1,495,807	10,483,259	10,487,725	–	247,285
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	31,678	57,391	190,554	261,694	–	(8,686)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	1,288,750	647,990	149,946	140,203	–	11,831
Redemption of redeemable units	(257,406)	(192,988)	(597,741)	(372,943)	–	(250,418)
Reinvestment of distributions to holders of redeemable units	400	241	–	–	–	10
Capitalized distributions	–	–	–	–	–	–
	1,031,744	455,243	(447,795)	(232,740)	–	(238,577)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(388)	(184)	(182)	–	–	(22)
Return of capital	–	–	–	–	–	–
	(388)	(184)	(182)	–	–	(22)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	1,063,034	512,450	(257,423)	28,954	–	(247,285)
Net Assets Attributable to Holders of Redeemable Units at end of period	3,721,810	2,008,257	10,225,836	10,516,679	–	–
	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	1,209,047	987,057	9,133,592	3,608,812	720,272	528,379
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	22,908	26,768	241,462	243,163	15,555	24,067
Redeemable Unit Transactions						
Proceeds from redeemable units issued	45,033	60,856	2,318,173	3,127,788	190,874	137,687
Redemption of redeemable units	(2,868)	(39,430)	(1,402,518)	(372,869)	(110,787)	(64,800)
Reinvestment of distributions to holders of redeemable units	411	262	–	–	–	–
Capitalized distributions	–	–	–	–	–	–
	42,576	21,688	915,655	2,754,919	80,087	72,887
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(421)	(208)	–	–	–	–
Return of capital	–	–	–	–	–	–
	(421)	(208)	–	–	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	65,063	48,248	1,157,117	2,998,082	95,642	96,954
Net Assets Attributable to Holders of Redeemable Units at end of period	1,274,110	1,035,305	10,290,709	6,606,894	815,914	625,333

	2017	2016				
	Total	Total				
	(\$)	(\$)				
Net Assets Attributable to Holders of Redeemable Units at beginning of period	24,204,946	17,355,065				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	502,157	604,397				
Redeemable Unit Transactions						
Proceeds from redeemable units issued	3,992,776	4,126,355				
Redemption of redeemable units	(2,371,320)	(1,293,448)				
Reinvestment of distributions to holders of redeemable units	811	513				
Capitalized distributions	–	–				
	1,622,267	2,833,420				
Distributions to Holders of Redeemable Units						
From capital gains	–	–				
From net investment income	(991)	(414)				
Return of capital	–	–				
	(991)	(414)				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	2,123,433	3,437,403				
Net Assets Attributable to Holders of Redeemable Units at end of period	26,328,379	20,792,468				
	2017	2016	2017	2016	2017	2016
	Series A		Series D		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Redeemable Unit Transactions						
Balance – beginning of period	125,202	77,763	472,418	525,238	–	23,899
Units issued	59,456	34,430	6,586	6,860	–	1,226
Units issued on reinvestment of distributions	18	12	–	–	–	1
Units redeemed	(11,825)	(10,084)	(26,285)	(18,863)	–	(25,126)
Balance – end of period	172,851	102,121	452,719	513,235	–	–
	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Redeemable Unit Transactions						
Balance – beginning of period	55,375	50,175	411,937	180,868	61,383	50,035
Units issued	1,987	3,086	101,443	158,070	15,802	13,433
Units issued on reinvestment of distributions	19	13	–	–	–	–
Units redeemed	(127)	(2,079)	(60,962)	(18,756)	(9,344)	(6,161)
Balance – end of period	57,254	51,195	452,418	320,182	67,841	57,307
	2017	2016				
	Total	Total				
	(\$)	(\$)				
Redeemable Unit Transactions						
Balance – beginning of period	1,126,315	907,978				
Units issued	185,274	217,105				
Units issued on reinvestment of distributions	37	26				
Units redeemed	(108,543)	(81,069)				
Balance – end of period	1,203,083	1,044,040				

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Value Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	502,157	604,397
Adjustments for:		
Gain on short-term investments	(4)	–
Net realized (gain) loss on sale of investments	(619,222)	(180,359)
Change in unrealized (appreciation) depreciation in value of investments	241,023	(336,923)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(4,497,093)	(5,852,458)
Proceeds from sale of investments	3,116,666	3,096,561
Purchases of short-term investments	(300,000)	–
Proceeds from sale of short-term investments	300,004	–
Change in dividends and interest receivable	(5,431)	(12,988)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	2,391	15,215
Change in other payables and accrued expenses	2,846	9,513
Net Cash Provided by (Used in) Operating Activities	(1,256,663)	(2,657,042)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(180)	99
Proceeds from redeemable units issued	3,810,578	4,121,511
Redemption of redeemable units	(2,368,454)	(1,286,625)
Net Cash Provided by (Used in) Financing Activities	1,441,944	2,834,985
Net increase (decrease) in cash	185,281	177,943
Cash (bank indebtedness) at beginning of period	(171,064)	119,330
Cash (bank indebtedness) at end of period	14,217	297,273
Dividends received, net of withholding taxes	257,415	190,650
Interest received, net of withholding taxes	–	9
Interest paid	(42)	–

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Value Fund (Continued)

Schedule of Investments

As at June 30, 2017 (Unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Advantage Oil & Gas Ltd.	14,917	136,963	130,822	
Canadian Natural Resources Ltd.	18,307	660,642	685,048	
Crescent Point Energy Corp.	11,788	236,750	116,937	
Enbridge Inc.	16,901	923,359	873,106	
Husky Energy Inc.	11,350	239,211	167,072	
Suncor Energy Inc.	22,870	797,133	866,544	
TransCanada Corp.	12,018	584,938	742,953	
Trinidad Drilling Ltd.	32,481	132,971	63,338	
ZCL Composites Inc.	4,976	39,386	64,788	
	3,751,353	3,710,608	14.09	
Materials				
Agnico Eagle Mines Ltd.	6,459	263,566	377,722	
Agrium Inc.	3,074	315,589	361,287	
Barrick Gold Corp.	16,288	347,809	336,021	
CCL Industries Inc., Class B	4,735	129,702	310,663	
First Quantum Minerals Ltd.	12,859	132,079	141,063	
Goldcorp Inc.	19,694	437,806	329,284	
Intertape Polymer Group Inc.	5,578	108,455	137,721	
Lundin Mining Corp.	19,567	113,281	144,209	
Methanex Corp.	3,244	190,711	185,719	
Tahoe Resources Inc.	10,023	173,985	112,057	
	2,212,983	2,435,746	9.25	
Industrials				
Air Canada	7,475	83,338	129,916	
CAE Inc.	7,590	111,610	169,712	
Canadian National Railway Co.	3,090	163,091	325,130	
Canadian Pacific Railway Ltd.	3,292	614,560	686,876	
New Flyer Industries Inc.	3,818	159,945	207,088	
Waste Connections Inc.	5,187	241,821	433,270	
SNC-Lavalin Group Inc.	3,849	172,667	215,813	
Stantec Inc.	5,283	174,573	172,490	
Transcontinental Inc., Class A	16,411	281,904	421,763	
	2,003,509	2,762,058	10.49	
Health Care				
Valeant Pharmaceuticals International Inc.	2,466	201,989	55,584	
	201,989	55,584	0.21	
Consumer Discretionary				
Magna International Inc.	3,875	241,628	232,771	
Quebecor Inc., Class B	8,989	260,964	385,808	
Thomson Reuters Corp.	4,143	244,529	248,746	
	747,121	867,325	3.29	
Consumer Staples				
Alimentation Couche-Tard Inc., Class B	5,471	279,653	340,077	
Loblaw Companies Ltd.	5,884	346,821	424,472	
	626,474	764,549	2.90	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Financials				
Bank of Montreal	3,471	298,676	330,509	
ECN Capital Corp.	27,359	85,018	109,436	
Element Financial Corp.	27,056	325,426	240,798	
Fairfax Financial Holdings Ltd.	460	289,259	258,525	
IGM Financial Inc.	4,934	219,304	198,445	
Intact Financial Corp.	2,796	198,982	273,896	
Manulife Financial Corp.	27,436	506,733	666,969	
National Bank of Canada	4,135	191,375	225,482	
Royal Bank of Canada	15,573	993,558	1,466,354	
The Bank of Nova Scotia	15,340	924,781	1,196,673	
The Toronto-Dominion Bank	23,355	1,066,993	1,526,249	
	5,100,105	6,493,336	24.67	
Information Technology				
Mitel Networks Corp.	21,447	232,459	204,390	
CGI Group Inc.	6,707	396,615	444,406	
	629,074	648,796	2.46	
Real Estate				
Boardwalk Real Estate Investment Trust	3,900	186,204	185,445	
Dream Office Real Estate Investment Trust	15,369	260,617	300,464	
	446,821	485,909	1.85	
Telecommunication Services				
TELUS Corp.	10,852	416,528	485,844	
	416,528	485,844	1.85	
Utilities				
Just Energy Group Inc.	12,630	101,394	85,884	
Superior Plus Corp.	24,380	258,565	278,420	
	359,959	364,304	1.38	
Total Equities	16,495,916	19,074,059	72.44	
MUTUAL FUNDS				
Sun Life MFS				
International Value Fund, Series I	176,829	2,940,594	3,975,635	
Sun Life MFS U.S. Value Fund, Series I	112,385	2,001,385	2,982,017	
Total Mutual Funds	4,941,979	6,957,652	26.43	
Transaction Costs		(10,458)		
Total Investments	21,427,437	26,031,711	98.87	
Other Assets less Liabilities		296,668	1.13	
Total Net Assets		26,328,379	100.00	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Value Fund (Continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Canadian Equity Value Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in underlying internally managed funds.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, either directly or indirectly through underlying funds, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	5,726	0.02
Total	5,726	0.02

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	7,093	0.03
Total	7,093	0.03

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$286 (\$355 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying internally managed funds.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in underlying internally managed funds.

The Fund is also exposed to other market risk as a result of its investment in equity securities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to the Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$953,703 (\$878,377 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Value Fund (Continued)

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Energy	14.1	16.2
Materials	9.3	9.9
Industrials	10.5	9.0
Health Care	0.2	0.2
Consumer Discretionary	3.3	1.9
Consumer Staples	2.9	2.1
Financials	24.7	25.9
Real Estate	1.8	1.8
Information Technology	2.5	2.7
Telecommunication Services	1.8	1.7
Utilities	1.4	1.2
Mutual Funds		
U.S. Equities	11.3	12.5
International Equities	15.1	14.3
Other Assets less Liabilities	1.1	0.6
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In

such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	19,074,059	–	–	19,074,059
Mutual Funds	6,957,652	–	–	6,957,652
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	17,567,540	–	–	17,567,540
Mutual Funds	6,496,768	–	–	6,496,768

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Equity Value Fund (Continued)

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$2,420 (\$4,417 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$1,657 (\$5,980 for the period ended December 31, 2016).

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "Investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	—	—
Investments designated at fair value through profit or loss	26,031,711	24,064,308
Total financial assets at fair value through profit or loss	26,031,711	24,064,308
Financial assets at amortized cost		
Cash	14,217	—
Other receivables	367,486	354,937
Total financial assets at amortized cost	381,703	354,937
Total assets	26,413,414	24,419,245
Financial liabilities		
Derivative liabilities held for trading	—	—
Financial liabilities at amortized cost	85,035	214,299
Total liabilities (excluding net assets attributable to holders of redeemable units)	85,035	214,299

The accompanying notes are an integral part of the financial statements.

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	—	—
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	641,045	720,929
Total net gains (losses)	641,045	720,929

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	March 27, 2009	March 31, 2009
Series D Units	July 01, 1999	July 01, 1999
Series F Units	February 13, 2008	February 13, 2008
Series I Units	March 24, 2005	March 24, 2005
Series O Units	April 01, 2014	April 01, 2014

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

Anticipated Future Fund Change

As announced on July 24, 2017, the Fund will be merging into the Sun Life MFS Canadian Equity Growth Fund on or about October 27, 2017. The Fund was closed to new investors as of the date of the announcement.

Sun Life MFS Dividend Income Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	34,949,055	29,583,534
Short-term investments	—	—
Cash	1,082,814	354,227
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	—	—
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	—
Accrued interest	—	—
Dividends receivable	124,563	115,609
Distributions receivable from underlying funds	—	—
Subscriptions receivable	2,787	170,867
	36,159,219	30,224,237
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	5,307	4,518
Redemptions payable	52,793	—
Distributions payable	756,458	—
Due to investment dealers	—	1,056
Management fees payable	31,871	29,354
Total liabilities (excluding net assets attributable to holders of redeemable units)	846,429	34,928
Net Assets Attributable to Holders of Redeemable Units	35,312,790	30,189,309
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	15,023,295	14,075,861
Series D	1,905,887	2,040,155
Series E	—	—
Series F	1,551,514	1,299,007
Series I	14,451,794	10,800,877
Series O	2,380,300	1,973,409
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	12.57	12.64
Series D	12.76	12.82
Series E	—	—
Series F	12.75	12.82
Series I	12.83	12.89
Series O	10.52	10.58

Approved on behalf of Trustee

"signed" Rick Headrick
President

"signed" Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	678,221	449,291
Interest income for distribution purposes	929	818
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	575,573	(623,923)
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	—	—
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	(817,388)	1,659,052
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	—	—
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	437,335	1,485,238
Net gain (loss) on foreign exchange	(1,386)	440
Other income	—	—
Total income (loss)	435,949	1,485,678
Expenses (note 5)		
Management fees	163,638	125,236
Administration fees	26,630	18,919
Independent review committee fees	194	112
Withholding tax	29,431	10,040
Transaction costs (note 2)	9,493	10,400
Total operating expenses	229,386	164,707
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	206,563	1,320,971
Finance Cost		
Interest expense	(1)	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	206,562	1,320,971
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	28,488	697,815
Series D	12,361	109,709
Series E	—	(87,692)
Series F	9,263	72,242
Series I	131,075	442,114
Series O	25,375	86,783
Weighted Average Number of Units Outstanding		
Series A	1,167,737	947,049
Series D	153,627	196,758
Series E	—	212,585
Series F	112,410	103,521
Series I	992,560	547,884
Series O	215,400	135,019
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.02	0.74
Series D	0.08	0.56
Series E	—	(0.41)
Series F	0.08	0.70
Series I	0.13	0.81
Series O	0.12	0.64

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Dividend Income Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series D		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	14,075,861	8,598,306	2,040,155	2,412,829	–	1,950,750
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	28,488	697,815	12,361	109,709	–	(87,692)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	2,374,995	3,820,008	145,555	42,795	–	9,537
Redemption of redeemable units	(1,454,997)	(1,017,990)	(291,124)	(571,348)	–	(1,872,514)
Reinvestment of distributions to holders of redeemable units	123,130	115,843	19,413	20,499	–	61
Capitalized distributions	–	–	–	–	–	–
	1,043,128	2,917,861	(126,156)	(508,054)	–	(1,862,916)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(124,182)	(116,606)	(20,473)	(21,878)	–	(142)
Return of capital	–	–	–	–	–	–
	(124,182)	(116,606)	(20,473)	(21,878)	–	(142)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	947,434	3,499,070	(134,268)	(420,223)	–	(1,950,750)
Net Assets Attributable to Holders of Redeemable Units at end of period	15,023,295	12,097,376	1,905,887	1,992,606	–	–
	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	1,299,007	1,149,369	10,800,877	5,217,538	1,973,409	1,122,111
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	9,263	72,242	131,075	442,114	25,375	86,783
Redeemable Unit Transactions						
Proceeds from redeemable units issued	315,457	40,194	5,040,230	2,290,073	421,283	268,427
Redemption of redeemable units	(65,680)	(119,799)	(1,520,388)	(839,220)	(39,664)	(101,438)
Reinvestment of distributions to holders of redeemable units	14,799	9,930	260,681	128,698	42,315	23,852
Capitalized distributions	–	–	–	–	–	–
	264,576	(69,675)	3,780,523	1,579,551	423,934	190,841
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(21,332)	(16,032)	(260,681)	(128,698)	(42,418)	(23,947)
Return of capital	–	–	–	–	–	–
	(21,332)	(16,032)	(260,681)	(128,698)	(42,418)	(23,947)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	252,507	(13,465)	3,650,917	1,892,967	406,891	253,677
Net Assets Attributable to Holders of Redeemable Units at end of period	1,551,514	1,135,904	14,451,794	7,110,505	2,380,300	1,375,788

	2017	2016				
	Total	Total				
	(\$)	(\$)				
Net Assets Attributable to Holders of Redeemable Units at beginning of period	30,189,309	20,450,903				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	206,562	1,320,971				
Redeemable Unit Transactions						
Proceeds from redeemable units issued	8,297,520	6,471,034				
Redemption of redeemable units	(3,371,853)	(4,522,309)				
Reinvestment of distributions to holders of redeemable units	460,338	298,883				
Capitalized distributions	–	–				
	5,386,005	2,247,608				
Distributions to Holders of Redeemable Units						
From capital gains	–	–				
From net investment income	(469,086)	(307,303)				
Return of capital	–	–				
	(469,086)	(307,303)				
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	5,123,481	3,261,276				
Net Assets Attributable to Holders of Redeemable Units at end of period	35,312,790	23,712,179				
	2017	2016	2017	2016	2017	2016
	Series A		Series D		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Redeemable Unit Transactions						
Balance – beginning of period	1,114,024	780,691	159,088	216,705	–	214,093
Units issued	185,549	355,125	11,288	3,748	–	1,109
Units issued on reinvestment of distributions	9,735	10,164	1,511	1,777	–	7
Units redeemed	(113,916)	(93,833)	(22,524)	(51,175)	–	(215,209)
Balance – end of period	1,195,392	1,052,147	149,363	171,055	–	–
	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Redeemable Unit Transactions						
Balance – beginning of period	101,331	103,314	837,699	466,661	186,539	122,289
Units issued	24,259	3,497	384,984	203,629	39,364	29,293
Units issued on reinvestment of distributions	1,153	863	20,189	11,118	3,993	2,510
Units redeemed	(5,067)	(10,032)	(116,057)	(73,207)	(3,710)	(10,705)
Balance – end of period	121,676	97,642	1,126,815	608,201	226,186	143,387
	2017	2016				
	Total	Total				
	(\$)	(\$)				
Redeemable Unit Transactions						
Balance – beginning of period	2,398,681	1,903,753				
Units issued	645,444	596,401				
Units issued on reinvestment of distributions	36,581	26,439				
Units redeemed	(261,274)	(454,161)				
Balance – end of period	2,819,432	2,072,432				

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Dividend Income Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	206,562	1,320,971
Adjustments for:		
Gain on short-term investments	(2)	–
Net realized (gain) loss on sale of investments	(575,573)	623,923
Change in unrealized (appreciation) depreciation in value of investments	817,388	(1,659,052)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(10,933,894)	(7,785,298)
Proceeds from sale of investments	5,316,009	5,428,401
Purchases of short-term investments	(200,000)	–
Proceeds from sale of short-term investments	200,002	–
Change in dividends and interest receivable	(8,954)	(11,139)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	2,517	20,970
Change in other payables and accrued expenses	10,282	13,715
Net Cash Provided by (Used in) Operating Activities	(5,165,663)	(2,047,509)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	747,710	(8,413)
Proceeds from redeemable units issued	8,465,600	6,526,407
Redemption of redeemable units	(3,319,060)	(4,358,752)
Net Cash Provided by (Used in) Financing Activities	5,894,250	2,159,242
Net increase (decrease) in cash	728,587	111,733
Cash (bank indebtedness) at beginning of period	354,227	204,250
Cash (bank indebtedness) at end of period	1,082,814	315,983
Dividends received, net of withholding taxes	639,836	428,112
Interest received, net of withholding taxes	929	818
Interest paid	(1)	–

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Dividend Income Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Canadian Natural Resources Ltd.	18,154	675,298	679,323	
Crescent Point Energy Corp.	15,513	373,133	153,889	
Enbridge Inc.	31,768	1,588,692	1,641,135	
Enerflex Ltd.	10,243	180,760	192,773	
Pembina Pipeline Corp.	10,364	405,119	445,134	
Suncor Energy Inc.	38,724	1,488,520	1,467,252	
Surge Energy Inc.	109,311	340,791	228,460	
TORC Oil & Gas Ltd.	32,870	265,576	166,651	
TransCanada Corporation	17,414	937,851	1,076,533	
Vermilion Energy Inc.	3,721	180,237	153,082	
		6,435,977	6,204,232	17.57
Materials				
Agnico Eagle Mines Ltd.	3,166	145,322	185,148	
Agrium Inc.	3,859	465,912	453,548	
Barrick Gold Corp.	15,230	381,502	314,195	
BHP Billiton PLC	25,613	469,365	508,121	
Franco-Nevada Corp.	4,702	372,328	439,966	
Goldcorp Inc.	19,386	411,746	324,134	
Intertape Polymer Group Inc.	16,985	339,428	419,360	
Methanex Corp.	4,275	217,184	244,744	
Ternium SA	10,372	239,981	378,376	
		3,042,768	3,267,592	9.25
Industrials				
Canadian National Railway Co.	7,369	730,077	775,366	
Canadian Pacific Railway Ltd.	6,958	1,363,874	1,451,787	
Stantec Inc.	10,096	347,954	329,634	
Transcontinental Inc., Class A	12,232	236,865	314,362	
Union Pacific Corp.	1,777	248,694	251,342	
Waste Connections Inc.	3,592	177,952	300,061	
Westjet Airlines Ltd.	26,919	559,892	623,175	
		3,665,308	4,045,727	11.46
Consumer Discretionary				
Citi Trends Inc.	14,675	378,178	404,420	
Magna International Inc.	22,111	1,077,903	1,328,208	
		1,456,081	1,732,628	4.91
Consumer Staples				
Alimentation Couche-Tard Inc.	7,343	453,153	456,441	
Ambev SA, ADR	22,857	166,347	162,967	
Archer-Daniels-Midland Co	8,259	420,134	443,841	
AVI Ltd.	30,036	276,587	282,827	
Greggs PLC	21,827	381,345	397,665	
		1,697,566	1,743,741	4.94
Health Care				
Bayer AG	1,766	270,102	296,116	
		270,102	296,116	0.84

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Financials				
Apollo Global Management LLC	6,836	173,947	234,821	
Brookfield Asset Management Inc.	7,894	362,235	401,726	
Element Fleet Management Corp.	12,057	154,555	107,307	
Insurance Australia Group Ltd.	59,036	335,387	398,729	
Intesa Sanpaolo SpA	133,997	541,723	550,985	
Manulife Financial Corp.	43,551	1,022,658	1,058,725	
National Bank of Canada	16,381	772,132	893,256	
Power Financial Corp.	14,761	477,293	491,098	
Royal Bank of Canada	32,423	2,452,363	3,052,950	
Starwood Property Trust Inc.	18,233	524,735	530,178	
Sydbank A/S	8,108	364,456	396,396	
The Bank of Nova Scotia	18,634	1,241,220	1,453,638	
The Toronto-Dominion Bank	38,135	2,045,218	2,492,122	
Trisura Group Ltd.	45	982	977	
Zurich Financial Services AG	1,947	646,432	736,934	
		11,115,336	12,799,842	36.25
Real Estate				
Atrium European Real Estate Ltd.	30,141	159,443	174,521	
Dream Office Real Estate Investment Trust	45,568	950,976	890,854	
		1,110,419	1,065,375	3.01
Information Technology				
Hitachi Ltd.	54,000	365,550	430,291	
Samsung Electronics Co., Ltd.	160	129,104	215,073	
		494,654	645,364	1.83
Telecommunication Services				
TDC A/S	49,585	424,112	374,001	
TELUS Corp.	13,773	561,764	616,617	
		985,876	990,618	2.80
Utilities				
Canadian Utilities Ltd., Class A	13,004	487,744	541,877	
Capital Power Corp.	25,573	586,485	621,935	
Engie SA	25,253	578,344	496,861	
Superior Plus Corp.	43,533	493,748	497,147	
		2,146,321	2,157,820	6.11
Total Equities		32,420,408	34,949,055	98.97
Transaction Costs		(19,312)		
Total Investments		32,401,096	34,949,055	98.97
Other Assets less Liabilities			363,735	1.03
Total Net Assets			35,312,790	100.00

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Dividend Income Fund (Continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Dividend Income Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund had no significant investments in debt instruments and/or derivatives and, therefore, did not have significant exposure to credit risk. Credit risk from other financial instruments is minimal.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	3,098,039	8.77
Euro	1,024,179	2.90
British Pound	905,785	2.57
Danish Krone	774,090	2.19
Swiss Franc	742,564	2.10
Japanese Yen	422,370	1.20
Australian Dollar	390,191	1.10
South African Rand	282,827	0.80
Norwegian Krone	—	—
Total	7,640,045	21.63

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	2,047,513	6.78
Euro	143,016	0.47
British Pound	596,612	1.98
Danish Krone	289,117	0.96
Swiss Franc	607,514	2.01
Japanese Yen	312,467	1.04
Australian Dollar	289,647	0.96
South African Rand	137,949	0.46
Norwegian Krone	5,205	0.02
Total	4,429,040	14.68

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$382,002 (\$221,452 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in publicly traded equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$1,747,453 (\$1,479,177 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Dividend Income Fund (Continued)

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Energy	17.6	21.1
Materials	9.3	9.4
Industrials	11.5	10.6
Consumer Discretionary	4.9	5.4
Consumer Staples	4.9	2.7
Health Care	0.8	–
Financials	36.3	33.9
Real Estate	3.0	4.2
Information Technology	1.8	1.7
Telecommunication Services	2.8	2.6
Utilities	6.1	6.4
Other Assets less Liabilities	1.0	2.0
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the

measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	34,449,498	499,557	–	34,949,055

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	29,219,673	363,861	–	29,583,534

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$9,493 (\$10,400 for the period ended June 30, 2016).

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Dividend Income Fund (Continued)

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$4,483 (\$11,947 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$768,591 (nil as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	34,949,055	29,583,534
Total financial assets at fair value through profit or loss	34,949,055	29,583,534
Financial assets at amortized cost		
Cash	1,082,814	354,227
Other receivables	127,350	286,476
Total financial assets at amortized cost	1,210,164	640,703
Total assets	36,159,219	30,224,237
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	846,429	34,928
Total liabilities (excluding net assets attributable to holders of redeemable units)	846,429	34,928

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	437,335	1,485,238
Total net gains (losses)	437,335	1,485,238

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	March 27, 2009	March 31, 2009
Series D Units	March 24, 2006	March 27, 2006
Series F Units	February 13, 2008	February 13, 2008
Series I Units	November 21, 2008	November 28, 2008
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Growth Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	92,839,364	73,674,859
Short-term investments	–	–
Cash	1,340,742	338,601
Margin	–	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	–	1,160,440
Accrued interest	–	–
Dividends receivable	243,634	98,355
Distributions receivable from underlying funds	–	–
Subscriptions receivable	148,634	94,624
	94,572,374	75,366,879
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	11,189	8,574
Redemptions payable	192,859	1,034,082
Distributions payable	–	–
Due to investment dealers	4,943	4,644
Management fees payable	58,808	47,134
Total liabilities (excluding net assets attributable to holders of redeemable units)	267,799	1,094,434
Net Assets Attributable to Holders of Redeemable Units	94,304,575	74,272,445
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	21,628,301	16,775,843
Series T5	277,830	223,706
Series T8	1,172,053	1,934,010
Series D	2,461,580	2,239,947
Series E	–	–
Series EF	–	–
Series F	6,449,543	4,669,649
Series I	57,255,067	44,262,636
Series O	5,060,201	4,166,654
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	17.42	15.39
Series T5	20.49	18.53
Series T8	17.32	15.88
Series D	17.01	14.97
Series E	–	–
Series EF	–	–
Series F	18.56	16.32
Series I	19.58	17.10
Series O	13.81	12.07

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	956,361	737,634
Interest income for distribution purposes	3,747	3,096
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	1,860,283	1,133,020
Net realized gain (loss) on futures contracts	–	–
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	8,192,206	(2,564,650)
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	11,012,597	(690,900)
Net gain (loss) on foreign exchange	(44,723)	(46,660)
Other income	–	–
Total income (loss)	10,967,874	(737,560)
Expenses (note 5)		
Management fees	275,319	221,590
Administration fees	51,605	42,971
Independent review committee fees	317	351
Withholding tax	98,437	55,671
Transaction costs (note 2)	27,336	23,323
Total operating expenses	453,014	343,906
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	10,514,860	(1,081,466)
Finance Cost		
Interest expense	(3)	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	10,514,857	(1,081,466)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	2,209,078	(239,061)
Series T5	30,741	(6,576)
Series T8	223,605	(76,616)
Series D	304,170	(58,488)
Series E	–	(90,938)
Series EF	–	(50,670)
Series F	666,001	1,236
Series I	6,488,309	(485,228)
Series O	592,953	(75,125)
Weighted Average Number of Units Outstanding		
Series A	1,134,315	911,632
Series T5	13,004	11,575
Series T8	94,246	176,390
Series D	148,252	153,630
Series E	–	128,190
Series EF	–	86,415
Series F	312,112	212,139
Series I	2,717,334	2,453,635
Series O	349,096	350,567
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.95	(0.26)
Series T5	2.36	(0.57)
Series T8	2.37	(0.43)
Series D	2.05	(0.38)
Series E	–	(0.71)
Series EF	–	(0.59)
Series F	2.13	0.01
Series I	2.39	(0.20)
Series O	1.70	(0.21)

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Growth Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	(\$)	Series T5 (\$)	(\$)	Series T8 (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	16,775,843	11,486,946	223,706	226,273	1,934,010	2,769,278
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,209,078	(239,061)	30,741	(6,576)	223,605	(76,616)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	4,614,826	5,528,195	30,277	12,468	35,942	493,117
Redemption of redeemable units	(1,970,627)	(1,315,164)	(6,093)	(13,468)	(966,279)	(101,238)
Reinvestment of distributions to holders of redeemable units	969	996	5,257	5,258	1,944	2,435
Capitalized distributions	–	–	–	–	–	–
	2,645,168	4,214,027	29,441	4,258	(928,393)	394,314
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(1,788)	(710)	(6,058)	(5,714)	(57,169)	(124,689)
Return of capital	–	–	–	–	–	–
	(1,788)	(710)	(6,058)	(5,714)	(57,169)	(124,689)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	4,852,458	3,974,256	54,124	(8,032)	(761,957)	193,009
Net Assets Attributable to Holders of Redeemable Units at end of period	21,628,301	15,461,202	277,830	218,241	1,172,053	2,962,287
	2017	2016	2017	2016	2017	2016
	Series D (\$)	(\$)	Series E (\$)	(\$)	Series EF (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	2,239,947	2,325,064	–	1,444,823	–	845,224
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	304,170	(58,488)	–	(90,938)	–	(50,670)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	1,150	29,252	–	194,050	–	–
Redemption of redeemable units	(83,687)	(64,904)	–	(1,547,863)	–	(794,386)
Reinvestment of distributions to holders of redeemable units	–	–	–	60	–	139
Capitalized distributions	–	–	–	–	–	–
	(82,537)	(35,652)	–	(1,353,753)	–	(794,247)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	–	–	(132)	–	(307)
Return of capital	–	–	–	–	–	–
	–	–	–	(132)	–	(307)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	221,633	(94,140)	–	(1,444,823)	–	(845,224)
Net Assets Attributable to Holders of Redeemable Units at end of period	2,461,580	2,230,924	–	–	–	–

	2017	2016	2017	2016	2017	2016
	Series F (\$)	(\$)	Series I (\$)	(\$)	Series O (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	4,669,649	2,124,398	44,262,636	37,837,654	4,166,654	4,137,311
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	666,001	1,236	6,488,309	(485,228)	592,953	(75,125)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	1,507,967	1,989,068	10,636,637	9,589,023	631,290	461,634
Redemption of redeemable units	(393,669)	(154,910)	(4,132,515)	(2,795,250)	(332,158)	(335,425)
Reinvestment of distributions to holders of redeemable units	2,433	1,461	–	–	1,462	–
Capitalized distributions	–	–	–	–	–	–
	1,116,731	1,835,619	6,504,122	6,793,773	300,594	126,209
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(2,838)	(637)	–	–	–	–
Return of capital	–	–	–	–	–	–
	(2,838)	(637)	–	–	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	1,779,894	1,836,218	12,992,431	6,308,545	893,547	51,084
Net Assets Attributable to Holders of Redeemable Units at end of period	6,449,543	3,960,616	57,255,067	44,146,199	5,060,201	4,188,395
	2017		2016		2016	
	Total (\$)		Total (\$)		Total (\$)	
Net Assets Attributable to Holders of Redeemable Units at beginning of period	74,272,445		63,196,971			
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	10,514,857		(1,081,466)			
Redeemable Unit Transactions						
Proceeds from redeemable units issued	17,458,089		18,296,807			
Redemption of redeemable units	(7,885,028)		(7,122,608)			
Reinvestment of distributions to holders of redeemable units	12,065		10,349			
Capitalized distributions	–		–			
	9,585,126		11,184,548			
Distributions to Holders of Redeemable Units						
From capital gains	–		–			
From net investment income	(67,853)		(132,189)			
Return of capital	–		–			
	(67,853)		(132,189)			
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	20,032,130		9,970,893			
Net Assets Attributable to Holders of Redeemable Units at end of period	94,304,575		73,167,864			

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Growth Fund (Continued)

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
Redeemable Unit Transactions						
Balance – beginning of period	1,089,975	734,331	12,076	11,461	121,765	158,641
Units issued	269,077	371,564	1,523	660	2,066	29,930
Units issued on reinvestment of distributions	51	66	261	282	114	149
Units redeemed	(117,394)	(87,911)	(304)	(714)	(56,261)	(6,253)
Balance – end of period	1,241,709	1,018,050	13,556	11,689	67,684	182,467

	2017	2016	2017	2016	2017	2016
	Series D		Series E		Series EF	
Redeemable Unit Transactions						
Balance – beginning of period	149,636	154,044	–	122,594	–	86,413
Units issued	75	2,049	–	17,218	–	–
Units issued on reinvestment of distributions	–	–	–	5	–	14
Units redeemed	(5,002)	(4,449)	–	(139,817)	–	(86,427)
Balance – end of period	144,709	151,644	–	–	–	–

	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
Redeemable Unit Transactions						
Balance – beginning of period	286,212	129,158	2,589,078	2,207,496	345,148	341,666
Units issued	82,989	127,361	557,443	583,618	46,913	39,289
Units issued on reinvestment of distributions	134	92	–	–	121	–
Units redeemed	(21,900)	(9,889)	(222,015)	(169,010)	(25,833)	(28,514)
Balance – end of period	347,435	246,722	2,924,506	2,622,104	366,349	352,441

	2017	2016
	Total	
Redeemable Unit Transactions		
Balance – beginning of period	4,593,890	3,945,804
Units issued	960,086	1,171,689
Units issued on reinvestment of distributions	681	608
Units redeemed	(448,709)	(532,984)
Balance – end of period	5,105,948	4,585,117

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017	2016
	(\$)	(\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	10,514,857	(1,081,466)
Adjustments for:		
Gain on short-term investments	(137)	–
Net realized (gain) loss on sale of investments	(1,860,283)	(1,133,020)
Change in unrealized (appreciation) depreciation in value of investments	(8,192,206)	2,564,650
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(19,064,821)	(19,187,646)
Proceeds from sale of investments	11,086,208	8,520,903
Purchases of short-term investments	(3,900,000)	–
Proceeds from sale of short-term investments	3,900,137	–
Change in dividends and interest receivable	(145,279)	(84,585)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	11,674	36,960
Change in other payables and accrued expenses	29,951	30,591
Net Cash Provided by (Used in) Operating Activities	(7,619,899)	(10,333,613)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(55,788)	(121,840)
Proceeds from redeemable units issued	17,404,079	18,367,814
Redemption of redeemable units	(8,726,251)	(7,778,249)
Net Cash Provided by (Used in) Financing Activities	8,622,040	10,467,725
Net increase (decrease) in cash	1,002,141	134,112
Cash (bank indebtedness) at beginning of period	338,601	623,416
Cash (bank indebtedness) at end of period	1,340,742	757,528
Dividends received, net of withholding taxes	712,645	597,378
Interest received, net of withholding taxes	3,747	3,096
Interest paid	(3)	–

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Growth Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Schlumberger Ltd.	6,689	640,540	571,953	
		640,540	571,953	0.61
Materials				
Chr. Hansen Holding A/S	2,494	117,073	235,265	
Croda International PLC	17,045	891,015	1,117,088	
Ecolab Inc.	9,218	1,346,450	1,589,207	
Monsanto Co.	8,682	1,106,727	1,334,547	
PPG Industries Inc.	6,509	906,895	929,519	
Sika AG	130	872,800	1,085,992	
Symrise AG	6,167	386,149	566,541	
The Sherwin-Williams Co.	2,829	955,894	1,289,436	
		6,583,003	8,147,595	8.64
Industrials				
Adani Ports & Special Economic Zone Ltd.	75,341	466,092	549,569	
Aena SA	3,648	710,743	923,199	
Brenntag AG	3,176	186,481	238,420	
Colfax Corp.	10,292	557,334	526,229	
Equifax Inc.	6,044	788,049	1,078,659	
Experian PLC	42,123	938,916	1,119,179	
Fastenal Co.	4,344	220,937	245,577	
Fortive Corp.	3,634	152,773	298,938	
Intertek Group PLC	14,516	770,502	1,032,642	
Rolls-Royce Holdings PLC	71,164	1,064,311	1,069,639	
Rolls-Royce Holdings PLC, C Shares	4,694,449	8,262	7,919	
Schindler Holding AG	1,690	290,152	465,020	
Union Pacific Corp.	6,808	757,572	962,934	
United Technologies Corp.	5,083	673,312	806,085	
Verisk Analytics Inc.	14,091	1,529,386	1,543,971	
		9,114,822	10,867,980	11.52
Consumer Discretionary				
AutoZone Inc.	697	531,357	516,377	
Burberry Group PLC	24,809	687,949	695,149	
Comcast Corp.	9,023	501,877	456,072	
Compagnie Financiere Richemont SA	3,211	282,266	344,009	
Compass Group PLC	50,980	1,113,212	1,393,202	
Dollarama Inc.	3,902	234,942	483,497	
Lojas Renner SA	39,897	288,727	428,177	
LVMH Moet Hennessy Louis Vuitton SA	4,661	946,187	1,507,156	
NIKE Inc.	27,047	1,851,820	2,072,433	
Paddy Power Betfair PLC	8,141	1,148,669	1,123,389	
Starbucks Corp.	16,821	1,297,072	1,273,808	
The TJX Companies Inc.	10,842	950,759	1,016,191	
The Walt Disney Co.	2,538	233,623	350,211	
Time Warner Inc.	3,558	280,333	463,972	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Twenty-First Century				
Fox Inc.	27,349	1,069,185	1,006,585	
VF Corp.	10,850	829,098	811,636	
Whitbread PLC	19,564	1,452,128	1,309,239	
		13,699,204	15,251,103	16.17
Consumer Staples				
Ambev SA, ADR	153,683	1,105,213	1,095,740	
Carlsberg A/S, Class B	2,375	257,470	329,080	
Colgate-Palmolive Co.	10,623	800,317	1,022,705	
Coty Inc.	35,083	998,570	854,749	
CVS Caremark Corp.	7,845	753,939	819,752	
Danone SA	8,689	699,892	847,007	
Diageo PLC	23,667	780,707	905,693	
Kose Corp.	9,600	1,132,073	1,361,488	
L'Oreal SA	4,373	935,117	1,181,490	
Nestle SA	19,333	1,719,587	2,187,905	
PepsiCo., Inc.	4,269	595,584	640,295	
Pernod Ricard SA	8,936	1,205,140	1,551,963	
Reckitt Benckiser Group PLC	12,144	1,338,606	1,594,644	
Sundrug Co., Ltd.	21,900	879,608	1,060,610	
The Estee Lauder Companies Inc.	13,939	1,566,124	1,737,487	
		14,767,947	17,190,608	18.23
Health Care				
Abbott Laboratories	29,367	1,551,848	1,853,935	
Danaher Corp.	6,704	481,873	734,741	
Eli Lilly & Co.	5,011	500,411	535,591	
Express Scripts Holding Co.	2,639	212,290	218,797	
Mettler-Toledo International Inc.	1,455	565,219	1,112,111	
Roche Holding AG	4,678	1,631,844	1,549,204	
Sonova Holding AG	3,236	523,667	683,282	
The Cooper Companies Inc.	2,221	451,644	690,587	
Thermo Fisher Scientific Inc.	7,695	1,171,101	1,743,567	
Waters Corp.	3,594	556,191	858,079	
Zimmer Biomet Holdings Inc.	4,024	585,338	671,015	
Zoetis Inc.	11,902	757,469	964,217	
		8,988,895	11,615,126	12.32
Financials				
Aon PLC	8,521	1,281,406	1,471,256	
Credicorp Ltd.	3,299	534,994	768,581	
HDFC Bank Ltd.	12,951	801,151	1,462,790	
Julius Baer Group Ltd.	11,639	550,099	796,305	
Moodys Corp.	8,037	1,072,595	1,270,055	
The Blackstone Group LP	29,348	1,032,486	1,271,111	
The Charles Schwab Corp.	7,857	305,359	438,359	
		5,578,090	7,478,457	7.93

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Growth Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Information Technology				
Accenture PLC	14,482	1,633,528	2,326,148	
Alibaba Group Holding Ltd.	6,986	773,855	1,278,347	
Alphabet Inc.	2,788	2,254,519	3,366,166	
Amphenol Corp., Class A	10,324	643,729	989,763	
Apple Inc.	5,955	812,931	1,113,817	
Baidu Inc.	2,692	617,148	625,313	
Cognizant Technology Solutions Corp.	18,352	1,209,439	1,582,562	
Dassault Systemes SE	3,650	297,339	424,358	
Electronic Arts Inc.	7,605	900,352	1,044,157	
Fidelity National Information Services Inc.	11,964	985,154	1,326,916	
Fiserv Inc.	5,489	651,779	872,109	
MasterCard Inc., Class A	5,288	495,498	834,062	
NHN Corp.	900	652,018	856,077	
Samsung Electronics Co., Ltd.	156	258,686	420,901	
Taiwan Semiconductor Manufacturing Co., Ltd., ADR	40,358	1,087,902	1,832,358	
Texas Instruments Inc.	11,377	863,000	1,136,666	
Visa Inc., Class A	13,850	1,012,759	1,686,822	
		15,149,636	21,716,542	23.03
Total Equities		74,522,137	92,839,364	98.45
Transaction Costs		(85,140)		
Total Investments		74,436,997	92,839,364	98.45
Other Assets less Liabilities			1,465,211	1.55
Total Net Assets			94,304,575	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Global Growth Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund had no significant investments in debt instruments and/or derivatives and, therefore, did not have significant exposure to credit risk. Credit risk from other financial instruments is minimal.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	61,652,095	65.38
British Pound	11,422,080	12.11
Euro	7,266,670	7.71
Swiss Franc	7,161,378	7.59
Japanese Yen	2,420,745	2.57
Korean Won	1,276,978	1.35
Danish Krone	568,258	0.60
Indian Rupee	549,619	0.58
Brazilian Real	430,248	0.46
Swedish Krona	2	—
Hong Kong Dollar	—	—
Norwegian Krone	—	—
Total	92,748,073	98.35

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Growth Fund (Continued)

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	50,538,562	68.04
British Pound	8,535,023	11.49
Euro	5,934,056	7.99
Swiss Franc	5,155,591	6.94
Japanese Yen	1,702,354	2.29
Korean Won	1,177,330	1.59
Danish Krone	854,006	1.15
Indian Rupee	—	—
Brazilian Real	357,532	0.48
Swedish Krona	2	—
Hong Kong Dollar	475,530	0.64
Norwegian Krone	1	—
Total	74,729,987	100.61

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$4,637,404 (\$3,736,499 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$4,641,968 (\$3,683,743 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Energy	0.6	0.9
Materials	8.7	8.2
Industrials	11.5	10.0
Consumer Discretionary	16.2	16.1
Consumer Staples	18.2	19.5
Health Care	12.3	14.9
Financials	7.9	7.3
Information Technology	23.0	22.3
Other Assets less Liabilities	1.6	0.8
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Growth Fund (Continued)

from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

June 30, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	92,831,445	–	7,919	92,839,364

December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	73,670,010	–	4,849	73,674,859

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

The following is a reconciliation of Level 3 fair value assets as at June 30, 2017 and December 31, 2016.

June 30, 2017 (\$)	
Opening Balance	4,849
Net purchases and sales	3,501
Net transfers in (out)	–
Gains (Losses)	
Realized	27
Unrealized	(458)
Closing Balance	7,919

December 31, 2016 (\$)	
Opening Balance	9,508
Net purchases and sales	(4,827)
Net transfers in (out)	–
Gains (Losses)	
Realized	178
Unrealized	(10)
Closing Balance	4,849

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the assets at cost or derive the prices indirectly from other observable market prices.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and

therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$27,336 (\$23,323 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$7,736 (\$19,470 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series F	0.16	3

	December 31, 2016	
	Units	Market Value (\$)
Series F	628	10,253

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Growth Fund (Continued)

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	92,839,364	73,674,859
Total financial assets at fair value through profit or loss	92,839,364	73,674,859
Financial assets at amortized cost		
Cash	1,340,742	338,601
Other receivables	392,268	1,353,419
Total financial assets at amortized cost	1,733,010	1,692,020
Total assets	94,572,374	75,366,879
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	267,799	1,094,434
Total liabilities (excluding net assets attributable to holders of redeemable units)	267,799	1,094,434

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	11,012,597	(690,900)
Total net gains (losses)	11,012,597	(690,900)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series T5 Units	August 24, 2011	September 01, 2011
Series T8 Units	August 24, 2011	September 01, 2011
Series F Units	September 10, 2010	October 01, 2010
Series D Units	September 10, 2010	November 01, 2012
Series I Units	September 10, 2010	October 01, 2010
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	468,456,556	411,301,782
Short-term investments	50,282,764	41,993,077
Cash	3,295,179	1,851,464
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	5,483,361	671,660
Unrealized appreciation on swaps	—	—
Due from investment dealers	3,366,094	783,573
Accrued interest	1,373,967	1,426,908
Dividends receivable	1,103,588	529,252
Distributions receivable from underlying funds	—	—
Subscriptions receivable	2,865,932	1,345,470
	536,227,441	459,903,186
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	22,347	843,474
Unrealized depreciation on swaps	—	—
Accrued expenses	98,152	82,641
Redemptions payable	443,246	154,442
Distributions payable	—	—
Due to investment dealers	6,042,451	2,243,831
Management fees payable	740,283	650,286
Total liabilities (excluding net assets attributable to holders of redeemable units)	7,346,479	3,974,674
Net Assets Attributable to Holders of Redeemable Units	528,880,962	455,928,512
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	303,599,783	275,418,337
Series T5	7,891,545	7,415,645
Series E	—	—
Series EF	—	—
Series F	73,041,691	55,765,343
Series I	99,263,965	78,345,182
Series O	45,083,978	38,984,005
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	16.24	15.56
Series T5	18.53	18.21
Series E	—	—
Series EF	—	—
Series F	17.05	16.25
Series I	18.11	17.15
Series O	12.65	11.99

Approved on behalf of Trustee

“signed” Rick Headrick “signed” Paul Sergi
 President Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	5,152,080	3,789,053
Interest income for distribution purposes	2,334,173	1,615,688
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	3,238,529	1,112,742
Net realized gain (loss) on futures contracts	383	—
Net realized gain (loss) on currency forward contracts	(4,991,000)	(254,789)
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	15,358,283	(2,862,613)
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	5,632,828	4,254,253
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	26,725,276	7,654,334
Net gain (loss) on foreign exchange	(220,106)	(507,530)
Other income	—	—
Total income (loss)	26,505,170	7,146,804
Expenses (note 5)		
Management fees	3,625,164	2,620,160
Administration fees	471,581	326,273
Independent review committee fees	3,789	1,655
Withholding tax	603,221	423,596
Transaction costs (note 2)	82,857	103,630
Total operating expenses	4,786,612	3,475,314
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	21,718,558	3,671,490
Finance Cost		
Interest expense	(51)	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	21,718,507	3,671,490
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	12,042,511	2,364,436
Series T5	312,243	45,513
Series E	—	(1,012,460)
Series EF	—	(105,348)
Series F	2,705,988	629,590
Series I	4,517,621	1,119,714
Series O	2,140,144	630,045
Weighted Average Number of Units Outstanding		
Series A	18,060,700	13,837,026
Series T5	406,808	259,411
Series E	—	3,021,323
Series EF	—	367,005
Series F	3,685,571	2,297,618
Series I	4,926,367	2,367,368
Series O	3,359,673	2,459,680
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.67	0.17
Series T5	0.77	0.18
Series E	—	(0.34)
Series EF	—	(0.29)
Series F	0.73	0.27
Series I	0.92	0.47
Series O	0.64	0.26

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	275,418,337	158,324,542	7,415,645	3,921,444	–	32,986,408
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	12,042,511	2,364,436	312,243	45,513	–	(1,012,460)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	54,096,792	100,038,006	1,649,728	2,612,322	–	2,719,800
Redemption of redeemable units	(37,959,080)	(17,640,555)	(1,356,994)	(366,162)	–	(34,691,751)
Reinvestment of distributions to holders of redeemable units	27,188	14,351	57,172	39,162	–	588
Capitalized distributions	–	–	–	–	–	–
	16,164,900	82,411,802	349,906	2,285,322	–	(31,971,363)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(25,965)	(10,827)	(186,249)	(125,893)	–	(2,585)
Return of capital	–	–	–	–	–	–
	(25,965)	(10,827)	(186,249)	(125,893)	–	(2,585)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	28,181,446	84,765,411	475,900	2,204,942	–	(32,986,408)
Net Assets Attributable to Holders of Redeemable Units at end of period	303,599,783	243,089,953	7,891,545	6,126,386	–	–

	2017	2016	2017	2016	2017	2016
	Series EF		Series F		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	–	3,649,402	55,765,343	27,261,622	78,345,182	26,395,857
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	–	(105,348)	2,705,988	629,590	4,517,621	1,119,714
Redeemable Unit Transactions						
Proceeds from redeemable units issued	–	–	22,629,556	19,150,336	20,396,635	27,682,844
Redemption of redeemable units	–	(3,543,774)	(8,059,350)	(3,070,725)	(3,995,473)	(1,079,947)
Reinvestment of distributions to holders of redeemable units	–	268	10,180	4,395	–	–
Capitalized distributions	–	–	–	–	–	–
	–	(3,543,506)	14,580,386	16,084,006	16,401,162	26,602,897
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	(548)	(10,026)	(2,943)	–	–
Return of capital	–	–	–	–	–	–
	–	(548)	(10,026)	(2,943)	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	–	(3,649,402)	17,276,348	16,710,653	20,918,783	27,722,611
Net Assets Attributable to Holders of Redeemable Units at end of period	–	–	73,041,691	43,972,275	99,263,965	54,118,468

	2017	2016	2017	2016
	Series O	(\$)	Total	(\$)
	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	38,984,005	22,523,954	455,928,512	275,063,229
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,140,144	630,045	21,718,507	3,671,490
Redeemable Unit Transactions				
Proceeds from redeemable units issued	9,583,809	13,226,167	108,356,520	165,429,475
Redemption of redeemable units	(5,624,019)	(1,192,655)	(56,994,916)	(61,585,569)
Reinvestment of distributions to holders of redeemable units	39	–	94,579	58,764
Capitalized distributions	–	–	–	–
	3,959,829	12,033,512	51,456,183	103,902,670
Distributions to Holders of Redeemable Units				
From capital gains	–	–	–	–
From net investment income	–	–	(222,240)	(142,796)
Return of capital	–	–	–	–
	–	–	(222,240)	(142,796)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	6,099,973	12,663,557	72,952,450	107,431,364
Net Assets Attributable to Holders of Redeemable Units at end of period	45,083,978	35,187,511	528,880,962	382,494,593

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Redeemable Unit Transactions						
Balance – beginning of period	17,701,558	10,368,695	407,311	208,755	–	2,893,113
Units issued	3,370,206	6,709,683	88,609	143,623	–	243,478
Units issued on reinvestment of distributions	1,688	953	3,082	2,152	–	53
Units redeemed	(2,373,659)	(1,178,797)	(73,207)	(20,214)	–	(3,136,644)
Balance – end of period	18,699,793	15,900,534	425,795	334,316	–	–

	2017	2016	2017	2016	2017	2016
	Series EF		Series F		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Redeemable Unit Transactions						
Balance – beginning of period	–	367,347	3,432,027	1,711,836	4,568,847	1,576,391
Units issued	–	–	1,336,960	1,226,830	1,139,745	1,678,859
Units issued on reinvestment of distributions	–	27	602	278	–	–
Units redeemed	–	(367,374)	(485,181)	(196,148)	(226,940)	(65,419)
Balance – end of period	–	–	4,284,408	2,742,796	5,481,652	3,189,831

	2017	2016	2017	2016
	Series O	(\$)	Total	(\$)
	(\$)	(\$)	(\$)	(\$)
Redeemable Unit Transactions				
Balance – beginning of period	3,251,280	1,923,458	29,361,023	19,049,595
Units issued	768,145	1,147,204	6,703,665	11,149,677
Units issued on reinvestment of distributions	3	–	5,375	3,463
Units redeemed	(455,786)	(102,669)	(3,614,773)	(5,067,265)
Balance – end of period	3,563,642	2,967,993	32,455,290	25,135,470

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	21,718,507	3,671,490
Adjustments for:		
Gain on short-term investments	(93,719)	(10,739)
Net realized (gain) loss on sale of investments	(3,238,529)	(1,112,742)
Change in unrealized (appreciation) depreciation in value of investments	(15,358,283)	2,862,613
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(5,632,828)	(4,254,253)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(98,906,973)	(151,347,108)
Proceeds from sale of investments	61,482,253	59,486,014
Purchases of short-term investments	(610,098,041)	(203,045,280)
Proceeds from sale of short-term investments	601,902,073	167,997,484
Change in dividends and interest receivable	(521,395)	(530,217)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	89,997	469,998
Change in other payables and accrued expenses	98,368	165,144
Net Cash Provided by (Used in) Operating Activities	(48,558,570)	(125,647,596)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(127,661)	(84,032)
Proceeds from redeemable units issued	106,836,058	164,756,596
Redemption of redeemable units	(56,706,112)	(61,477,700)
Net Cash Provided by (Used in) Financing Activities	50,002,285	103,194,864
Net increase (decrease) in cash	1,443,715	(22,452,732)
Cash (bank indebtedness) at beginning of period	1,851,464	22,717,934
Cash (bank indebtedness) at end of period	3,295,179	265,202
Dividends received, net of withholding taxes	3,974,523	2,943,699
Interest received, net of withholding taxes	2,387,114	1,507,229
Interest paid	(51)	-

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Treasury Bills						
Canadian Treasury Bill	0.456%	05-Jul-2017	20,000,000	19,995,000	19,995,000	
Canadian Treasury Bill	0.467%	13-Jul-2017	26,600,000	26,587,764	26,587,764	
				46,582,764	46,582,764	8.81
Term Deposit Receipts						
National Bank of Canada	0.450%	04-Jul-2017	3,700,000	3,700,000	3,700,000	
Total Short-Term Notes				3,700,000	3,700,000	0.70
				50,282,764	50,282,764	9.51

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS						
Federal Bonds						
Australia Government Bond	5.750%	15-May-2021	2,646,000	3,048,272	2,996,489	
Australia Government Bond	3.750%	21-Apr-2037	153,000	155,683	166,984	
Austria Government Bond	1.750%	20-Oct-2023	289,000	458,458	471,978	
Belgium Government Bond	4.500%	28-Mar-2026	1,470,000	2,978,758	2,923,735	
Belgium Government Bond	4.000%	28-Mar-2032	258,000	498,583	531,699	
Bundesrepublik Deutschland	1.750%	15-Feb-2024	705,000	1,146,597	1,164,731	
Bundesrepublik Deutschland	6.250%	04-Jan-2030	480,000	1,211,809	1,187,575	
Bundesrepublik Deutschland	2.500%	04-Jul-2044	661,000	1,321,495	1,267,445	
Canadian Government Bond	4.250%	01-Jun-2018	750,000	825,388	772,076	
Canadian Government Bond	2.500%	01-Jun-2024	302,000	335,748	320,587	
Canadian Government Bond	5.750%	01-Jun-2033	715,000	1,082,215	1,082,399	
Canadian Government Bond	4.000%	01-Jun-2041	479,000	676,155	644,712	
Denmark Government Bond	1.500%	15-Nov-2023	1,031,000	213,239	223,629	
Denmark Government Bond	1.750%	15-Nov-2025	3,350,000	742,282	743,650	
France Government Bond OAT	1.750%	25-May-2023	630,000	997,459	1,024,166	
France Government Bond OAT	6.000%	25-Oct-2025	1,153,000	2,483,405	2,481,876	
France Government Bond OAT	4.750%	25-Apr-2035	329,000	709,529	750,436	
France Government Bond OAT	4.500%	25-Apr-2041	183,000	452,785	426,686	
Hungary Government International Bond	5.375%	21-Feb-2023	566,000	862,179	819,417	
Indonesia Government International Bond	2.875%	08-Jul-2021	100,000	151,068	159,233	
Indonesia Treasury Bond	7.000%	15-May-2022	10,273,000,000	1,040,984	1,016,071	
Ireland Government Bond	5.400%	13-Mar-2025	255,000	489,946	512,291	
Italy Buoni Poliennali Del Tesoro	3.750%	01-Jan-2021	2,029,000	3,214,700	3,373,303	
Italy Buoni Poliennali Del Tesoro	5.500%	01-Sep-2022	681,000	1,276,696	1,237,604	
Italy Buoni Poliennali Del Tesoro	5.500%	01-Sep-2022	956,000	1,808,244	1,737,371	
Japan Government Forty Year Bond	2.000%	20-Mar-2052	24,200,000	285,360	367,403	
Japan Government Ten Year Bond	0.400%	20-Sep-2025	201,500,000	2,677,205	2,400,599	
Japan Government Ten Year Bond	0.300%	20-Dec-2025	5,750,000	72,522	67,947	
Japan Government Thirty Year Bond	2.400%	20-Mar-2037	176,850,000	2,611,662	2,734,529	
Japan Government Thirty Year Bond	1.800%	20-Mar-2043	154,800,000	2,215,843	2,226,941	
Japan Government Twenty Year Bond	2.200%	20-Sep-2027	349,950,000	4,711,804	4,908,438	
Japan Government Twenty Year Bond	1.700%	20-Sep-2032	306,200,000	4,378,387	4,253,742	
Japan Government Twenty Year Bond	1.500%	20-Mar-2034	397,900,000	5,202,612	5,444,398	
Kingdom of Belgium Government Bond	1.900%	22-Jun-2038	252,000	413,613	401,865	
Netherlands Government Bond	5.500%	15-Jan-2028	918,000	2,038,115	2,037,628	
Spain Government Bond	5.400%	31-Jan-2023	1,268,000	2,308,008	2,385,330	
Spain Government Bond	2.750%	31-Oct-2024	500,000	838,965	831,679	
Spain Government Bond	5.150%	31-Oct-2028	358,000	670,001	716,944	
Sweden Government Bond	3.500%	01-Jun-2022	1,700,000	313,790	306,837	
United Kingdom Gilt	5.000%	07-Mar-2018	370,000	809,520	643,797	
United Kingdom Gilt	8.000%	07-Jun-2021	198,000	511,969	432,212	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
United Kingdom Gilt	2.250%	07-Sep-2023	765,000	1,543,358	1,401,878	
United Kingdom Gilt	4.250%	07-Dec-2027	205,000	509,811	446,591	
United Kingdom Gilt	4.250%	07-Mar-2036	328,000	702,805	769,280	
United Kingdom Gilt	3.250%	22-Jan-2044	704,000	1,516,597	1,519,005	
United Kingdom Gilt	3.750%	22-Jul-2052	87,000	207,784	221,745	
United Kingdom Gilt	4.000%	22-Jan-2060	75,000	194,997	214,161	
United States Treasury Note	1.125%	15-Jun-2018	1,990,000	2,650,100	2,580,526	
United States Treasury Note	5.250%	15-Feb-2029	796,000	1,386,350	1,335,399	
United States Treasury Note	4.500%	15-Feb-2036	1,280,000	2,223,584	2,146,269	
United States Treasury Note	4.500%	15-Aug-2039	1,659,000	2,814,247	2,791,861	
United States Treasury Note	3.625%	15-Feb-2044	1,980,000	3,017,674	2,963,675	
				75,008,360	74,586,822	14.10
Provincial Bonds						
Province of Alberta	1.250%	01-Jun-2020	55,000	54,996	54,559	
Province of Alberta	4.500%	01-Dec-2040	75,000	87,614	93,074	
Province of Manitoba	4.150%	03-Jun-2020	48,000	54,359	51,571	
				196,969	199,204	0.04
Canadian Corporate Bonds						
Barrick Gold Corp.	4.100%	01-May-2023	334,000	461,573	469,895	
Cameco Corp.	5.670%	02-Sep-2019	76,000	85,482	80,319	
Enbridge Inc.	5.500%	01-Dec-2046	300,000	419,288	437,447	
Loblaw Companies Limited	4.860%	12-Sep-2023	76,000	84,444	85,004	
Shaw Communications Inc.	5.650%	01-Oct-2019	76,000	86,382	82,067	
TELUS Corp.	5.050%	23-Jul-2020	77,000	86,531	83,833	
				1,223,700	1,238,565	0.23
Foreign Corporate Bonds						
ABN AMRO Bank NV	1.800%	04-Jun-2018	200,000	249,879	259,800	
ABN AMRO Bank NV	2.875%	18-Jan-2028	100,000	153,048	157,900	
Aeroporti di Roma SpA	1.625%	08-Jun-2027	130,000	195,409	192,513	
Aetna Inc.	2.800%	15-Jun-2023	183,000	239,537	237,573	
Air Liquide Finance SA	2.250%	27-Sep-2023	400,000	519,573	505,847	
America Movil SAB de CV	1.500%	10-Mar-2024	100,000	145,361	150,568	
American International Group Inc.	1.875%	21-Jun-2027	100,000	150,158	146,703	
American Tower Corp.	4.700%	15-Mar-2022	200,000	268,860	281,529	
American Tower Corp.	1.375%	04-Apr-2025	100,000	140,752	146,050	
American Tower Corp.	4.000%	01-Jun-2025	175,000	223,446	235,797	
Anheuser-Busch InBev Finance Inc.	3.300%	01-Feb-2023	761,000	1,053,265	1,018,949	
Anheuser-Busch InBev Finance Inc.	4.700%	01-Feb-2036	211,000	298,356	302,545	
Anheuser-Busch InBev SA/NV	2.750%	17-Mar-2036	74,000	107,985	116,967	
Anheuser-Busch InBev Worldwide Inc.	5.375%	15-Jan-2020	350,000	514,102	492,466	
Apple Inc.	2.700%	13-May-2022	156,000	186,317	206,440	
Apple Inc.	3.600%	31-Jul-2042	100,000	201,377	195,617	
Apple Inc.	3.850%	04-Aug-2046	256,000	315,585	333,111	
Apple Inc.	4.250%	09-Feb-2047	61,000	79,204	84,238	
APT Pipelines Ltd.	5.000%	23-Mar-2035	198,000	270,892	268,552	
Arion Banki HF	2.500%	26-Apr-2019	300,000	430,879	461,058	
AT&T Inc.	2.450%	30-Jun-2020	570,000	721,242	744,583	
AT&T Inc.	3.150%	04-Sep-2036	100,000	151,628	146,206	
AT&T Inc.	4.250%	01-Jun-2043	100,000	178,126	180,300	
AT&T Inc.	4.750%	15-May-2046	261,000	321,777	333,680	
AT&T Inc.	5.650%	15-Feb-2047	183,000	256,923	263,679	
Autostrade per l'Italia SpA	1.125%	04-Nov-2021	100,000	144,065	153,049	
Autostrade per l'Italia SpA	1.750%	26-Jun-2026	100,000	158,427	152,494	
BAE Systems PLC	4.125%	08-Jun-2022	100,000	197,370	189,384	
Bank of America Corp.	2.625%	19-Apr-2021	422,000	554,355	550,976	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Bank of America Corp.	4.100%	24-Jul-2023	489,000	686,199	673,194	
Bank of America Corp.	3.248%	21-Oct-2027	450,000	590,527	565,963	
Bank of America NA	1.750%	05-Jun-2018	250,000	311,792	325,151	
Banque Federative du Credit Mutuel SA	1.250%	26-May-2027	200,000	299,361	294,574	
Barclays Bank PLC	6.000%	14-Jan-2021	100,000	170,146	172,913	
Barclays Bank PLC	6.750%	16-Jan-2023	50,000	98,301	86,481	
Barclays PLC	3.125%	17-Jan-2024	200,000	320,242	349,196	
BAT International Finance PLC	0.875%	13-Oct-2023	100,000	134,049	145,969	
Baxter International Inc.	1.300%	30-May-2025	110,000	166,566	162,716	
Becton Dickinson and Co.	3.734%	15-Dec-2024	29,000	37,634	38,340	
Becton Dickinson and Co.	4.685%	15-Dec-2044	194,000	275,267	260,478	
Belfius Bank SA/NV	3.125%	11-May-2026	100,000	141,189	156,100	
Berkshire Hathaway Inc.	2.750%	15-Mar-2023	95,000	127,020	125,107	
Berkshire Hathaway Inc.	1.625%	16-Mar-2035	100,000	137,179	136,911	
Berkshire Hathaway Inc.	4.500%	11-Feb-2043	175,000	253,660	250,331	
Best Buy Co., Inc.	5.500%	15-Mar-2021	332,000	453,634	469,620	
Boston Properties LP	3.125%	01-Sep-2023	50,000	63,777	65,827	
BP Capital Markets PLC	2.521%	15-Jan-2020	12,000	13,430	15,807	
BP Capital Markets PLC	1.077%	26-Jun-2025	220,000	325,747	323,820	
BPCE SA	4.500%	15-Mar-2025	200,000	254,341	267,422	
BPCE SA	5.250%	16-Apr-2029	100,000	201,612	196,031	
BPRL International Singapore Ptd Ltd.	4.375%	18-Jan-2027	608,000	860,087	819,023	
British Telecommunications PLC	5.750%	07-Dec-2028	65,000	154,043	143,709	
Broadcom Corp / Broadcom Cayman Finance Ltd.	3.875%	15-Jan-2027	462,000	609,902	617,340	
BUPA Finance PLC	2.000%	05-Apr-2024	110,000	181,212	184,951	
Capital One Financial Corp.	3.200%	05-Feb-2025	70,000	87,896	89,136	
Carnival Corp.	1.875%	07-Nov-2022	200,000	301,424	312,949	
Celgene Corp.	2.875%	15-Aug-2020	264,000	350,530	350,859	
Charter Communications Operating LLC	6.384%	23-Oct-2035	481,000	679,356	742,542	
Chorus Ltd.	1.125%	18-Oct-2023	100,000	146,474	147,517	
Chubb INA Holdings Inc.	2.300%	03-Nov-2020	235,000	310,352	307,078	
Chularat Hospital PCL	2.625%	15-Apr-2021	65,000	99,920	101,980	
Cie Financiere et Industrielle des Autoroutes SA	0.750%	09-Sep-2028	100,000	145,962	138,177	
Cisco Systems Inc.	2.200%	28-Feb-2021	151,000	206,254	197,267	
Citizens Bank NA/Providence RI	2.550%	13-May-2021	250,000	323,336	325,144	
CME Group Inc.	3.000%	15-Mar-2025	85,000	105,910	111,486	
CMS Energy Corp.	5.050%	15-Mar-2022	50,000	63,126	71,497	
CNA Financial Corp.	5.875%	15-Aug-2020	60,000	78,376	85,876	
CNPC General Capital Ltd.	3.400%	16-Apr-2023	628,000	873,893	833,364	
Coach Inc.	4.125%	15-Jul-2027	300,000	404,103	386,153	
Coca-Cola Enterprises Inc	1.875%	18-Mar-2030	100,000	140,067	149,857	
Coca-Cola European Partners PLC	1.125%	26-May-2024	100,000	144,773	149,946	
Coca-Cola European Partners US LLC	1.875%	18-Mar-2030	100,000	138,206	149,857	
Comcast Corp.	2.750%	01-Mar-2023	311,000	431,224	408,157	
Comcast Corp.	4.650%	15-Jul-2042	310,000	422,073	442,430	
Corp Financiera de Desarrollo SA	4.750%	15-Jul-2025	555,000	781,201	773,937	
Credit Suisse AG	6.500%	08-Aug-2023	200,000	283,817	292,701	
Crown Castle International Corp.	2.250%	01-Sep-2021	244,000	315,064	312,057	
Crown Castle International Corp.	4.450%	15-Feb-2026	350,000	467,481	483,650	
CVS Health Corp.	2.125%	01-Jun-2021	258,000	331,790	331,289	
Danone SA	2.077%	02-Nov-2021	200,000	266,681	256,506	
Danone SA	2.589%	02-Nov-2023	373,000	497,360	473,318	
Delphi Automotive PLC	1.500%	10-Mar-2025	100,000	131,933	147,546	
Deutsche Annington Finance BV	2.125%	09-Jul-2022	30,000	43,891	47,488	
Deutsche Bank AG	1.875%	28-Feb-2020	200,000	327,710	338,754	
Deutsche Telekom International Finance BV	1.375%	30-Jan-2027	120,000	170,166	177,855	
Dominion Gas Holdings LLC	2.800%	15-Nov-2020	247,000	325,876	324,929	
Dominion Resources Inc.	2.500%	01-Dec-2019	50,000	56,488	65,478	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
DTE Electric Co.	3.700%	15-Mar-2045	100,000	130,105	128,389	
Duke Energy Corp.	2.650%	01-Sep-2026	227,000	296,874	280,548	
Duke Energy Florida LLC	3.200%	15-Jan-2027	450,000	603,203	592,606	
EDP Finance BV	4.125%	20-Jan-2021	100,000	154,268	166,625	
EDP Finance BV	1.875%	29-Sep-2023	110,000	155,167	167,759	
Emera US Finance LP	2.700%	15-Jun-2021	91,000	115,667	118,471	
Emera US Finance LP	3.550%	15-Jun-2026	104,000	131,955	135,630	
Empresa Nacional de Telecomunicaciones SA	4.750%	01-Aug-2026	572,000	766,431	766,766	
Empresa Nacional del Petroleo	4.375%	30-Oct-2024	562,000	772,453	760,974	
Enersis Americas SA	4.000%	25-Oct-2026	638,000	873,947	838,721	
Enterprise Products Operating LLC	1.650%	07-May-2018	125,000	151,276	162,235	
Enterprise Products Operating LLC	3.900%	15-Feb-2024	50,000	57,313	67,636	
Equifax Inc.	2.300%	01-Jun-2021	117,000	150,331	151,045	
ERAC USA Finance LLC	4.500%	15-Feb-2045	334,000	423,985	429,246	
Exelon Corp.	3.497%	01-Jun-2022	191,000	256,361	253,700	
FCA Capital Ireland PLC	1.250%	21-Jan-2021	200,000	287,464	301,936	
Ferrari NV	1.500%	16-Mar-2023	200,000	286,389	299,581	
Fidelity National Information Services Inc.	3.875%	05-Jun-2024	135,000	160,894	183,912	
Fidelity National Information Services Inc.	5.000%	15-Oct-2025	91,000	117,744	132,192	
Fidelity National Information Services Inc.	3.000%	15-Aug-2026	176,000	226,646	221,767	
Fidelity National Information Services Inc.	4.500%	15-Aug-2046	88,000	112,795	117,713	
FirstEnergy Corp.	3.900%	15-Jul-2027	91,000	119,753	118,800	
Fomento Economico Mexicano SAB de CV	1.750%	20-Mar-2023	200,000	293,820	304,765	
Forest Laboratories Inc.	4.375%	01-Feb-2019	24,000	30,852	32,154	
G4S International Finance PLC	1.500%	09-Jan-2023	200,000	294,003	300,751	
G4S International Finance PLC	1.500%	02-Jun-2024	110,000	165,874	162,439	
General Motors Co.	6.600%	01-Apr-2036	200,000	313,993	301,781	
General Motors Financial Co., Inc.	3.100%	15-Jan-2019	350,000	455,348	460,930	
General Motors Financial Co., Inc.	4.350%	17-Jan-2027	93,000	123,139	122,499	
Georgia-Pacific LLC	5.400%	01-Nov-2020	65,000	89,611	92,390	
Gilead Sciences Inc.	2.350%	01-Feb-2020	278,000	360,090	364,622	
Glencore Finance Europe SA	1.250%	17-Mar-2021	100,000	107,822	150,524	
Glencore Finance Europe SA	1.750%	17-Mar-2025	100,000	131,859	144,747	
Go-Ahead Group PLC	2.500%	06-Jul-2024	150,000	251,405	251,036	
Heathrow Funding Ltd.	1.875%	12-Jul-2032	100,000	148,227	148,383	
Heathrow Funding Ltd.	4.625%	31-Oct-2046	100,000	238,818	222,718	
HeidelbergCement AG	2.250%	30-Mar-2023	130,000	193,331	206,137	
Hiscox Ltd.	6.125%	24-Nov-2045	100,000	202,716	190,919	
Home Depot Inc.	2.625%	01-Jun-2022	150,000	186,833	197,884	
HSBC Holdings PLC	4.375%	23-Nov-2026	200,000	268,518	270,031	
HSBC Holdings PLC	6.000%	31-Dec-2049	222,000	303,163	299,123	
Imerys SA	1.500%	15-Jan-2027	100,000	138,220	147,591	
Imperial Brands Finance PLC	1.375%	27-Jan-2025	200,000	280,683	295,226	
Imperial Brands Finance PLC	4.250%	21-Jul-2025	200,000	266,714	274,612	
ING Groep NV	0.750%	09-Mar-2022	100,000	140,314	148,642	
ING Groep NV	3.950%	29-Mar-2027	200,000	266,030	270,635	
Intel Corp.	3.150%	11-May-2027	395,000	539,610	515,378	
Intercontinental Exchange Inc.	2.750%	01-Dec-2020	68,000	90,122	90,225	
Intercontinental Exchange Inc.	4.000%	15-Oct-2023	350,000	466,631	487,659	
Intercontinental Exchange Inc.	3.750%	01-Dec-2025	112,000	148,577	153,135	
InterContinental Hotels Group PLC	3.750%	14-Aug-2025	200,000	386,788	373,421	
International Bank for Reconstruction & Development	2.800%	13-Jan-2021	155,000	153,765	156,482	
International Bank for Reconstruction & Development	4.250%	24-Jun-2025	30,000	32,696	32,591	
International Finance Corp.	3.250%	22-Jul-2019	45,000	45,543	45,849	
Intesa Sanpaolo SpA	5.250%	28-Jan-2022	50,000	108,637	94,245	
Islandsbanki HF	1.750%	07-Sep-2020	270,000	400,599	411,013	
Johnson Controls International PLC	1.375%	25-Feb-2025	100,000	142,688	146,983	
Johnson Controls International PLC	4.500%	15-Feb-2047	49,000	63,170	67,921	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
JPMorgan Chase & Co.	4.250%	15-Oct-2020	656,000	898,183	905,084	
JPMorgan Chase & Co.	2.950%	01-Oct-2026	709,000	920,493	889,712	
JPMorgan Chase & Co.	3.540%	01-May-2028	223,000	298,140	290,847	
JPMorgan Chase & Co.	4.260%	22-Feb-2048	230,000	301,323	313,282	
Kering	1.250%	10-May-2026	100,000	141,102	149,035	
Kinder Morgan Energy Partners LP	3.500%	01-Mar-2021	400,000	503,952	532,371	
Laboratory Corporation of America Holdings	3.200%	01-Feb-2022	279,000	356,912	370,180	
Laboratory Corporation of America Holdings	4.700%	01-Feb-2045	90,000	114,764	120,923	
Liberty Mutual Group Inc.	4.250%	15-Jun-2023	129,000	178,925	178,471	
Liberty Mutual Group Inc.	2.750%	04-May-2026	100,000	141,731	158,453	
Life Technologies Corp.	6.000%	01-Mar-2020	210,000	295,681	297,415	
Life Technologies Corp.	5.000%	15-Jan-2021	68,000	94,776	94,685	
Lockheed Martin Corp.	3.550%	15-Jan-2026	100,000	132,658	134,814	
LYB International Finance BV	4.000%	15-Jul-2023	50,000	57,881	68,890	
LyondellBasell Industries NV	5.000%	15-Apr-2019	128,000	177,499	173,851	
Marathon Petroleum Corp.	3.400%	15-Dec-2020	73,000	93,605	97,599	
Marathon Petroleum Corp.	3.625%	15-Sep-2024	142,000	163,150	186,626	
Marsh & McLennan Cos Inc.	3.500%	03-Jun-2024	50,000	56,399	67,094	
Marsh & McLennan Cos Inc.	4.350%	30-Jan-2047	93,000	122,107	129,624	
Martin Marietta Materials Inc.	4.250%	02-Jul-2024	35,000	45,348	47,772	
Martin Marietta Materials Inc.	3.450%	01-Jun-2027	101,000	137,067	130,758	
Medtronic Inc.	3.500%	15-Mar-2025	407,000	543,489	550,409	
Merlin Properties Socimi SA	2.225%	25-Apr-2023	100,000	144,594	154,590	
Merlin Properties Socimi SA	1.750%	26-May-2025	110,000	165,760	162,480	
Merlin Properties Socimi SA	1.875%	02-Nov-2026	110,000	157,778	160,655	
Metso OYJ	1.125%	13-Jun-2024	110,000	166,383	160,875	
Microsoft Corp.	1.550%	08-Aug-2021	1,016,000	1,297,055	1,291,778	
Microsoft Corp.	4.100%	06-Feb-2037	425,000	596,874	595,715	
Mohawk Industries Inc.	2.000%	14-Jan-2022	100,000	138,353	155,264	
Morgan Stanley	2.200%	07-Dec-2018	84,000	104,470	109,673	
Morgan Stanley	2.500%	21-Apr-2021	239,000	305,989	310,318	
Morgan Stanley	5.500%	28-Jul-2021	50,000	63,894	72,070	
Morgan Stanley	3.125%	27-Jul-2026	209,000	280,860	264,206	
Morgan Stanley	2.625%	09-Mar-2027	110,000	179,164	185,767	
Morgan Stanley	3.950%	23-Apr-2027	58,000	70,482	76,158	
Nationwide Building Society	1.250%	03-Mar-2025	100,000	142,556	151,227	
NBCUniversal Enterprise Inc.	1.974%	15-Apr-2019	300,000	387,075	391,071	
NBCUniversal Media LLC	5.150%	30-Apr-2020	219,000	319,987	309,845	
Newell Rubbermaid Inc.	2.050%	01-Dec-2017	50,000	56,672	65,049	
NextEra Energy Capital Holdings Inc.	3.550%	01-May-2027	283,000	383,841	374,126	
NN Group NV	4.625%	08-Apr-2044	100,000	165,910	164,055	
Nordea Bank AB	1.000%	07-Sep-2026	110,000	159,762	162,822	
Nordic Investment Bank	4.750%	28-Feb-2024	80,000	88,242	88,451	
Omnicom Group Inc.	3.650%	01-Nov-2024	60,000	66,677	80,032	
Omnicom Group Inc.	3.600%	15-Apr-2026	133,000	175,285	174,107	
ONGC Videsh Vankorneft Pte Ltd.	3.750%	27-Jul-2026	595,000	786,573	765,695	
Oracle Corp.	3.400%	08-Jul-2024	100,000	132,356	135,361	
Owens Corning	4.200%	15-Dec-2022	137,000	182,067	187,941	
Owens Corning	3.400%	15-Aug-2026	151,000	196,902	193,558	
Parker-Hannifin Corp.	4.100%	01-Mar-2047	129,000	168,762	175,819	
PepsiCo Inc.	2.150%	14-Oct-2020	350,000	456,223	457,657	
PepsiCo Inc.	3.100%	17-Jul-2022	164,000	208,798	220,857	
Pertamina Persero PT	6.000%	03-May-2042	599,000	881,438	841,712	
Petroleos Mexicanos	6.500%	13-Mar-2027	75,000	98,771	104,756	
PG&E Corp.	2.400%	01-Mar-2019	50,000	56,682	65,279	
Phillips 66	4.875%	15-Nov-2044	238,000	341,539	332,593	
PNC Bank NA	2.600%	21-Jul-2020	250,000	323,022	329,412	
PPG Industries Inc.	0.875%	03-Nov-2025	210,000	303,593	302,522	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
PPL Capital Funding Inc.	3.100%	15-May-2026	214,000	273,934	272,522	
PPL Capital Funding Inc.	5.000%	15-Mar-2044	20,000	24,171	29,395	
PPL WEM Ltd.	5.375%	01-May-2021	200,000	287,019	280,504	
Progress Energy Inc.	7.050%	15-Mar-2019	50,000	74,978	70,322	
ProSiebenSat.1 Media AG	2.625%	15-Apr-2021	70,000	101,398	109,825	
RCI Banque SA	1.250%	08-Jun-2022	75,000	104,218	113,693	
Reckitt Benckiser Treasury Services PLC	3.000%	26-Jun-2027	421,000	557,746	540,217	
RELX Finance BV	1.000%	22-Mar-2024	110,000	157,115	163,694	
Reynolds American Inc.	8.125%	23-Jun-2019	50,000	69,078	72,456	
Reynolds American Inc.	3.250%	12-Jun-2020	162,000	219,142	216,756	
Reynolds American Inc.	4.450%	12-Jun-2025	25,000	32,662	34,841	
Reynolds American Inc.	5.700%	15-Aug-2035	171,000	247,753	263,932	
Roper Industries Inc.	1.850%	15-Nov-2017	54,000	61,530	70,187	
RWE Finance BV	4.750%	31-Jan-2034	100,000	203,676	207,409	
Ryanair Ltd.	1.125%	10-Mar-2023	100,000	138,511	149,583	
Sabine Pass Liquefaction LLC	4.200%	15-Mar-2028	500,000	661,583	657,403	
SCA Hygiene AB	1.625%	30-Mar-2027	300,000	426,851	445,016	
Severn Trent Utilities Finance PLC	1.125%	07-Sep-2021	150,000	260,562	251,940	
Simon International Finance SCA	1.250%	13-May-2025	150,000	220,124	221,231	
Sky PLC	2.500%	15-Sep-2026	100,000	150,030	159,196	
Smiths Group PLC	2.000%	23-Feb-2027	200,000	305,796	301,358	
State Grid Overseas Investment 2016 Ltd.	2.750%	04-May-2022	302,000	408,867	390,800	
Sumitomo Mitsui Financial Group Inc.	0.606%	18-Jan-2022	130,000	180,455	192,426	
TD Ameritrade Holding Corp.	2.950%	01-Apr-2022	29,000	36,039	38,564	
TD Ameritrade Holding Corp.	3.300%	01-Apr-2027	211,000	284,058	274,020	
Tengizchevroil Finance Co International Ltd.	4.000%	15-Aug-2026	650,000	862,487	815,834	
The Goldman Sachs Group Inc.	2.625%	25-Apr-2021	422,000	544,575	549,622	
The Goldman Sachs Group Inc.	5.750%	24-Jan-2022	80,000	103,214	117,045	
The Goldman Sachs Group Inc.	3.625%	22-Jan-2023	331,000	449,150	444,234	
The Goldman Sachs Group Inc.	4.800%	08-Jul-2044	100,000	136,508	144,351	
The Home Depot Inc.	3.000%	01-Apr-2026	124,000	170,623	162,080	
The Home Depot Inc.	4.875%	15-Feb-2044	133,000	189,534	200,567	
The Priceline Group Inc.	1.800%	03-Mar-2027	300,000	401,777	440,928	
The Southern Co.	4.400%	01-Jul-2046	254,000	332,064	337,238	
Thermo Fisher Scientific Inc.	3.000%	15-Apr-2023	114,000	148,130	149,446	
Thermo Fisher Scientific Inc.	2.950%	19-Sep-2026	97,000	127,901	122,740	
Time Warner Inc.	3.800%	15-Feb-2027	229,000	306,763	300,000	
Tyco Electronics Group SA	2.375%	17-Dec-2018	60,000	68,558	78,446	
Tyco Electronics Group SA	1.100%	01-Mar-2023	100,000	139,699	148,961	
UBS Group Funding Jersey Ltd.	1.500%	30-Nov-2024	200,000	283,674	303,669	
UnitedHealth Group Inc.	2.700%	15-Jul-2020	164,000	212,613	217,564	
Unum Group	4.000%	15-Mar-2024	60,000	69,853	80,601	
US Bancorp.	0.850%	07-Jun-2024	100,000	151,834	146,872	
Valeo SA	1.625%	18-Mar-2026	100,000	149,716	152,508	
Verizon Communications Inc.	3.500%	01-Nov-2024	207,000	270,517	271,740	
Virginia Electric & Power Co.	3.500%	15-Mar-2027	350,000	470,370	468,325	
Visa Inc.	2.800%	14-Dec-2022	433,000	570,420	572,957	
Visa Inc.	4.300%	14-Dec-2045	350,000	491,279	499,789	
Volkswagen Leasing GmbH	1.375%	20-Jan-2025	400,000	587,429	586,076	
Walgreens Boots Alliance Inc.	2.700%	18-Nov-2019	103,000	124,176	135,943	
Wal-Mart Stores Inc.	4.300%	22-Apr-2044	57,000	69,997	82,192	
Wells Fargo & Co.	3.300%	09-Sep-2024	50,000	56,183	65,928	
Wells Fargo & Co.	4.100%	03-Jun-2026	62,000	79,628	83,469	
WM Wrigley Jr Co.	3.375%	21-Oct-2020	100,000	126,819	134,156	
XLIT Ltd.	3.250%	29-Jun-2047	200,000	293,059	293,434	
Zimmer Biomet Holdings Inc.	1.414%	13-Dec-2022	200,000	285,295	301,195	
Zimmer Holdings Inc.	2.000%	01-Apr-2018	100,000	124,962	130,129	
				68,344,435	68,940,741	13.04

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Mortgage Backed						
A Voce CLO Ltd.	2.318%	15-Jul-2026	573,000	763,003	744,156	
Cent CLO 21 Ltd.	2.380%	27-Jul-2026	389,696	510,909	506,099	
Chesapeake Funding II LLC	2.309%	15-Mar-2028	200,000	226,036	222,954	
Comm Mortgage Trust 2015-LC19	3.183%	10-Feb-2048	200,000	260,554	263,481	
Comm Mortgage Trust 2015-LC21 A4	3.708%	10-Jul-2048	205,721	260,638	279,225	
CPS Auto Trust	2.110%	15-Mar-2021	246,000	336,044	318,433	
Dryden 34 Senior Loan Fund	2.318%	15-Oct-2026	331,317	442,375	430,282	
Fannie Mae Pool	4.260%	01-Dec-2019	50,000	61,298	60,344	
Fannie Mae Pool	2.770%	01-Mar-2022	50,000	58,521	60,082	
Fannie Mae Pool	4.500%	01-Jan-2040	423,000	91,417	92,312	
Fannie Mae Pool	4.500%	01-May-2040	569,000	747,439	730,199	
Fannie Mae Pool	5.000%	01-Aug-2040	738,000	241,228	233,281	
Fannie Mae Pool	4.000%	01-Sep-2040	108,000	24,960	25,282	
Fannie Mae Pool	4.000%	01-Sep-2040	193,000	42,853	41,701	
Fannie Mae Pool	4.000%	01-Nov-2040	1,425,000	442,702	441,741	
Fannie Mae Pool	4.000%	01-Dec-2040	1,400,000	589,530	587,190	
Fannie Mae Pool	4.000%	01-Feb-2041	1,200,000	498,135	496,805	
Fannie Mae Pool	4.500%	01-Feb-2041	700,000	235,144	233,510	
Fannie Mae Pool	4.500%	01-Feb-2041	63,453	18,917	18,231	
Fannie Mae Pool	4.500%	01-Apr-2041	282,064	106,107	106,421	
Fannie Mae Pool	4.000%	01-Jun-2041	41,000	42,312	40,628	
Fannie Mae Pool	4.000%	01-Nov-2041	32,573	17,108	15,880	
Fannie Mae Pool	4.000%	01-Jan-2042	144,656	61,685	59,278	
Fannie Mae Pool	4.000%	01-Jan-2042	73,000	31,902	31,350	
Fannie Mae Pool	5.000%	01-Mar-2042	583,000	304,778	302,736	
Fannie Mae Pool	4.000%	01-Dec-2042	21,000	14,686	14,166	
Fannie Mae Pool	4.000%	01-Jan-2043	31,000	38,039	37,255	
Fannie Mae Pool	4.000%	01-Jan-2043	45,000	46,834	46,321	
Fannie Mae Pool	4.500%	01-Jan-2043	500,000	371,855	368,795	
Fannie Mae Pool	4.500%	01-Jan-2043	371,000	393,017	377,174	
Fannie Mae Pool	4.000%	01-Jun-2043	28,821	28,886	28,607	
Fannie Mae Pool	4.000%	01-Jul-2043	27,142	17,879	18,076	
Fannie Mae Pool	4.500%	01-Sep-2043	550,000	377,217	362,091	
Fannie Mae Pool	4.000%	01-Jan-2044	25,000	31,494	30,832	
Fannie Mae Pool	4.000%	01-Apr-2044	20,000	23,864	23,584	
Fannie Mae Pool	4.500%	01-Apr-2044	400,000	331,307	331,330	
Fannie Mae Pool	4.500%	01-Jun-2044	1,000,000	924,607	924,053	
Fannie Mae Pool	4.000%	01-Nov-2044	55,020	40,044	38,674	
Fannie Mae Pool	4.000%	01-Feb-2045	95,406	68,966	72,448	
Fannie Mae Pool	3.500%	01-Jul-2046	239,000	307,041	302,429	
Fannie Mae Pool	3.500%	01-Jan-2047	35,533	47,256	46,144	
Fannie Mae Pool	3.500%	01-Jan-2047	67,981	90,907	88,770	
Fannie Mae Pool	3.500%	01-Dec-2046	128,000	170,535	166,525	
Fannie Mae Pool	3.500%	01-Mar-2045	57,472	54,949	53,374	
FHLMC Multifamily Structured Pass Through Certificates	1.426%	25-Aug-2017	50,000	5,918	6,119	
FHLMC Multifamily Structured Pass Through Certificates	1.883%	25-May-2019	125,000	157,509	162,983	
FHLMC Multifamily Structured Pass Through Certificates	2.637%	25-Jan-2023	150,000	189,295	197,976	
FHLMC Multifamily Structured Pass Through Certificates	3.300%	25-Apr-2023	249,675	331,812	340,297	
FHLMC Multifamily Structured Pass Through Certificates	3.458%	25-Aug-2023	249,675	334,880	343,053	
FHLMC Multifamily Structured Pass Through Certificates	2.673%	25-Mar-2026	600,000	783,993	775,368	
Flatiron CLO 2013-1 Ltd.	2.808%	17-Jan-2026	549,897	733,118	714,152	
Ford Credit Floorplan Master Owner Trust A	1.559%	15-Jan-2020	1,035,000	1,356,869	1,346,218	
Freddie Mac Gold Pool	4.500%	01-Dec-2039	1,085,000	187,093	186,114	
Freddie Mac Gold Pool	4.500%	01-Jul-2040	155,789	39,712	38,532	
Freddie Mac Gold Pool	4.000%	01-Jan-2041	35,000	25,768	25,666	
Freddie Mac Gold Pool	5.000%	01-Jul-2041	1,100,000	581,831	581,649	
Freddie Mac Gold Pool	4.500%	01-May-2042	450,000	431,433	424,245	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Freddie Mac Gold Pool	4.000%	01-Apr-2044	41,200	29,733	30,089	
Freddie Mac Gold Pool	3.500%	01-Sep-2045	244,760	252,911	242,304	
GS Mortgage Securities Corp. II	3.382%	10-May-2050	230,127	284,611	305,607	
John Deere Owner Trust 2016	1.150%	15-Oct-2018	114,000	58,365	54,902	
JPMBB Commercial Mortgage Securities Trust 2014-C26	3.494%	15-Jan-2048	261,848	341,986	350,941	
Morgan Stanley Bank of America Merrill Lynch Trust 2015-C21	3.338%	15-Mar-2048	15,893	20,381	21,098	
Morgan Stanley Capital I Trust 2017-H1	3.530%	15-Jun-2050	142,705	197,573	191,406	
Octagon Investment Partners XVII Ltd.	2.555%	25-Oct-2025	717,612	979,969	931,963	
Small Business Administration Participation Certificates	2.220%	01-Mar-2033	25,000	17,834	22,237	
Wells Fargo	3.148%	15-May-2048	71,128	89,345	93,166	
Wells Fargo Commercial Mortgage Trust	3.540%	15-May-2048	230,334	284,135	308,790	
				17,511,052	17,367,124	3.28
Total Bonds				162,284,516	162,332,456	30.69

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
BP PLC	179,988	1,234,746	1,344,467	
Chevron Corp.	7,146	897,448	968,237	
China Petroleum & Chemical Corp.	476,000	455,853	482,258	
Exxon Mobil Corp.	27,984	3,034,196	2,933,959	
Galp Energia SGPS SA	47,050	861,496	923,772	
Lukoil PJSC	14,203	819,366	898,825	
Occidental Petroleum Corp.	11,312	1,070,040	879,545	
Schlumberger Ltd.	19,805	1,982,004	1,693,456	
Suncor Energy Inc.	21,085	776,029	798,911	
Valero Energy Corp.	11,953	971,960	1,047,207	
Williams Partners LP	18,852	1,007,407	982,018	
		13,110,545	12,952,655	2.45
Materials				
Akzo Nobel NV	9,595	1,103,026	1,081,429	
Crown Holdings Inc.	5,774	367,525	447,373	
Givaudan SA	817	1,916,854	2,125,071	
LyondellBasell Industries NV	3,345	392,380	366,603	
Monsanto Co.	4,238	563,056	651,441	
Orica Ltd.	38,072	619,153	784,309	
PPG Industries Inc.	21,523	2,817,119	3,073,596	
PTT Global Chemical PCL	479,400	1,139,327	1,255,458	
Rio Tinto PLC	44,619	2,143,651	2,440,237	
The Sherwin-Williams Co.	3,445	1,243,999	1,570,204	
		12,306,090	13,795,721	2.61
Industrials				
3M Co.	18,688	3,741,590	5,052,798	
Air Canada	60,185	741,903	1,046,015	
Bouygues SA	15,361	819,360	840,053	
Brambles Ltd.	153,309	1,649,826	1,485,976	
Bunzl PLC	29,268	970,067	1,129,661	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Canadian National				
Railway Co.	5,616	430,787	591,139	
Equifax Inc.	3,859	612,599	688,706	
Experian PLC	26,410	755,416	701,695	
Geberit AG	1,079	440,190	654,374	
Honeywell International Inc.				
	20,898	2,731,775	3,617,525	
Illinois Tool Works Inc.	8,199	1,072,753	1,525,333	
IMI PLC	17,661	313,828	356,027	
Legrand SA	13,171	916,541	1,194,952	
Lockheed Martin Corp.	8,987	2,300,391	3,240,105	
Owens Corning	7,494	497,000	651,297	
Schneider Electric SE	31,253	2,890,020	3,114,143	
Secom Co., Ltd.	15,900	1,590,174	1,566,712	
SGS SA	387	1,016,360	1,218,641	
Siemens AG	14,213	1,937,287	2,533,712	
Stanley Black & Decker Inc.				
	3,131	402,846	572,241	
Union Pacific Corp.	4,529	539,200	640,589	
United Parcel Service Inc., Class B				
	14,188	1,857,472	2,037,728	
United Technologies Corp.				
	8,635	1,097,111	1,369,376	
Vinci SA	8,631	803,828	955,392	
Yamato Holdings Co., Ltd.				
	56,600	1,504,097	1,490,606	
		31,632,421	38,274,796	7.24
Consumer Discretionary				
Bellway PLC	9,755	455,602	489,568	
Charter Communications Inc.				
	4,830	1,607,990	2,112,968	
Cie Financiere Richemont SA				
	10,112	806,645	1,083,345	
Comcast Corp.	61,989	2,309,284	3,133,262	
Compass Group PLC	100,735	2,280,362	2,752,926	
Delphi Automotive PLC	9,867	896,506	1,123,172	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
General Motors Co.	27,545	1,174,749	1,249,541	
Hyundai Motor Co.	2,047	335,049	370,600	
Hyundai Motor Co., Preferred Shares	2,254	283,996	298,062	
Johnson Controls International plc	49,859	2,547,883	2,807,644	
Magna International Inc.	18,282	1,067,614	1,098,200	
Omnicon Group Inc.	19,172	1,853,160	2,064,102	
RELX NV	44,078	1,017,036	1,175,222	
Sands China Ltd.	138,000	759,071	820,749	
The Gap Inc.	39,537	1,260,885	1,129,115	
Time Warner Inc.	10,523	1,036,864	1,372,227	
USS Co., Ltd.	17,800	341,793	459,416	
	20,034,489	23,540,119	4.45	

Consumer Staples

Altria Group Inc.	41,132	3,205,883	3,978,052	
Bakkafrøst P/F	4,986	239,582	243,038	
British American Tobacco PLC	29,617	2,149,990	2,615,013	
Coty Inc.	24,478	779,072	596,373	
CVS Caremark Corp.	24,576	2,753,542	2,568,032	
Danone SA	17,455	1,586,492	1,701,521	
Essity AB	20,668	9,142	733,528	
General Mills Inc.	37,992	2,742,199	2,733,450	
Greggs PLC	11,583	248,235	211,030	
Heineken NV	23,275	2,365,526	2,934,930	
Henkel AG & Co., KGaA	17,283	2,450,467	3,084,833	
Imperial Brands PLC	7,131	468,999	414,839	
Japan Tobacco Inc.	93,700	4,188,236	4,274,686	
Kao Corp.	42,500	2,502,905	3,277,499	
Kobayashi Pharmaceutical Co., Ltd.	14,500	687,180	1,117,870	
KOSE Corporation	3,700	269,944	524,740	
Marine Harvest ASA	68,844	1,454,955	1,525,237	
Nestle SA	59,707	5,632,041	6,757,007	
Pernod Ricard SA	15,965	2,298,651	2,772,728	
Philip Morris International Inc.	49,489	5,736,315	7,548,679	
Reckitt Benckiser Group PLC	28,351	3,233,243	3,722,805	
The JM Smucker Co.	4,852	867,275	745,633	
The Procter & Gamble Co.	33,789	3,645,507	3,824,300	
Tyson Foods Inc.	19,310	1,523,020	1,570,630	
Wesfarmers Ltd.	22,634	963,828	904,593	
	52,002,229	60,381,046	11.42	

Health Care

Abbott Laboratories	34,876	1,823,366	2,201,717	
Bayer AG	23,456	3,385,696	3,933,017	
Celgene Corp.	6,683	1,001,839	1,127,170	
Cigna Corp.	4,964	923,216	1,079,122	
Danaher Corp.	10,856	879,156	1,189,789	
Eli Lilly & Co.	22,803	2,375,322	2,437,256	
HCA Holdings Inc.	12,594	1,352,121	1,426,230	
Johnson & Johnson	31,452	4,184,315	5,403,617	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Medtronic PLC	24,953	2,351,562	2,876,076	
Merck & Co., Inc.	34,959	2,585,882	2,909,769	
Novartis AG	25,585	2,792,139	2,768,797	
Pfizer Inc.	96,309	4,009,987	4,201,324	
Roche Holding AG	7,236	2,399,021	2,396,332	
Santen Pharmaceutical Co., Ltd.	58,000	932,679	1,021,670	
Thermo Fisher Scientific Inc.	3,874	787,954	877,788	
	31,784,255	35,849,674	6.78	

Financials

ACE Ltd.	8,228	1,209,034	1,553,489	
Agricultural Bank of China Ltd.	560,000	314,368	343,771	
American Express Co.	9,877	915,250	1,080,569	
Aon PLC	19,152	2,549,092	3,306,830	
Athene Holding Ltd.	13,488	891,967	869,013	
BlackRock Inc.	3,223	1,359,612	1,768,088	
BNP Paribas SA	10,843	846,669	1,012,811	
BOC Hong Kong Holdings Ltd.	135,000	600,378	838,841	
Canadian Imperial Bank of Commerce	8,575	883,426	903,719	
China Construction Bank Corp.	1,824,000	1,883,102	1,835,843	
Citigroup Inc.	6,681	558,665	580,293	
Daiwa Securities Group Inc.	53,000	451,428	407,866	
DBS Group Holdings Ltd.	40,300	674,747	788,385	
Fairfax Financial Holdings Ltd.	3,211	2,025,262	1,804,614	
Hiscox Ltd.	17,996	300,799	384,638	
ING Groep NV	87,577	1,463,477	1,958,811	
Itau Unibanco Holding SA	17,200	234,915	247,766	
JPMorgan Chase & Co. Legal & General Group PLC	43,068	3,435,031	5,112,229	
MetLife Inc.	115,368	514,025	502,700	
Moody's Corp.	41,378	2,449,601	2,952,348	
Moody's Corp.	10,396	1,346,138	1,642,838	
Prudential Financial Inc.	8,728	898,530	1,225,774	
Royal Bank of Canada Starwood Property Trust Inc.	12,026	1,082,510	1,132,631	
State Street Corp.	20,968	625,675	609,706	
Sumitomo Mitsui Financial Group Inc.	12,150	1,032,211	1,415,869	
Svenska Handelsbanken AB	8,900	413,937	450,467	
Swiss Re AG	148,711	2,556,918	2,761,456	
The Bank of New York Mellon Corp.	4,232	506,272	503,037	
The Goldman Sachs Group Inc.	31,497	1,522,546	2,086,983	
The PNC Financial Services Group Inc.	6,163	1,364,509	1,776,065	
	7,757	1,112,714	1,257,944	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
The Toronto-Dominion Bank	10,179	561,234	665,198	
The Travelers Cos Inc.	19,039	2,541,994	3,128,577	
U.S. Bancorp	41,002	2,241,648	2,764,706	
UBS Group AG	121,778	2,597,708	2,681,993	
Wells Fargo & Co.	53,237	3,358,722	3,830,990	
Zurich Financial Services AG	7,940	2,608,298	3,005,267	
	49,932,412	59,192,125	11.19	
Real Estate				
Cheung Kong Property Holdings Ltd.	53,000	525,185	539,173	
Deutsche Wohnen AG	77,461	2,835,512	3,842,587	
Medical Properties Trust Inc.	65,220	1,066,651	1,090,106	
Public Storage	1,881	528,528	509,409	
	4,955,876	5,981,275	1.13	
Information Technology				
Accenture PLC	28,130	3,605,447	4,518,336	
Amadeus IT Holding SA	29,471	1,570,377	2,285,267	
Analog Devices Inc.	8,213	617,060	829,833	
Cadence Design Systems Inc.	53,147	1,649,994	2,311,549	
Check Point Software Technologies Ltd.	10,663	1,354,276	1,510,546	
Cisco Systems Inc.	25,841	981,115	1,050,420	
DXC Technology Co.	19,863	2,070,695	1,979,077	
Fidelity National Information Services Inc.	9,794	929,033	1,086,244	
Halma PLC	32,478	454,354	602,672	
Hirose Electric Co., Ltd.	5,435	858,047	1,006,374	
Hon Hai Precision Industry Co., Ltd.	264,400	886,245	1,320,679	
Intel Corp.	24,953	1,157,905	1,093,395	
International Business Machines Corp.	7,360	1,431,377	1,470,375	
Nomura Research Institute Ltd.	40,800	1,591,483	2,086,753	
NVIDIA Corp.	1,898	78,423	356,331	
Omron Corp.	19,000	844,861	1,070,596	
Oracle Corp.	7,057	346,359	459,530	
Samsung Electronics Co., Ltd.	700	1,095,507	1,888,659	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Spectris PLC	13,926	563,812	592,711	
Taiwan Semiconductor Manufacturing Co., Ltd., ADR	144,312	4,639,794	6,552,140	
Texas Instruments Inc.	40,876	2,969,991	4,083,884	
	29,696,155	38,155,371	7.21	
Telecommunication Services				
AT&T Inc.	7,771	433,699	380,779	
KDDI Corp.	97,200	2,889,713	3,342,341	
Nippon Telegraph & Telephone Corp.	13,700	733,894	840,839	
SK Telecom Co., Ltd.	877	261,476	264,794	
SoftBank Group Corp.	5,300	483,650	557,278	
TDC A/S	100,652	778,019	759,179	
Telefonica SA	29,571	454,925	395,880	
Verizon Communications Inc.	35,861	2,209,251	2,079,938	
Vodafone Group PLC	184,262	758,175	676,851	
	9,002,802	9,297,879	1.76	
Utilities				
American Electric Power Co., Inc.	20,913	1,602,333	1,886,787	
EDP – Energias de Portugal SA	128,601	514,574	545,370	
Engie	80,297	1,770,144	1,571,781	
Exelon Corp.	48,488	2,078,792	2,271,379	
SSE PLC	65,875	1,741,051	1,614,676	
Xcel Energy Inc.	13,652	745,028	813,446	
	8,451,922	8,703,439	1.64	
Total Equities	262,909,196	306,124,100	57.88	
Transaction Costs	(208,080)			
Total Investments	475,268,396	518,739,320	98.08	
Currency Forward Contracts⁽¹⁾		5,461,014	1.03	
Other Assets less Liabilities		4,680,628	0.89	
Total Net Assets		528,880,962	100.00	

(1) Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Merrill Lynch	NR	10-Aug-17	CAD	79,417,986	USD	(58,984,118)	2,870,632
BNP Paribas	A-1	10-Aug-17	CAD	22,603,817	JPY	(1,837,721,965)	1,338,812
BNP Paribas	A-1	10-Aug-17	CAD	39,336,681	EUR	(26,001,895)	764,142
Goldman Sachs & Co.	A-2	10-Aug-17	CAD	9,555,339	GBP	(5,508,264)	257,474
Goldman Sachs & Co.	A-2	10-Aug-17	CAD	3,334,749	USD	(2,521,000)	63,159
BNP Paribas	A-1	10-Aug-17	CAD	3,685,138	AUD	(3,658,319)	45,563

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

Schedule of Investments

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Goldman Sachs & Co.	A-2	10-Aug-17	CAD	2,123,864	USD	(1,603,000)	43,591
Goldman Sachs & Co.	A-2	10-Aug-17	CAD	1,276,657	JPY	(107,287,000)	35,245
Goldman Sachs & Co.	A-2	10-Aug-17	CAD	1,029,010	DKK	(5,039,000)	23,475
JP Morgan	A-2	17-Jul-17	CAD	1,044,123	IDR	(10,526,810,000)	20,777
JP Morgan	A-2	19-Jul-17	CAD	303,100	EUR	(200,000)	6,649
BNP Paribas	A-1	10-Aug-17	SEK	3,345,000	CAD	(510,716)	5,173
Brown Brothers Harriman & Co	NR	10-Aug-17	CAD	92,813	USD	(69,000)	3,267
Brown Brothers Harriman & Co	NR	10-Aug-17	CAD	265,863	GBP	(156,000)	2,543
Goldman Sachs & Co.	A-2	10-Aug-17	CAD	326,537	SEK	(2,101,000)	2,500
Goldman Sachs & Co.	A-2	10-Aug-17	CAD	511,803	GBP	(303,000)	359
							5,483,361
HSBC Bank	A-1	10-Aug-17	GBP	101,000	CAD	(170,554)	(72)
Goldman Sachs & Co.	A-2	10-Aug-17	EUR	160,000	CAD	(238,009)	(661)
HSBC Bank	A-1	10-Aug-17	EUR	343,000	CAD	(509,620)	(806)
Goldman Sachs & Co.	A-2	10-Aug-17	NOK	457,000	CAD	(72,885)	(2,023)
Goldman Sachs & Co.	A-2	10-Aug-17	JPY	4,146,000	CAD	(50,984)	(3,009)
Goldman Sachs & Co.	A-2	10-Aug-17	EUR	278,000	CAD	(420,011)	(7,613)
Goldman Sachs & Co.	A-2	10-Aug-17	CAD	2,124,983	EUR	(1,438,000)	(8,163)
							(22,347)
							5,461,014

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Global Total Return Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund also invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings

for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016, are noted below:

Rating	As a % of Net Assets
	June 30, 2017
AAA/Aaa	14.85
AA/Aa	4.46
A/A	8.27
BBB/Bbb	10.57
BB/Ba	0.09
Not rated	3.00
Total	41.24

Rating	As a % of Net Assets
	December 31, 2016
AAA/Aaa	16.25
AA/Aa	3.74
A/A	7.67
BBB/Bbb	11.22
BB/Ba	0.13
Not rated	2.45
Total	41.46

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. However, the Fund also holds foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and minimize the currency risk exposure to the Fund.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	June 30, 2017	
United States Dollar	172,057,665	32.53
Euro	37,908,706	7.17
Swiss Franc	23,396,395	4.42
Japanese Yen	23,293,517	4.40
British Pound	20,015,210	3.78
Hong Kong Dollar	4,818,187	0.91
Swedish Krona	3,994,102	0.76
Australian Dollar	3,019,224	0.57
Korean Won	2,769,831	0.52
Norwegian Krone	1,817,692	0.34
New Taiwan Dollar	1,305,615	0.25
Thai Baht	1,239,879	0.23
Singapore Dollar	778,566	0.15
Danish Krone	735,671	0.14
Brazilian Real	247,863	0.05
Chinese Renminbi	86,368	0.02
Indonesian Rupiah	(885)	-
Total	297,483,606	56.24

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	December 31, 2016	
United States Dollar	156,848,141	34.40
Euro	28,664,716	6.29
Swiss Franc	19,335,075	4.24
Japanese Yen	18,780,076	4.12
British Pound	17,953,305	3.94
Hong Kong Dollar	3,439,192	0.75
Swedish Krona	4,480,777	0.98
Australian Dollar	3,618,563	0.79
Korean Won	2,415,748	0.53
Norwegian Krone	1,585,141	0.35
New Taiwan Dollar	915,837	0.20
Thai Baht	1,044,449	0.23
Singapore Dollar	1,379,435	0.30
Danish Krone	620,905	0.14
Brazilian Real	221,765	0.05
Chinese Renminbi	-	-
Indonesian Rupiah	-	-
Total	261,303,125	57.31

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$14,874,180 (\$13,065,156 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	55,297,833
1-5 years	29,616,347
More than 5 years	127,701,040
Total	212,615,220
	December 31, 2016 (\$)
Less than 1 year	42,787,670
1-5 years	31,797,184
More than 5 years	113,778,978
Total	188,363,832

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$20,242,887 (\$17,457,458 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$15,306,205 (\$13,246,551 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Short-Term Investments		
Treasury Bills	8.8	9.2
Term Deposit Receipts	0.7	–
Bonds		
Federal Bonds	14.1	16.1
Provincial Bonds	–	–
Corporate Bonds	13.3	12.9
Mortgage Backed	3.3	3.1
Equities		
Energy	2.5	3.4
Materials	2.6	2.1
Industrials	7.2	6.8
Consumer Discretionary	4.5	4.6
Consumer Staples	11.4	11.2
Health Care	6.8	6.7
Financials	11.2	11.2
Real Estate	1.1	0.9
Information Technology	7.2	7.3
Telecommunication Services	1.8	2.2
Utilities	1.6	1.7
Other Assets less Liabilities	1.9	0.6
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively

traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	305,835,669	288,431	–	306,124,100
Bonds	–	144,965,332	–	144,965,332
Mortgage Backed	–	14,040,472	3,326,652	17,367,124
Short-Term				
Investments	–	50,282,764	–	50,282,764
Currency Forward				
Contracts	–	5,483,361	–	5,483,361
Financial Liabilities				
Currency Forward				
Contracts	–	22,347	–	22,347

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	264,588,443	342,584		– 264,931,027
Bonds		– 132,150,421		– 132,150,421
Mortgage Backed		– 14,220,334		– 14,220,334
Short-Term				
Investments		– 41,993,077		– 41,993,077
Currency Forward				
Contracts		– 671,660		– 671,660
Financial Liabilities				
Currency Forward				
Contracts		– 843,474		– 843,474

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

The following is a reconciliation of Level 3 fair value assets as at June 30, 2017 and December 31, 2016.

	June 30, 2017 (\$)
Opening Balance	–
Net purchases and sales	3,429,375
Net transfers in (out)	–
Gains (Losses)	
Realized	–
Unrealized	(102,723)
Closing Balance	3,326,652
	December 31, 2016 (\$)
Opening Balance	237,868
Net purchases and sales	–
Net transfers in (out)	(237,868)
Gains (Losses)	
Realized	–
Unrealized	–
Closing Balance	–

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the asset at cost or derive the prices indirectly from other observable market prices.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Bonds and short-term investments

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds have been classified as Level 2.

Derivative assets and liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$82,857 (\$103,630 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$30,201 (\$73,961 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series F	0.16	3

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Total Return Fund (Continued)

	December 31, 2016	
	Units	Market Value (\$)
Series F	643	10,456

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	5,483,361	671,660
Investments designated at fair value through profit or loss	518,739,320	453,294,859
Total financial assets at fair value through profit or loss	524,222,681	453,966,519
Financial assets at amortized cost		
Cash	3,295,179	1,851,464
Other receivables	8,709,581	4,085,203
Total financial assets at amortized cost	12,004,760	5,936,667
Total assets	536,227,441	459,903,186
Financial liabilities		
Derivative liabilities held for trading	22,347	843,474
Financial liabilities at amortized cost	7,324,132	3,131,200
Total liabilities (excluding net assets attributable to holders of redeemable units)	7,346,479	3,974,674

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	642,211	3,999,464
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	26,083,065	3,654,870
Total net gains (losses)	26,725,276	7,654,334

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	5,483,361	(21,469)	–	5,461,892
Total	5,483,361	(21,469)	–	5,461,892
Derivative liabilities –				
Forward Contracts	(22,347)	21,469	–	(878)
Total	(22,347)	21,469	–	(878)
December 31, 2016				
Derivative assets –				
Forward Contracts	671,660	(51,291)	–	620,369
Total	671,660	(51,291)	–	620,369
Derivative liabilities –				
Forward Contracts	(843,474)	51,291	–	(792,183)
Total	(843,474)	51,291	–	(792,183)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series T5 Units	August 24, 2011	September 01, 2011
Series F Units	September 10, 2010	October 01, 2010
Series I Units	September 10, 2010	October 01, 2010
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Value Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	387,662,758	251,177,837
Short-term investments	10,698,252	6,394,250
Cash	606,413	592,171
Margin	–	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	177,937	–
Accrued interest	1,250	1,568
Dividends receivable	1,108,572	386,155
Distributions receivable from underlying funds	–	–
Subscriptions receivable	1,402,369	516,855
	401,657,551	259,068,836
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	62,073	44,809
Redemptions payable	1,883,392	265,783
Distributions payable	139	–
Due to investment dealers	57,933	26,243
Management fees payable	420,080	341,481
Total liabilities (excluding net assets attributable to holders of redeemable units)	2,423,617	678,316
Net Assets Attributable to Holders of Redeemable Units	399,233,934	258,390,520
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	153,273,921	131,687,076
Series T5	1,169,235	1,110,626
Series T8	3,054,595	3,447,781
Series E	–	–
Series EF	–	–
Series F	71,658,376	54,304,150
Series I	157,391,425	57,519,441
Series O	12,686,382	10,321,446
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	22.43	20.91
Series T5	25.70	24.53
Series T8	21.75	21.07
Series E	–	–
Series EF	–	–
Series F	23.81	22.06
Series I	25.08	23.09
Series O	14.58	13.44

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	5,657,127	3,370,053
Interest income for distribution purposes	19,323	9,498
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	2,999,794	(513,373)
Net realized gain (loss) on futures contracts	–	–
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	23,132,011	(2,489,326)
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	31,808,255	376,852
Net gain (loss) on foreign exchange	(145,622)	(93,224)
Other income	–	–
Total income (loss)	31,662,633	283,628
Expenses (note 5)		
Management fees	2,010,693	1,411,519
Administration fees	290,466	184,596
Independent review committee fees	2,127	1,023
Withholding tax	638,044	382,708
Transaction costs (note 2)	105,048	44,792
Total operating expenses	3,046,378	2,024,638
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	28,616,255	(1,741,010)
Finance Cost		
Interest expense	(49)	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	28,616,206	(1,741,010)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	9,856,824	(1,044,192)
Series T5	76,308	(13,051)
Series T8	207,488	(39,837)
Series E	–	(374,367)
Series EF	–	(83,415)
Series F	4,600,244	(66,081)
Series I	12,987,409	(58,998)
Series O	887,933	(61,069)
Weighted Average Number of Units Outstanding		
Series A	6,571,667	5,225,184
Series T5	43,870	37,383
Series T8	141,947	174,657
Series E	–	567,106
Series EF	–	159,072
Series F	2,750,483	1,864,660
Series I	5,836,119	1,838,150
Series O	805,673	718,887
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.50	(0.20)
Series T5	1.74	(0.35)
Series T8	1.46	(0.23)
Series E	–	(0.66)
Series EF	–	(0.52)
Series F	1.67	(0.04)
Series I	2.23	(0.03)
Series O	1.10	(0.08)

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Value Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	(\$)	Series T5 (\$)	(\$)	Series T8 (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	131,687,076	90,311,656	1,110,626	859,218	3,447,781	3,320,186
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	9,856,824	(1,044,192)	76,308	(13,051)	207,488	(39,837)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	31,180,377	35,378,717	248,574	180,099	622,922	1,021,697
Redemption of redeemable units	(19,454,188)	(8,896,247)	(248,843)	(24,607)	(1,129,333)	(63,566)
Reinvestment of distributions to holders of redeemable units	8,454	3,317	9,469	5,675	23,835	19,567
Capitalized distributions	–	–	–	–	–	–
	11,734,643	26,485,787	9,200	161,167	(482,576)	977,698
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(4,622)	(2,506)	(26,899)	(23,966)	(118,098)	(159,302)
Return of capital	–	–	–	–	–	–
	(4,622)	(2,506)	(26,899)	(23,966)	(118,098)	(159,302)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	21,586,845	25,439,089	58,609	124,150	(393,186)	778,559
Net Assets Attributable to Holders of Redeemable Units at end of period	153,273,921	115,750,745	1,169,235	983,368	3,054,595	4,098,745
	2017	2016	2017	2016	2017	2016
	Series E (\$)	(\$)	Series EF (\$)	(\$)	Series F (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	–	7,030,483	–	1,617,407	54,304,150	31,159,300
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	–	(374,367)	–	(83,415)	4,600,244	(66,081)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	–	436,193	–	–	20,228,711	18,914,837
Redemption of redeemable units	–	(7,092,033)	–	(1,533,821)	(7,478,979)	(5,081,931)
Reinvestment of distributions to holders of redeemable units	–	250	–	148	11,573	5,487
Capitalized distributions	–	–	–	–	–	–
	–	(6,655,590)	–	(1,533,673)	12,761,305	13,838,393
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	(526)	–	(319)	(7,323)	(4,062)
Return of capital	–	–	–	–	–	–
	–	(526)	–	(319)	(7,323)	(4,062)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	–	(7,030,483)	–	(1,617,407)	17,354,226	13,768,250
Net Assets Attributable to Holders of Redeemable Units at end of period	–	–	–	–	71,658,376	44,927,550

	2017	2016	2017	2016	2017	2016
	Series I (\$)	(\$)	Series O (\$)	(\$)	Total (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	57,519,441	36,891,465	10,321,446	9,233,804	258,390,520	180,423,519
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	12,987,409	(58,998)	887,933	(61,069)	28,616,206	(1,741,010)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	105,412,073	11,950,382	2,688,317	3,223,628	160,380,974	71,105,553
Redemption of redeemable units	(18,527,498)	(4,569,785)	(1,211,314)	(2,548,234)	(48,050,155)	(29,810,224)
Reinvestment of distributions to holders of redeemable units	–	–	–	–	53,331	34,444
Capitalized distributions	–	–	–	–	–	–
	86,884,575	7,380,597	1,477,003	675,394	112,384,150	41,329,773
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	–	–	–	(156,942)	(190,681)
Return of capital	–	–	–	–	–	–
	–	–	–	–	(156,942)	(190,681)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	99,871,984	7,321,599	2,364,936	614,325	140,843,414	39,398,082
Net Assets Attributable to Holders of Redeemable Units at end of period	157,391,425	44,213,064	12,686,382	9,848,129	399,233,934	219,821,601
	2017	2016	2017	2016	2017	2016
	Series A	Series T5	Series T8			
Redeemable Unit Transactions Balance – beginning of period	6,299,200	4,430,258	45,271	34,123	163,640	148,572
Units issued	1,418,304	1,818,947	9,580	7,550	28,133	48,768
Units issued on reinvestment of distributions	382	169	238	1,092	935	–
Units redeemed	(884,794)	(456,573)	(9,719)	(1,030)	(52,408)	(3,024)
Balance – end of period	6,833,092	5,792,801	45,501	40,881	140,457	195,251
	2017	2016	2017	2016	2017	2016
	Series E	Series EF	Series F			
Redeemable Unit Transactions Balance – beginning of period	–	551,802	–	159,069	2,461,245	1,450,151
Units issued	–	35,390	–	–	863,963	917,478
Units issued on reinvestment of distributions	–	20	–	15	493	263
Units redeemed	–	(587,212)	–	(159,084)	(315,537)	(246,498)
Balance – end of period	–	–	–	–	3,010,164	2,121,394
	2017	2016	2017	2016	2017	2016
	Series I	Series O	Total			
Redeemable Unit Transactions Balance – beginning of period	2,490,956	1,645,669	768,115	707,782	12,228,427	9,127,426
Units issued	4,541,029	554,271	188,622	257,193	7,049,631	3,639,597
Units issued on reinvestment of distributions	–	–	–	–	2,336	1,640
Units redeemed	(755,243)	(211,759)	(86,572)	(203,393)	(2,104,273)	(1,868,573)
Balance – end of period	6,276,742	1,988,181	870,165	761,582	17,176,121	10,900,090

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Value Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	28,616,206	(1,741,010)
Adjustments for:		
Gain on short-term investments	(17,176)	(2,767)
Net realized (gain) loss on sale of investments	(2,999,794)	513,373
Change in unrealized (appreciation) depreciation in value of investments	(23,132,011)	2,489,326
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(130,478,669)	(48,124,153)
Proceeds from sale of investments	19,874,258	6,279,700
Purchases of short-term investments	(345,291,803)	(61,091,966)
Proceeds from sale of short-term investments	341,004,977	56,798,321
Change in dividends and interest receivable	(722,099)	(267,813)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	78,599	245,184
Change in other payables and accrued expenses	122,312	78,233
Net Cash Provided by (Used in) Operating Activities	(112,945,200)	(44,823,572)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(103,472)	(156,237)
Proceeds from redeemable units issued	159,495,460	70,416,438
Redemption of redeemable units	(46,432,546)	(29,224,799)
Net Cash Provided by (Used in) Financing Activities	112,959,442	41,035,402
Net increase (decrease) in cash	14,242	(3,788,170)
Cash (bank indebtedness) at beginning of period	592,171	4,018,854
Cash (bank indebtedness) at end of period	606,413	230,684
Dividends received, net of withholding taxes	4,296,666	2,721,575
Interest received, net of withholding taxes	19,641	7,455
Interest paid	(49)	-

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Value Fund (Continued)

Schedule of Investments

As at June 30, 2017 (Unaudited)

	Yield	Maturity Date	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Treasury Bills						
Canadian Treasury Bill	0.467%	13-Jul-2017	3,800,000	3,798,252	3,798,252	
				3,798,252	3,798,252	0.95
Term Deposit Receipts						
National Bank of Canada	0.450%	04-Jul-2017	6,900,000	6,900,000	6,900,000	
				6,900,000	6,900,000	1.73
Total Short-Term Notes				10,698,252	10,698,252	2.68

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Chevron Corp.	13,966	1,857,226	1,892,302	
Exxon Mobil Corp.	30,612	3,264,282	3,209,489	
Occidental Petroleum Corp.	21,126	1,981,966	1,642,615	
Schlumberger Ltd.	37,108	3,813,902	3,172,975	
Suncor Energy Inc.	39,092	1,497,428	1,481,196	
		12,414,804	11,398,577	2.86
Materials				
Akzo Nobel NV	17,999	2,069,771	2,028,623	
Crown Holdings Inc.	11,253	726,996	871,888	
Givaudan SA	1,605	3,727,572	4,174,711	
Monsanto Co.	8,159	1,112,967	1,254,155	
Orica Ltd.	71,697	1,228,533	1,477,007	
PPG Industries Inc.	40,547	5,245,853	5,790,322	
The Sherwin-Williams Co.	6,481	2,348,008	2,953,989	
		16,459,700	18,550,695	4.65
Industrials				
3M Co.	34,856	7,059,182	9,424,248	
Brambles Ltd.	289,829	3,065,917	2,809,221	
Bunzl PLC	62,773	2,045,737	2,422,858	
Canadian National Railway Co.	12,130	953,131	1,276,801	
Experian PLC	49,679	1,424,014	1,319,935	
Equifax Inc.	7,202	1,135,357	1,285,323	
Geberit AG	2,321	1,002,037	1,407,601	
Honeywell International Inc.	39,723	5,263,484	6,876,206	
Illinois Tool Works Inc.	15,255	2,092,930	2,838,024	
IMI PLC	27,600	510,984	556,386	
Legrand SA	24,264	1,685,443	2,201,375	
Lockheed Martin Corp.	17,533	4,585,032	6,321,216	
Schneider Electric SE	24,926	2,042,263	2,483,702	
Secom Co., Ltd.	30,000	2,965,725	2,956,060	
SGS SA	740	1,943,275	2,330,219	
Stanley Black & Decker Inc.	5,914	785,754	1,080,880	
Union Pacific Corp.	8,481	1,066,668	1,199,566	
United Parcel Service Inc., Class B	26,889	3,603,719	3,861,889	
United Technologies Corp.	16,874	2,208,875	2,675,953	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Yamato Holdings Co., Ltd.	123,400	3,252,950	3,249,838	
		48,692,477	58,577,301	14.67
Consumer Discretionary				
Cie Financiere Richemont				
SA	19,090	1,626,283	2,045,200	
Comcast Corp.	116,644	4,526,685	5,895,824	
Compass Group PLC	185,546	4,176,757	5,070,675	
Delphi Automotive PLC	18,783	1,714,053	2,138,091	
Johnson Controls				
International plc	93,268	4,865,798	5,252,079	
Omnicom Group Inc.	36,039	3,565,926	3,880,043	
RELX NV	83,693	1,900,192	2,231,450	
Time Warner Inc.	19,260	2,011,558	2,511,554	
USS Co., Ltd.	39,200	769,182	1,011,748	
		25,156,434	30,036,664	7.52
Consumer Staples				
British American Tobacco PLC				
PLC	55,883	4,069,568	4,934,152	
Coty Inc.	45,373	1,371,371	1,105,451	
CVS Caremark Corp.	47,026	5,028,935	4,913,912	
Danone SA	34,570	3,052,808	3,369,898	
General Mills Inc.	37,895	2,673,400	2,726,471	
Heineken NV	44,326	4,331,304	5,589,419	
Henkel AG & Co., KGaA	32,454	4,673,801	5,792,696	
Japan Tobacco Inc.	80,400	3,454,128	3,667,927	
Kao Corp.	80,100	4,667,896	6,177,121	
Kobayashi Pharmaceutical Co., Ltd.				
Co., Ltd.	30,800	1,712,258	2,374,511	
KOSE Corporation	8,100	646,377	1,148,754	
Nestle SA	100,584	9,408,087	11,383,033	
Pernod Ricard SA	30,034	4,366,129	5,216,167	
Philip Morris International Inc.				
Inc.	63,749	7,413,241	9,723,792	
Reckitt Benckiser Group PLC				
PLC	49,251	5,443,628	6,467,211	
The JM Smucker Co.	9,198	1,640,473	1,413,506	
The Procter & Gamble Co.				
Co.	23,371	2,413,913	2,645,172	
		66,367,317	78,649,193	19.70

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Value Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Health Care				
Abbott Laboratories	64,378	3,309,136	4,064,175	
Bayer AG	23,436	3,499,973	3,929,664	
Cigna Corp.	9,295	1,751,829	2,020,636	
Danaher Corp.	20,920	1,766,737	2,292,778	
Johnson & Johnson	60,373	7,923,214	10,372,394	
Medtronic PLC	47,226	4,350,575	5,443,256	
Pfizer Inc.	135,837	5,394,502	5,925,669	
Roche Holding AG	8,041	2,558,448	2,662,922	
Santen Pharmaceutical Co., Ltd.	100,100	1,543,250	1,763,261	
Thermo Fisher Scientific Inc.	7,364	1,464,965	1,668,568	
		33,562,629	40,143,323	10.06
Financials				
ACE Ltd.	15,362	2,306,122	2,900,425	
American Express Co.	18,788	1,802,945	2,055,456	
Aon PLC	36,294	4,889,961	6,266,607	
BlackRock Inc.	6,102	2,636,554	3,347,462	
Citigroup Inc.	12,517	1,045,372	1,087,191	
Daiwa Securities Group Inc.	105,000	889,323	808,036	
Fairfax Financial Holdings Ltd.	6,038	3,714,917	3,393,416	
Hiscox Ltd.	36,886	597,635	788,383	
ING Groep NV	163,716	2,810,465	3,661,791	
JPMorgan Chase & Co.	81,548	6,998,964	9,679,854	
MetLife Inc.	47,298	2,932,636	3,374,743	
Moodys Corp.	19,720	2,571,113	3,116,272	
State Street Corp.	25,104	2,215,258	2,925,431	
Sumitomo Mitsui Financial Group Inc.	19,000	924,748	961,670	
Svenska Handelsbanken AB	279,285	4,974,617	5,186,119	
The Bank of New York Mellon Corp.	61,563	3,056,125	4,079,148	
The Goldman Sachs Group Inc.	11,202	2,697,468	3,228,213	
The PNC Financial Services Group Inc.	14,598	2,161,273	2,367,341	
The Travelers Cos Inc.	36,091	4,855,974	5,930,642	
U.S. Bancorp.	77,183	4,455,616	5,204,339	
UBS Group AG	230,618	4,980,470	5,079,044	
Wells Fargo & Co.	101,256	6,528,167	7,286,487	
		70,045,723	82,728,070	20.72
Real Estate				
Deutsche Wohnen AG	144,353	5,238,353	7,160,880	
Public Storage	3,541	996,526	958,967	
		6,234,879	8,119,847	2.03
Information Technology				
Accenture PLC	51,771	6,751,628	8,315,633	
Amadeus IT Holding SA	56,330	3,019,139	4,367,993	
Analog Devices Inc.	16,060	1,305,578	1,622,686	
Cadence Design Systems Inc.	100,194	3,155,097	4,357,788	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Fidelity National Information Services Inc.				
	18,533	1,800,332	2,055,478	
Halma PLC				
	68,415	931,850	1,269,531	
Hirose Electric Co., Ltd.				
	10,544	1,692,475	1,952,385	
International Business Machines Corp.				
	14,357	2,952,303	2,868,230	
Nomura Research Institute Ltd.				
	74,300	2,859,535	3,800,140	
NVIDIA Corp.				
	4,410	295,203	827,935	
Omron Corp.				
	35,500	1,664,367	2,000,325	
Oracle Corp.				
	13,318	649,184	867,227	
Spectris PLC				
	27,168	1,093,398	1,156,309	
Taiwan Semiconductor Manufacturing Co., Ltd., ADR				
	128,912	4,079,508	5,852,940	
Texas Instruments Inc.				
	76,639	6,020,489	7,656,932	
		38,270,086	48,971,532	12.26
Telecommunication Services				
KDDI Corp.				
	185,600	5,469,323	6,382,084	
Verizon Communications Inc.				
	70,784	4,346,995	4,105,472	
		9,816,318	10,487,556	2.63
Total Equities		327,020,367	387,662,758	97.10
Transaction Costs		(231,393)		
Total Investments		337,487,226	398,361,010	99.78
Other Assets less Liabilities			872,924	0.22
Total Net Assets			399,233,934	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Global Value Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Value Fund (Continued)

Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016, are noted below:

Rating	As a % of Net Assets	
	June 30, 2017	
AAA/Aaa	0.95	
AA/Aa	1.73	
Total	2.68	

Rating	As a % of Net Assets	
	December 31, 2016	
AAA/Aaa	1.78	
AA/Aa	0.70	
Total	2.48	

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to		Percentage of	
	Currency Risk (\$CAD)		Net Assets (%)	
June 30, 2017				
United States Dollar	234,408,912		58.71	
Euro	48,159,776		12.06	
Japanese Yen	38,425,870		9.62	
Swiss Franc	29,323,783		7.35	
British Pound	24,214,720		6.07	
Swedish Krona	5,186,119		1.30	
Australian Dollar	4,339,493		1.09	
Danish Krone	1,129		–	
Norwegian Krone	–		–	
Hong Kong Dollar	–		–	
Total	384,059,802		96.20	

	Holdings Exposed to		Percentage of	
	Currency Risk (\$CAD)		Net Assets (%)	
December 31, 2016				
United States Dollar	154,957,427		59.97	
Euro	28,228,872		10.92	
Japanese Yen	24,844,015		9.61	
Swiss Franc	17,279,478		6.69	
British Pound	14,003,891		5.42	
Swedish Krona	3,829,282		1.48	
Australian Dollar	3,598,737		1.39	
Danish Krone	1,078		–	
Norwegian Krone	616,415		0.24	
Hong Kong Dollar	167,962		0.07	
Total	247,527,157		95.79	

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$19,202,990 (\$12,376,358 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

June 30, 2017 (\$)	
Less than 1 year	10,698,252
1-5 years	–
More than 5 years	–
Total	10,698,252

December 31, 2016 (\$)	
Less than 1 year	6,394,250
1-5 years	–
More than 5 years	–
Total	6,394,250

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$55,161 (\$8,707 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Value Fund (Continued)

of Redeemable Units of the Fund would have increased or decreased respectively by \$19,383,138 (\$12,558,892 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Short-Term Investments		
Treasury Bills	1.0	1.8
Term Deposit Receipts	1.7	0.7
Equities		
Energy	2.9	3.7
Materials	4.6	3.5
Industrials	14.7	14.2
Consumer Discretionary	7.5	7.8
Consumer Staples	19.7	18.9
Health Care	10.1	10.3
Financials	20.7	21.0
Real Estate	2.0	1.6
Information Technology	12.3	13.0
Telecommunication Services	2.6	3.2
Other Assets less Liabilities	0.2	0.3
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	387,662,758	–	–	387,662,758
Short-Term Investments	–	10,698,252	–	10,698,252
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	251,177,837	–	–	251,177,837
Short-Term Investments	–	6,394,250	–	6,394,250

There were no transfers in the Fund between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Global Value Fund (Continued)

Short-term investments

Short-term investments include primarily treasury bills and term deposit receipts, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds and short-term investments have been classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$105,048 (\$44,792 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$42,763 (\$42,656 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	398,361,010	257,572,087
Total financial assets at fair value through profit or loss	398,361,010	257,572,087
Financial assets at amortized cost		
Cash	606,413	592,171
Other receivables	2,690,128	904,578
Total financial assets at amortized cost	3,296,541	1,496,749
Total assets	401,657,551	259,068,836
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	2,423,617	678,316
Total liabilities (excluding net assets attributable to holders of redeemable units)	2,423,617	678,316

The accompanying notes are an integral part of the financial statements.

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	31,808,255	376,852
Total net gains (losses)	31,808,255	376,852

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series T5 Units	August 24, 2011	September 01, 2011
Series T8 Units	August 24, 2011	September 01, 2011
Series F Units	September 10, 2010	October 01, 2010
Series I Units	September 10, 2010	October 01, 2010
Series O units	April 01, 2014	April 01, 2014

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

Sun Life MFS International Growth Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	570,673,411	295,551,496
Short-term investments	5,497,470	2,800,000
Cash	2,006,163	247,409
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	—	—
Unrealized appreciation on swaps	—	—
Due from investment dealers	23,958	71,410
Accrued interest	1,687	35
Dividends receivable	2,383,270	572,703
Distributions receivable from underlying funds	—	—
Subscriptions receivable	5,511,589	849,064
	586,097,548	300,092,117
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	33,790	16,422
Redemptions payable	207,141	107,893
Distributions payable	—	310
Due to investment dealers	268,868	422,277
Management fees payable	23,221	19,018
Total liabilities (excluding net assets attributable to holders of redeemable units)	533,020	565,920
Net Assets Attributable to Holders of Redeemable Units	585,564,528	299,526,197
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	7,440,623	6,155,784
Series T5	45,054	42,031
Series T8	23,764	25,696
Series D	3,289,525	2,865,022
Series E	—	—
Series EF	—	—
Series F	2,826,951	2,469,302
Series I	570,868,597	287,094,499
Series O	1,070,014	873,863
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	15.48	13.51
Series T5	19.05	17.01
Series T8	16.08	14.57
Series D	15.77	13.70
Series E	—	—
Series EF	—	—
Series F	16.48	14.31
Series I	17.12	14.81
Series O	12.57	10.88

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	7,786,104	5,088,129
Interest income for distribution purposes	12,352	3,923
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	3,942,810	2,424,867
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	—	—
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	50,064,651	(18,663,240)
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	—	—
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	61,805,917	(11,146,321)
Net gain (loss) on foreign exchange	(375,182)	(330,835)
Other income	—	—
Total income (loss)	61,430,735	(11,477,156)
Expenses (note 5)		
Management fees	108,554	92,858
Administration fees	155,805	84,400
Independent review committee fees	127	1,386
Withholding tax	774,499	425,207
Transaction costs (note 2)	448,203	182,319
Total operating expenses	1,487,188	786,170
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	59,943,547	(12,263,326)
Finance Cost		
Interest expense	(83)	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	59,943,464	(12,263,326)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	858,460	(262,635)
Series T5	5,828	(2,786)
Series T8	3,161	(4,260)
Series D	429,904	(170,504)
Series E	—	(23,447)
Series EF	—	(660)
Series F	367,701	(122,425)
Series I	58,136,432	(11,644,242)
Series O	141,978	(32,367)
Weighted Average Number of Units Outstanding		
Series A	450,589	401,972
Series T5	2,383	3,034
Series T8	1,555	4,389
Series D	208,440	212,157
Series E	—	31,983
Series EF	—	1,014
Series F	170,463	160,356
Series I	24,945,591	17,397,554
Series O	82,331	74,413
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.91	(0.65)
Series T5	2.45	(0.92)
Series T8	2.03	(0.97)
Series D	2.06	(0.80)
Series E	—	(0.73)
Series EF	—	(0.65)
Series F	2.16	(0.76)
Series I	2.33	(0.67)
Series O	1.72	(0.43)

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Growth Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	6,155,784	4,667,243	42,031	56,733	25,696	71,829
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	858,460	(262,635)	5,828	(2,786)	3,161	(4,260)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	1,171,339	2,063,494	–	21,617	–	868
Redemption of redeemable units	(744,981)	(596,998)	(2,795)	(31,762)	(5,032)	(368)
Reinvestment of distributions to holders of redeemable units	309	163	1,016	612	839	1,021
Capitalized distributions	–	–	–	–	–	–
	426,667	1,466,659	(1,779)	(9,533)	(4,193)	1,521
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(288)	(125)	(1,026)	(1,406)	(900)	(2,926)
Return of capital	–	–	–	–	–	–
	(288)	(125)	(1,026)	(1,406)	(900)	(2,926)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	1,284,839	1,203,899	3,023	(13,725)	(1,932)	(5,665)
Net Assets Attributable to Holders of Redeemable Units at end of period	7,440,623	5,871,142	45,054	43,008	23,764	66,164

	2017	2016	2017	2016	2017	2016
	Series D		Series E		Series EF	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	2,865,022	3,087,307	–	347,050	–	9,970
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	429,904	(170,504)	–	(23,447)	–	(660)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	13,624	2,914	–	10,728	–	–
Redemption of redeemable units	(19,025)	(71,166)	–	(334,322)	–	(9,310)
Reinvestment of distributions to holders of redeemable units	–	–	–	11	–	1
Capitalized distributions	–	–	–	–	–	–
	(5,401)	(68,252)	–	(323,583)	–	(9,309)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	–	–	(20)	–	(1)
Return of capital	–	–	–	–	–	–
	–	–	–	(20)	–	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	424,503	(238,756)	–	(347,050)	–	(9,970)
Net Assets Attributable to Holders of Redeemable Units at end of period	3,289,525	2,848,551	–	–	–	–

	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	2,469,302	2,344,952	287,094,499	251,662,224	873,863	689,209
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	367,701	(122,425)	58,136,432	(11,644,242)	141,978	(32,367)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	256,246	389,223	248,303,564	71,072,480	119,204	288,302
Redemption of redeemable units	(266,335)	(294,963)	(22,665,897)	(28,621,634)	(64,530)	(10,094)
Reinvestment of distributions to holders of redeemable units	930	53	1,160,692	–	2,150	–
Capitalized distributions	–	–	–	–	–	–
	(9,159)	94,313	226,798,359	42,450,846	56,824	278,208
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(893)	(40)	(1,160,693)	–	(2,651)	–
Return of capital	–	–	–	–	–	–
	(893)	(40)	(1,160,693)	–	(2,651)	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	357,649	(28,152)	283,774,098	30,806,604	196,151	245,841
Net Assets Attributable to Holders of Redeemable Units at end of period	2,826,951	2,316,800	570,868,597	282,468,828	1,070,014	935,050

	2017	2016
	Total	Total
	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	299,526,197	262,936,517
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	59,943,464	(12,263,326)
Redeemable Unit Transactions		
Proceeds from redeemable units issued	249,863,977	73,849,626
Redemption of redeemable units	(23,768,595)	(29,970,617)
Reinvestment of distributions to holders of redeemable units	1,165,936	1,861
Capitalized distributions	–	–
	227,261,318	43,880,870
Distributions to Holders of Redeemable Units		
From capital gains	–	–
From net investment income	(1,166,451)	(4,518)
Return of capital	–	–
	(1,166,451)	(4,518)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	286,038,331	31,613,026
Net Assets Attributable to Holders of Redeemable Units at end of period	585,564,528	294,549,543

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Growth Fund (Continued)

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
Redeemable Unit Transactions						
Balance – beginning of period	455,716	328,569	2,472	3,021	1,764	4,331
Units issued	77,942	155,314	–	1,327	–	56
Units issued on reinvestment of distributions	21	12	54	36	54	67
Units redeemed	(52,997)	(44,697)	(161)	(1,883)	(340)	(25)
Balance – end of period	480,682	439,198	2,365	2,501	1,478	4,429
	2017	2016	2017	2016	2017	2016
	Series D		Series E		Series EF	
Redeemable Unit Transactions						
Balance – beginning of period	209,076	215,257	–	31,468	–	1,014
Units issued	871	220	–	1,031	–	–
Units issued on reinvestment of distributions	–	–	–	1	–	–
Units redeemed	(1,333)	(5,311)	–	(32,500)	–	(1,014)
Balance – end of period	208,614	210,166	–	–	–	–
	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
Redeemable Unit Transactions						
Balance – beginning of period	172,615	156,496	19,386,197	16,223,099	80,303	60,464
Units issued	15,761	27,703	15,324,548	4,855,325	10,214	26,680
Units issued on reinvestment of distributions	59	3	72,752	–	183	–
Units redeemed	(16,944)	(20,819)	(1,429,439)	(1,957,559)	(5,592)	(932)
Balance – end of period	171,491	163,383	33,354,058	19,120,865	85,108	86,212
			2017	2016		
			Total			
Redeemable Unit Transactions						
Balance – beginning of period			20,308,143	17,023,719		
Units issued			15,429,336	5,067,656		
Units issued on reinvestment of distributions			73,123	119		
Units redeemed			(1,506,806)	(2,064,740)		
Balance – end of period			34,303,796	20,026,754		

Statements of Cash Flows For the six months ended June 30 (unaudited)

	2017	2016
	(\$)	(\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	59,943,464	(12,263,326)
Adjustments for:		
Gain on short-term investments	(10,299)	(1,654)
Net realized (gain) loss on sale of investments	(3,942,810)	(2,424,867)
Change in unrealized (appreciation) depreciation in value of investments	(50,064,651)	18,663,240
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(248,379,028)	(85,639,295)
Proceeds from sale of investments	26,710,414	39,604,746
Purchases of short-term investments	(394,291,271)	(34,493,060)
Proceeds from sale of short-term investments	391,604,100	30,496,244
Change in dividends and interest receivable	(1,812,219)	(892,984)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	4,203	15,022
Change in other payables and accrued expenses	465,571	197,157
Net Cash Provided by (Used in) Operating Activities	(219,772,526)	(46,738,777)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(825)	(2,657)
Proceeds from redeemable units issued	245,201,452	74,294,201
Redemption of redeemable units	(23,669,347)	(29,825,915)
Net Cash Provided by (Used in) Financing Activities	221,531,280	44,465,629
Net increase (decrease) in cash	1,758,754	(2,273,148)
Cash (bank indebtedness) at beginning of period	247,409	2,464,955
Cash (bank indebtedness) at end of period	2,006,163	191,807
Dividends received, net of withholding taxes	5,201,038	3,770,662
Interest received, net of withholding taxes	10,700	3,199
Interest paid	(83)	–

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Growth Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Yield	Maturity Date	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Treasury Bills						
Canadian Treasury Bill	0.467%	13-Jul-2017	5,500,000	5,497,470	5,497,470	
				5,497,470	5,497,470	0.94
Total Short-Term Notes				5,497,470	5,497,470	0.94

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Caltex Australia Ltd.	90,395	2,992,510	2,846,427	
Oil Search Ltd.	490,848	3,582,242	3,334,745	
Suncor Energy Inc.	110,834	4,328,005	4,199,500	
		10,902,757	10,380,672	1.77

Materials				
Air Liquide SA	51,800	7,712,031	8,301,995	
Akzo Nobel NV	79,939	7,888,710	9,009,730	
Croda International PLC	70,831	4,032,900	4,642,090	
Linde AG	34,209	7,560,380	8,401,375	
Sika AG	425	3,051,219	3,550,360	
Symrise AG	64,914	5,250,034	5,963,423	
		35,495,274	39,868,973	6.81

Industrials				
Adani Ports & Special Economic Zone Ltd.				
Brambles Ltd.	345,674	3,630,094	3,350,509	
Brenntag AG	65,169	4,630,800	4,892,188	
Experian PLC	177,517	4,339,516	4,716,498	
GEA Group AG	88,586	5,023,813	4,701,510	
Intertek Group PLC	94,071	5,602,558	6,692,039	
Legrand SA	29,687	2,204,155	2,693,381	
Prysmian SpA	137,648	4,295,670	5,250,161	
Rolls-Royce Holdings PLC				
Rolls-Royce Holdings PLC, C Shares	27,590,387	48,561	46,543	
Schneider Electric SA	98,165	8,956,604	9,781,457	
TOTO Ltd.	108,300	5,190,670	5,370,111	
Yamato Holdings Co., Ltd.	70,200	2,010,718	1,848,773	
		53,200,404	56,930,407	9.72

Consumer Discretionary				
Bandai Namco Holdings Inc.				
Burberry Group PLC	172,245	4,729,701	4,826,312	
Compass Group PLC	282,887	6,756,592	7,730,848	
Kering	23,336	6,966,203	10,307,646	
LVMH Moët Hennessy Louis Vuitton SA				
	43,311	10,778,850	14,004,816	

Consumer Staples				
AMBEV SA, ADR	447,201	3,284,318	3,188,485	
Carlsberg A/S, Class B	17,807	2,070,143	2,467,341	
Dairy Farm International Holdings Ltd.				
Danone SA	118,918	10,454,319	11,592,175	
Diageo PLC	241,526	8,819,268	9,242,763	
ITC Ltd.	680,382	3,420,417	4,424,387	
Japan Tobacco Inc.	148,300	6,650,863	6,765,592	
L'Oreal SA	49,064	11,812,689	13,256,023	
Nestle SA	221,296	21,509,704	25,043,940	
Pernod Ricard SA	85,140	12,840,787	14,786,724	
Reckitt Benckiser Group PLC	100,503	11,742,992	13,197,175	
Shiseido Co., Ltd.	91,900	3,241,982	4,242,493	
Sundrug Co., Ltd.	140,600	5,794,701	6,809,213	
		101,697,787	115,067,546	19.65

Health Care				
Bayer AG	74,729	11,632,483	12,530,288	
Cie Generale d'Optique Essilor International SA				
Fresenius Medical Care AG & Co., KGaA	68,926	7,358,573	8,593,417	
Mettler-Toledo International Inc.				
Novartis AG	136,566	15,118,215	14,779,108	
Novo Nordisk A/S	82,918	4,624,375	4,605,564	
Qiagen	113,797	4,183,843	4,909,330	
Roche Holding AG	63,896	21,609,297	21,160,313	
Smith & Nephew PLC	147,049	3,276,839	3,286,829	
Sonova Holding AG	21,051	3,705,574	4,444,922	
Terumo Corp.	161,900	7,321,364	8,280,521	
		90,337,833	97,723,013	16.69

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Growth Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Financials				
AEON Financial				
Service Co.,Ltd.	147,300	3,859,669	4,048,668	
AIA Group Ltd.	1,768,800	13,844,633	16,787,647	
Credicorp Ltd.	23,585	4,430,141	5,494,692	
DBS Group Holdings Ltd.				
	300,400	5,112,830	5,876,695	
Grupo Financiero Banorte SAB de CV				
	519,575	3,739,950	4,301,828	
Grupo Financiero Inbursa SAB de CV				
	621,709	1,352,543	1,382,883	
HDFC Bank Ltd.	117,027	10,044,266	13,217,972	
HSBC Holdings PLC	610,230	6,580,887	7,326,384	
Julius Baer Group Ltd.	39,713	2,093,337	2,717,044	
UBS Group AG	376,910	8,307,272	8,300,924	
	59,365,528	69,454,737		11.86
Information Technology				
Accenture PLC				
	89,796	12,329,933	14,423,337	
Alibaba Group Holding Ltd.				
	80,714	9,873,968	14,769,614	
Amadeus IT Holding SA				
	132,867	7,996,573	10,302,895	
Baidu Inc.	29,714	6,999,478	6,902,138	
Dassault Systemes SE	54,852	5,589,321	6,377,233	
Keyence Corp.	6,400	2,715,765	3,649,864	
MediaTek Inc.	200,000	2,322,428	2,224,271	
Mellanox Technologies Ltd.				
	31,170	1,988,820	1,752,806	
NHN Corp.	2,824	2,309,776	2,686,179	
Nice Systems Ltd., ADR				
	94,558	7,492,053	9,667,020	
OBIC Co., Ltd.	52,700	3,083,563	4,202,979	
SAP AG	113,328	12,979,646	15,351,344	
Taiwan Semiconductor Manufacturing Co., Ltd., ADR				
	361,478	12,591,098	16,412,040	
Telefonaktiebolaget LM Ericsson, Class B				
	516,331	5,524,510	4,789,971	
	93,796,932	113,511,691		19.39
Telecommunication Services				
SoftBank Corp.				
	57,600	4,905,211	6,056,451	
		4,905,211	6,056,451	1.04
Total Equities		504,079,297	570,673,411	97.46
Transaction Costs		(806,308)		
Total Investments		508,770,459	576,170,881	98.40
Other Assets less Liabilities			9,393,647	1.60
Total Net Assets			585,564,528	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS International Growth Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

	As a % of Net Assets
Rating	June 30, 2017
AAA/Aaa	0.94
AA/Aa	—
Total	0.94

	As a % of Net Assets
Rating	December 31, 2016
AAA/Aaa	—
AA/Aa	0.93
Total	0.93

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Growth Fund (Continued)

Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
Euro	192,970,746	32.95
United States Dollar	97,844,833	16.71
British Pound	84,853,889	14.49
Swiss Franc	80,433,212	13.74
Japanese Yen	52,500,733	8.97
Hong Kong Dollar	16,787,647	2.87
Australian Dollar	9,531,680	1.63
Danish Krone	7,102,925	1.21
Singapore Dollar	5,876,695	1.00
Mexican Peso	5,834,835	1.00
Indian Rupee	5,702,653	0.97
Swedish Krona	4,789,971	0.82
Korean Won	2,686,179	0.46
New Taiwan Dollar	2,224,271	0.38
Brazilian Real	–	–
Norwegian Krone	–	–
Total	569,140,269	97.20

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
Euro	96,938,320	32.36
United States Dollar	48,155,093	16.08
British Pound	47,421,807	15.83
Swiss Franc	41,584,173	13.88
Japanese Yen	28,717,452	9.59
Hong Kong Dollar	7,741,461	2.58
Australian Dollar	4,383,919	1.46
Danish Krone	4,965,436	1.66
Singapore Dollar	3,246,483	1.08
Mexican Peso	2,411,757	0.81
Indian Rupee	1,878,913	0.63
Swedish Krona	3,193,066	1.07
Korean Won	1,404,347	0.47
New Taiwan Dollar	1,017,975	0.34
Brazilian Real	7	–
Norwegian Krone	1	–
Total	293,060,210	97.84

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$28,457,013 (\$14,653,011

as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

During 2016, the Fund began investing in short-term investments. As a result, the Fund is exposed to interest rate risk.

The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	5,497,470
1-5 years	–
More than 5 years	–
Total	5,497,470

	December 31, 2016 (\$)
Less than 1 year	2,800,000
1-5 years	–
More than 5 years	–
Total	2,800,000

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$1,958 (\$230 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$28,533,671 (\$14,777,575 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Growth Fund (Continued)

The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Short-Term Investments		
Treasury Bills	0.9	–
Term Deposit Receipts	–	0.9
Equities		
Energy	1.8	1.6
Materials	6.8	6.1
Industrials	9.7	10.9
Consumer Discretionary	10.5	11.0
Consumer Staples	19.7	20.5
Health Care	16.7	17.2
Financials	11.9	12.3
Information Technology	19.4	18.1
Telecommunication Services	1.0	1.0
Other Assets less Liabilities	1.6	0.4
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	570,626,868	–	46,543	570,673,411
Short-Term Investments	–	5,497,470	–	5,497,470

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	295,533,008	–	18,488	295,551,496
Short-Term Investments	–	2,800,000	–	2,800,000

There were no transfers in the Fund between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

The following is a reconciliation of Level 3 fair value assets as at June 30, 2017 and December 31, 2016.

	June 30, 2017 (\$)
Opening Balance	18,488
Net purchases and sales	30,407
Net transfers in (out)	–
Gains (Losses)	
Realized	105
Unrealized	(2,457)
Closing Balance	46,543

	December 31, 2016 (\$)
Opening Balance	31,457
Net purchases and sales	(13,581)
Net transfers in (out)	–
Gains (Losses)	
Realized	588
Unrealized	24
Closing Balance	18,488

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the assets at cost or derive the prices indirectly from other observable market prices.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Growth Fund (Continued)

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Short-term investments

Short-term investments include primarily treasury bills and term deposit receipts, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds and short-term investments have been classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$448,203 (\$182,319 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$105,150 (\$104,847 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series T5	915	17,426
Series T8	1,083	17,419
Series F	0.16	3

	December 31, 2016	
	Units	Market Value (\$)
Series T5	893	15,182
Series T8	1,042	15,181
Series F	683	9,764

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	—	—
Investments designated at fair value through profit or loss	576,170,881	298,351,496
Total financial assets at fair value through profit or loss	576,170,881	298,351,496
Financial assets at amortized cost		
Cash	2,006,163	247,409
Other receivables	7,920,504	1,493,212
Total financial assets at amortized cost	9,926,667	1,740,621
Total assets	586,097,548	300,092,117
Financial liabilities		
Derivative liabilities held for trading	—	—
Financial liabilities at amortized cost	533,020	565,920
Total liabilities (excluding net assets attributable to holders of redeemable units)	533,020	565,920

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	—	—
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	61,805,917	(11,146,321)
Total net gains (losses)	61,805,917	(11,146,321)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series T5 Units	August 24, 2011	September 01, 2011
Series T8 Units	August 24, 2011	September 01, 2011
Series D Units	September 10, 2010	November 01, 2012
Series F Units	September 10, 2010	October 01, 2010
Series I Units	September 10, 2010	October 01, 2010
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Value Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	1,258,603,093	973,616,103
Short-term investments	42,489,375	29,788,335
Cash	4,580,273	1,421,104
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	2,072,350	5,373,390
Unrealized appreciation on swaps	—	—
Due from investment dealers	586,841	879
Accrued interest	8,502	3,221
Dividends receivable	5,439,753	1,831,759
Distributions receivable from underlying funds	—	—
Subscriptions receivable	17,885,666	2,814,595
	1,331,665,853	1,014,849,386
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	809,369	506,827
Unrealized depreciation on swaps	—	—
Accrued expenses	126,033	88,927
Redemptions payable	1,389,569	1,127,781
Distributions payable	487	—
Due to investment dealers	5,426,274	74,908
Management fees payable	704,825	529,814
Total liabilities (excluding net assets attributable to holders of redeemable units)	8,456,557	2,328,257
Net Assets Attributable to Holders of Redeemable Units	1,323,209,296	1,012,521,129
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	213,780,907	178,948,419
Series T5	3,747,631	2,940,207
Series T8	1,192,033	1,404,002
Series E	—	—
Series EF	—	—
Series F	226,719,090	147,040,594
Series I	864,860,779	669,928,030
Series O	12,908,856	12,259,877
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	20.24	18.22
Series T5	23.51	21.67
Series T8	19.97	18.67
Series E	—	—
Series EF	—	—
Series F	21.16	18.95
Series I	22.48	20.00
Series O	13.85	12.33

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	21,173,612	16,091,686
Interest income for distribution purposes	97,030	39,022
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	12,964,080	14,886,601
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	3,340,628	628,201
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	101,892,328	(50,211,603)
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	(3,603,582)	—
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	135,864,096	(18,566,093)
Net gain (loss) on foreign exchange	(193,360)	(1,257,659)
Other income	—	—
Total income (loss)	135,670,736	(19,823,752)
Expenses (note 5)		
Management fees	3,199,099	2,344,036
Administration fees	572,274	397,142
Independent review committee fees	3,713	4,295
Withholding tax	2,129,098	1,637,188
Transaction costs (note 2)	360,035	388,575
Total operating expenses	6,264,219	4,771,236
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	129,406,517	(24,594,988)
Finance Cost		
Interest expense	(513)	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	129,406,004	(24,594,988)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	19,748,717	(4,728,880)
Series T5	288,062	(86,462)
Series T8	114,647	(33,280)
Series E	—	(264,576)
Series EF	—	(80,911)
Series F	18,411,663	(2,910,037)
Series I	89,406,350	(16,376,764)
Series O	1,436,565	(114,078)
Weighted Average Number of Units Outstanding		
Series A	10,027,844	8,667,743
Series T5	134,920	116,065
Series T8	59,670	45,806
Series E	—	434,145
Series EF	—	163,575
Series F	8,896,747	5,885,189
Series I	36,231,055	27,929,805
Series O	951,081	791,779
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.97	(0.55)
Series T5	2.14	(0.74)
Series T8	1.92	(0.73)
Series E	—	(0.61)
Series EF	—	(0.49)
Series F	2.07	(0.49)
Series I	2.47	(0.59)
Series O	1.51	(0.14)

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Value Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	178,948,419	138,777,195	2,940,207	2,338,904	1,404,002	889,679
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	19,748,717	(4,728,880)	288,062	(86,462)	114,647	(33,280)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	45,542,090	49,756,942	913,467	778,154	310,822	231,270
Redemption of redeemable units	(30,458,677)	(16,704,997)	(353,618)	(396,640)	(608,334)	(42,608)
Reinvestment of distributions to holders of redeemable units	7,401	3,585	33,675	30,890	15,674	12,686
Capitalized distributions	–	–	–	–	–	–
	15,090,814	33,055,530	593,524	412,404	(281,838)	201,348
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(7,043)	(2,687)	(74,162)	(68,345)	(44,778)	(38,528)
Return of capital	–	–	–	–	–	–
	(7,043)	(2,687)	(74,162)	(68,345)	(44,778)	(38,528)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	34,832,488	28,323,963	807,424	257,597	(211,969)	129,540
Net Assets Attributable to Holders of Redeemable Units at end of period	213,780,907	167,101,158	3,747,631	2,596,501	1,192,033	1,019,219
	2017	2016	2017	2016	2017	2016
	Series E		Series EF		Series F	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	–	4,754,461	–	1,524,801	147,040,594	100,513,498
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	–	(264,576)	–	(80,911)	18,411,663	(2,910,037)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	–	1,075,870	–	150,000	86,878,923	42,904,035
Redemption of redeemable units	–	(5,565,561)	–	(1,593,828)	(25,613,446)	(22,874,006)
Reinvestment of distributions to holders of redeemable units	–	186	–	64	26,752	25,242
Capitalized distributions	–	–	–	–	–	–
	–	(4,489,505)	–	(1,443,764)	61,292,229	20,055,271
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	(380)	–	(126)	(25,396)	(3,288)
Return of capital	–	–	–	–	–	–
	–	(380)	–	(126)	(25,396)	(3,288)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	–	(4,754,461)	–	(1,524,801)	79,678,496	17,141,946
Net Assets Attributable to Holders of Redeemable Units at end of period	–	–	–	–	226,719,090	117,655,444

	2017	2016	2017	2016	2017	2016
	Series I		Series O		Total	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	669,928,030	585,121,271	12,259,877	7,549,214	1,012,521,129	841,469,023
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	89,406,350	(16,376,764)	1,436,565	(114,078)	129,406,004	(24,594,988)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	166,862,968	132,340,207	1,401,054	5,483,669	301,909,324	232,720,147
Redemption of redeemable units	(61,336,569)	(164,753,774)	(2,189,786)	(1,326,982)	(120,560,430)	(213,258,396)
Reinvestment of distributions to holders of redeemable units	–	–	1,146	–	84,648	72,653
Capitalized distributions	–	–	–	–	–	–
	105,526,399	(32,413,567)	(787,586)	4,156,687	181,433,542	19,534,404
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	–	–	–	(151,379)	(113,354)
Return of capital	–	–	–	–	–	–
	–	–	–	–	(151,379)	(113,354)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	194,932,749	(48,790,331)	648,979	4,042,609	310,688,167	(5,173,938)
Net Assets Attributable to Holders of Redeemable Units at end of period	864,860,779	536,330,940	12,908,856	11,591,823	1,323,209,296	836,295,085
	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
Redeemable Unit Transactions						
Balance – beginning of period	9,820,563	7,446,618	135,663	100,143	75,183	42,815
Units issued	2,314,938	2,812,949	37,829	35,438	15,524	11,928
Units issued on reinvestment of distributions	375	202	1,464	1,412	801	658
Units redeemed	(1,573,693)	(945,430)	(15,565)	(18,387)	(31,811)	(2,209)
Balance – end of period	10,562,183	9,314,339	159,391	118,606	59,697	53,192

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Value Fund (Continued)

	2017	2016	2017	2016	2017	2016
	Series E		Series EF		Series F	
Redeemable Unit Transactions						
Balance – beginning of period	–	388,338	–	153,998	7,761,073	5,201,709
Units issued	–	91,125	–	15,611	4,185,300	2,334,371
Units issued on reinvestment of distributions	–	16	–	7	1,299	1,386
Units redeemed	–	(479,479)	–	(169,616)	(1,233,890)	(1,246,627)
Balance – end of period	–	–	–	–	10,713,782	6,290,839

	2017	2016	2017	2016	2017	2016
	Series I		Series O		Total	
Redeemable Unit Transactions						
Balance – beginning of period	33,497,564	28,766,075	994,272	601,851	52,284,318	42,701,547
Units issued	7,815,464	6,827,610	106,098	457,159	14,475,153	12,586,191
Units issued on reinvestment of distributions	–	–	93	–	4,032	3,681
Units redeemed	(2,845,595)	(8,529,010)	(168,238)	(109,600)	(5,868,792)	(11,500,358)
Balance – end of period	38,467,433	27,064,675	932,225	949,410	60,894,711	43,791,061

Statements of Cash Flows For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	129,406,004	(24,594,988)
Adjustments for:		
Gain on short-term investments	(82,405)	(20,077)
Net realized (gain) loss on sale of investments	(12,964,080)	(14,886,601)
Change in unrealized (appreciation) depreciation in value of investments	(101,892,328)	50,211,603
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	3,603,582	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(218,762,573)	(184,861,146)
Proceeds from sale of investments	53,037,360	145,777,582
Purchases of short-term investments	(1,144,119,682)	(359,949,945)
Proceeds from sale of short-term investments	1,131,501,047	340,792,044
Change in dividends and interest receivable	(3,613,275)	(1,402,720)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	175,011	375,655
Change in other payables and accrued expenses	397,141	458,228
Net Cash Provided by (Used in) Operating Activities	(163,314,198)	(48,100,365)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(66,244)	(40,646)
Proceeds from redeemable units issued	286,838,253	233,380,249
Redemption of redeemable units	(120,298,642)	(209,628,937)
Net Cash Provided by (Used in) Financing Activities	166,473,367	23,710,666
Net increase (decrease) in cash	3,159,169	(24,389,699)
Cash (bank indebtedness) at beginning of period	1,421,104	25,522,164
Cash (bank indebtedness) at end of period	4,580,273	1,132,465
Dividends received, net of withholding taxes	15,436,520	13,062,885
Interest received, net of withholding taxes	91,749	27,915
Interest paid	(513)	–

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Value Fund (Continued)

Schedule of Investments

As at June 30, 2017 (Unaudited)

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM INVESTMENTS						
Treasury Bills						
Canadian Treasury Bill	0.456%	05-Jul-2017	42,500,000	42,489,375	42,489,375	
Total Short-Term Investments				42,489,375	42,489,375	3.21

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Cairn Energy PLC	364,479	1,507,946	1,058,778	
Core Laboratories				
NV	37,017	5,446,147	4,868,457	
Inpex Corp.	327,700	4,456,912	4,094,489	
		11,411,005	10,021,724	0.75

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Materials				
Givaudan SA	11,204	25,050,919	29,142,343	
Orica Ltd.	408,552	7,089,438	8,416,452	
Symrise AG	193,018	14,012,112	17,731,890	
		46,152,469	55,290,685	4.18

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Industrials				
Brambles Ltd.	3,024,858	31,493,775	29,318,990	
Brenntag AG	98,974	6,292,786	7,429,904	
Bunzl PLC	448,433	13,747,294	17,308,232	
Experian PLC	224,353	5,919,828	5,960,896	
GEA Group AG	274,593	14,907,704	14,573,428	
Geberit AG	4,354	1,420,944	2,640,541	
Glory Ltd.	34,500	985,698	1,467,454	
IMI PLC	501,938	9,371,999	10,118,523	
Intertek Group PLC	122,420	6,774,744	8,708,736	
Legrand SA	197,194	13,406,410	17,890,614	
MISUMI Group Inc	178,100	4,066,805	5,282,240	
Nordson Corp.	66,565	7,518,457	10,487,878	
Rentokil Initial PLC	517,661	1,977,954	2,386,625	
Schindler Holding AG	21,460	4,409,968	5,904,927	
Schneider Electric SE	171,212	14,342,162	17,060,081	
Secom Co., Ltd.	174,400	16,639,385	17,184,560	
SGS SA	5,665	14,827,869	17,838,769	
Sohgo Security				
Services Co., Ltd.	43,300	2,736,770	2,532,421	
Spirax-Sarco				
Engineering PLC	158,994	10,636,234	14,349,397	
Wartsila OYJ Abp	36,405	2,161,346	2,790,595	
Yamato Holdings Co., Ltd.	707,100	17,622,864	18,622,047	
		201,260,996	229,856,858	17.37

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Consumer Discretionary				
Cie Financiere				
Richemont SA	91,451	7,633,696	9,797,568	
Compass Group PLC	1,112,081	23,671,190	30,391,390	
Esprit Holdings Ltd.	1,794,950	2,838,828	1,242,227	
RELX NV	324,124	7,370,065	8,641,898	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
USS Co., Ltd.	126,700	2,227,327	3,270,114	
Yamaha Corporation	76,600	2,170,329	3,435,248	
		45,911,435	56,778,445	4.29

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Consumer Staples				
British American				
Tobacco PLC	308,011	22,023,880	27,195,627	
Colgate-Palmolive Co.	302,881	26,594,707	29,159,180	
Danone SA	451,196	38,377,082	43,982,772	
Heineken NV	194,082	18,826,905	24,473,346	
Henkel AG & Co., KGaA				
ITO EN, Ltd.	202,159	28,060,969	36,083,246	
ITO EN, Ltd.	236,300	8,538,101	11,198,120	
Japan Tobacco Inc.	556,000	23,772,706	25,365,268	
Kao Corp.	411,500	23,076,282	31,733,898	
Kerry Group PLC	120,026	12,611,356	13,392,719	
Kobayashi				
Pharmaceutical Co., Ltd.	123,300	5,237,146	9,505,751	
KOSE Corporation	12,900	726,766	1,829,497	
Nestle SA	605,663	56,269,033	68,542,532	
Nissin Foods Holdings				
Co., Ltd.	33,900	2,901,382	2,750,644	
Pernod Ricard SA	181,292	26,174,561	31,485,961	
Reckitt Benckiser				
Group PLC	388,266	41,725,997	50,983,696	
Toyo Suisan Kaisha				
Ltd.	252,100	11,564,992	12,544,217	
		346,481,865	420,226,474	31.76

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Health Care				
Bayer AG				
DENTSPLY SIRONA Inc.	93,163	13,555,833	15,621,234	
Inc.	1,872	157,639	157,637	
Nihon Kohden Corp.	243,000	6,486,164	7,285,742	
Roche Holding AG	30,234	9,369,628	10,012,534	
Rohto Pharmaceutical				
Co., Ltd.	215,700	4,773,571	5,789,085	
Santen Pharmaceutical				
Co., Ltd.	526,000	7,394,725	9,265,487	
Terumo Corp.	207,100	7,904,519	10,592,316	
		49,642,079	58,724,035	4.44

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Financials				
Daiwa Securities				
Group Inc.	640,000	5,255,934	4,925,171	
DnB ASA	294,926	5,267,463	6,492,924	
Euler Hermes SA	20,971	2,452,193	3,230,561	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Value Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Fairfax Financial Holdings Ltd.	28,496	17,134,521	16,015,037	
Governor & Co. of the Bank of Ireland	10,955,588	4,115,002	3,732,407	
Hiscox Ltd.	181,327	2,577,979	3,875,594	
IG Group Holdings PLC	315,212	3,443,688	3,020,301	
ING Groep NV	713,155	11,921,834	15,950,942	
Jardine Lloyd Thompson Group PLC	180,220	3,069,319	3,648,240	
Julius Baer Group Ltd.	19,528	769,865	1,336,047	
Jyske Bank A/S	59,722	3,482,112	4,485,563	
Mebuki Financial Group Inc.	791,800	3,883,405	3,825,510	
North Pacific Bank Ltd.	696,400	3,150,681	3,163,362	
Sumitomo Mitsui Financial Group Inc.	227,300	10,603,444	11,504,611	
Svenska Handelsbanken AB	937,068	17,129,285	17,400,671	
Sydbank A/S	79,182	2,881,166	3,871,170	
The Chiba Bank Ltd.	478,000	3,855,323	4,497,279	
The Hachijuni Bank Ltd.	465,000	3,369,297	3,832,128	
UBS Group AG	701,771	15,612,659	15,455,541	
	119,975,170	130,263,059	9.85	
Real Estate				
Deutsche Wohnen AG	369,769	12,410,732	18,343,031	
LEG Immobilien AG	46,729	4,048,015	5,697,240	
TAG Immobilien AG	175,356	2,618,595	3,575,381	
Vonovia SE	461,858	18,652,570	23,783,522	
	37,729,912	51,399,174	3.88	
Information Technology				
Amadeus IT Holding SA	367,872	19,147,742	28,525,869	
Analog Devices Inc.	26,789	1,821,355	2,706,733	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
ANSYS Inc.	66,691	8,650,490	10,538,910	
ASM International NV	48,480	2,376,173	3,661,618	
Cadence Design Systems Inc.	499,593	15,786,033	21,729,051	
Check Point Software Technologies Ltd.	50,687	5,652,822	7,180,439	
Dassault Systemes	90,140	8,204,678	10,479,905	
Halma PLC	443,917	5,405,834	8,237,465	
Hirose Electric Co., Ltd.	78,955	12,299,029	14,619,742	
Infineon Technologies AG	638,700	11,329,495	17,488,068	
Neopost SA	10,482	729,346	631,146	
Nomura Research Institute Ltd.	444,000	16,422,201	22,708,779	
OBIC Co., Ltd.	97,000	4,805,835	7,736,034	
Omron Corp.	170,400	7,951,911	9,601,559	
Spectris PLC	105,444	3,757,402	4,487,849	
Taiwan Semiconductor Manufacturing Co., Ltd., ADR	748,026	22,869,945	33,962,323	
Texas Instruments Inc.	134,010	11,207,148	13,388,817	
Yokogawa Electric Corp.	212,400	3,680,731	4,421,461	
		162,098,170	222,105,768	16.79
Telecommunication Services				
KDDI Corp.	696,118	19,893,023	23,936,871	
		19,893,023	23,936,871	1.81
Total Equities		1,040,556,124	1,258,603,093	95.12
Transaction Costs		(1,679,697)		
Total Investments		1,081,365,802	1,301,092,468	98.33
Currency Forward Contracts⁽¹⁾			1,262,981	0.09
Other Assets less Liabilities			20,853,847	1.58
Total Net Assets			1,323,209,296	100.00

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Value Fund (Continued)

Schedule of Investments

(l) Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Goldman Sachs & Co.	A-2	24-Aug-17	CAD	34,834,566	JPY	(2,893,812,000)	1,336,587
UBS AG Warburg	A-1	24-Aug-17	CAD	11,670,188	JPY	(968,929,000)	454,120
JP Morgan	A-2	24-Aug-17	EUR	6,376,000	CAD	(9,237,039)	225,791
BNP Paribas	A-1	24-Aug-17	EUR	1,602,000	CAD	(2,321,731)	55,852
							2,072,350
HSBC Bank	A-1	24-Aug-17	USD	25,477,000	CAD	(33,866,321)	(809,369)
							(809,369)
							1,262,981

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS International Value Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund also invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets
	June 30, 2017
AAA/Aaa	3.21
AA/Aa	0.16
Total	3.37

As a % of Net Assets

Rating	December 31, 2016
AAA/Aaa	2.94
AA/Aa	0.53
Total	3.47

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. However, the Fund also holds foreign purchased currency options to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and reduce the current risk exposure to the Fund.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Value Fund (Continued)

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
Euro	398,808,449	30.14
Japanese Yen	251,806,556	19.03
British Pound	193,117,862	14.59
United States Dollar	168,461,736	12.73
Swiss Franc	162,183,048	12.26
Australian Dollar	37,942,487	2.87
Swedish Krona	17,400,671	1.32
Danish Krone	8,420,070	0.64
Norwegian Krone	6,492,924	0.49
Hong Kong Dollar	1,242,227	0.09
Total	1,245,876,030	94.16

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
Euro	298,986,472	29.53
Japanese Yen	199,582,891	19.71
British Pound	139,777,889	13.80
United States Dollar	127,970,908	12.64
Swiss Franc	124,596,784	12.31
Australian Dollar	38,699,118	3.82
Swedish Krona	17,439,396	1.72
Danish Krone	6,000,864	0.59
Norwegian Krone	6,009,900	0.59
Hong Kong Dollar	2,488,671	0.25
Total	961,552,893	94.96

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$62,293,802 (\$48,077,645 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	42,489,375
1-5 years	-
More than 5 years	-
Total	42,489,375

	December 31, 2016 (\$)
Less than 1 year	29,788,335
1-5 years	-
More than 5 years	-
Total	29,788,335

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$5,820 (\$17,800 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$62,930,155 (\$48,680,805 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Short-Term Investments		
Treasury Bills	3.2	2.9
Equities		
Energy	0.8	0.9
Materials	4.2	4.3
Industrials	17.4	18.5
Consumer Discretionary	4.3	4.5
Consumer Staples	31.8	29.5
Health Care	4.4	4.8
Financials	9.8	10.9
Real Estate	3.9	3.6
Information Technology	16.8	17.1
Telecommunication Services	1.8	2.1
Other Assets less Liabilities	1.6	0.9
Total	100.0	100.0

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Value Fund (Continued)

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	1,258,603,093	–	–	1,258,603,093
Short-Term				
Investments	–	42,489,375	–	42,489,375
Forward				
Contracts	–	2,072,350	–	2,072,350
Financial Liabilities				
Forward				
Contracts	–	809,369	–	809,369
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	973,616,103	–	–	973,616,103
Short-Term				
Investments	–	29,788,335	–	29,788,335
Forward Contracts	–	5,373,390	–	5,373,390
Financial Liabilities				
Forward Contracts	–	506,827	–	506,827

There were no transfers in the Fund between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Derivative assets and liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Value Fund (Continued)

recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$360,035 (\$388,575 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$94,614 (\$278,219 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series F	0.13	3

	December 31, 2016	
	Units	Market Value (\$)
Series F	541	10,258

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	2,072,350	5,373,390
Investments designated at fair value through profit or loss	1,301,092,468	1,003,404,438
Total financial assets at fair value through profit or loss	1,303,164,818	1,008,777,828
Financial assets at amortized cost		
Cash	4,580,273	1,421,104
Other receivables	23,920,762	4,650,454
Total financial assets at amortized cost	28,501,035	6,071,558
Total assets	1,331,665,853	1,014,849,386
Financial liabilities		
Derivative liabilities held for trading	809,369	506,827
Financial liabilities at amortized cost	7,647,188	1,821,430
Total liabilities (excluding net assets attributable to holders of redeemable units)	8,456,557	2,328,257

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	(262,954)	628,201
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	136,127,050	(19,194,294)
Total net gains (losses)	135,864,096	(18,566,093)

The accompanying notes are an integral part of the financial statements.

Sun Life MFS International Value Fund (Continued)

Offsetting of Financial Assets and Liabilities

The following table shows the net impact of the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	2,072,350	–	–	2,072,350
Total	2,072,350	–	–	2,072,350
Derivative liabilities –				
Forward Contracts	(809,369)	–	–	(809,369)
Total	(809,369)	–	–	(809,369)
December 31, 2016				
Derivative assets –				
Forward Contracts	5,373,390	(506,827)	–	4,866,563
Total	5,373,390	(506,827)	–	4,866,563
Derivative liabilities –				
Forward Contracts	(506,827)	506,827	–	–
Total	(506,827)	506,827	–	–

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series T5 Units	August 24, 2011	September 01, 2011
Series T8 Units	August 24, 2011	September 01, 2011
Series F Units	September 10, 2010	October 01, 2010
Series I Units	September 10, 2010	October 01, 2010
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility Global Equity Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	5,121,861	4,271,450
Short-term investments	–	–
Cash	40,023	31,011
Margin	–	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	421	–
Accrued interest	–	33
Dividends receivable	17,868	5,668
Distributions receivable from underlying funds	–	–
Subscriptions receivable	25,000	64,345
	5,205,173	4,372,507
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	663	469
Redemptions payable	1,474	1,000
Distributions payable	–	226
Due to investment dealers	–	102,720
Management fees payable	4,050	2,796
Total liabilities (excluding net assets attributable to holders of redeemable units)	6,187	107,211
Net Assets Attributable to Holders of Redeemable Units	5,198,986	4,265,296
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	1,760,712	1,183,943
Series T5	23,272	31,430
Series T8	11,257	10,594
Series F	244,076	217,417
Series I	2,894,632	2,667,088
Series O	265,037	154,824
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	11.10	10.46
Series T5	15.70	15.16
Series T8	15.04	14.73
Series F	11.27	10.56
Series I	11.38	10.60
Series O	11.33	10.56

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30, 2017 and for the period from February 5, 2016 to June 30, 2016 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	81,645	40,870
Interest income for distribution purposes	234	1,382
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	3,096	13,227
Net realized gain (loss) on futures contracts	–	–
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	268,652	124,936
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	353,627	180,415
Net gain (loss) on foreign exchange	(2,094)	(6,511)
Other income	–	–
Total income (loss)	351,533	173,904
Expenses (note 5)		
Management fees	18,374	3,218
Administration fees	3,040	865
Independent review committee fees	19	14
Withholding tax	10,297	8,870
Transaction costs (note 2)	913	2,667
Total operating expenses	32,643	15,634
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	318,890	158,270
Finance Cost		
Interest expense	(1)	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	318,889	158,270
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	89,562	22,560
Series T5	1,436	1,043
Series T8	663	486
Series F	15,017	6,078
Series I	198,566	124,892
Series O	13,645	3,211
Weighted Average Number of Units Outstanding		
Series A	143,055	28,376
Series T5	1,535	1,012
Series T8	731	672
Series F	21,341	9,392
Series I	253,589	216,090
Series O	18,465	5,928
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.63	0.80
Series T5	0.94	1.03
Series T8	0.91	0.72
Series F	0.70	0.65
Series I	0.78	0.58
Series O	0.74	0.54

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility Global Equity Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six months ended June 30, 2017 and for the period
from February 5, 2016 to June 30, 2016 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	1,183,943	100,000	31,430	10,000	10,594	10,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	89,562	22,560	1,436	1,043	663	486
Redeemable Unit Transactions						
Proceeds from redeemable units issued	579,978	812,667	–	10,660	–	–
Redemption of redeemable units	(92,805)	(456,043)	(9,594)	–	–	–
Reinvestment of distributions to holders of redeemable units	409	57	573	357	447	349
Capitalized distributions	–	–	–	–	–	–
	487,582	356,681	(9,021)	11,017	447	349
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(375)	(52)	(573)	(355)	(447)	(346)
Return of capital	–	–	–	–	–	–
	(375)	(52)	(573)	(355)	(447)	(346)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	576,769	379,189	(8,158)	11,705	663	489
Net Assets Attributable to Holders of Redeemable Units at end of period	1,760,712	479,189	23,272	21,705	11,257	10,489

	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	217,417	10,000	2,667,088	10,000	154,824	10,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	15,017	6,078	198,566	124,892	13,645	3,211
Redeemable Unit Transactions						
Proceeds from redeemable units issued	59,131	198,197	65,684	2,172,413	109,702	144,171
Redemption of redeemable units	(47,490)	–	(36,706)	(27)	(13,134)	(69,313)
Reinvestment of distributions to holders of redeemable units	16	11	–	–	–	–
Capitalized distributions	–	–	–	–	–	–
	11,657	198,208	28,978	2,172,386	96,568	74,858
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(15)	(8)	–	–	–	–
Return of capital	–	–	–	–	–	–
	(15)	(8)	–	–	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	26,659	204,278	227,544	2,297,278	110,213	78,069
Net Assets Attributable to Holders of Redeemable Units at end of period	244,076	214,278	2,894,632	2,307,278	265,037	88,069

	2017	2016
	Total	Total
	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	4,265,296	150,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	318,889	158,270
Redeemable Unit Transactions		
Proceeds from redeemable units issued	814,495	3,338,108
Redemption of redeemable units	(199,729)	(525,383)
Reinvestment of distributions to holders of redeemable units	1,445	774
Capitalized distributions	–	–
	616,211	2,813,499
Distributions to Holders of Redeemable Units		
From capital gains	–	–
From net investment income	(1,410)	(761)
Return of capital	–	–
	(1,410)	(761)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	933,690	2,971,008
Net Assets Attributable to Holders of Redeemable Units at end of period	5,198,986	3,121,008

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
Redeemable Unit Transactions						
Balance – beginning of period	113,223	10,000	2,074	667	719	667
Units issued	54,041	80,457	–	719	–	–
Units issued on reinvestment of distributions	37	6	36	24	30	23
Units redeemed	(8,699)	(44,748)	(628)	–	–	–
Balance – end of period	158,602	45,715	1,482	1,410	749	690

	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
Redeemable Unit Transactions						
Balance – beginning of period	20,596	1,000	251,689	1,000	14,659	1,000
Units issued	5,180	19,358	5,954	217,180	9,856	14,194
Units issued on reinvestment of distributions	1	1	–	–	–	–
Units redeemed	(4,112)	–	(3,307)	(3)	(1,130)	(6,826)
Balance – end of period	21,665	20,359	254,336	218,177	23,385	8,368

	2017	2016
	Total	Total
Redeemable Unit Transactions		
Balance – beginning of period	402,960	14,334
Units issued	75,031	331,908
Units issued on reinvestment of distributions	104	54
Units redeemed	(17,876)	(51,577)
Balance – end of period	460,219	294,719

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility Global Equity Fund (Continued)

Statements of Cash Flows

For the six months ended June 30, 2017 and for the period from February 5, 2016 to June 30, 2016 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	318,889	158,270
Adjustments for:		
Gain on short-term investments	(1)	–
Net realized (gain) loss on sale of investments	(3,096)	(13,227)
Change in unrealized (appreciation) depreciation in value of investments	(268,652)	(124,936)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(1,175,985)	(3,469,649)
Proceeds from sale of investments	493,268	718,998
Purchases of short-term investments	(1,000,000)	–
Proceeds from sale of short-term investments	1,000,001	–
Change in dividends and interest receivable	(12,167)	(9,547)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	1,254	1,373
Change in other payables and accrued expenses	1,107	2,965
Net Cash Provided by (Used in) Operating Activities	(645,382)	(2,735,753)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(191)	13
Proceeds from redeemable units issued	853,840	3,305,695
Redemption of redeemable units	(199,255)	(525,383)
Net Cash Provided by (Used in) Financing Activities	654,394	2,780,325
Net increase (decrease) in cash	9,012	44,572
Cash (bank indebtedness) at beginning of period	31,011	150,000
Cash (bank indebtedness) at end of period	40,023	194,572
Dividends received, net of withholding taxes	59,148	22,453
Interest received, net of withholding taxes	267	1,382
Interest paid	(1)	–

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility Global Equity Fund (Continued)

Schedule of Investments

As at June 30, 2017 (Unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Enbridge Inc.	1,112	55,995	57,492	
Exxon Mobil Corp.	660	74,443	69,197	
Occidental Petroleum Corp.	384	35,696	29,857	
Royal Dutch Shell PLC, Class B	1,081	35,335	37,611	
	201,469	194,157	194,157	3.73
Materials				
Monsanto Co.	217	28,320	33,356	
PTT Global Chemical PCL	21,600	48,848	56,566	
Symrise AG	515	45,414	47,311	
	122,582	137,233	137,233	2.64
Industrials				
Canadian National Railway Co.	429	35,057	45,156	
Lockheed Martin Corp.	248	78,177	89,412	
Owens Corning	343	22,626	29,810	
Schindler Holding AG	122	29,104	33,569	
	164,964	197,947	197,947	3.81
Consumer Discretionary				
ABC-Mart Inc.	900	74,407	68,761	
Charter Communications Inc.	73	23,232	31,935	
Comcast Corp.	410	20,881	20,724	
Gildan Activewear Inc.	665	24,985	26,540	
Home Depot Inc.	202	34,464	40,243	
Kia Motors Corp.	1,584	73,418	68,682	
McDonald's Corp.	649	105,576	129,093	
Ross Stores Inc.	1,304	102,518	97,766	
USS Co., Ltd.	1,700	33,848	43,877	
	493,329	527,621	527,621	10.15
Consumer Staples				
Altria Group Inc.	576	51,699	55,707	
British American Tobacco Malaysia BHD	800	14,277	10,509	
Colgate-Palmolive Co.	262	24,321	25,223	
CVS Caremark Corp.	393	48,168	41,066	
Dairy Farm International Holdings Ltd.	2,800	23,515	28,655	
General Mills Inc.	1,822	146,787	131,090	
Kimberly-Clark Corp.	358	61,396	60,029	
Lawson Inc.	800	79,282	72,679	
L'Oreal SA	76	21,419	20,534	
Marine Harvest ASA	1,871	39,370	41,452	
Metro Inc., Class A	809	34,097	34,528	
Mondelez International Inc.	607	33,943	34,047	
Nestle SA	863	85,069	97,665	
Pinnacle Foods Inc.	402	24,983	31,011	
Remy Cointreau SA	140	21,727	21,204	
Sligro Food Group NV	644	31,973	36,740	
The Procter & Gamble Co.	588	66,297	66,551	
Toyo Suisan Kaisha Ltd.	1,200	63,464	59,711	
	871,787	868,401	868,401	16.69

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Health Care				
Abbott Laboratories	455	24,400	28,724	
Express Scripts Holding Co.	431	40,546	35,734	
Fisher & Paykel Healthcare Corp., Ltd.	11,450	95,974	124,666	
Integra LifeSciences Holdings Corp.	1,752	95,912	124,028	
Johnson & Johnson	865	129,193	148,612	
Merck & Co., Inc.	988	74,167	82,235	
Novartis AG	314	31,651	33,981	
Pfizer Inc.	662	28,977	28,879	
Roche Holding AG	387	128,918	128,162	
Terumo Corp.	1,800	90,525	92,063	
	740,263	827,084	827,084	15.91
Financials				
Axis Capital Holdings Ltd.	229	19,901	19,230	
Bank of Nova Scotia	398	25,271	31,080	
BDO Unibank Inc.	7,150	21,386	22,819	
Beazley PLC	5,006	31,707	41,219	
Credicorp., Ltd.	225	40,277	52,419	
DBS Group Holdings Ltd.	1,800	25,822	35,213	
Discover Financial Services	507	36,301	40,948	
Everest Re Group Ltd.	73	21,223	24,136	
Grand City Properties SA	3,119	78,977	81,058	
HSBC Holdings PLC	741	34,507	44,643	
Intact Financial Corp.	590	52,596	57,858	
Public Bank BHD	4,300	26,013	26,435	
Royal Bank of Canada	479	38,134	45,113	
Starwood Property Trust Inc.	815	21,987	23,699	
Swiss Life Holding AG	94	32,528	41,251	
Sydbank A/S	704	25,276	34,418	
The Travelers Cos Inc.	172	25,813	28,264	
Validus Holdings Ltd.	1,484	96,759	100,161	
XL Group Ltd.	528	24,172	30,034	
Zurich Financial Services AG	98	31,284	37,093	
	709,934	817,091	817,091	15.72
Real Estate				
AvalonBay Communities Inc.	346	80,224	86,352	
Public Storage	144	45,393	38,998	
STORE Capital Corp.	849	30,389	24,753	
	156,006	150,103	150,103	2.89
Information Technology				
Adobe Systems Inc.	440	55,451	80,823	
Alphabet Inc., Class A	33	33,802	39,843	
Facebook Inc.	329	55,969	64,510	
Forrester Research Inc.	866	40,513	44,031	
Kyocera Corp.	800	49,288	60,159	
Nice Systems Ltd., ADR	811	67,502	82,912	
Taiwan Semiconductor Manufacturing Co., Ltd.	3,736	128,874	169,624	
VTech Holdings Ltd.	3,800	62,441	78,200	
	493,840	620,102	620,102	11.93

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility Global Equity Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Telecommunication Services				
BCE Inc.	387	22,826	22,637	
HKT Trust & HKT Ltd.	17,000	29,294	28,960	
KDDI Corp.	2,200	80,686	75,650	
SBA Communications Corp.	298	39,968	52,208	
TDC A/S	4,363	29,327	32,908	
TELUS Corp.	1,817	76,282	81,458	
Verizon Communications Inc.	909	61,653	52,722	
Vodafone Group PLC	12,165	44,508	44,686	
		384,544	391,229	7.53
Utilities				
Alliant Energy Corp.	997	48,600	52,012	
American Electric Power Co., Inc.	525	45,283	47,366	
CLP Holdings Ltd.	5,000	63,796	68,708	
Duke Energy Corporation	208	22,217	22,580	
Osaka Gas Co., Ltd.	3,000	15,567	15,933	
PG&E Corp.	831	66,442	71,628	
WEC Energy Group Inc.	639	50,336	50,937	
Xcel Energy Inc.	1,036	57,316	61,729	
		369,557	390,893	7.52
Total Equities		4,708,275	5,121,861	98.52
Transaction Costs		(2,465)		
Total Investments		4,708,275	5,121,861	98.52
Other Assets less Liabilities			77,125	1.48
Total Net Assets			5,198,986	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Low Volatility Global Equity Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund had no significant investments in debt instruments and/or derivatives and, therefore, did not have significant exposure to credit risk. Credit risk from other financial instruments is minimal.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following table summarizes the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	3,276,913	63.03
Japanese Yen	488,832	9.40
Swiss Franc	373,065	7.18
Euro	211,314	4.06
Hong Kong Dollar	175,868	3.38
New Zealand Dollar	126,096	2.43
British Pound	124,305	2.39
Korean Won	68,682	1.32
Danish Krone	67,327	1.30
Thai Baht	56,832	1.09
Norwegian Krone	41,452	0.80
Malaysian Ringgit	36,944	0.71
Singapore Dollar	35,213	0.68
Philippine Peso	23,015	0.44
Brazilian Real	—	—
Total	5,105,858	98.21

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility Global Equity Fund (Continued)

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	2,811,418	65.91
Japanese Yen	336,114	7.88
Swiss Franc	294,024	6.89
Euro	133,380	3.13
Hong Kong Dollar	90,886	2.13
New Zealand Dollar	76,925	1.80
British Pound	141,358	3.31
Korean Won	58,111	1.36
Danish Krone	51,483	1.21
Thai Baht	42,702	1.00
Norwegian Krone	21,565	0.51
Malaysian Ringgit	10,666	0.25
Singapore Dollar	50,881	1.19
Philippine Peso	18,241	0.43
Brazilian Real	13,676	0.32
Total	4,151,430	97.32

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$255,293 (\$207,572 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$256,093 (\$213,573 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Energy	3.7	5.1
Materials	2.7	2.5
Industrials	3.8	4.5
Consumer Discretionary	10.2	10.4
Consumer Staples	16.7	18.5
Health Care	15.9	14.5
Financials	15.7	15.8
Real Estate	2.9	2.9
Information Technology	11.9	10.8
Telecommunication Services	7.5	7.3
Utilities	7.5	7.8
Other Assets less Liabilities	1.5	(0.1)
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility Global Equity Fund (Continued)

securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	5,121,861	–	–	5,121,861

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	4,222,364	49,086	–	4,271,450

The following are transfers in the Fund between fair value levels during the periods from January 1 to June 30, 2017 and February 5 to December 31, 2016.

	Transfers from level 1 to level 2 (\$)	Transfers from level 2 to level 1 (\$)
	June 30, 2017	
Equities	–	57,858

	Transfers from level 1 to level 2 (\$)	Transfers from level 2 to level 1 (\$)
	December 31, 2016	
Equities	–	–

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$913 (\$2,667 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$26,175 (\$1,779 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series A	0.24	3
Series T5	717	11,260
Series T8	749	11,257
Series F	0.25	3
Series I	10,190	115,976
Series O	–	–

	December 31, 2016	
	Units	Market Value (\$)
Series A	1,014	10,601
Series T5	699	10,596
Series T8	719	10,594
Series F	1,014	10,704
Series I	10,190	107,984
Series O	1,011	10,675

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility Global Equity Fund (Continued)

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada (“SLA”) invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at June 30, 2017 and December 31, 2016, SLA held the following position in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series I	208,900	2,377,508

	December 31, 2016	
	Units	Market Value (\$)
Series I	208,900	2,213,668

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	5,121,861	4,271,450
Total financial assets at fair value through profit or loss	5,121,861	4,271,450
Financial assets at amortized cost		
Cash	40,023	31,011
Other receivables	43,289	70,046
Total financial assets at amortized cost	83,312	101,057
Total assets	5,205,173	4,372,507
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	6,187	107,211
Total liabilities (excluding net assets attributable to holders of redeemable units)	6,187	107,211

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	353,627	180,415
Total net gains (losses)	353,627	180,415

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	February 5, 2016	February 11, 2016
Series T5 Units	February 5, 2016	February 11, 2016
Series T8 Units	February 5, 2016	February 11, 2016
Series F Units	February 5, 2016	February 11, 2016
Series I Units	February 5, 2016	February 11, 2016
Series O Units	February 5, 2016	February 11, 2016

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility International Equity Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	20,735,280	61,221,181
Short-term investments	—	—
Cash	163,485	537,795
Margin	—	—
Option contracts, at fair value — long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	—	—
Unrealized appreciation on swaps	—	—
Due from investment dealers	12,715	—
Accrued interest	—	—
Dividends receivable	214,961	251,586
Distributions receivable from underlying funds	—	—
Subscriptions receivable	70,642	—
	21,197,083	62,010,562
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value — short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	1,263	3,989
Redemptions payable	1,766	474
Distributions payable	—	—
Due to investment dealers	—	—
Management fees payable	1,187	711
Total liabilities (excluding net assets attributable to holders of redeemable units)	4,216	5,174
Net Assets Attributable to Holders of Redeemable Units	21,192,867	62,005,388
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	472,452	290,275
Series T5	10,735	9,829
Series T8	15,931	14,590
Series F	81,695	77,417
Series I	20,396,077	61,396,825
Series O	215,977	216,452
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	10.40	9.56
Series T5	14.94	14.03
Series T8	14.31	13.63
Series F	10.50	9.62
Series I	10.74	9.82
Series O	10.51	9.61

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30, 2017 and for the period from February 5, 2016 to June 30, 2016 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	973,405	1,491,314
Interest income for distribution purposes	181	1,348
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	2,419,876	(358,780)
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	—	—
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	1,461,892	174,570
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	—	—
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	4,855,354	1,308,452
Net gain (loss) on foreign exchange	(124,965)	(234,211)
Other income	—	—
Total income (loss)	4,730,389	1,074,241
Expenses (note 5)		
Management fees	5,177	1,759
Administration fees	13,770	15,090
Independent review committee fees	5	332
Withholding tax	142,658	145,098
Transaction costs (note 2)	51,209	202,750
Total operating expenses	212,819	365,029
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	4,517,570	709,212
Finance Cost		
Interest expense	(64)	(3)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	4,517,506	709,209
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	36,930	(721)
Series T5	906	(115)
Series T8	1,340	(93)
Series F	7,577	(855)
Series I	4,452,709	710,593
Series O	18,044	400
Weighted Average Number of Units Outstanding		
Series A	40,657	12,364
Series T5	708	673
Series T8	1,089	857
Series F	8,055	4,742
Series I	4,608,243	7,085,638
Series O	18,464	9,021
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.91	(0.06)
Series T5	1.28	(0.17)
Series T8	1.23	(0.11)
Series F	0.94	(0.18)
Series I	0.97	0.10
Series O	0.98	0.04

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility International Equity Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six months ended June 30, 2017 and for the period
from February 5, 2016 to June 30, 2016 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	290,275	100,000	9,829	10,000	14,590	10,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	36,930	(721)	906	(115)	1,340	(93)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	168,285	170,712	–	–	–	4,774
Redemption of redeemable units	(23,039)	(90,000)	–	–	–	–
Reinvestment of distributions to holders of redeemable units	1,620	11	263	221	608	461
Capitalized distributions	–	–	–	–	–	–
	146,866	80,723	263	221	608	5,235
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(1,619)	(8)	(263)	(218)	(607)	(459)
Return of capital	–	–	–	–	–	–
	(1,619)	(8)	(263)	(218)	(607)	(459)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	182,177	79,994	906	(112)	1,341	4,683
Net Assets Attributable to Holders of Redeemable Units at end of period	472,452	179,994	10,735	9,888	15,931	14,683
	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	77,417	10,000	61,396,825	10,000	216,452	10,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	7,577	(855)	4,452,709	710,593	18,044	400
Redeemable Unit Transactions						
Proceeds from redeemable units issued	–	116,353	5,864,136	118,484,357	44,582	146,443
Redemption of redeemable units	(3,299)	(49,987)	(51,317,593)	(362,613)	(63,101)	(504)
Reinvestment of distributions to holders of redeemable units	400	10	617,804	–	1,452	–
Capitalized distributions	–	–	–	–	–	–
	(2,899)	66,376	(44,835,653)	118,121,744	(17,067)	145,939
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(400)	(8)	(617,804)	–	(1,452)	–
Return of capital	–	–	–	–	–	–
	(400)	(8)	(617,804)	–	(1,452)	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	4,278	65,513	(41,000,748)	118,832,337	(475)	146,339
Net Assets Attributable to Holders of Redeemable Units at end of period	81,695	75,513	20,396,077	118,842,337	215,977	156,339

	2017	2016
	Total	Total
	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	62,005,388	150,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	4,517,506	709,209
Redeemable Unit Transactions		
Proceeds from redeemable units issued	6,077,003	118,922,639
Redemption of redeemable units	(51,407,032)	(503,104)
Reinvestment of distributions to holders of redeemable units	622,147	703
Capitalized distributions	–	–
	(44,707,882)	118,420,238
Distributions to Holders of Redeemable Units		
From capital gains	–	–
From net investment income	(622,145)	(693)
Return of capital	–	–
	(622,145)	(693)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(40,812,521)	119,128,754
Net Assets Attributable to Holders of Redeemable Units at end of period	21,192,867	119,278,754

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
Redeemable Unit Transactions						
Balance – beginning of period	30,353	10,000	701	667	1,071	667
Units issued	17,175	17,216	–	–	–	327
Units issued on reinvestment of distributions	163	1	17	15	43	31
Units redeemed	(2,254)	(9,000)	–	–	–	–
Balance – end of period	45,437	18,217	718	682	1,114	1,025

	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
Redeemable Unit Transactions						
Balance – beginning of period	8,051	1,000	6,255,173	1,000	22,519	1,000
Units issued	–	11,603	582,479	11,956,189	4,334	14,809
Units issued on reinvestment of distributions	40	1	60,456	–	145	–
Units redeemed	(307)	(4,994)	(4,998,709)	(36,443)	(6,454)	(51)
Balance – end of period	7,784	7,610	1,899,399	11,920,746	20,544	15,758

	2017	2016
	Total	Total
Redeemable Unit Transactions		
Balance – beginning of period	6,317,868	14,334
Units issued	603,988	12,000,144
Units issued on reinvestment of distributions	60,864	48
Units redeemed	(5,007,724)	(50,488)
Balance – end of period	1,974,996	11,964,038

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility International Equity Fund (Continued)

Statements of Cash Flows

For the six months ended June 30, 2017 and for the period from February 5, 2016 to June 30, 2016 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	4,517,506	709,209
Adjustments for:		
Gain on short-term investments	(180)	(1,344)
Net realized (gain) loss on sale of investments	(2,419,876)	358,780
Change in unrealized (appreciation) depreciation in value of investments	(1,461,892)	(174,570)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(13,155,739)	(122,245,186)
Proceeds from sale of investments	57,459,484	3,815,825
Purchases of short-term investments	(4,200,000)	(43,398,800)
Proceeds from sale of short-term investments	4,200,180	43,400,144
Change in dividends and interest receivable	36,625	(433,507)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	476	636
Change in other payables and accrued expenses	48,483	209,225
Net Cash Provided by (Used in) Operating Activities	45,025,067	(117,759,588)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	2	10
Proceeds from redeemable units issued	6,006,361	118,922,639
Redemption of redeemable units	(51,405,740)	(502,681)
Net Cash Provided by (Used in) Financing Activities	(45,399,377)	118,419,968
Net increase (decrease) in cash	(374,310)	660,380
Cash (bank indebtedness) at beginning of period	537,795	150,000
Cash (bank indebtedness) at end of period	163,485	810,380
Dividends received, net of withholding taxes	867,372	912,709
Interest received, net of withholding taxes	181	1,348
Interest paid	(64)	(3)

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility International Equity Fund (Continued)

Schedule of Investments

As at June 30, 2017 (Unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
BP PLC	34,517	240,581	257,834	
ENI SpA	3,345	65,277	65,204	
		305,858	323,038	1.53
Materials				
Air Liquide SA	833	119,121	133,505	
Chr. Hansen Holding A/S	1,561	127,070	147,253	
Croda International PLC	2,215	126,958	145,166	
JSR Corp.	6,200	117,733	138,809	
Linde AG	431	84,527	105,849	
Symrise AG	1,540	132,667	141,474	
		708,076	812,056	3.83
Industrials				
ANA Holdings Inc.	19,000	72,506	85,736	
Babcock International Group PLC	10,665	184,338	158,412	
Brambles Ltd.	13,130	155,287	127,265	
Bureau Veritas SA	3,120	87,749	89,541	
Daikin Industries Ltd.	1,600	200,019	212,120	
East Japan Railway Co.	3,200	377,602	397,424	
Experian PLC	6,978	199,946	185,400	
Glory Ltd.	4,500	195,292	191,407	
Kubota Corp.	5,900	113,580	128,717	
Legrand SA	1,025	74,369	92,994	
Saab AB	4,422	200,942	283,243	
Schneider Electric SA	1,257	108,197	125,251	
Singapore Technologies Engineering Ltd.	48,400	152,899	168,003	
Yamato Holdings Co., Ltd.	4,100	113,322	107,977	
		2,236,048	2,353,490	11.11
Consumer Discretionary				
ABC-Mart Inc.	6,700	535,159	511,887	
GKN PLC	35,610	192,197	195,834	
Informa PLC	23,237	269,747	262,244	
Reed Elsevier PLC	7,816	183,386	218,873	
RELX NV	6,614	155,952	176,345	
Paddy Power Betfair PLC	1,866	274,966	257,492	
Rinnai Corp.	1,500	171,249	181,525	
Techtronic Industries Co., Ltd.	35,000	177,582	209,034	
Toyota Motor Corp.	2,300	167,749	156,661	
Whitbread PLC	2,533	179,999	169,510	
WPP Plc	3,301	96,645	89,877	
		2,404,631	2,429,282	11.46
Consumer Staples				
Booker Group PLC	37,180	123,423	116,785	
Ezaki Glico Co Ltd.	4,200	321,715	293,699	
Heineken Holding NV	884	90,953	105,081	
Henkel AG & Co KGaA	506	66,736	79,373	
Japan Tobacco Inc.	5,300	251,293	241,791	
Kao Corp.	4,000	299,093	308,470	
Lawson Inc.	3,400	335,879	308,887	
Marine Harvest ASA	11,399	218,785	252,545	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Nestle SA	6,565	634,209	742,958	
Pernod Ricard SA	532	77,911	92,395	
Reckitt Benckiser Group PLC	4,470	553,871	586,961	
Seven & I Holdings Co., Ltd.	4,700	258,679	251,414	
Toyo Suisan Kaisha Ltd.	5,000	244,851	248,794	
Wesfarmers Ltd.	4,132	170,956	165,140	
		3,648,354	3,794,293	17.90
Health Care				
Astellas Pharma Inc.	5,100	101,751	81,024	
Bayer AG	1,472	209,157	246,820	
Cochlear Ltd.	697	109,311	107,933	
Fisher & Paykel Healthcare Corp., Ltd.	36,275	304,343	394,957	
Gerresheimer AG	2,455	254,054	256,115	
Lonza Group AG	384	82,090	107,953	
Novartis AG	5,523	542,218	597,696	
Roche Holding AG	1,758	578,098	582,193	
Takeda Pharmaceutical Co., Ltd.	1,200	73,706	79,184	
Terumo Corp.	7,100	386,991	363,136	
		2,641,719	2,817,011	13.29
Financials				
Admiral Group PLC	2,710	94,667	91,569	
AIA Group Ltd.	24,800	187,673	235,376	
Beazley PLC	11,322	72,147	93,225	
BNP Paribas SA	1,998	144,727	186,627	
DBS Group Holdings Ltd.	15,500	223,781	303,225	
DNB ASA	3,839	84,532	84,517	
Grand City Properties SA	10,747	298,678	279,297	
Hannover Rueck SE	604	86,976	93,896	
HSBC Holdings PLC	11,347	109,110	136,231	
Insurance Australia Group Ltd.	43,149	240,734	291,428	
Jyske Bank A/S	5,393	312,966	405,055	
KBC Groep NV	3,065	244,477	301,501	
Swiss Re AG	1,725	204,512	205,042	
Tokio Marine Holdings Inc.	2,000	115,024	107,516	
Westpac Banking Corp.	8,967	269,296	272,534	
Zurich Financial Services AG	872	288,533	330,050	
		2,977,833	3,417,089	16.12
Real Estate				
Derwent London PLC.	1,979	96,707	88,602	
Deutsche Wohnen AG	3,089	130,121	153,235	
LEG Immobilien AG	862	99,248	105,096	
Unibail-Rodamco SE	779	256,957	254,605	
Vicinity Centres	102,682	294,863	262,881	
		877,896	864,419	4.08
Information Technology				
Amadeus IT Holding SA	3,708	217,685	287,529	
Kyocera Corp.	3,200	218,639	240,637	
Nomura Research Institute Ltd.	1,900	80,733	97,177	
Temenos Group AG	726	83,694	84,278	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility International Equity Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Venture Corporation Ltd.	15,800	132,111	179,584	
VTech Holdings Ltd.	9,400	151,256	193,443	
		884,118	1,082,648	5.11
Telecommunication Services				
KDDI Corp.	12,100	452,736	416,073	
TDC A/S	19,866	136,670	149,842	
Vodafone Group PLC	136,550	542,281	501,590	
		1,131,687	1,067,505	5.04
Utilities				
APA Group	34,901	298,352	318,815	
CLP Holdings Ltd.	29,000	392,942	398,505	
EDP - Energias de Portugal SA	17,914	72,087	75,970	
Enel SpA	92,700	525,557	644,539	
National Grid PLC	6,664	130,678	106,999	
Tokyo Gas Co., Ltd.	34,000	212,834	229,621	
		1,632,450	1,774,449	8.37
Total Equities		19,448,670	20,735,280	97.84
Transaction Costs		(30,117)		
Total Investments		19,418,553	20,735,280	97.84
Other Assets less Liabilities			457,587	2.16
Total Net Assets			21,192,867	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Low Volatility International Equity Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund had no significant investments in debt instruments and/or derivatives and, therefore, did not have significant exposure to credit risk. Credit risk from other financial instruments is minimal.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made

once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following table summarizes the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
Japanese Yen	5,395,699	25.46
Euro	4,166,190	19.66
British Pound	3,675,834	17.34
Swiss Franc	2,735,190	12.91
Australian Dollar	1,567,870	7.40
Hong Kong Dollar	1,036,359	4.89
Danish Krone	709,873	3.35
Singapore Dollar	654,903	3.09
New Zealand Dollar	399,495	1.89
Norwegian Krone	337,062	1.59
Swedish Krona	283,243	1.34
United States Dollar	2,558	0.01
Total	20,964,276	98.93

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
Japanese Yen	14,176,921	22.86
Euro	12,428,532	20.04
British Pound	11,251,361	18.15
Swiss Franc	8,060,629	13.00
Australian Dollar	4,460,423	7.19
Hong Kong Dollar	2,658,896	4.29
Danish Krone	1,951,011	3.15
Singapore Dollar	2,462,611	3.97
New Zealand Dollar	972,537	1.57
Norwegian Krone	928,899	1.50
Swedish Krona	1,554,332	2.51
United States Dollar	—	—
Total	60,906,152	98.23

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility International Equity Fund (Continued)

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$1,048,214 (\$3,045,308 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$1,036,764 (\$3,061,059 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Energy	1.5	3.0
Materials	3.8	3.7
Industrials	11.1	10.8
Consumer Discretionary	11.5	10.6
Consumer Staples	17.9	19.8
Health Care	13.3	11.5
Financials	16.1	14.7
Real Estate	4.1	4.5
Information Technology	5.1	5.3
Telecommunication Services	5.0	6.1
Utilities	8.4	8.7
Other Assets less Liabilities	2.2	1.3
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	20,735,280	–	–	20,735,280
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	61,221,181	–	–	61,221,181

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility International Equity Fund (Continued)

There were no transfers between fair value levels during the period from January 1 to June 30, 2017 and February 5 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$51,209 (\$202,750 for the period ended 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$26,175 (\$103,086 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series A	0.25	3
Series T5	718	10,735
Series T8	751	10,739
Series F	1,039	10,905
Series I	—	—
Series O	—	—

	December 31, 2016	
	Units	Market Value (\$)
Series A	1,028	9,835
Series T5	701	9,829
Series T8	721	9,830
Series F	1,033	9,930
Series I	10,206	100,172
Series O	1,030	9,897

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at June 30, 2017 and December 31, 2016, SLA held the following position in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series I	187,727	2,320,030

	December 31, 2016	
	Units	Market Value (\$)
Series I	185,014	2,266,887

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	—	—
Investments designated at fair value through profit or loss	20,735,280	61,221,181
Total financial assets at fair value through profit or loss	20,735,280	61,221,181
Financial assets at amortized cost		
Cash	163,485	537,795
Other receivables	298,318	251,586
Total financial assets at amortized cost	461,803	789,381
Total assets	21,197,083	62,010,562
Financial liabilities		
Derivative liabilities held for trading	—	—
Financial liabilities at amortized cost	4,216	5,174
Total liabilities (excluding net assets attributable to holders of redeemable units)	4,216	5,174

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Low Volatility International Equity Fund (Continued)

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	4,855,354	1,308,452
Total net gains (losses)	4,855,354	1,308,452

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	February 5, 2016	February 11, 2016
Series T5 Units	February 5, 2016	February 11, 2016
Series T8 Units	February 5, 2016	February 11, 2016
Series F Units	February 5, 2016	February 11, 2016
Series I Units	February 5, 2016	February 11, 2016
Series O Units	February 5, 2016	February 11, 2016

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Monthly Income Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	20,802,405	19,522,150
Short-term investments	–	–
Cash	580,345	842,407
Margin	–	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	361,755	6,253
Unrealized appreciation on swaps	–	–
Due from investment dealers	–	–
Accrued interest	101,412	100,008
Dividends receivable	38,138	38,941
Distributions receivable from underlying funds	–	–
Subscriptions receivable	57,291	6,660
	21,941,346	20,516,419
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	1,345	93,166
Unrealized depreciation on swaps	–	–
Accrued expenses	3,798	3,551
Redemptions payable	11,183	6,401
Distributions payable	–	–
Due to investment dealers	–	796
Management fees payable	18,261	18,181
Total liabilities (excluding net assets attributable to holders of redeemable units)	34,587	122,095
Net Assets Attributable to Holders of Redeemable Units	21,906,759	20,394,324
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	13,038,145	13,100,103
Series T5	345,568	440,359
Series E	–	–
Series EF	–	–
Series F	543,459	660,182
Series I	5,914,709	4,355,960
Series O	2,064,878	1,837,720
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	11.21	11.21
Series T5	15.27	15.42
Series E	–	–
Series EF	–	–
Series F	11.59	11.56
Series I	12.36	12.25
Series O	10.46	10.41

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	218,891	168,537
Interest income for distribution purposes	175,530	134,293
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	399,828	(49,018)
Net realized gain (loss) on futures contracts	–	–
Net realized gain (loss) on currency forward contracts	(121,496)	39,980
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	(598,684)	407,308
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	447,323	361,515
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	521,392	1,062,615
Net gain (loss) on foreign exchange	(8,182)	9,824
Other income	–	–
Total income (loss)	513,210	1,072,439
Expenses (note 5)		
Management fees	96,538	78,444
Administration fees	19,607	15,108
Independent review committee fees	152	81
Withholding tax	9,530	3,636
Transaction costs (note 2)	2,530	4,022
Total operating expenses	128,357	101,291
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	384,853	971,148
Finance Cost		
Interest expense	–	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	384,853	971,147
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	203,746	685,384
Series T5	7,474	20,064
Series E	–	(34,695)
Series EF	–	(185)
Series F	12,653	6,568
Series I	117,522	193,809
Series O	43,458	100,202
Weighted Average Number of Units Outstanding		
Series A	1,167,555	1,000,837
Series T5	26,373	20,656
Series E	–	184,372
Series EF	–	1,013
Series F	55,496	9,449
Series I	424,718	238,130
Series O	189,843	150,919
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.17	0.68
Series T5	0.28	0.97
Series E	–	(0.19)
Series EF	–	(0.18)
Series F	0.23	0.70
Series I	0.28	0.81
Series O	0.23	0.66

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Monthly Income Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	(\$)	Series T5 (\$)	(\$)	Series E (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	13,100,103	9,528,746	440,359	262,796	–	1,749,757
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	203,746	685,384	7,474	20,064	–	(34,695)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	1,609,366	3,422,324	12,447	76,838	–	6,456
Redemption of redeemable units	(1,873,255)	(1,849,761)	(110,094)	(30,889)	–	(1,721,421)
Reinvestment of distributions to holders of redeemable units	209,260	179,898	5,279	5,329	–	5,589
Capitalized distributions	–	–	–	–	–	–
	(54,629)	1,752,461	(92,368)	51,278	–	(1,709,376)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(211,075)	(182,243)	(9,897)	(7,708)	–	(5,686)
Return of capital	–	–	–	–	–	–
	(211,075)	(182,243)	(9,897)	(7,708)	–	(5,686)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(61,958)	2,255,602	(94,791)	63,634	–	(1,749,757)
Net Assets Attributable to Holders of Redeemable Units at end of period	13,038,145	11,784,348	345,568	326,430	–	–
	2017	2016	2017	2016	2017	2016
	Series EF (\$)	(\$)	Series F (\$)	(\$)	Series I (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	–	9,579	660,182	25,359	4,355,960	2,489,366
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	–	(185)	12,653	6,568	117,522	193,809
Redeemable Unit Transactions						
Proceeds from redeemable units issued	–	–	8,582	184,183	1,517,305	776,634
Redemption of redeemable units	–	(9,394)	(137,958)	(11,795)	(76,078)	(66,661)
Reinvestment of distributions to holders of redeemable units	–	31	10,007	1,980	78,404	43,830
Capitalized distributions	–	–	–	–	–	–
	–	(9,363)	(119,369)	174,368	1,519,631	753,803
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	(31)	(10,007)	(1,978)	(78,404)	(43,830)
Return of capital	–	–	–	–	–	–
	–	(31)	(10,007)	(1,978)	(78,404)	(43,830)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	–	(9,579)	(116,723)	178,958	1,558,749	903,782
Net Assets Attributable to Holders of Redeemable Units at end of period	–	–	543,459	204,317	5,914,709	3,393,148

	2017	2016	2017	2016
	Series O (\$)	(\$)	Total (\$)	Total (\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	1,837,720	1,194,942	20,394,324	15,260,545
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	43,458	100,202	384,853	971,147
Redeemable Unit Transactions				
Proceeds from redeemable units issued	395,973	407,146	3,543,673	4,873,581
Redemption of redeemable units	(208,880)	(142,631)	(2,406,265)	(3,832,552)
Reinvestment of distributions to holders of redeemable units	31,159	23,834	334,109	260,491
Capitalized distributions	–	–	–	–
	218,252	288,349	1,471,517	1,301,520
Distributions to Holders of Redeemable Units				
From capital gains	–	–	–	–
From net investment income	(34,552)	(27,265)	(343,935)	(268,741)
Return of capital	–	–	–	–
	(34,552)	(27,265)	(343,935)	(268,741)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	227,158	361,286	1,512,435	2,003,926
Net Assets Attributable to Holders of Redeemable Units at end of period	2,064,878	1,556,228	21,906,759	17,264,471
	2017	2016	2017	2016
	Series A	Series T5	Series E	Series E
Redeemable Unit Transactions				
Balance – beginning of period	1,168,310	905,511	28,554	17,874
Units issued	142,709	325,416	805	5,267
Units issued on reinvestment of distributions	18,616	16,771	343	357
Units redeemed	(166,108)	(174,963)	(7,074)	(2,061)
Balance – end of period	1,163,527	1,072,735	22,628	21,437
	2017	2016	2017	2016
	Series EF	Series F	Series I	Series I
Redeemable Unit Transactions				
Balance – beginning of period	–	1,013	57,106	2,353
Units issued	–	–	741	16,678
Units issued on reinvestment of distributions	–	3	862	177
Units redeemed	–	(1,016)	(11,818)	(1,110)
Balance – end of period	–	–	46,891	18,098
	2017	2016	2017	2016
	Series O	Total	Total	Total
Redeemable Unit Transactions				
Balance – beginning of period	176,562	123,756	1,786,049	1,456,919
Units issued	37,693	42,322	304,804	457,104
Units issued on reinvestment of distributions	2,976	2,415	29,143	24,112
Units redeemed	(19,866)	(15,003)	(210,991)	(387,106)
Balance – end of period	197,365	153,490	1,909,005	1,551,029

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Monthly Income Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	384,853	971,147
Adjustments for:		
Gain on short-term investments	(5)	–
Net realized (gain) loss on sale of investments	(399,828)	49,018
Change in unrealized (appreciation) depreciation in value of investments	598,684	(407,308)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	(447,323)	(361,515)
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(5,808,468)	(4,060,525)
Proceeds from sale of investments	4,326,031	3,059,706
Purchases of short-term investments	(400,000)	–
Proceeds from sale of short-term investments	400,005	–
Change in dividends and interest receivable	(601)	565
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	80	12,974
Change in other payables and accrued expenses	2,777	6,626
Net Cash Provided by (Used in) Operating Activities	(1,343,795)	(729,312)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(9,826)	(7,990)
Proceeds from redeemable units issued	3,493,042	4,950,061
Redemption of redeemable units	(2,401,483)	(3,827,764)
Net Cash Provided by (Used in) Financing Activities	1,081,733	1,114,307
Net increase (decrease) in cash	(262,062)	384,995
Cash (bank indebtedness) at beginning of period	842,407	123,727
Cash (bank indebtedness) at end of period	580,345	508,722
Dividends received, net of withholding taxes	210,164	162,194
Interest received, net of withholding taxes	174,126	137,565
Interest paid	–	(1)

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Monthly Income Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS						
Federal Bonds						
United States Treasury Note	3.375%	21-Oct-2020	150,000	162,189	201,235	
United States Treasury Note	5.000%	15-May-2037	255,000	472,285	454,496	
United States Treasury Note	2.500%	15-Feb-2045	305,000	377,821	369,753	
				1,012,295	1,025,484	4.68
Corporate Bonds						
Advance Auto Parts Inc.	4.500%	15-Feb-2022	10,000	10,194	13,824	
American International Group Inc.	4.125%	15-Feb-2024	175,000	232,041	240,302	
Anheuser-Busch InBev Finance Inc.	5.375%	15-Jan-2020	150,000	187,674	211,057	
Anheuser-Busch InBev Finance Inc.	3.650%	01-Feb-2026	50,000	71,176	67,020	
Anheuser-Busch InBev Worldwide Inc.	3.850%	04-May-2043	150,000	147,468	195,228	
Apple Inc.	3.734%	15-Dec-2024	47,000	63,903	62,137	
AT&T Inc.	4.500%	15-May-2035	195,000	242,960	249,900	
Bank of America Corp.	3.950%	21-Apr-2025	165,000	217,450	217,340	
Becton Dickinson and Co.	3.400%	31-Jan-2022	220,000	265,474	301,146	
Berkshire Hathaway Inc.	2.900%	15-Aug-2018	100,000	106,667	131,751	
Boeing Capital Corp.	4.742%	11-Mar-2021	120,000	139,946	169,442	
BP Capital Markets PLC	3.200%	05-Feb-2025	100,000	125,565	127,337	
Bruce Power LP	3.969%	23-Jun-2026	85,000	89,675	90,006	
Capital One Financial Corp.	7.150%	15-Feb-2019	40,000	53,397	56,334	
Caterpillar Financial Services Corp.	2.100%	01-May-2023	200,000	234,533	255,638	
Coca-Cola Co.	3.625%	01-Dec-2024	100,000	128,256	133,264	
Comcast Corp.	4.750%	01-Mar-2044	55,000	84,231	79,672	
CU Inc.	3.805%	10-Sep-2042	85,000	90,313	90,537	
Dominion Resources Inc.	5.000%	15-Oct-2025	100,000	135,473	145,266	
Energy Transfer Partners LP	4.875%	15-Feb-2021	47,000	55,861	65,727	
Fidelity National Information Services Inc.	5.500%	08-Jan-2020	145,000	182,762	205,191	
Forest Laboratories Inc.	4.800%	01-Apr-2044	150,000	169,704	212,769	
General Electric Capital Corp.	5.350%	03-Apr-2018	100,000	121,363	133,742	
Gilead Sciences Inc.	3.200%	25-Jan-2023	150,000	146,409	198,769	
Goldman Sachs Group Inc.	5.375%	10-Feb-2020	26,000	31,015	36,415	
Home Depot Inc.	4.875%	15-Feb-2044	55,000	88,371	82,941	
IGM Financial Inc.	4.560%	25-Jan-2047	40,000	40,000	43,183	
Intercontinental Exchange Inc.	5.000%	15-Jan-2021	200,000	236,893	278,486	
Intercontinental Exchange Inc.	3.750%	01-Dec-2025	135,000	180,934	184,582	
John Deere Capital Corp.	4.625%	15-Mar-2045	50,000	68,569	73,259	
JPMorgan Chase & Co.	5.500%	28-Jul-2021	100,000	98,785	144,140	
Kraft Foods Group Inc.	3.875%	29-Apr-2024	100,000	109,433	135,094	
Life Technologies Corp.	3.600%	04-Apr-2023	150,000	157,316	198,565	
Medtronic Inc.	3.150%	01-Nov-2020	100,000	109,149	135,001	
Medtronic Inc.	3.500%	15-Mar-2025	150,000	207,659	202,854	
Medtronic Inc.	3.375%	30-Apr-2025	125,000	150,562	162,451	
Morgan Stanley	3.400%	15-Apr-2022	200,000	218,498	265,958	
Morgan Stanley	3.625%	22-Jan-2023	150,000	149,211	201,315	
Newell Rubbermaid Inc.	2.750%	15-Jul-2023	65,000	64,010	84,941	
Pembina Pipeline Corp.	4.810%	25-Mar-2044	90,000	93,924	92,831	
PNC Bank NA	2.875%	17-Feb-2022	100,000	100,023	132,386	
Reynolds American Inc.	3.300%	12-Jan-2022	100,000	104,234	134,693	
Sabine Pass Liquefaction LLC	4.200%	15-Mar-2028	58,000	76,744	76,259	
Sealed Air Corp.	5.125%	01-Dec-2024	60,000	86,121	83,961	
SES SA	2.000%	15-Feb-2025	940,000	1,245,955	1,204,279	
SunTrust Bank/Atlanta GA	3.300%	15-May-2026	250,000	326,422	317,932	
Sydney Airport Finance Co., Ltd.	3.000%	15-May-2042	240,000	333,034	322,872	
Total Capital International SA	3.800%	18-Nov-2024	150,000	193,113	202,640	
Toyota Motor Credit Corp.	6.500%	15-Aug-2037	150,000	198,396	274,916	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Monthly Income Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
UnitedHealth Group Inc	3.350%	15-Jul-2022	145,000	192,882	196,737	
Videotron Ltd.	5.625%	15-Jun-2025	85,000	88,188	92,083	
				8,251,936	9,014,173	41.14
Total Bonds				9,264,231	10,039,657	45.82

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Canadian Natural Resources Ltd.	5,498	201,997	205,735	
Crescent Point Energy Corp.	4,751	128,183	47,130	
Enbridge Inc.	9,722	468,806	502,239	
Enerflex Ltd.	3,146	54,951	59,208	
Pembina Pipeline Corp.	3,267	125,943	140,318	
Suncor Energy Inc.	11,915	444,042	451,459	
Surge Energy Inc.	33,697	107,165	70,427	
TORC Oil & Gas Ltd.	11,081	91,100	56,181	
TransCanada Corporation	5,322	277,497	329,006	
Vermilion Energy Inc.	1,136	54,385	46,735	
		1,954,069	1,908,438	8.71
Materials				
Agnico Eagle Mines Ltd.	972	43,484	56,843	
Agrium Inc.	1,184	140,457	139,156	
Barrick Gold Corp.	4,734	120,271	97,662	
BHP Billiton PLC	7,899	139,619	156,703	
Franco-Nevada Corp.	1,444	112,377	135,115	
Goldcorp Inc.	6,046	134,320	101,089	
Intertape Polymer Group Inc.	5,177	100,126	127,820	
Methanex Corp.	1,321	64,676	75,627	
Ternium SA	3,212	68,086	117,175	
		923,416	1,007,190	4.60
Industrials				
Canadian National Railway Co.	2,255	222,834	237,271	
Canadian Pacific Railway Ltd.	2,129	413,271	444,216	
Stantec Inc.	3,094	106,637	101,019	
Transcontinental Inc., Class A	3,765	69,061	96,761	
Union Pacific Corp.	546	76,234	77,227	
Waste Connections Inc.	1,107	45,508	92,468	
Westjet Airlines Ltd.	8,338	170,959	193,025	
		1,104,504	1,241,987	5.67
Consumer Discretionary				
Citi Trends Inc.	4,556	117,261	125,556	
Magna International Inc.	6,961	278,123	418,147	
		395,384	543,703	2.48
Consumer Staples				
Alimentation Couche-Tard Inc., Class B	2,242	138,352	139,363	
AMBEV SA, ADR	7,313	53,849	52,141	
Archer-Daniels-Midland Co.	2,559	127,371	137,521	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
AVI Ltd.	9,241	84,575	87,016	
Greggs PLC	6,715	117,818	122,340	
		521,965	538,381	2.46
Health Care				
Bayer AG	540	82,116	90,545	
		82,116	90,545	0.41
Financials				
Apollo Global Management LLC	2,117	51,855	72,720	
Brookfield Asset Management Inc.	2,428	110,426	123,561	
Element Fleet Management Corp.	3,802	49,293	33,838	
Insurance Australia Group Ltd.	18,243	102,126	123,213	
Intesa Sanpaolo SpA	41,007	165,794	168,618	
Manulife Financial Corp.	13,399	313,167	325,730	
National Bank of Canada	5,034	229,835	274,504	
Power Financial Corp.	4,548	136,880	151,312	
Royal Bank of Canada	10,238	735,232	964,009	
Starwood Property Trust Inc.	5,593	160,637	162,633	
Sydbank A/S	2,494	111,476	121,930	
The Bank of Nova Scotia	5,703	364,783	444,891	
The Toronto-Dominion Bank	11,721	580,690	765,967	
Trisura Group Ltd.	14	307	304	
Zurich Financial Services AG	589	184,258	222,935	
		3,296,759	3,956,165	18.06
Real Estate				
Atrium European Real Estate Ltd.	9,388	50,559	54,358	
Dream Office Real Estate Investment Trust	14,020	298,110	274,091	
		348,669	328,449	1.50
Information Technology				
Hitachi Ltd.	14,000	90,411	111,557	
Samsung Electronics Co., Ltd.	50	38,051	67,208	
		128,462	178,765	0.82
Telecommunication Services				
TDC A/S	15,190	137,238	114,572	
TELUS Corp.	4,266	167,179	190,989	
		304,417	305,561	1.39

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Monthly Income Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Utilities				
Canadian Utilities Ltd., Class A	3,999	149,903	166,638	
Capital Power Corp.	7,846	179,647	190,815	
Engie	7,788	181,511	153,231	
Superior Plus Corp.	13,387	149,539	152,880	
		660,600	663,564	3.03
Total Equities		9,720,361	10,762,748	49.13
Transaction Costs		(6,050)		
Total Investments		18,978,542	20,802,405	94.95
Currency Forward Contracts ⁽¹⁾			360,410	1.65
Other Assets less Liabilities			743,944	3.40
Total Net Assets			21,906,759	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Merrill Lynch	NR	10-Aug-2017	CAD	10,008,202	USD	(7,433,140)	361,755
							361,755
Brown Brothers Harriman & Co.	NR	10-Aug-2017	USD	27,704	CAD	(37,299)	(1,345)
							(1,345)
							360,410

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Monthly Income Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund also invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets
	June 30, 2017
AAA/Aaa	10.73
AA/Aa	6.86
A/A	11.65
BBB/Bbb	15.78
BB/Bb	0.80
Not Rated	1.65
Total	47.47

Rating	As a % of Net Assets
	December 31, 2016
AAA/Aaa	4.08
AA/Aa	7.51
A/A	17.68
BBB/Bbb	14.25
BB/Bb	0.84
Not Rated	—
Total	44.36

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Monthly Income Fund (Continued)

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	1,087,523	4.96
Euro	313,521	1.43
British Pound	279,044	1.27
Danish Krone	237,431	1.08
Swiss Franc	224,722	1.03
Australian Dollar	123,213	0.56
Japanese Yen	111,557	0.51
South African Rand	87,016	0.40
Norwegian Krone	—	—
Total	2,464,027	11.24

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	812,837	3.99
Euro	50,486	0.25
British Pound	210,947	1.03
Danish Krone	101,640	0.50
Swiss Franc	210,891	1.03
Australian Dollar	102,642	0.50
Japanese Yen	101,733	0.50
South African Rand	49,097	0.24
Norwegian Krone	1,219	0.01
Total	1,641,492	8.05

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$123,201 (\$82,075 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	133,742
1-5 years	2,482,785
More than 5 years	7,423,130
Total	10,039,657

	December 31, 2016 (\$)
Less than 1 year	—
1-5 years	1,909,644
More than 5 years	7,130,348
Total	9,039,992

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$1,051,451 (\$931,376 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$538,137 (\$524,108 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Monthly Income Fund (Continued)

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Bonds		
Corporate Bonds	41.1	41.3
Federal Bonds	4.7	0.8
Provincial Bonds	–	2.2
Equities		
Energy	8.7	11.2
Materials	4.6	4.9
Industrials	5.7	5.6
Consumer Discretionary	2.5	2.8
Consumer Staples	2.5	1.4
Health Care	0.4	–
Financials	18.0	17.7
Real Estate	1.5	2.2
Information Technology	0.8	0.9
Telecommunication Services	1.4	1.4
Utilities	3.0	3.3
Currency Forward Contracts	1.7	(0.4)
Other Assets less Liabilities	3.4	4.7
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant

unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	10,609,517	153,231	–	10,762,748
Bonds	–	10,039,657	–	10,039,657
Currency Forward Contracts	–	361,755	–	361,755
Financial Liabilities				
Currency Forward Contracts	–	1,345	–	1,345

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	10,353,473	128,685	–	10,482,158
Bonds	–	9,039,992	–	9,039,992
Currency Forward Contracts	–	6,253	–	6,253
Financial Liabilities				
Currency Forward Contracts	–	93,166	–	93,166

There were no transfers in the Fund between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Monthly Income Fund (Continued)

the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Bonds and short-term investments

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds and short-term investments have been classified as Level 2.

Derivative assets and liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$2,530 (\$4,022 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$1,206 (\$4,624 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$323,680 (\$184,082 as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series F	936	10,843

	December 31, 2016	
	Units	Market Value (\$)
Series F	920	10,634

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at June 30, 2017 and December 31, 2016, SLA held the following positions in the Fund:

	Series	June 30, 2017	
		Units	Market Value (\$)
Sun Life MFS Monthly Income Fund	I	187,727	2,320,030

	Series	December 31, 2016	
		Units	Market Value (\$)
Sun Life MFS Monthly Income Fund	I	185,014	2,266,887

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	361,755	6,253
Investments designated at fair value through profit or loss	20,802,405	19,522,150
Total financial assets at fair value through profit or loss	21,164,160	19,528,403
Financial assets at amortized cost		
Cash	580,345	842,407
Other receivables	196,841	145,609
Total financial assets at amortized cost	777,186	988,016
Total assets	21,941,346	20,516,419
Financial liabilities		
Derivative liabilities held for trading	1,345	93,166
Financial liabilities at amortized cost	33,242	28,929
Total liabilities (excluding net assets attributable to holders of redeemable units)	34,587	122,095

The accompanying notes are an integral part of the financial statements.

Sun Life MFS Monthly Income Fund (Continued)

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	325,827	401,495
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	195,565	661,120
Total net gains (losses)	521,392	1,062,615

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	361,755	–	–	361,755
Total	361,755	–	–	361,755
Derivative liabilities –				
Forward Contracts	(1,345)	–	–	(1,345)
Total	(1,345)	–	–	(1,345)
December 31, 2016				
Derivative assets –				
Forward Contracts	6,253	–	–	6,253
Total	6,253	–	–	6,253
Derivative liabilities –				
Forward Contracts	(93,166)	–	–	(93,166)
Total	(93,166)	–	–	(93,166)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	August 24, 2011	September 01, 2011
Series T5 Units	August 24, 2011	September 01, 2011
Series F Units	August 24, 2011	September 01, 2011
Series I Units	August 24, 2011	September 01, 2011
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Equity Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current assets		
Investments (non-derivative financial assets) (note 2)	532,659,447	597,509,988
Short-term investments	—	—
Cash	5,764,360	10,735,417
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	—	—
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	—
Accrued interest	—	—
Dividends receivable	489,017	582,984
Distributions receivable from underlying funds	—	—
Subscriptions receivable	400,378	1,124,768
	539,313,202	609,953,157
Liabilities		
Current liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	30,130	28,928
Redemptions payable	3,934,836	1,453,199
Distributions payable	—	—
Due to investment dealers	—	—
Management fees payable	84,302	74,521
Total liabilities (excluding net assets attributable to holders of redeemable units)	4,049,268	1,556,648
Net Assets Attributable to Holders of redeemable units	535,263,934	608,396,509
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	11,160,220	9,644,502
Series D	35,372,869	34,200,613
Series E	—	—
Series F	11,390,448	10,404,386
Series I	468,413,814	546,057,548
Series O	8,926,583	8,089,460
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	70.09	65.23
Series D	73.69	68.32
Series E	—	—
Series F	73.36	67.93
Series I	75.11	69.10
Series O	15.20	14.00

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	4,708,435	5,020,430
Interest income for distribution purposes	179,341	37,469
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	58,498,250	4,757,179
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	—	—
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	(15,248,448)	(37,977,450)
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	—	—
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	48,137,578	(28,162,372)
Net gain (loss) on foreign exchange	17,244	(22,026)
Other income	—	—
Total income (loss)	48,154,822	(28,184,398)
Expenses (note 5)		
Management fees	417,877	367,288
Administration fees	156,757	153,543
Independent review committee fees	619	3,158
Withholding tax	605,700	637,088
Transaction costs (note 2)	65,395	55,361
Total operating expenses	1,246,348	1,216,438
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	46,908,474	(29,400,836)
Finance Cost		
Interest expense	(3)	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	46,908,471	(29,400,836)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	735,017	(420,313)
Series D	2,648,002	(1,964,720)
Series E	—	(79,382)
Series F	826,432	(526,057)
Series I	42,014,530	(26,070,394)
Series O	684,490	(339,970)
Weighted Average Number of Units Outstanding		
Series A	155,118	139,902
Series D	488,176	535,754
Series E	—	74,570
Series F	153,105	153,063
Series I	6,901,012	8,554,556
Series O	577,268	550,345
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	4.74	(3.00)
Series D	5.42	(3.67)
Series E	—	(1.06)
Series F	5.40	(3.44)
Series I	6.09	(3.05)
Series O	1.19	(0.62)

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Equity Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series D		Series E	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	9,644,502	7,863,132	34,200,613	36,129,234	—	1,117,369
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	735,017	(420,313)	2,648,002	(1,964,720)	—	(79,382)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	2,303,827	2,312,203	332,679	113,729	—	7,394
Redemption of redeemable units	(1,523,138)	(994,545)	(1,808,440)	(1,960,767)	—	(1,045,320)
Reinvestment of distributions to holders of redeemable units	693	422	67	17	—	44
Capitalized distributions	—	—	—	—	—	—
	781,382	1,318,080	(1,475,694)	(1,847,021)	—	(1,037,882)
Distributions to Holders of Redeemable Units						
From capital gains	—	—	—	—	—	—
From net investment income	(681)	(313)	(52)	(8)	—	(105)
Return of capital	—	—	—	—	—	—
	(681)	(313)	(52)	(8)	—	(105)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	1,515,718	897,454	1,172,256	(3,811,749)	—	(1,117,369)
Net Assets Attributable to Holders of Redeemable Units at end of period	11,160,220	8,760,586	35,372,869	32,317,485	—	—

	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	10,404,386	10,260,870	546,057,548	556,745,320	8,089,460	7,147,336
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	826,432	(526,057)	42,014,530	(26,070,394)	684,490	(339,970)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	706,582	553,382	25,759,373	35,985,812	339,225	573,759
Redemption of redeemable units	(546,296)	(781,443)	(145,417,637)	(29,064,250)	(186,592)	(67,575)
Reinvestment of distributions to holders of redeemable units	5,787	4,049	—	—	—	—
Capitalized distributions	—	—	—	—	—	—
	166,073	(224,012)	(119,658,264)	6,921,562	152,633	506,184
Distributions to Holders of Redeemable Units						
From capital gains	—	—	—	—	—	—
From net investment income	(6,443)	(3,696)	—	—	—	—
Return of capital	—	—	—	—	—	—
	(6,443)	(3,696)	—	—	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	986,062	(753,765)	(77,643,734)	(19,148,832)	837,123	166,214
Net Assets Attributable to Holders of Redeemable Units at end of period	11,390,448	9,507,105	468,413,814	537,596,488	8,926,583	7,313,550
					2017	2016
					Total	Total
					(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period					608,396,509	619,263,261
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)					46,908,471	(29,400,836)
Redeemable Unit Transactions						
Proceeds from redeemable units issued					29,441,686	39,546,279
Redemption of redeemable units					(149,482,103)	(33,913,900)
Reinvestment of distributions to holders of redeemable units					6,547	4,532
Capitalized distributions					—	—
					(120,033,870)	5,636,911
Distributions to Holders of Redeemable Units						
From capital gains					—	—
From net investment income					(7,176)	(4,122)
Return of capital					—	—
					(7,176)	(4,122)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period					(73,132,575)	(23,768,047)
Net Assets Attributable to Holders of Redeemable Units at end of period					535,263,934	595,495,214

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Equity Fund (Continued)

	2017	2016	2017	2016	2017	2016
	Series A		Series D		Series E	
Redeemable Unit Transactions						
Balance – beginning of period	147,865	124,216	500,601	549,087	–	85,003
Units issued	33,024	39,312	4,455	1,853	–	587
Units issued on reinvestment of distributions	10	7	1	–	–	3
Units redeemed	(21,668)	(16,713)	(25,027)	(31,789)	–	(85,593)
Balance – end of period	159,231	146,822	480,030	519,151	–	–

	2017	2016	2017	2016	2017	2016
	Series F		Series I		Series O	
Redeemable Unit Transactions						
Balance – beginning of period	153,172	156,898	7,902,849	8,381,031	577,980	531,030
Units issued	9,785	9,137	345,689	576,810	22,086	44,994
Units issued on reinvestment of distributions	80	66	–	–	–	–
Units redeemed	(7,776)	(12,634)	(2,012,510)	(466,242)	(12,761)	(5,311)
Balance – end of period	155,261	153,467	6,236,028	8,491,599	587,305	570,713

	2017	2016
	Total	
Redeemable Unit Transactions		
Balance – beginning of period	9,282,467	9,827,265
Units issued	415,039	672,693
Units issued on reinvestment of distributions	91	76
Units redeemed	(2,079,742)	(618,282)
Balance – end of period	7,617,855	9,881,752

Statements of Cash Flows For the six months ended June 30 (unaudited)

	2017	2016
	(\$)	(\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	46,908,471	(29,400,836)
Adjustments for:		
Gain on short-term investments	(4,839)	(991)
Net realized (gain) loss on sale of investments	(58,498,250)	(4,757,179)
Change in unrealized (appreciation) depreciation in value of investments	15,248,448	37,977,450
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(69,023,965)	(70,043,826)
Proceeds from sale of investments	177,197,667	58,766,140
Purchases of short-term investments	(21,366,704)	(9,645,356)
Proceeds from sale of short-term investments	21,232,789	9,344,196
Change in dividends and interest receivable	93,967	4,043
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	9,781	54,917
Change in other payables and accrued expenses	66,597	81,821
Net Cash Provided by (Used in) Operating Activities	111,863,962	(7,619,621)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(629)	410
Proceeds from redeemable units issued	30,166,076	38,101,229
Redemption of redeemable units	(147,000,466)	(33,612,638)
Net Cash Provided by (Used in) Financing Activities	(116,835,019)	4,489,001
Net increase (decrease) in cash	(4,971,057)	(3,130,620)
Cash (bank indebtedness) at beginning of period	10,735,417	5,472,172
Cash (bank indebtedness) at end of period	5,764,360	2,341,552
Dividends received, net of withholding taxes	4,196,702	4,387,385
Interest received, net of withholding taxes	179,341	37,469
Interest paid	(3)	–

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Equity Fund (Continued)

Schedule of Investments

As at June 30, 2017 (Unaudited)

	Yield	Maturity Date	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES						
Energy						
Enterprise Products Partners LP			151,005	5,222,676	5,310,669	
EOG Resources Inc.			71,735	6,686,711	8,433,055	
Schlumberger Ltd.			116,948	10,946,128	9,999,853	
				22,855,515	23,743,577	4.43
Materials						
Crown Holdings Inc.			120,350	6,896,271	9,324,781	
Monsanto Co.			62,734	8,326,937	9,643,112	
PPG Industries Inc.			35,291	4,751,633	5,039,738	
The Sherwin-Williams Co.			15,431	3,660,250	7,033,330	
				23,635,091	31,040,961	5.80
Industrials						
AMETEK Inc.			54,752	3,502,709	4,306,920	
Canadian National Railway Co.			108,140	6,927,503	11,382,788	
Fluor Corp.			48,681	3,113,653	2,894,307	
Honeywell International Inc.			58,343	4,917,023	10,099,401	
United Technologies Corp.			25,930	2,482,152	4,112,094	
				20,943,040	32,795,510	6.13
Consumer Discretionary						
Aramark			70,701	3,122,403	3,762,762	
AutoZone Inc.			2,736	2,393,329	2,026,985	
Comcast Corp.			241,538	6,248,909	12,208,648	
LVMH Moët Hennessy Louis Vuitton SA			22,856	4,399,484	7,390,595	
Newell Rubbermaid Inc.			161,172	7,358,983	11,223,432	
NIKE Inc.			65,255	3,911,274	5,000,058	
Ross Stores Inc.			63,319	3,296,995	4,747,280	
Starbucks Corp.			84,137	6,321,509	6,371,466	
The Interpublic Group of Cos Inc.			105,967	3,235,843	3,385,439	
The Walt Disney Co.			26,482	1,780,739	3,654,172	
Time Warner Inc.			56,694	4,446,304	7,393,045	
Twenty-First Century Fox Inc.			137,600	4,631,955	5,064,395	
				51,147,727	72,228,277	13.49
Consumer Staples						
Colgate-Palmolive Co.			71,875	4,827,690	6,919,602	
Costco Wholesale Corp.			21,514	4,281,586	4,468,486	
Coty Inc.			148,986	3,973,410	3,629,841	
Danone SA			75,193	5,792,368	7,329,845	
Diageo PLC			120,154	3,566,102	4,598,076	
Kimberly-Clark Corp.			17,599	2,748,178	2,950,918	
Mondelez International Inc.			165,405	6,530,798	9,277,717	
Pernod-Ricard SA			43,366	5,742,475	7,531,607	
The Estee Lauder Cos Inc.			28,473	3,207,215	3,549,141	
				40,669,822	50,255,233	9.39
Health Care						
Abbott Laboratories			96,715	4,512,490	6,105,605	
Allergan PLC			15,653	5,165,394	4,941,672	
Biogen Inc.			16,129	5,814,938	5,684,111	
Danaher Corp.			104,610	5,750,929	11,464,984	
Eli Lilly & Co.			74,166	6,819,602	7,927,093	
Johnson & Johnson			44,965	4,055,507	7,725,221	
McKesson Corp.			30,700	6,851,226	6,560,231	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Equity Fund (Continued)

Schedule of Investments

	Yield	Maturity Date	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Medtronic PLC			88,442	8,701,903	10,193,802	
Stryker Corp.			24,368	2,342,924	4,391,936	
Thermo Fisher Scientific Inc.			67,439	7,365,138	15,280,626	
Zoetis Inc.			81,979	5,336,434	6,641,364	
				62,716,485	86,916,645	16.24
Financials						
ACE Ltd.			36,042	3,410,909	6,804,917	
Bank of America Corporation			548,037	10,112,128	17,266,724	
BlackRock Inc.			7,039	1,918,065	3,861,486	
JPMorgan Chase & Co.			170,613	9,681,486	20,251,985	
Morgan Stanley			117,820	3,970,796	6,818,259	
The Blackstone Group LP			110,710	4,378,089	4,795,037	
The Goldman Sachs Group Inc.			37,226	6,770,480	10,727,856	
The NASDAQ OMX Group Inc.			68,260	3,661,613	6,337,542	
US Bancorp.			93,901	5,340,242	6,331,610	
				49,243,808	83,195,416	15.54
Information Technology						
Accenture PLC			68,217	6,132,254	10,957,245	
Adobe Systems Inc.			24,031	2,588,924	4,414,214	
Alphabet Inc., Class A			12,431	8,916,312	15,008,900	
Alphabet Inc., Class C			9,980	2,221,431	11,778,085	
Amdocs Ltd.			16,259	1,394,766	1,361,111	
Apple Inc.			30,766	2,479,945	5,754,441	
Broadcom Ltd.			46,326	8,210,049	14,021,135	
Cognizant Technology Solutions Corp.			142,631	8,311,282	12,299,608	
DXC Technology Co.			60,091	5,459,841	5,987,249	
Facebook Inc.			35,001	6,719,319	6,862,923	
Fidelity National Information Services Inc.			94,852	5,699,740	10,519,949	
Hewlett Packard Enterprise Co.			149,516	2,011,627	3,221,390	
MasterCard Inc., Class A			68,381	4,935,527	10,785,549	
Texas Instruments Inc.			55,871	4,431,787	5,582,021	
Visa Inc., Class A			136,279	7,427,404	16,597,720	
				76,940,208	135,151,540	25.25
Telecommunication Services						
American Tower Corp.			83,430	8,080,763	14,336,958	
				8,080,763	14,336,958	2.68
Utilities						
American Electric Power Co., Inc.			33,200	1,659,553	2,995,330	
				1,659,553	2,995,330	0.56
Total Equities				357,892,012	532,659,447	99.51
Transaction Costs				(148,553)		
Total Investments				357,743,459	532,659,447	99.51
Other Assets less Liabilities					2,604,487	0.49
Total Net Assets					535,263,934	100.00

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Equity Fund (Continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS U.S. Equity Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund had no significant investments in debt instruments and/or derivatives and, therefore, did not have any other significant exposure to credit risk. Credit risk from other financial instruments is minimal.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	507,171,099	94.75
Euro	22,347,014	4.17
British Pound	4,598,076	0.86
Total	534,116,189	99.78
	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	579,657,157	95.28
Euro	23,224,396	3.82
British Pound	4,853,836	0.80
Total	607,735,389	99.90

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$26,705,809 (\$30,386,769 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in publicly traded equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$26,632,972 (\$29,875,499 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Equity Fund (Continued)

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Energy	4.4	4.9
Materials	5.8	4.9
Industrials	6.1	6.5
Consumer Discretionary	13.5	13.7
Consumer Staples	9.4	9.7
Health Care	16.2	15.1
Financials	15.5	18.8
Information Technology	25.3	21.7
Telecommunication Services	2.7	2.4
Utilities	0.6	0.5
Other Assets less Liabilities	0.5	1.8
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar

securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	532,659,447	–	–	532,659,447
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	597,509,988	–	–	597,509,988

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$65,395 (\$55,361 for the period ended June 30, 2016).

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Equity Fund (Continued)

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$41,628 (\$89,082 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$11,065,476 (\$23,071,286 as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	532,659,447	597,509,988
Total financial assets at fair value through profit or loss	532,659,447	597,509,988
Financial assets at amortized cost		
Cash	5,764,360	10,735,417
Other receivables	889,395	1,707,752
Total financial assets at amortized cost	6,653,755	12,443,169
Total assets	539,313,202	609,953,157
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	4,049,268	1,556,648
Total liabilities (excluding net assets attributable to holders of redeemable units)	4,049,268	1,556,648

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	48,137,578	(28,162,372)
Total net gains (losses)	48,137,578	(28,162,372)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	March 27, 2009	March 31, 2009
Series D Units	July 15, 1988	July 15, 1988
Series F Units	February 13, 2008	February 13, 2008
Series I Units	November 21, 2008	November 28, 2008
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Growth Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	553,325,272	688,432,637
Short-term investments	12,196,950	24,180,907
Cash	1,684,145	153,587
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	19,880	3,458
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	757,171
Accrued interest	2,440	5,182
Dividends receivable	279,421	347,255
Distributions receivable from underlying funds	—	—
Subscriptions receivable	1,215,655	7,037,748
	568,723,763	720,917,945
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	41,629	43,988
Redemptions payable	177,458	659,109
Distributions payable	—	—
Due to investment dealers	—	7,133,448
Management fees payable	113,276	93,333
Total liabilities (excluding net assets attributable to holders of redeemable units)	332,363	7,929,878
Net Assets Attributable to Holders of Redeemable Units	568,391,400	712,988,067
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	47,997,558	39,172,529
Series AH	897,870	759,449
Series T5	219,043	206,476
Series T8	519,571	295,058
Series E	—	—
Series EF	—	—
Series F	4,838,065	7,160,673
Series FH	30,103	9,820
Series I	506,333,074	659,608,302
Series IH	162,316	9,863
Series O	7,382,397	5,756,062
Series OH	11,403	9,835
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	26.30	23.42
Series AH	19.61	17.00
Series T5	29.21	26.61
Series T8	24.60	22.72
Series E	—	—
Series EF	—	—
Series F	28.26	24.98
Series FH	11.37	9.79
Series I	30.45	26.82
Series IH	11.38	9.82
Series O	16.00	14.10
Series OH	11.43	9.81

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	3,155,951	2,326,240
Interest income for distribution purposes	42,566	17,510
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	79,214,824	6,709,153
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	14,333	42,578
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	12,088,487	(36,563,031)
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	16,422	(7,041)
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	94,532,583	(27,474,591)
Net gain (loss) on foreign exchange	(700,305)	(329,344)
Other income	—	—
Total income (loss)	93,832,278	(28,803,935)
Expenses (note 5)		
Management fees	535,928	385,788
Administration fees	240,377	176,138
Independent review committee fees	549	2,718
Withholding tax	408,252	330,389
Transaction costs (note 2)	94,676	59,796
Total operating expenses	1,279,782	954,829
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	92,552,496	(28,758,764)
Finance Cost		
Interest expense	(2)	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	92,552,494	(28,758,764)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	4,865,177	(1,768,129)
Series AH	118,199	(13,750)
Series T5	28,260	(18,742)
Series T8	32,676	(11,328)
Series E	—	(420,434)
Series EF	—	(1,117)
Series F	619,442	(83,666)
Series FH	1,234	—
Series I	86,087,723	(26,265,746)
Series IH	2,497	—
Series O	795,673	(175,852)
Series OH	1,613	—
Weighted Average Number of Units Outstanding		
Series A	1,737,129	1,453,544
Series AH	45,291	40,788
Series T5	8,442	8,918
Series T8	14,774	6,111
Series E	—	284,924
Series EF	—	1,022
Series F	204,474	74,882
Series FH	1,209	—
Series I	21,801,230	19,186,057
Series IH	4,430	—
Series O	431,261	289,784
Series OH	1,000	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)	2.80	(1.22)
Series A	2.61	(0.34)
Series AH	3.35	(2.10)
Series T5	2.21	(1.85)
Series T8	—	(1.48)
Series E	—	(1.09)
Series EF	—	(1.12)
Series F	3.03	—
Series FH	1.02	—
Series I	3.95	(1.37)
Series IH	0.56	—
Series O	1.84	(0.61)
Series OH	1.61	—

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Growth Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series AH		Series T5	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	39,172,529	27,565,974	759,449	689,184	206,476	266,256
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	4,865,177	(1,768,129)	118,199	(13,750)	28,260	(18,742)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	10,072,918	14,308,157	65,078	163,145	98,560	13,174
Redemption of redeemable units	(6,113,317)	(3,480,252)	(44,865)	(96,471)	(111,977)	(45,923)
Reinvestment of distributions to holders of redeemable units	4,443	2,243	391	265	3,270	4,730
Capitalized distributions	–	–	–	–	–	–
	3,964,044	10,830,148	20,604	66,939	(10,147)	(28,019)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(4,192)	(1,654)	(382)	(203)	(5,546)	(6,408)
Return of capital	–	–	–	–	–	–
	(4,192)	(1,654)	(382)	(203)	(5,546)	(6,408)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	8,825,029	9,060,365	138,421	52,986	12,567	(53,169)
Net Assets Attributable to Holders of Redeemable Units at end of period	47,997,558	36,626,339	897,870	742,170	219,043	213,087

	2017	2016	2017	2016	2017	2016
	Series T8		Series E		Series EF	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	295,058	152,418	–	3,758,124	–	10,519
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	32,676	(11,328)	–	(420,434)	–	(1,117)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	228,709	20,774	–	309,333	–	–
Redemption of redeemable units	(28,568)	(29,559)	–	(3,646,857)	–	(9,402)
Reinvestment of distributions to holders of redeemable units	5,570	4,275	–	143	–	1
Capitalized distributions	–	–	–	–	–	–
	205,711	(4,510)	–	(3,337,381)	–	(9,401)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(13,874)	(6,244)	–	(309)	–	(1)
Return of capital	–	–	–	–	–	–
	(13,874)	(6,244)	–	(309)	–	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	224,513	(22,082)	–	(3,758,124)	–	(10,519)
Net Assets Attributable to Holders of Redeemable Units at end of period	519,571	130,336	–	–	–	–

	2017	2016	2017	2016	2017	2016
	Series F		Series FH		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	7,160,673	1,366,750	9,820	–	659,608,302	484,644,073
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	619,442	(83,666)	1,234	–	86,087,723	(26,265,746)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	1,465,332	1,080,005	19,051	–	127,209,095	136,809,399
Redemption of redeemable units	(4,407,325)	(344,178)	–	–	(366,572,046)	(56,151,801)
Reinvestment of distributions to holders of redeemable units	612	117	10	–	916,533	–
Capitalized distributions	–	–	–	–	–	–
	(2,941,381)	735,944	19,061	–	(238,446,418)	80,657,598
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(669)	(87)	(12)	–	(916,533)	–
Return of capital	–	–	–	–	–	–
	(669)	(87)	(12)	–	(916,533)	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(2,322,608)	652,191	20,283	–	(153,275,228)	54,391,852
Net Assets Attributable to Holders of Redeemable Units at end of period	4,838,065	2,018,941	30,103	–	506,333,074	539,035,925

	2017	2016	2017	2016	2017	2016
	Series IH		Series O		Series OH	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	9,863	–	5,756,062	3,219,386	9,835	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,497	–	795,673	(175,852)	1,613	–
Redeemable Unit Transactions						
Proceeds from redeemable units issued	150,000	–	1,272,042	1,545,930	–	–
Redemption of redeemable units	(44)	–	(441,387)	(141,426)	(45)	–
Reinvestment of distributions to holders of redeemable units	13	–	5,689	–	9	–
Capitalized distributions	–	–	–	–	–	–
	149,969	–	836,344	1,404,504	(36)	–
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(13)	–	(5,682)	–	(9)	–
Return of capital	–	–	–	–	–	–
	(13)	–	(5,682)	–	(9)	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	152,453	–	1,626,335	1,228,652	1,568	–
Net Assets Attributable to Holders of Redeemable Units at end of period	162,316	–	7,382,397	4,448,038	11,403	–

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Growth Fund (Continued)

	2017		2016	
	Total		Total	
	(\$)		(\$)	
Net Assets Attributable to Holders of Redeemable Units at beginning of period	712,988,067	521,672,684		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	92,552,494	(28,758,764)		
Redeemable Unit Transactions				
Proceeds from redeemable units issued	140,580,785	154,249,917		
Redemption of redeemable units	(377,719,574)	(63,945,869)		
Reinvestment of distributions to holders of redeemable units	936,540	11,774		
Capitalized distributions	–	–		
	(236,202,249)	90,315,822		
Distributions to Holders of Redeemable Units				
From capital gains	–	–		
From net investment income	(946,912)	(14,906)		
Return of capital	–	–		
	(946,912)	(14,906)		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(144,596,667)	61,542,152		
Net Assets Attributable to Holders of Redeemable Units at end of period	568,391,400	583,214,836		

	2017	2016	2017	2016	2017	2016
	Series A		Series AH		Series T5	
Redeemable Unit Transactions						
Balance – beginning of period	1,672,892	1,143,157	44,672	40,382	7,759	9,202
Units issued	390,596	647,148	3,506	9,962	3,550	506
Units issued on reinvestment of distributions	172	101	21	16	113	180
Units redeemed	(238,637)	(156,608)	(2,403)	(6,181)	(3,923)	(1,745)
Balance – end of period	1,825,023	1,633,798	45,796	44,179	7,499	8,143

	2017	2016	2017	2016	2017	2016
	Series T8		Series E		Series EF	
Redeemable Unit Transactions						
Balance – beginning of period	12,984	5,962	–	272,642	–	1,022
Units issued	9,126	890	–	23,274	–	–
Units issued on reinvestment of distributions	228	186	–	11	–	–
Units redeemed	(1,216)	(1,304)	–	(295,927)	–	(1,022)
Balance – end of period	21,122	5,734	–	–	–	–

	2017	2016	2017	2016	2017	2016
	Series F		Series FH		Series I	
Redeemable Unit Transactions						
Balance – beginning of period	286,645	53,720	1,003	–	24,589,721	17,887,735
Units issued	53,802	45,759	1,644	–	4,428,832	5,465,482
Units issued on reinvestment of distributions	22	5	1	–	31,460	–
Units redeemed	(169,293)	(14,624)	–	–	(12,423,539)	(2,205,697)
Balance – end of period	171,176	84,860	2,648	–	16,626,474	21,147,520

	2017	2016	2017	2016	2017	2016
	Series IH		Series O		Series OH	
Redeemable Unit Transactions						
Balance – beginning of period	1,005	–	408,133	225,845	1,002	–
Units issued	13,262	–	81,447	116,743	–	–
Units issued on reinvestment of distributions	1	–	371	–	1	–
Units redeemed	(4)	–	(28,658)	(10,624)	(5)	–
Balance – end of period	14,264	–	461,293	331,964	998	–

	2017	2016
	Total	
Redeemable Unit Transactions		
Balance – beginning of period	27,025,816	19,639,667
Units issued	4,985,765	6,309,764
Units issued on reinvestment of distributions	32,390	499
Units redeemed	(12,867,678)	(2,693,732)
Balance – end of period	19,176,293	23,256,198

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017	2016
	(\$)	(\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	92,552,494	(28,758,764)
Adjustments for:		
Gain on short-term investments	(43,329)	(6,877)
Net realized (gain) loss on sale of investments	(79,214,824)	(6,709,153)
Change in unrealized (appreciation) depreciation in value of investments	(12,088,487)	36,563,031
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	(16,422)	7,041
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(171,009,319)	(178,073,521)
Proceeds from sale of investments	390,949,042	83,580,978
Purchases of short-term investments	(1,080,577,044)	(135,777,940)
Proceeds from sale of short-term investments	1,092,604,330	124,299,164
Change in dividends and interest receivable	70,576	(41,691)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	19,943	66,320
Change in other payables and accrued expenses	92,317	92,875
Net Cash Provided by (Used in) Operating Activities	233,339,277	(104,758,537)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(10,372)	(3,132)
Proceeds from redeemable units issued	146,402,878	153,847,734
Redemption of redeemable units	(378,201,225)	(64,432,352)
Net Cash Provided by (Used in) Financing Activities	(231,808,719)	89,412,250
Net increase (decrease) in cash (bank indebtedness) at beginning of period	1,530,558	(15,346,287)
	153,587	16,100,587
Cash (bank indebtedness) at end of period	1,684,145	754,300
Dividends received, net of withholding taxes	2,815,533	1,961,926
Interest received, net of withholding taxes	45,308	9,744
Interest paid	(2)	–

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Growth Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Treasury Bills						
Canadian Treasury Bill	0.456%	05-Jul-2017	12,200,000	12,196,950	12,196,950	
Total Short-Term Notes				12,196,950	12,196,950	2.15

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Concho Resources Inc.	5,788	937,003	913,527	
Pioneer Natural Resources Co.	10,754	2,331,688	2,228,732	
		3,268,691	3,142,259	0.55
Materials				
Ecolab Inc.	12,297	1,795,315	2,120,035	
Monsanto Co.	24,951	3,349,578	3,835,325	
The Sherwin-Williams Co.	19,402	6,284,683	8,843,280	
Vulcan Materials Co.	42,973	5,779,405	7,069,896	
		17,208,981	21,868,536	3.85
Industrials				
AMETEK Inc.	50,185	3,222,872	3,947,669	
Canadian Pacific Railway Ltd.	22,969	4,554,854	4,796,941	
Danaher Corp.	89,753	7,485,016	9,836,696	
Equifax Inc.	25,846	3,511,899	4,612,672	
Fortive Corp.	39,426	2,203,291	3,243,685	
Honeywell International Inc.	19,290	2,573,652	3,339,174	
Roper Industries Inc.	22,273	4,771,218	6,697,231	
Union Pacific Corp.	38,556	4,720,908	5,453,421	
Univar Inc.	21,925	772,584	831,442	
Verisk Analytics Inc.	35,589	3,413,955	3,899,538	
Xylem Inc.	34,873	2,336,648	2,510,403	
		39,566,897	49,168,872	8.65
Consumer Discretionary				
Amazon.com Inc.	21,609	17,737,992	27,165,599	
Aramark	106,558	4,559,695	5,671,100	
Comcast Corp.	185,933	7,273,041	9,398,068	
Dollar Tree Inc.	19,446	1,981,627	1,765,798	
Lululemon Athletica Inc.	8,915	733,498	690,855	
Marriott International Inc.	35,909	3,343,699	4,677,963	
Monster Beverages Corp.	56,561	3,629,671	3,649,286	
Netflix Inc.	42,203	5,486,264	8,189,026	
NIKE Inc.	80,050	5,475,818	6,133,701	
Panera Bread Co.	7,188	2,109,216	2,937,185	
Priceline.com Inc.	4,018	6,422,266	9,760,713	
Ross Stores Inc.	38,710	2,327,841	2,902,245	
Six Flags Entertainment Corp.	19,255	1,504,146	1,490,637	
Starbucks Corp.	88,937	5,928,840	6,734,956	
		68,513,614	91,167,132	16.05
Consumer Staples				
Colgate-Palmolive Co.	53,371	4,602,826	5,138,172	
Constellation Brands Inc.	36,647	6,005,053	9,220,290	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Costco Wholesale Corp.	13,717	2,546,217	2,849,039	
Danone SA	21,441	1,872,547	2,090,077	
Mondelez International Inc.	41,380	2,120,317	2,321,042	
Pernod Ricard SA	8,032	1,155,290	1,394,961	
Philip Morris International Inc.	45,438	6,839,801	6,930,770	
The Estee Lauder Companies Inc.	26,173	2,756,383	3,262,447	
		27,898,434	33,206,798	5.84
Health Care				
Abbott Laboratories	60,105	3,421,494	3,794,421	
Allergan plc	10,801	3,241,191	3,409,890	
Biogen Inc.	9,240	3,440,093	3,256,320	
BioMarin Pharmaceutical Inc.	12,945	1,648,650	1,526,838	
Bristol-Myers Squibb Co.	48,748	3,441,480	3,527,583	
Celgene Corp.	55,189	7,918,829	9,308,306	
CR Bard Inc.	10,422	2,677,718	4,278,569	
Edwards Lifesciences Corp.	23,109	3,191,000	3,548,582	
Eli Lilly & Co.	35,811	3,618,288	3,827,591	
McKesson Corp.	5,050	1,177,989	1,079,126	
Medtronic PLC	74,557	7,573,949	8,593,420	
Regeneron Pharmaceuticals Inc.	7,126	3,836,459	4,545,277	
Stryker Corp.	20,122	2,902,989	3,626,664	
The Cooper Companies Inc.	2,248	455,155	698,982	
Thermo Fisher Scientific Inc.	55,994	9,181,575	12,687,368	
UnitedHealth Group Inc.	24,287	5,673,585	5,848,436	
Zoetis Inc.	67,285	4,308,362	5,450,959	
		67,708,806	79,008,332	13.90
Financials				
Aon PLC	36,196	5,549,755	6,249,686	
Charles Schwab Corp.	100,405	4,207,610	5,601,817	
Goldman Sachs Group Inc.	7,756	2,240,982	2,235,138	
IntercontinentalExchange Group Inc.	80,176	4,698,004	6,863,899	
Morgan Stanley	45,181	2,660,231	2,614,630	
The Blackstone Group LP.	17,788	671,141	770,428	
Visa Inc., Class A	173,709	14,862,094	21,156,403	
		34,889,817	45,492,001	8.00
Real Estate				
American Tower Corp.	79,131	9,792,199	13,598,200	
		9,792,199	13,598,200	2.39
Telecommunication Services				
Altice USA Inc.	11,239	446,897	471,454	
		446,897	471,454	0.08

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Growth Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Information Technology				
Activision Blizzard Inc.	130,112	7,716,580	9,727,984	
Adobe Systems Inc.	90,627	10,288,073	16,647,121	
Alphabet Inc., Class A	18,143	15,845,943	21,905,434	
Alphabet Inc., Class C	12,629	9,443,251	14,904,352	
Amphenol Corp.	44,050	3,778,180	4,223,079	
Analog Devices Inc.	16,059	1,667,208	1,622,585	
Apple Inc.	53,488	7,510,920	10,004,340	
Broadcom Ltd.	30,981	6,013,686	9,376,782	
Cognizant Technology Solutions Corp.				
	62,834	4,381,290	5,418,412	
Electronic Arts Inc.	69,225	7,073,949	9,504,503	
Facebook Inc.	146,918	19,148,942	28,807,375	
Fidelity National Information Services Inc.				
	39,091	3,988,631	4,335,547	
Fiserv Inc.	54,964	6,808,000	8,732,852	
FleetCor Technologies Inc.	21,664	3,967,315	4,057,358	
Global Payments Inc.	30,072	3,474,822	3,527,407	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Intuit Inc.	37,209	4,898,700	6,417,828	
MasterCard Inc., Class A	94,939	10,836,898	14,974,470	
Microsoft Corp.	260,224	20,201,315	23,295,116	
NVIDIA Corp.	39,753	2,437,474	7,463,239	
PayPal Holdings Inc.	23,065	1,323,999	1,607,660	
PTC Inc.	8,817	619,241	631,160	
Salesforce.com Inc.	80,175	6,896,093	9,017,084	
		158,320,510	216,201,688	38.04
Total Equities				
		427,614,846	553,325,272	97.35
Transaction Costs				
		(76,949)		
Total Investments				
		439,734,847	565,522,222	99.50
Currency Forward Contracts⁽¹⁾				
			19,880	—
Other Assets less Liabilities				
			2,849,298	0.50
Total Net Assets				
			568,391,400	100.00

(1) Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	795,396	USD	(600,420)	16,113
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	148,609	USD	(112,180)	3,010
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	26,455	USD	(19,970)	536
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	10,108	USD	(7,630)	205
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	1,479	USD	(1,133)	9
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	47,583	USD	(36,657)	7
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	606	USD	(467)	—
							19,880

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS U.S. Growth Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse

changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund also invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets
	June 30, 2017
AAA/Aaa	2.15
AA/Aa	—
Total	2.15

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Growth Fund (Continued)

Rating	As a % of Net Assets	
	December 31, 2016	
AAA/Aaa	3.18	
AA/Aa	0.21	
Total	3.39	

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. However, the Fund also holds foreign currency forward currency contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and minimizes the currency risk exposure to the Fund.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to	Percentage of
	Currency Risk (\$CAD)	Net Assets (%)
June 30, 2017		
United States Dollar	550,197,577	96.80
Euro	3,531,043	0.62
Total	553,728,620	97.42

	Holdings Exposed to	Percentage of
	Currency Risk (\$CAD)	Net Assets (%)
December 31, 2016		
United States Dollar	677,531,676	95.03
Euro	4,858,093	0.68
Total	682,389,769	95.71

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$27,686,431 (\$34,119,488

as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

June 30, 2017 (\$)	
Less than 1 year	12,196,950
1-5 years	–
More than 5 years	–
Total	12,196,950
December 31, 2016 (\$)	
Less than 1 year	24,180,907
1-5 years	–
More than 5 years	–
Total	24,180,907

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$1,671 (\$28,702 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$27,666,264 (\$34,421,632 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Growth Fund (Continued)

location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Short-Term Investments		
Treasury Bills	2.1	3.4
Equities		
Energy	0.6	1.3
Materials	3.9	3.9
Industrials	8.7	9.2
Consumer Discretionary	16.0	19.6
Consumer Staples	5.8	5.6
Health Care	13.9	11.7
Financials	8.0	10.6
Real Estate	2.4	–
Telecommunication Services	0.1	–
Information Technology	38.0	34.6
Other Assets less Liabilities	0.5	0.1
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Short-Term				
Investments		– 12,196,950	–	– 12,196,950
Equities	553,325,272	–	–	– 553,325,272
Currency Forward				
Contracts	–	19,880	–	– 19,880

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Short-Term				
Investments		– 24,180,907	–	– 24,180,907
Equities	688,432,637	–	–	– 688,432,637
Currency Forward				
Contracts	–	3,458	–	– 3,458

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Growth Fund (Continued)

Derivative assets and liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017, were \$94,676 (\$59,796 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$50,982 (\$69,021 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series AH	14,794	290,047
Series F	0.10	3
Series FH	1,004	11,414
Series IH	1,006	11,448
Series OH	998	11,403

	December 31, 2016	
	Units	Market Value (\$)
Series AH	14,773	251,154
Series F	415	10,357
Series FH	1,003	9,822
Series IH	1,001	9,828
Series OH	1,005	9,863

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	19,880	3,458
Investments designated at fair value through profit or loss	565,522,222	712,613,544
Total financial assets at fair value through profit or loss	565,542,102	712,617,002
Financial assets at amortized cost		
Cash	1,684,145	153,587
Other receivables	1,497,516	8,147,356
Total financial assets at amortized cost	3,181,661	8,300,943
Total assets	568,723,763	720,917,945
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	332,363	7,929,878
Total liabilities (excluding net assets attributable to holders of redeemable units)	332,363	7,929,878

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/ financial liabilities held for trading	30,755	35,537
Net gain (loss) on financial assets/ financial liabilities designated at fair value through profit or loss	94,501,828	(27,510,128)
Total net gains (losses)	94,532,583	(27,474,591)

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Growth Fund (Continued)

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/paid (\$)	
June 30, 2017				
Derivative assets				
– Forward Contracts	19,880	–	–	19,880
Total	19,880	–	–	19,880
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–
December 31, 2016				
Derivative assets				
– Forward Contracts	3,458	–	–	3,458
Total	3,458	–	–	3,458
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series AH Units	September 10, 2010	February 01, 2011
Series T5 Units	August 24, 2011	September 01, 2011
Series T8 Units	August 24, 2011	September 01, 2011
Series F Units	September 10, 2010	October 01, 2010
Series FH Units	July 29, 2016	July 29, 2016
Series I Units	September 10, 2010	October 01, 2010
Series IH Units	July 29, 2016	July 29, 2016
Series O Units	April 01, 2014	April 01, 2014
Series OH Units	July 29, 2016	July 29, 2016

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

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Value Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	149,497,037	125,150,288
Short-term investments	4,100,000	1,900,000
Cash	168,452	347,581
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	20,737	3,355
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	—
Accrued interest	51	3,549
Dividends receivable	204,538	181,488
Distributions receivable from underlying funds	—	—
Subscriptions receivable	288,952	427,408
	154,279,767	128,013,669
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	15,891	11,939
Redemptions payable	1,030,501	418,184
Distributions payable	—	7
Due to investment dealers	2,515,668	37,573
Management fees payable	83,060	62,394
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,645,120	530,097
Net Assets Attributable to Holders of Redeemable Units	150,634,647	127,483,572
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	34,882,440	27,946,776
Series AH	905,803	759,143
Series T5	199,352	166,724
Series T8	420,742	247,595
Series E	—	—
Series EF	—	—
Series F	5,112,545	3,017,509
Series FH	28,230	10,488
Series I	102,901,314	90,806,768
Series IH	164,413	10,536
Series O	5,997,865	4,488,925
Series OH	21,943	29,108
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	23.97	22.90
Series AH	18.52	17.21
Series T5	28.27	27.67
Series T8	23.91	23.76
Series E	—	—
Series EF	—	—
Series F	24.99	23.74
Series FH	11.14	10.31
Series I	26.53	25.05
Series IH	11.13	10.32
Series O	15.04	14.21
Series OH	11.19	10.31

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	1,655,423	1,345,166
Interest income for distribution purposes	3,088	1,017
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	2,021,978	1,384,274
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	12,974	42,236
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	4,636,164	(2,381,703)
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	17,382	(11,261)
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	8,347,009	379,729
Net gain (loss) on foreign exchange	(70,735)	(39,866)
Other income	—	—
Total income (loss)	8,276,274	339,863
Expenses (note 5)		
Management fees	396,223	268,608
Administration fees	75,882	52,539
Independent review committee fees	412	543
Withholding tax	201,281	167,684
Transaction costs (note 2)	8,290	5,287
Total operating expenses	682,088	494,661
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	7,594,186	(154,798)
Finance Cost		
Interest expense	(4)	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	7,594,182	(154,798)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	1,448,267	(54,186)
Series AH	62,661	36,435
Series T5	8,674	(2,693)
Series T8	13,895	(2,472)
Series E	—	(229,988)
Series EF	—	(643)
Series F	205,867	4,561
Series FH	1,096	—
Series I	5,550,509	80,577
Series IH	3,920	—
Series O	297,065	13,611
Series OH	2,228	—
Weighted Average Number of Units Outstanding		
Series A	1,376,407	1,066,813
Series AH	47,297	50,784
Series T5	6,454	6,979
Series T8	14,040	7,791
Series E	—	282,851
Series EF	—	1,015
Series F	172,995	80,093
Series FH	1,218	—
Series I	3,791,825	3,385,012
Series IH	4,571	—
Series O	366,408	271,707
Series OH	2,550	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.05	(0.05)
Series AH	1.32	0.72
Series T5	1.34	(0.39)
Series T8	0.99	(0.32)
Series E	—	(0.81)
Series EF	—	(0.63)
Series F	1.19	0.06
Series FH	0.90	—
Series I	1.46	0.02
Series IH	0.86	—
Series O	0.81	0.05
Series OH	0.87	—

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Value Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	(\$)	Series AH (\$)	(\$)	Series T5 (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	27,946,776	19,725,824	759,143	643,039	166,724	181,287
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	1,448,267	(54,186)	62,661	36,435	8,674	(2,693)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	9,699,965	6,006,698	138,808	461,770	71,689	20,000
Redemption of redeemable units	(4,213,062)	(2,310,600)	(54,815)	(29,903)	(46,091)	(41,089)
Reinvestment of distributions to holders of redeemable units	3,460	1,313	416	312	2,987	3,113
Capitalized distributions	—	—	—	—	—	—
	5,490,363	3,697,411	84,409	432,179	28,585	(17,976)
Distributions to Holders of Redeemable Units						
From capital gains	—	—	—	—	—	—
From net investment income	(2,966)	(1,017)	(410)	(229)	(4,631)	(4,674)
Return of capital	—	—	—	—	—	—
	(2,966)	(1,017)	(410)	(229)	(4,631)	(4,674)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	6,935,664	3,642,208	146,660	468,385	32,628	(25,343)
Net Assets Attributable to Holders of Redeemable Units at end of period	34,882,440	23,368,032	905,803	1,111,424	199,352	155,944

	2017	2016	2017	2016	2017	2016
	Series T8 (\$)	(\$)	Series E (\$)	(\$)	Series EF (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	247,595	185,537	—	3,773,116	—	10,291
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	13,895	(2,472)	—	(229,988)	—	(643)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	279,035	—	—	199,363	—	—
Redemption of redeemable units	(111,442)	(1,202)	—	(3,742,349)	—	(9,648)
Reinvestment of distributions to holders of redeemable units	5,407	5,036	—	113	—	1
Capitalized distributions	—	—	—	—	—	—
	173,000	3,834	—	(3,542,873)	—	(9,647)
Distributions to Holders of Redeemable Units						
From capital gains	—	—	—	—	—	—
From net investment income	(13,748)	(7,466)	—	(255)	—	(1)
Return of capital	—	—	—	—	—	—
	(13,748)	(7,466)	—	(255)	—	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	173,147	(6,104)	—	(3,773,116)	—	(10,291)
Net Assets Attributable to Holders of Redeemable Units at end of period	420,742	179,433	—	—	—	—

	2017	2016	2017	2016	2017	2016
	Series F (\$)	(\$)	Series FH (\$)	(\$)	Series I (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	3,017,509	1,592,501	10,488	—	90,806,768	77,250,837
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	205,867	4,561	1,096	—	5,550,509	80,577
Redeemable Unit Transactions						
Proceeds from redeemable units issued	2,257,548	682,809	16,649	—	14,376,760	9,751,589
Redemption of redeemable units	(368,422)	(356,841)	—	—	(7,832,723)	(6,451,169)
Reinvestment of distributions to holders of redeemable units	557	118	10	—	—	—
Capitalized distributions	—	—	—	—	—	—
	1,889,683	326,086	16,659	—	6,544,037	3,300,420
Distributions to Holders of Redeemable Units						
From capital gains	—	—	—	—	—	—
From net investment income	(514)	(87)	(13)	—	—	—
Return of capital	—	—	—	—	—	—
	(514)	(87)	(13)	—	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	2,095,036	330,560	17,742	—	12,094,546	3,380,997
Net Assets Attributable to Holders of Redeemable Units at end of period	5,112,545	1,923,061	28,230	—	102,901,314	80,631,834

	2017	2016	2017	2016	2017	2016
	Series IH (\$)	(\$)	Series O (\$)	(\$)	Series OH (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	10,536	—	4,488,925	3,301,527	29,108	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	3,920	—	297,065	13,611	2,228	—
Redeemable Unit Transactions						
Proceeds from redeemable units issued	150,000	—	1,601,980	779,681	—	—
Redemption of redeemable units	(43)	—	(390,105)	(303,771)	(9,393)	—
Reinvestment of distributions to holders of redeemable units	—	—	—	—	—	—
Capitalized distributions	—	—	—	—	—	—
	149,957	—	1,211,875	475,910	(9,393)	—
Distributions to Holders of Redeemable Units						
From capital gains	—	—	—	—	—	—
From net investment income	—	—	—	—	—	—
Return of capital	—	—	—	—	—	—
	—	—	—	—	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	153,877	—	1,508,940	489,521	(7,165)	—
Net Assets Attributable to Holders of Redeemable Units at end of period	164,413	—	5,997,865	3,791,048	21,943	—

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Value Fund (Continued)

	2017		2016	
	Total		Total	
	(\$)		(\$)	
Net Assets Attributable to Holders of Redeemable Units at beginning of period	127,483,572	106,663,959		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	7,594,182	(154,798)		
Redeemable Unit Transactions				
Proceeds from redeemable units issued	28,592,434	17,901,910		
Redemption of redeemable units	(13,026,096)	(13,246,572)		
Reinvestment of distributions to holders of redeemable units	12,837	10,006		
Capitalized distributions	–	–		
	15,579,175	4,665,344		
Distributions to Holders of Redeemable Units				
From capital gains	–	–		
From net investment income	(22,282)	(13,729)		
Return of capital	–	–		
	(22,282)	(13,729)		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	23,151,075	4,496,817		
Net Assets Attributable to Holders of Redeemable Units at end of period	150,634,647	111,160,776		
	2017	2016	2017	2016
	Series A	Series AH	Series T5	
Redeemable Unit Transactions				
Balance – beginning of period	1,220,648	928,150	44,111	41,135
Units issued	412,059	298,834	7,787	29,031
Units issued on reinvestment of distributions	145	64	23	19
Units redeemed	(177,399)	(113,736)	(3,002)	(2,038)
Balance – end of period	1,455,453	1,113,312	48,919	68,147
	2017	2016	2017	2016
	Series T8	Series E	Series EF	
Redeemable Unit Transactions				
Balance – beginning of period	10,422	7,739	–	295,271
Units issued	11,556	–	–	16,190
Units issued on reinvestment of distributions	224	224	–	9
Units redeemed	(4,607)	(54)	–	(311,470)
Balance – end of period	17,595	7,909	–	–
	2017	2016	2017	2016
	Series F	Series FH	Series I	
Redeemable Unit Transactions				
Balance – beginning of period	127,106	72,205	1,017	–
Units issued	92,398	32,368	1,515	–
Units issued on reinvestment of distributions	22	6	1	–
Units redeemed	(14,921)	(16,771)	–	–
Balance – end of period	204,605	87,808	2,533	–
	2017	2016	2017	2016
	Series IH	Series O	Series OH	
Redeemable Unit Transactions				
Balance – beginning of period	1,021	–	315,912	251,289
Units issued	13,751	–	108,943	61,357
Units issued on reinvestment of distributions	–	–	–	–
Units redeemed	(4)	–	(26,049)	(23,691)
Balance – end of period	14,768	–	398,806	288,955
	2017	2016		
	Total			
Redeemable Unit Transactions				
Balance – beginning of period			5,354,375	4,940,237
Units issued			1,201,742	875,534
Units issued on reinvestment of distributions			521	444
Units redeemed			(526,850)	(759,236)
Balance – end of period			6,029,788	5,056,979

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017	2016
	(\$)	(\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	7,594,182	(154,798)
Adjustments for:		
Gain on short-term investments	(2,156)	(233)
Net realized (gain) loss on sale of investments	(2,021,978)	(1,384,274)
Change in unrealized (appreciation) depreciation in value of investments	(4,636,164)	2,381,703
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	(17,382)	11,261
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(22,436,651)	(12,245,110)
Proceeds from sale of investments	7,217,849	7,288,593
Purchases of short-term investments	(84,999,532)	(6,598,800)
Proceeds from sale of short-term investments	82,801,688	5,799,993
Change in dividends and interest receivable	(19,552)	(2,144)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	20,666	42,585
Change in other payables and accrued expenses	12,242	14,356
Net Cash Provided by (Used in) Operating Activities	(16,486,788)	(4,846,868)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(9,452)	(3,723)
Proceeds from redeemable units issued	28,730,890	17,959,585
Redemption of redeemable units	(12,413,779)	(13,269,867)
Net Cash Provided by (Used in) Financing Activities	16,307,659	4,685,995
Net increase (decrease) in cash	(179,129)	(160,873)
Cash (bank indebtedness) at beginning of period	347,581	1,148,507
Cash (bank indebtedness) at end of period	168,452	987,634
Dividends received, net of withholding taxes	1,431,092	1,175,829
Interest received, net of withholding taxes	6,586	526
Interest paid	(4)	–

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Value Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Term Deposit Receipts						
National Bank of Canada	0.450%	04-Jul-2017	4,100,000	4,100,000	4,100,000	
Total Short-Term Notes				4,100,000	4,100,000	2.72

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Chevron Corp.	7,770	961,930	1,052,785	
EOG Resources Inc.	11,301	1,188,568	1,328,528	
Exxon Mobil Corp.	10,900	1,065,888	1,142,801	
Occidental Petroleum Corp.	13,563	1,232,077	1,054,567	
Schlumberger Ltd.	26,223	2,637,393	2,242,237	
		7,085,856	6,820,918	4.53

Materials				
Crown Holdings Inc.	9,836	539,822	762,098	
El du Pont de Nemours & Co.	5,420	447,275	568,115	
Monsanto Co.	3,924	533,368	603,175	
PPG Industries Inc.	21,123	2,413,269	3,016,474	
Sherwin-Williams Co.	2,715	987,123	1,237,476	
		4,920,857	6,187,338	4.11

Industrials				
3M Co.	12,173	1,910,306	3,291,295	
Canadian National Railway Co.	8,555	558,862	900,497	
Danaher Corp.	12,751	778,570	1,397,476	
Eaton Corp. PLC	14,195	1,068,365	1,434,801	
Equifax Inc.	3,874	525,171	691,383	
Honeywell International Inc.	15,513	1,647,261	2,685,361	
Illinois Tool Works Inc.	7,031	795,335	1,308,040	
Ingersoll-Rand PLC	7,951	657,519	943,691	
Johnson Controls International PLC	58,986	2,855,331	3,321,601	
Lockheed Martin Corp.	4,236	574,627	1,527,216	
Northrop Grumman Corp.	5,857	1,218,436	1,952,663	
Union Pacific Corp.	8,009	950,727	1,132,805	
United Parcel Service Inc., Class B	15,682	1,793,807	2,252,302	
United Technologies Corp.	11,021	1,314,407	1,747,759	
		16,648,724	24,586,890	16.32

Consumer Discretionary				
Advance Auto Parts Inc.	2,149	315,049	325,392	
Comcast Corp.	41,111	1,235,780	2,077,974	
Delphi Automotive PLC	14,245	1,086,592	1,621,525	
Hanesbrands Inc.	22,326	685,792	671,520	
Harley-Davidson Inc.	3,883	255,944	272,415	
Interpublic Group of Cos Inc.	23,918	748,781	764,134	
Newell Rubbermaid Inc.	4,060	218,748	282,724	
Omnicom Group Inc.	19,095	1,590,157	2,055,812	
Stanley Black & Decker Inc.	4,855	513,094	887,330	

Target Corp.	5,104	385,726	346,608	
The Walt Disney Co.	1,995	144,915	275,284	
Time Warner Inc.	10,124	890,310	1,320,196	
		8,070,888	10,900,914	7.24

Consumer Staples				
Altria Group Inc.	7,804	394,991	754,758	
Archer-Daniels-Midland Co.	9,837	527,616	528,643	
Coty Inc.	25,645	749,717	624,805	
CVS Caremark Corp.	23,641	2,068,939	2,470,331	
Danone SA	5,352	418,812	521,715	
Diageo PLC	41,301	1,371,213	1,580,514	
General Mills Inc.	14,134	763,718	1,016,914	
JM Smucker Co.	3,970	684,271	610,091	
PepsiCo Inc.	6,088	856,756	913,121	
Nestle SA	24,166	2,010,447	2,734,852	
Philip Morris International Inc.	36,687	3,838,347	5,595,959	
The Procter & Gamble Co.	6,547	637,770	741,001	
		14,322,597	18,092,704	12.01

Real Estate				
Public Storage	2,185	646,570	591,738	
		646,570	591,738	0.39

Health Care				
Abbott Laboratories	39,406	1,845,757	2,487,696	
Cigna Corp.	4,153	761,675	902,819	
Express Scripts Holding Co.	7,294	556,033	604,739	
Johnson & Johnson	31,932	3,530,759	5,486,084	
McKesson Corp.	5,182	1,121,357	1,107,333	
Medtronic PLC	34,309	2,894,553	3,954,446	
Merck & Co., Inc.	17,303	1,102,875	1,440,194	
Novartis AG	3,481	333,905	376,712	
Pfizer Inc.	74,535	2,609,094	3,251,468	
Roche Holding AG	966	274,579	319,908	
Thermo Fisher Scientific Inc.	8,360	1,078,216	1,894,246	
UnitedHealth Group Inc.	1,032	222,404	248,511	
		16,331,207	22,074,156	14.65

Financials				
ACE Ltd.	16,446	2,248,611	3,105,090	
American Express Co.	13,937	1,406,349	1,524,744	
Aon PLC	15,941	1,736,398	2,752,410	
BlackRock Inc.	2,765	969,256	1,516,836	
Citigroup Inc.	37,173	2,473,555	3,228,741	
Franklin Resources Inc.	10,381	580,823	603,851	
JPMorgan Chase & Co.	57,029	3,690,618	6,769,417	

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Value Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MetLife Inc.	29,594	1,556,551	2,111,551	
Moodys Corp.	6,918	893,510	1,093,224	
Prudential Financial Inc.	6,567	519,249	922,280	
S&P Global Inc.	1,848	168,235	350,376	
State Street Corp.	11,322	864,424	1,319,381	
T Rowe Price Group Inc.	5,638	541,385	543,371	
The Bank of New York Mellon Corp.	25,562	994,866	1,693,731	
The Goldman Sachs Group Inc.	11,307	2,276,821	3,258,472	
The NASDAQ OMX Group Inc.	16,238	901,577	1,507,603	
The PNC Financial Services Group Inc.	12,886	1,404,332	2,089,708	
The Travelers Cos Inc.	18,558	2,055,149	3,049,537	
U.S. Bancorp	50,562	2,652,497	3,409,323	
Wells Fargo & Co.	69,829	3,777,663	5,024,967	
	31,711,869	45,874,613	30.46	
Information Technology				
Accenture PLC	25,207	2,617,043	4,048,833	
Amdocs Ltd.	4,642	365,257	388,602	
Cognizant Technology Solutions Corp.	7,336	562,101	632,611	
DXC Technology Co.	3,607	352,267	359,388	
Fidelity National Information Services Inc.	13,435	1,026,762	1,490,064	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Fiserv Inc.	4,538	349,134	721,012	
International Business Machines Corp.	3,848	745,811	768,750	
Oracle Corp.	5,022	201,009	327,017	
Texas Instruments Inc.	19,508	1,247,879	1,949,027	
	7,467,263	10,685,304	7.09	
Telecommunication Services				
Verizon Communications Inc.	21,631	1,175,190	1,254,598	
	1,175,190	1,254,598	0.83	
Utilities				
Duke Energy Corporation	17,843	1,795,114	1,937,008	
Xcel Energy Inc.	8,238	416,300	490,856	
	2,211,414	2,427,864	1.61	
Total Equities	110,592,435	149,497,037	99.24	
Transaction Costs				
Total Investments	114,692,435	153,597,037	101.96	
Currency Forward Contract⁽¹⁾			20,737	0.01
Other Assets less Liabilities			(2,983,127)	(1.97)
Total Net Assets			150,634,647	100.00

(1) Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	837,626	USD	(632,299)	16,969
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	141,470	USD	(106,791)	2,866
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	24,724	USD	(18,664)	501
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	19,793	USD	(14,941)	401
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	9,097	USD	(7,009)	–
							20,737

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS U.S. Value Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market,

liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund also invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Value Fund (Continued)

for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	June 30, 2017	
AA/Aa	2.72	
Total	2.72	

Rating	As a % of Net Assets	
	December 31, 2016	
AA/Aa	1.49	
Total	1.49	

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. However, the Fund also holds foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and minimizes the currency risk exposure to the Fund.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to		Percentage of
	Currency Risk (\$CAD)		
June 30, 2017			
United States Dollar	141,771,629		94.12
Swiss Franc	3,464,367		2.30
British Pound	1,580,514		1.05
Euro	523,847		0.35
Total	147,340,357		97.82

	Holdings Exposed to		Percentage of
	Currency Risk (\$CAD)		
December 31, 2016			
United States Dollar	120,418,699		94.46
Swiss Franc	2,562,668		2.01
British Pound	1,241,203		0.97
Euro	387,373		0.30
Total	124,609,943		97.74

As June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$7,367,018 (\$6,230,497 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The Fund is exposed directly to interest rate risk and indirectly from its investment in the underlying fund as follows:

June 30, 2017 (\$)	
Less than 1 year	4,100,000
1-5 years	–
More than 5 years	–
Total	4,100,000

December 31, 2016 (\$)	
Less than 1 year	1,900,000
1-5 years	–
More than 5 years	–
Total	1,900,000

As at December 31, 2016, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$449 (\$156 as at December 31, 2016). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$7,474,852 (\$6,257,514 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Value Fund (Continued)

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Short-Term Investments		
Treasury Bills	2.7	1.5
Equities		
Energy	4.5	5.1
Materials	4.1	4.0
Industrials	16.3	13.7
Consumer Discretionary	7.2	9.2
Consumer Staples	12.0	12.2
Real Estate	0.4	–
Health Care	14.7	14.1
Financials	30.5	30.0
Information Technology	7.1	7.4
Telecommunication Services	0.8	1.4
Utilities	1.6	1
Other Assets less Liabilities	(1.9)	0.3
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case,

the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Short-Term				
Investments		– 4,100,000	–	– 4,100,000
Equities	149,497,037	–	–	– 149,497,037
Forward Contracts	–	20,737	–	– 20,737

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Short-Term				
Investments		– 1,900,000	–	– 1,900,000
Equities	125,150,288	–	–	– 125,150,288
Forward Contracts	–	3,355	–	– 3,355

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Value Fund (Continued)

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Derivative assets and liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017, were \$8,290 (\$5,287 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$4,859 (\$9,376 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series AH	15,131	280,177
Series F	0.11	3
Series FH	1,019	11,351
Series IH	1,021	11,362
Series OH	1,013	11,337

	December 31, 2016	
	Units	Market Value (\$)
Series AH	15,111	260,052
Series F	473	11,239
Series FH	1,018	10,491
Series IH	1,017	10,484
Series OH	1,021	10,536

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	20,737	3,355
Investments designated at fair value through profit or loss	153,597,037	127,050,288
Total financial assets at fair value through profit or loss	153,617,774	127,053,643
Financial assets at amortized cost		
Cash	168,452	347,581
Other receivables	493,541	612,445
Total financial assets at amortized cost	661,993	960,026
Total assets	154,279,767	128,013,669
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	3,645,120	530,097
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,645,120	530,097

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	30,356	30,975
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	8,316,653	348,754
Total net gains (losses)	8,347,009	379,729

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

The accompanying notes are an integral part of the financial statements.

Sun Life MFS U.S. Value Fund (Continued)

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	20,737	–	–	20,737
Total	20,737	–	–	20,737
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–
December 31, 2016				
Derivative assets –				
Forward Contracts	3,355	–	–	3,355
Total	3,355	–	–	3,355
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series AH Units	September 10, 2010	February 01, 2011
Series T5 Units	August 24, 2011	September 01, 2011
Series T8 Units	August 24, 2011	September 01, 2011
Series F Units	September 10, 2010	October 01, 2010
Series FH Units	July 29, 2016	July 29, 2016
Series I Units	September 10, 2010	October 01, 2010
Series IH Units	July 29, 2016	July 29, 2016
Series O Units	April 01, 2014	April 01, 2014
Series OH Units	July 29, 2016	July 29, 2016

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

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2020 Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	113,766,301	122,247,719
Short-term investments	–	–
Cash	–	294,261
Margin	–	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	826,560	154,609
Accrued interest	–	–
Dividends receivable	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	10,579	12,941
	114,603,440	122,709,530
Liabilities		
Current Liabilities		
Bank indebtedness	260,344	–
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	159	–
Redemptions payable	5,239	2,806
Distributions payable	–	–
Due to investment dealers	415,436	271,201
Management fees payable	121,269	167,057
Total liabilities (excluding net assets attributable to holders of redeemable units)	802,447	441,064
Net Assets Attributable to Holders of Redeemable Units	113,800,993	122,268,466
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	113,800,993	122,268,466
Series E	–	–
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	11.68	11.70
Series E	–	–

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	–	–
Interest income for distribution purposes	1,024,610	1,024,043
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	70,029	(105,593)
Net realized gain (loss) on futures contracts	–	–
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	(414,365)	34,588
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	680,274	953,038
Net gain (loss) on foreign exchange	–	–
Other income	–	–
Total income (loss)	680,274	953,038
Expenses (note 5)		
Management fees	745,606	796,565
Administration fees	–	54,064
Independent review committee fees	1,115	568
Withholding tax	–	–
Transaction costs (note 2)	–	–
Total operating expenses	746,721	851,197
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	(66,447)	101,841
Finance Cost		
Interest expense	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		
	(66,447)	101,841
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	(66,447)	59,252
Series E	–	42,589
Weighted Average Number of Units Outstanding		
Series A	10,138,319	9,213,954
Series E	–	1,503,165
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	(0.01)	0.01
Series E	–	0.03

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2020 Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016
	Series A		Series E	
	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	122,268,466	88,285,246	–	17,585,226
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	(66,447)	59,252	–	42,589
Redeemable Unit Transactions				
Proceeds from redeemable units issued	6,917,279	36,572,995	–	246,536
Redemption of redeemable units	(15,318,228)	(6,973,550)	–	(17,873,540)
Reinvestment of distributions to holders of redeemable units	11,776	7,868	–	742
Capitalized distributions	–	–	–	–
	(8,389,173)	29,607,313	–	(17,626,262)
Distributions to Holders of Redeemable Units				
From capital gains	–	–	–	–
From net investment income	(11,853)	(5,958)	–	(1,553)
Return of capital	–	–	–	–
	(11,853)	(5,958)	–	(1,553)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(8,467,473)	29,660,607	–	(17,585,226)
Net Assets Attributable to Holders of Redeemable Units at end of period	113,800,993	117,945,853	–	–
			2017	2016
			Total	Total
			(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period		122,268,466	105,870,472	
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		(66,447)	101,841	
Redeemable Unit Transactions				
Proceeds from redeemable units issued		6,917,279	36,819,531	
Redemption of redeemable units		(15,318,228)	(24,847,090)	
Reinvestment of distributions to holders of redeemable units		11,776	8,610	
Capitalized distributions		–	–	
		(8,389,173)	11,981,051	
Distributions to Holders of Redeemable Units				
From capital gains		–	–	
From net investment income		(11,853)	(7,511)	
Return of capital		–	–	
		(11,853)	(7,511)	
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period		(8,467,473)	12,075,381	
Net Assets Attributable to Holders of Redeemable Units at end of period		113,800,993	117,945,853	
			2017	2016
			Series A	Series E
Redeemable Unit Transactions				
Balance – beginning of period	10,453,973	7,481,755	–	1,488,205
Units issued	589,419	3,099,461	–	20,879
Units issued on reinvestment of distributions	1,003	669	–	63
Units redeemed	(1,304,506)	(592,057)	–	(1,509,147)
Balance – end of period	9,739,889	9,989,828	–	–
			2017	2016
			Total	Total
Redeemable Unit Transactions				
Balance – beginning of period		10,453,973	8,969,960	
Units issued		589,419	3,120,340	
Units issued on reinvestment of distributions		1,003	732	
Units redeemed		(1,304,506)	(2,101,204)	
Balance – end of period		9,739,889	9,989,828	

Statements of Cash Flows For the six months ended June 30 (unaudited)

	2017	2016
	(\$)	(\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	(66,447)	101,841
Adjustments for:		
Gain on short-term investments	4,769	–
Net realized (gain) loss on sale of investments	(70,029)	105,593
Change in unrealized (appreciation) depreciation in value of investments	414,365	(34,588)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(8,880,909)	(14,683,610)
Proceeds from sale of investments	16,485,506	3,153,906
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	–	–
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	(45,788)	130,611
Change in other payables and accrued expenses	159	2,913
Net Cash Provided by (Used in) Operating Activities	7,841,626	(11,223,334)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(77)	1,099
Proceeds from redeemable units issued	6,919,641	36,584,559
Redemption of redeemable units	(15,315,795)	(24,824,399)
Net Cash Provided by (Used in) Financing Activities	(8,396,231)	11,761,259
Net increase (decrease) in cash	(554,605)	537,925
Cash (bank indebtedness) at beginning of period	294,261	41,566
Cash (bank indebtedness) at end of period	(260,344)	579,491
Dividends received, net of withholding taxes	–	–
Interest received, net of withholding taxes	785	3,621
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2020 Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS					
Federal Bonds					
Government of Canada, Coupon Strip	01-Dec-2019	522,931	518,286	506,654	
Government of Canada, Coupon Strip	01-Jun-2020	24,991,900	24,109,117	24,043,975	
Government of Canada, Residual Strip	01-Jun-2020	430,000	415,436	415,426	
			25,042,839	24,966,055	21.94
Provincial Bonds					
Hydro Quebec, Interest Strip	15-Jan-2020	2,220,000	2,136,288	2,128,986	
Hydro Quebec, Interest Strip	15-Feb-2020	6,300,000	5,902,208	6,041,674	
New Brunswick Eleectric, Coupon Strip	03-Dec-2019	2,610,000	2,457,556	2,505,052	
New Brunswick Electric, Coupon Strip	03-Jun-2020	2,575,000	2,387,612	2,439,822	
Newfoundland & Labrador Hydro, Coupon Strip	14-Jan-2020	927,000	868,869	884,783	
Newfoundland & Labrador Hydro, Coupon Strip	27-Feb-2020	1,503,000	1,404,415	1,429,676	
Ontario Electricity Financial Corp.	11-Apr-2020	1,452,000	1,397,073	1,385,263	
Ontario Hydro Corp., Coupon Strip	15-Apr-2020	507,000	487,745	482,717	
Ontario Hydro Corp., Coupon Strip	26-May-2020	4,990,000	4,636,758	4,728,769	
Ontario Hydro Corp., Coupon Strip	27-May-2020	1,230,000	1,175,828	1,167,872	
Province of Alberta, Coupon Strip	01-Dec-2019	198,000	191,231	190,822	
Province of Alberta, Coupon Strip	01-Jun-2020	792,000	759,094	753,588	
Province of British Columbia, Interest Strip	23-Aug-2019	800,000	776,019	774,681	
Province of British Columbia, Interest Strip	04-Dec-2019	320,000	308,880	307,537	
Province of British Columbia, Interest Strip	09-Dec-2019	680,000	656,703	654,693	
Province of British Columbia, Interest Strip	08-Mar-2020	1,763,269	1,651,994	1,685,363	
Province of British Columbia, Interest Strip	09-Jun-2020	4,670,000	4,368,207	4,441,990	
Province of British Columbia, Interest Strip	18-Jun-2020	4,991,000	4,725,138	4,755,101	
Province of Manitoba, Coupon Strip	05-Mar-2020	830,000	801,605	792,759	
Province of New Brunswick, Coupon Strip	03-Jun-2019	2,952,000	2,878,784	2,862,463	
Province of Newfoundland and Labrador, Coupon Strip	17-Apr-2020	6,359,000	5,998,278	6,033,939	
Province of Nova Scotia, Generic Strip	02-Dec-2019	2,682,000	2,528,094	2,580,435	
Province of Nova Scotia, Generic Strip	01-Jun-2020	540,000	518,400	512,630	
Province of Nova Scotia, Generic Strip	02-Jun-2020	747,000	717,096	710,267	
Province of Ontario, Generic Coupon Strip	02-Jun-2020	22,262,000	21,307,604	21,216,092	
Province of Ontario, Generic Coupon Strip	20-Jun-2020	368,000	353,915	349,199	
Province of Prince Edward Island, Generic Strip	17-Jul-2019	320,000	305,777	309,346	
Province of Prince Edward Island, Generic Strip	17-Jan-2020	2,308,000	2,186,219	2,198,979	
Province of Prince Edward Island, Generic Strip	29-Jan-2020	835,000	804,674	794,568	
Province of Quebec, Coupon Strip	01-Jun-2020	7,685,000	7,200,465	7,318,909	
Province of Saskatchewan, Coupon Strip	01-Jun-2018	140,600	139,127	139,191	
Province of Saskatchewan, Coupon Strip	01-Dec-2018	204,725	200,871	200,942	
Province of Saskatchewan, Coupon Strip	02-Dec-2018	54,600	53,621	53,631	
Province of Saskatchewan, Coupon Strip	01-Jun-2019	204,725	199,172	199,259	
Province of Saskatchewan, Coupon Strip	02-Jun-2019	54,600	53,182	53,149	
Province of Saskatchewan, Coupon Strip	30-Nov-2019	316,000	304,975	303,928	
Province of Saskatchewan, Coupon Strip	01-Dec-2019	204,725	197,243	196,565	
Province of Saskatchewan, Coupon Strip	02-Dec-2019	54,600	52,683	52,637	
Province of Saskatchewan, Coupon Strip	05-Mar-2020	2,447,000	2,294,434	2,335,356	
Province of Saskatchewan, Coupon Strip	01-Jun-2020	204,725	195,110	194,665	
Province of Saskatchewan, Coupon Strip	02-Jun-2020	54,600	52,130	51,942	
			85,635,077	86,219,240	75.76
Total Bonds			110,677,916	111,185,295	97.70
		Number of Units	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS					
Sun Life Milestone Global Equity Fund, Series I		120,147	2,450,437	2,581,006	
			2,450,437	2,581,006	2.27
Total Investments			113,128,353	113,766,301	99.97
Other Assets less Liabilities				34,692	0.03
Total Net Assets				113,800,993	100.00

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2020 Fund (Continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Milestone 2020 Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is subject to credit risk exposure related to both the direct investment in interest-bearing securities and to the extent of its investment in the underlying fund holding interest-bearing securities.

The Fund invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	June 30, 2017	
AAA/Aaa	21.94	
AA/Aa	38.97	
A/A	33.76	
Not Rated	3.03	
Total	97.70	

Rating	As a % of Net Assets	
	December 31, 2016	
AAA/Aaa	31.03	
AA/Aa	36.10	
A/A	27.34	
Not Rated	2.81	
Total	97.28	

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency

contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, either directly or indirectly through underlying internally managed funds, including cash and cash equivalents. The Fund is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying internally managed funds.

The following tables summarize the Fund's direct exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	139,191
1-5 years	111,046,104
More than 5 years	—
Total	111,185,295

	December 31, 2016 (\$)
Less than 1 year	—
1-5 years	118,937,469
More than 5 years	—
Total	118,937,469

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$3,108,910 (\$3,901,826 as at December 31, 2016). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in underlying internally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2020 Fund (Continued)

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Bonds		
Federal Bonds	21.9	31.1
Provincial Bonds	75.8	66.2
Mutual Funds		
Global Equities	2.3	2.7
Other Assets less Liabilities	–	–
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers,

accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	111,185,295	–	111,185,295
Mutual Funds	2,581,006	–	–	2,581,006
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	118,937,469	–	118,937,469
Mutual Funds	3,310,250	–	–	3,310,250

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds have been classified as Level 2.

Guaranteed Value

The Fund has a maturity date where the asset mix of the respective fund moves from equities to fixed income as the fund nears maturity. The Fund has been structured to ensure that on the scheduled maturity date, it will have sufficient assets to pay unitholders an amount for each outstanding unit equal to the greatest of the following three values: (i) \$10.00 per unit (the inception unit value); (ii) the highest month-end unit value during the period from the start date until the scheduled maturity date; and (iii) the unit value on the scheduled maturity date (the "Guaranteed Value"). If on the maturity date of the Fund the unit value is less than the Guaranteed Value, then under the sub-advisory agreement, Sun Life Assurance Company of Canada has agreed to pay any shortfall to the applicable Fund.

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2020 Fund (Continued)

As at June 30, 2017, the effective guaranteed unit value of the Fund is \$11.9108.

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	113,766,301	122,247,719
Total financial assets at fair value through profit or loss	113,766,301	122,247,719
Financial assets at amortized cost		
Cash	–	294,261
Other receivables	837,139	167,550
Total financial assets at amortized cost	837,139	461,811
Total assets	114,603,440	122,709,530
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	802,447	441,064
Total liabilities (excluding net assets attributable to holders of redeemable units)	802,447	441,064

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	680,274	953,038
Total net gains (losses)	680,274	953,038

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010

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

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2025 Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	117,587,155	113,532,621
Short-term investments	–	–
Cash	212,266	90,214
Margin	–	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	412,109	221,877
Accrued interest	–	–
Dividends receivable	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	34,275	25,473
	118,245,805	113,870,185
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	12,912	11,680
Redemptions payable	51,605	3,452
Distributions payable	–	–
Due to investment dealers	766,738	34,605
Management fees payable	233,073	220,223
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,064,328	269,960
Net Assets Attributable to Holders of Redeemable Units	117,181,477	113,600,225
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	117,181,477	113,600,225
Series E	–	–
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	12.90	12.74
Series E	–	–

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	–	–
Interest income for distribution purposes	1,187,282	1,069,856
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	249,208	(156,477)
Net realized gain (loss) on futures contracts	–	–
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	1,299,040	2,811,384
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	2,735,530	3,724,763
Net gain (loss) on foreign exchange	–	–
Other income	–	–
Total income (loss)	2,735,530	3,724,763
Expenses (note 5)		
Management fees	1,185,270	996,692
Administration fees	64,594	54,185
Independent review committee fees	1,094	501
Withholding tax	–	–
Transaction costs (note 2)	–	–
Total operating expenses	1,250,958	1,051,378
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	1,484,572	2,673,385
Finance Cost		
Interest expense	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		
	1,484,572	2,673,385
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	1,484,572	2,710,456
Series E	–	(37,071)
Weighted Average Number of Units Outstanding		
Series A	9,046,228	7,459,689
Series E	–	935,729
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.16	0.36
Series E	–	(0.04)

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2025 Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017		2016	
	Series A (\$)	Series E (\$)	Series A (\$)	Series E (\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	113,600,225	78,769,613	–	12,015,508
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	1,484,572	2,710,456	–	(37,071)
Redeemable Unit Transactions				
Proceeds from redeemable units issued	11,119,557	30,668,466	–	99,337
Redemption of redeemable units	(9,023,166)	(3,822,478)	–	(12,077,099)
Reinvestment of distributions to holders of redeemable units	10,013	5,817	–	653
Capitalized distributions	–	–	–	–
	2,106,404	26,851,805	–	(11,977,109)
Distributions to Holders of Redeemable Units				
From capital gains	–	–	–	–
From net investment income	(9,724)	(4,410)	–	(1,328)
Return of capital	–	–	–	–
	(9,724)	(4,410)	–	(1,328)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	3,581,252	29,557,851	–	(12,015,508)
Net Assets Attributable to Holders of Redeemable Units at end of period	117,181,477	108,327,464	–	–
			2017	2016
			Total	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period		113,600,225	90,785,121	
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		1,484,572	2,673,385	
Redeemable Unit Transactions				
Proceeds from redeemable units issued		11,119,557	30,767,803	
Redemption of redeemable units		(9,023,166)	(15,899,577)	
Reinvestment of distributions to holders of redeemable units		10,013	6,470	
Capitalized distributions		–	–	
		2,106,404	14,874,696	
Distributions to Holders of Redeemable Units				
From capital gains		–	–	
From net investment income		(9,724)	(5,738)	
Return of capital		–	–	
		(9,724)	(5,738)	
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period		3,581,252	17,542,343	
Net Assets Attributable to Holders of Redeemable Units at end of period		117,181,477	108,327,464	
		2017	2016	
		Series A	Series E	
Redeemable Unit Transactions				
Balance – beginning of period	8,920,266	6,118,997	–	931,914
Units issued	858,428	2,385,206	–	7,734
Units issued on reinvestment of distributions	772	449	–	51
Units redeemed	(694,572)	(296,637)	–	(939,699)
Balance – end of period	9,084,894	8,208,015	–	–
		2017	2016	
		Total		
Redeemable Unit Transactions				
Balance – beginning of period		8,920,266	7,050,911	
Units issued		858,428	2,392,940	
Units issued on reinvestment of distributions		772	500	
Units redeemed		(694,572)	(1,236,336)	
Balance – end of period		9,084,894	8,208,015	

Statements of Cash Flows For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	1,484,572	2,673,385
Adjustments for:		
Gain on short-term investments	–	–
Net realized (gain) loss on sale of investments	(249,208)	156,477
Change in unrealized (appreciation) depreciation in value of investments	(1,299,040)	(2,811,384)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(12,986,881)	(16,803,624)
Proceeds from sale of investments	11,022,496	2,082,102
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	–	–
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	12,850	171,367
Change in other payables and accrued expenses	1,232	9,804
Net Cash Provided by (Used in) Operating Activities	(2,013,979)	(14,521,873)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	289	732
Proceeds from redeemable units issued	11,110,755	30,761,382
Redemption of redeemable units	(8,975,013)	(15,894,063)
Net Cash Provided by (Used in) Financing Activities	2,136,031	14,868,051
Net increase (decrease) in cash	122,052	346,178
Cash (bank indebtedness) at beginning of period	90,214	(15,632)
Cash (bank indebtedness) at end of period	212,266	330,546
Dividends received, net of withholding taxes	–	–
Interest received, net of withholding taxes	568	1,865
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2025 Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS					
Federal Bonds					
Government of Canada, Coupon Strip	01-Dec-2024	18,848,000	17,044,695	16,500,107	
Government of Canada, Coupon Strip	01-Jun-2025	31,605,000	27,238,003	27,482,009	
Government of Canada, Residual Strip	01-Jun-2025	949,000	838,702	834,744	
			45,121,400	44,816,860	38.25
Provincial Bonds					
Hydro Quebec, Interest Strip	15-Feb-2025	60,000	50,522	49,510	
New Brunswick Electric, Coupon Strip	03-Jun-2024	1,211,000	1,032,718	1,012,157	
New Brunswick Electric, Coupon Strip	03-Dec-2024	390,000	304,136	319,253	
New Brunswick Electric, Coupon Strip	03-Jun-2025	3,763,000	2,683,749	3,017,824	
Newfoundland and Labrador Hydro, Coupon Strip	27-Aug-2024	407,000	333,209	334,833	
Ontario Electricity Financial Corp.	11-Apr-2025	2,150,000	1,726,985	1,748,323	
Ontario Hydro, Residual Strip	26-May-2025	322,000	268,955	261,140	
Province of Alberta, Coupon Strip	01-Jun-2024	297,000	250,585	250,681	
Province of Alberta, Coupon Strip	01-Dec-2024	455,500	380,853	378,384	
Province of Alberta, Coupon Strip	01-Jun-2025	978,000	815,893	797,388	
Province of British Columbia, Interest Strip	18-Jun-2024	8,540,000	7,153,052	7,226,807	
Province of British Columbia, Interest Strip	18-Dec-2024	2,700,000	2,139,768	2,246,533	
Province of British Columbia, Interest Strip	18-Jun-2025	9,647,500	7,597,552	7,909,808	
Province of British Columbia, Principal Strip	23-Aug-2024	1,510,000	1,207,730	1,266,810	
Province of Manitoba, Coupon Strip	05-Sep-2024	158,000	133,823	130,643	
Province of Manitoba, Coupon Strip	05-Mar-2025	81,000	67,254	65,856	
Province of New Brunswick, Generic Coupon Strip	26-Mar-2024	169,000	141,228	139,230	
Province of New Brunswick, Generic Coupon Strip	26-Sep-2024	262,000	214,582	214,759	
Province of New Brunswick, Generic Coupon Strip	26-Mar-2025	186,000	149,390	148,152	
Province of Newfoundland and Labrador, Coupon Strip	17-Apr-2024	3,442,000	2,866,642	2,866,140	
Province of Newfoundland and Labrador, Coupon Strip	17-Oct-2024	3,857,000	3,170,799	3,143,591	
Province of Newfoundland and Labrador, Coupon Strip	17-Apr-2025	7,117,000	5,709,417	5,700,327	
Province of Nova Scotia, Generic Strip	01-Jun-2025	657,000	547,865	531,431	
Province of Ontario, Generic Coupon Strip	02-Jun-2025	5,233,365	4,400,026	4,276,283	
Province of Prince Edward Island, CDS BE Generic Interest	17-Jan-2024	495,000	398,951	415,473	
Province of Prince Edward Island, CDS BE Generic Interest	17-Jul-2024	130,000	102,697	107,540	
Province of Prince Edward Island, CDS BE Generic Interest	17-Jan-2025	765,000	592,020	625,150	
Province of Quebec, Coupon Strip	01-Jun-2025	5,000,000	4,176,170	4,088,827	
Province of Saskatchewan, Coupon Strip	01-Dec-2020	96,187	90,044	90,212	
Province of Saskatchewan, Coupon Strip	02-Dec-2020	81,900	77,246	77,091	
Province of Saskatchewan, Coupon Strip	01-Jun-2021	96,187	88,727	89,218	
Province of Saskatchewan, Coupon Strip	02-Jun-2021	81,900	76,244	76,007	
Province of Saskatchewan, Coupon Strip	01-Dec-2021	96,187	87,338	87,805	
Province of Saskatchewan, Coupon Strip	02-Dec-2021	81,900	75,136	75,054	
Province of Saskatchewan, Coupon Strip	01-Jun-2022	96,187	85,862	86,730	
Province of Saskatchewan, Coupon Strip	02-Jun-2022	81,900	73,979	73,821	
Province of Saskatchewan, Coupon Strip	01-Dec-2022	96,187	84,356	84,924	
Province of Saskatchewan, Coupon Strip	02-Dec-2022	81,900	72,729	72,694	
Province of Saskatchewan, Coupon Strip	01-Jun-2023	236,587	205,825	205,999	
Province of Saskatchewan, Coupon Strip	02-Jun-2023	81,900	71,374	71,516	
Province of Saskatchewan, Coupon Strip	05-Sep-2023	303,320	261,832	260,768	
Province of Saskatchewan, Coupon Strip	01-Dec-2023	342,237	298,407	292,780	
Province of Saskatchewan, Coupon Strip	02-Dec-2023	218,400	189,979	186,828	
Province of Saskatchewan, Coupon Strip	05-Mar-2024	421,600	359,893	356,539	
Province of Saskatchewan, Coupon Strip	01-Jun-2024	342,237	294,308	288,400	
Province of Saskatchewan, Coupon Strip	02-Jun-2024	218,400	186,752	184,033	
Province of Saskatchewan, Coupon Strip	05-Sep-2024	355,000	295,193	295,470	
Province of Saskatchewan, Coupon Strip	01-Dec-2024	342,237	289,561	282,890	
Province of Saskatchewan, Coupon Strip	02-Dec-2024	218,400	183,550	180,516	
Province of Saskatchewan, Coupon Strip	05-Mar-2025	1,177,240	960,612	957,459	

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2025 Fund (Continued)

Schedule of Investments

	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Province of Saskatchewan, Coupon Strip	01-Jun-2025	342,237	284,530	278,362	
Province of Saskatchewan, Coupon Strip	02-Jun-2025	218,400	180,326	177,627	
Province of Saskatchewan, Residual Strip	30-May-2025	4,560,000	3,571,569	3,670,874	
			57,061,943	57,776,470	49.30
Total Bonds			102,183,343	102,593,330	87.55
		Number of Units	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS					
Sun Life Milestone Global Equity Fund, Series I		697,972	14,136,467	14,993,825	
			14,136,467	14,993,825	12.80
Total Investments			116,319,810	117,587,155	100.35
Other Assets less Liabilities				(405,678)	(0.35)
Total Net Assets				117,181,477	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Milestone 2025 Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is subject to credit risk exposure related to both the direct investment in interest-bearing securities and to the extent of its investment in the underlying fund holding interest-bearing securities.

The Fund invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities

that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets
	June 30, 2017
AAA/Aaa	38.25
AA/Aa	27.04
A/A	20.06
Not Rated	2.20
Total	87.55
Rating	As a % of Net Assets
	December 31, 2016
AAA/Aaa	41.15
AA/Aa	27.41
A/A	16.32
Not Rated	2.23
Total	87.11

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2025 Fund (Continued)

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, either directly or indirectly through underlying internally managed funds, including cash and cash equivalents. The Fund is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying internally managed funds.

The following tables summarize the Fund's direct exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates

	June 30, 2017 (\$)
Less than 1 year	—
1-5 years	655,938
More than 5 years	101,937,392
Total	102,593,330

	December 31, 2016 (\$)
Less than 1 year	—
1-5 years	491,674
More than 5 years	98,453,653
Total	98,945,327

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$7,808,959 (\$8,038,039 as at December 31, 2016). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in underlying internally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical

location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Bonds		
Federal Bonds	38.3	41.1
Provincial Bonds	49.3	46.0
Mutual Funds		
Global Equities	12.8	12.8
Other Assets less Liabilities	(0.4)	0.1
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2025 Fund (Continued)

investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	102,593,330	–	102,593,330
Mutual Funds	14,993,825	–	–	14,993,825

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	98,945,327	–	98,945,327
Mutual Funds	14,587,294	–	–	14,587,294

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds have been classified as Level 2.

Guaranteed Value

The Fund has a maturity date where the asset mix of the respective fund moves from equities to fixed income as the fund nears maturity. The Fund has been structured to ensure that on the scheduled maturity date, it will have sufficient assets to pay unitholders an amount for each outstanding unit equal to the greatest of the following three values: (i) \$10.00 per unit (the inception unit value); (ii) the highest month-end unit value during the period from the start date until the scheduled maturity date; and (iii) the unit value on the scheduled maturity date (the "Guaranteed Value"). If on the maturity date of the Fund the unit value is less than the Guaranteed Value, then under the sub-advisory agreement, Sun Life Assurance Company of Canada has agreed to pay any shortfall to the applicable Fund.

As at June 30, 2017, the effective guaranteed unit value of the Fund is \$13.3056.

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	117,587,155	113,532,621
Total financial assets at fair value through profit or loss	117,587,155	113,532,621
Financial assets at amortized cost		
Cash	212,266	90,214
Other receivables	446,384	247,350
Total financial assets at amortized cost	658,650	337,564
Total assets	118,245,805	113,870,185
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	1,064,328	269,960
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,064,328	269,960

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	2,735,530	3,724,763
Total net gains (losses)	2,735,530	3,724,763

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2025 Fund (Continued)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010

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

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2030 Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	83,182,030	76,906,414
Short-term investments	–	–
Cash	46,141	264,842
Margin	–	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	2,864,040	142,694
Accrued interest	–	–
Dividends receivable	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	12,025	20,637
	86,104,236	77,334,587
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	18,074	15,963
Redemptions payable	30,306	5,000
Distributions payable	–	–
Due to investment dealers	3,104,234	119,425
Management fees payable	161,308	145,522
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,313,922	285,910
Net Assets Attributable to Holders of Redeemable Units	82,790,314	77,048,677
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	82,790,314	77,048,677
Series E	–	–
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	14.25	13.76
Series E	–	–

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	–	–
Interest income for distribution purposes	1,022,218	844,936
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	176,422	(92,801)
Net realized gain (loss) on futures contracts	–	–
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	2,557,562	2,462,453
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	3,756,202	3,214,588
Net gain (loss) on foreign exchange	–	–
Other income	–	–
Total income (loss)	3,756,202	3,214,588
Expenses (note 5)		
Management fees	801,820	661,203
Administration fees	89,409	74,228
Independent review committee fees	757	335
Withholding tax	–	–
Transaction costs (note 2)	–	–
Total operating expenses	891,986	735,766
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	2,864,216	2,478,822
Finance Cost		
Interest expense	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		
	2,864,216	2,478,822
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	2,864,216	2,629,085
Series E	–	(150,263)
Weighted Average Number of Units Outstanding		
Series A	5,718,204	4,647,391
Series E	–	1,258,964
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.50	0.57
Series E	–	(0.12)

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2030 Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016
	Series A (\$)	(\$)	Series E (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	77,048,677	46,879,526	–	17,031,889
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,864,216	2,629,085	–	(150,263)
Redeemable Unit Transactions				
Proceeds from redeemable units issued	7,234,011	27,386,987	–	534,770
Redemption of redeemable units	(4,356,983)	(2,592,735)	–	(17,416,086)
Reinvestment of distributions to holders of redeemable units	25,607	18,840	–	10,605
Capitalized distributions	–	–	–	–
	2,902,635	24,813,092	–	(16,870,711)
Distributions to Holders of Redeemable Units				
From capital gains	–	–	–	–
From net investment income	(25,214)	(14,492)	–	(10,915)
Return of capital	–	–	–	–
	(25,214)	(14,492)	–	(10,915)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	5,741,637	27,427,685	–	(17,031,889)
Net Assets Attributable to Holders of Redeemable Units at end of period	82,790,314	74,307,211	–	–
			2017	2016
			Total	Total
			(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period		77,048,677		63,911,415
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		2,864,216		2,478,822
Redeemable Unit Transactions				
Proceeds from redeemable units issued		7,234,011		27,921,757
Redemption of redeemable units		(4,356,983)		(20,008,821)
Reinvestment of distributions to holders of redeemable units		25,607		29,445
Capitalized distributions		–		–
		2,902,635		7,942,381
Distributions to Holders of Redeemable Units				
From capital gains		–		–
From net investment income		(25,214)		(25,407)
Return of capital		–		–
		(25,214)		(25,407)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period		5,741,637		10,395,796
Net Assets Attributable to Holders of Redeemable Units at end of period		82,790,314		74,307,211
			2017	2016
			Series A	Series E
Redeemable Unit Transactions				
Balance – beginning of period	5,600,803	3,408,951	–	1,238,206
Units issued	514,095	2,001,512	–	39,273
Units issued on reinvestment of distributions	1,809	1,356	–	776
Units redeemed	(308,623)	(188,624)	–	(1,278,255)
Balance – end of period	5,808,084	5,223,195	–	–
			2017	2016
			Total	Total
Redeemable Unit Transactions				
Balance – beginning of period		5,600,803		4,647,157
Units issued		514,095		2,040,785
Units issued on reinvestment of distributions		1,809		2,132
Units redeemed		(308,623)		(1,466,879)
Balance – end of period		5,808,084		5,223,195

Statements of Cash Flows For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	2,864,216	2,478,822
Adjustments for:		
Gain on short-term investments	74,712	–
Net realized (gain) loss on sale of investments	(176,422)	92,801
Change in unrealized (appreciation) depreciation in value of investments	(2,557,562)	(2,462,453)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(9,478,391)	(9,824,355)
Proceeds from sale of investments	6,125,510	1,743,311
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	–	–
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	15,786	112,055
Change in other payables and accrued expenses	2,111	12,981
Net Cash Provided by (Used in) Operating Activities	(3,130,040)	(7,846,838)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	393	4,038
Proceeds from redeemable units issued	7,242,623	27,898,726
Redemption of redeemable units	(4,331,677)	(19,993,387)
Net Cash Provided by (Used in) Financing Activities	2,911,339	7,909,377
Net increase (decrease) in cash	(218,701)	62,539
Cash (bank indebtedness) at beginning of period	264,842	62,295
Cash (bank indebtedness) at end of period	46,141	124,834
Dividends received, net of withholding taxes	–	–
Interest received, net of withholding taxes	719	1,178
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2030 Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS					
Federal Bonds					
Government of Canada, Coupon Strip	01-Dec-2027	8,036,000	6,709,878	6,495,479	
Government of Canada, Coupon Strip	01-Jun-2028	4,873,000	4,002,476	3,907,480	
Government of Canada, Coupon Strip	01-Dec-2028	1,885,100	1,552,221	1,493,489	
Government of Canada, Coupon Strip	01-Jun-2029	233,539	179,112	182,931	
Government of Canada, Coupon Strip	01-Dec-2029	2,869,561	2,179,069	2,212,388	
Government of Canada, Coupon Strip	01-Jun-2030	6,178,000	4,450,757	4,739,531	
Government of Canada, Residual Strip	01-Jun-2029	13,293,339	10,822,162	10,625,520	
			29,895,675	29,656,818	35.82
Provincial Bonds					
Hydro Quebec, Interest Strip	15-Feb-2030	3,000,000	2,093,810	2,069,045	
New Brunswick Electric, Coupon Strip	03-Jun-2029	544,000	345,611	368,326	
New Brunswick Electric, Coupon Strip	03-Jun-2030	1,886,150	1,185,322	1,249,139	
Province of Alberta, Coupon Strip	01-Jun-2028	222,750	160,540	164,084	
Province of Alberta, Coupon Strip	01-Dec-2028	222,750	156,664	160,895	
Province of Alberta, Coupon Strip	01-Jun-2029	222,750	153,604	157,876	
Province of Alberta, Coupon Strip	01-Dec-2029	222,750	150,546	154,851	
Province of Alberta, Coupon Strip	01-Jun-2030	222,750	147,328	152,599	
Province of British Columbia, Generic Strip	18-Jun-2029	5,068,000	3,299,325	3,603,049	
Province of British Columbia, Interest Strip	18-Dec-2029	7,000,000	4,461,612	4,892,174	
Province of British Columbia, Interest Strip	18-Jun-2030	1,534,000	977,256	1,052,593	
Province of British Columbia, Principal Strip	18-Jun-2029	4,000,000	2,688,683	2,840,408	
Province of Manitoba, Coupon Strip	05-Mar-2030	1,850,000	1,269,342	1,246,462	
Province of New Brunswick, Generic Coupon Strip	26-Mar-2028	257,000	182,049	181,253	
Province of New Brunswick, Generic Coupon Strip	03-Jun-2028	429,000	301,465	305,627	
Province of New Brunswick, Generic Coupon Strip	03-Dec-2029	116,910	77,840	77,818	
Province of Newfoundland and Labrador, Coupon Strip	17-Oct-2028	659,565	455,597	461,777	
Province of Newfoundland and Labrador, Coupon Strip	17-Apr-2029	819,600	538,077	558,370	
Province of Newfoundland and Labrador, Coupon Strip	17-Oct-2029	711,600	455,949	476,439	
Province of Newfoundland and Labrador, Coupon Strip	17-Apr-2030	892,890	579,964	589,992	
Province of Nova Scotia, Generic Strip	01-Dec-2028	988,000	646,819	700,689	
Province of Nova Scotia, Generic Strip	01-Dec-2029	660,000	415,385	454,789	
Province of Nova Scotia, Generic Strip	01-Jun-2030	668,000	408,067	454,928	
Province of Nova Scotia, Generic Strip	02-Jun-2030	200,000	137,966	135,213	
Province of Ontario, Generic Coupon Strip	02-Jun-2030	7,515,300	4,992,551	5,144,864	
Province of Prince Edward Island, Generic Strip	17-Jan-2029	760,065	495,036	536,252	
Province of Prince Edward Island, Generic Strip	17-Jul-2029	640,000	403,473	429,862	
Province of Prince Edward Island, Generic Strip	17-Jan-2030	918,975	579,936	625,951	
Province of Saskatchewan, Coupon Strip	01-Dec-2025	72,140	56,758	57,471	
Province of Saskatchewan, Coupon Strip	02-Dec-2025	61,425	48,821	48,932	
Province of Saskatchewan, Coupon Strip	01-Jun-2026	72,140	55,587	56,506	
Province of Saskatchewan, Coupon Strip	02-Jun-2026	61,425	47,881	48,110	
Province of Saskatchewan, Coupon Strip	01-Dec-2026	72,140	54,543	55,283	
Province of Saskatchewan, Coupon Strip	02-Dec-2026	61,425	46,929	47,069	
Province of Saskatchewan, Coupon Strip	01-Jun-2027	72,140	53,539	54,331	
Province of Saskatchewan, Coupon Strip	02-Jun-2027	61,425	45,933	46,258	
Province of Saskatchewan, Coupon Strip	01-Dec-2027	72,140	52,336	53,114	
Province of Saskatchewan, Coupon Strip	02-Dec-2027	61,425	44,962	45,222	
Province of Saskatchewan, Coupon Strip	01-Jun-2028	72,140	51,279	52,195	
Province of Saskatchewan, Coupon Strip	02-Jun-2028	61,425	44,027	44,440	
Province of Saskatchewan, Coupon Strip	05-Sep-2028	606,000	428,980	435,651	
Province of Saskatchewan, Coupon Strip	01-Dec-2028	72,140	50,115	51,010	
Province of Saskatchewan, Coupon Strip	02-Dec-2028	61,425	43,044	43,431	
Province of Saskatchewan, Coupon Strip	01-Jun-2029	72,140	49,056	50,150	
Province of Saskatchewan, Coupon Strip	02-Jun-2029	61,425	42,150	42,698	
Province of Saskatchewan, Coupon Strip	05-Sep-2029	557,000	362,011	384,805	

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2030 Fund (Continued)

Schedule of Investments

	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Province of Saskatchewan, Coupon Strip	01-Dec-2029	72,140	48,106	49,637	
Province of Saskatchewan, Coupon Strip	02-Dec-2029	61,425	41,302	42,262	
Province of Saskatchewan, Coupon Strip	05-Mar-2030	472,000	295,958	319,880	
Province of Saskatchewan, Coupon Strip	01-Jun-2030	72,140	47,108	48,871	
Province of Saskatchewan, Coupon Strip	02-Jun-2030	61,425	40,459	41,609	
Province of Saskatchewan, Residual Strip	05-Mar-2029	2,900,000	2,030,306	2,057,734	
			31,841,007	33,421,994	40.37
Total Bonds			61,736,682	63,078,812	76.19

	Number of Units	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Milestone Global Equity Fund, Series I	935,817	18,973,731	20,103,218	
		18,973,731	20,103,218	24.28
Total Investments		80,710,413	83,182,030	100.47
Other Assets less Liabilities			(391,716)	(0.47)
Total Net Assets			82,790,314	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Milestone 2030 Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is subject to credit risk exposure related to both the direct investment in interest-bearing securities and to the extent of its investment in the underlying fund holding interest-bearing securities.

The Fund invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities

that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets
	June 30, 2017
AAA/Aaa	35.82
AA/Aa	26.22
A/A	11.27
Not Rated	2.88
Total	76.19

Rating	As a % of Net Assets
	December 31, 2016
AAA/Aaa	38.06
AA/Aa	27.19
A/A	7.50
Not Rated	2.96
Total	75.71

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2030 Fund (Continued)

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, either directly or indirectly through underlying internally managed funds, including cash and cash equivalents. The Fund is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying internally managed funds.

The following tables summarize the Fund's direct exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	–
1-5 years	–
More than 5 years	63,078,812
Total	63,078,812

	December 31, 2016 (\$)
Less than 1 year	–
1-5 years	–
More than 5 years	58,330,727
Total	58,330,727

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$7,556,071 (\$7,301,249 as at December 31, 2016). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in underlying internally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Bonds		
Federal Bonds	35.8	38.0
Provincial Bonds	40.4	37.7
Mutual Funds		
Global Equities	24.3	24.1
Other Assets less Liabilities	(0.5)	0.2
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2030 Fund (Continued)

obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	63,078,812	–	63,078,812
Mutual Funds	20,103,218	–	–	20,103,218

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	58,330,727	–	58,330,727
Mutual Funds	18,575,687	–	–	18,575,687

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds have been classified as Level 2.

Guaranteed Value

The Fund has a maturity date where the asset mix of the respective fund moves from equities to fixed income as the fund nears maturity. The Fund has been structured to ensure that on the scheduled maturity date, it will have sufficient assets to pay unitholders an amount for each outstanding unit equal to the greatest of the following three values: (i) \$10.00 per unit (the inception unit value); (ii) the highest month-end unit value during the period from the start date until the scheduled maturity date; and (iii) the unit value on the scheduled maturity date (the "Guaranteed Value"). If on the maturity date of the Fund the unit value is less than the Guaranteed Value, then under the sub-advisory agreement, Sun Life Assurance Company of Canada has agreed to pay any shortfall to the applicable Fund.

As at June 30, 2017, the effective guaranteed unit value of the Fund is \$14.5810.

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$316,530 (\$427,410 as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	83,182,030	76,906,414
Total financial assets at fair value through profit or loss	83,182,030	76,906,414
Financial assets at amortized cost		
Cash	46,141	264,842
Other receivables	2,876,065	163,331
Total financial assets at amortized cost	2,922,206	428,173
Total assets	86,104,236	77,334,587
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	3,313,922	285,910
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,313,922	285,910

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2030 Fund (Continued)

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	3,756,202	3,214,588
Total net gains (losses)	3,756,202	3,214,588

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010

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

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2035 Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	49,680,004	45,490,962
Short-term investments	–	–
Cash	17,152	351,817
Margin	–	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	295,116	90,114
Accrued interest	–	–
Dividends receivable	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	487	5,277
	49,992,759	45,938,170
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	10,681	9,289
Redemptions payable	26,506	–
Distributions payable	–	–
Due to investment dealers	482,709	205,744
Management fees payable	97,363	86,555
Total liabilities (excluding net assets attributable to holders of redeemable units)	617,259	301,588
Net Assets Attributable to Holders of Redeemable Units	49,375,500	45,636,582
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	49,375,500	45,636,582
Series E	–	–
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	14.92	14.01
Series E	–	–

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	–	–
Interest income for distribution purposes	540,776	456,863
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	129,946	(69,568)
Net realized gain (loss) on futures contracts	–	–
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	2,861,404	1,631,051
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	3,532,126	2,018,346
Net gain (loss) on foreign exchange	–	–
Other income	–	–
Total income (loss)	3,532,126	2,018,346
Expenses (note 5)		
Management fees	481,945	379,819
Administration fees	52,435	41,171
Independent review committee fees	444	193
Withholding tax	–	–
Transaction costs (note 2)	–	–
Total operating expenses	534,824	421,183
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	2,997,302	1,597,163
Finance Cost		
Interest expense	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,997,302	1,597,163
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	2,997,302	1,643,324
Series E	–	(46,161)
Weighted Average Number of Units Outstanding		
Series A	3,286,855	2,691,386
Series E	–	146,971
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.91	0.61
Series E	–	(0.31)

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2035 Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016
	Series A (\$)	(\$)	Series E (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	45,636,582	32,406,258	–	1,973,258
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,997,302	1,643,324	–	(46,161)
Redeemable Unit Transactions				
Proceeds from redeemable units issued	4,966,512	9,352,999	–	136,091
Redemption of redeemable units	(4,225,032)	(1,656,288)	–	(2,063,089)
Reinvestment of distributions to holders of redeemable units	3,209	1,116	–	84
Capitalized distributions	–	–	–	–
	744,689	7,697,827	–	(1,926,914)
Distributions to Holders of Redeemable Units				
From capital gains	–	–	–	–
From net investment income	(3,073)	(833)	–	(183)
Return of capital	–	–	–	–
	(3,073)	(833)	–	(183)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	3,738,918	9,340,318	–	(1,973,258)
Net Assets Attributable to Holders of Redeemable Units at end of period	49,375,500	41,746,576	–	–
			2017	2016
			Total	Total
			(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period		45,636,582	34,379,516	
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		2,997,302	1,597,163	
Redeemable Unit Transactions				
Proceeds from redeemable units issued		4,966,512	9,489,090	
Redemption of redeemable units		(4,225,032)	(3,719,377)	
Reinvestment of distributions to holders of redeemable units		3,209	1,200	
Capitalized distributions		–	–	
		744,689	5,770,913	
Distributions to Holders of Redeemable Units				
From capital gains		–	–	
From net investment income		(3,073)	(1,016)	
Return of capital		–	–	
		(3,073)	(1,016)	
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period		3,738,918	7,367,060	
Net Assets Attributable to Holders of Redeemable Units at end of period		49,375,500	41,746,576	
		2017	2016	
		Series A	Series E	
Redeemable Unit Transactions				
Balance – beginning of period	3,256,314	2,341,016	–	142,522
Units issued	342,731	682,247	–	10,110
Units issued on reinvestment of distributions	220	80	–	6
Units redeemed	(290,658)	(119,708)	–	(152,638)
Balance – end of period	3,308,607	2,903,635	–	–
		2017	2016	
		Total	Total	
Redeemable Unit Transactions				
Balance – beginning of period		3,256,314	2,483,538	
Units issued		342,731	692,357	
Units issued on reinvestment of distributions		220	86	
Units redeemed		(290,658)	(272,346)	
Balance – end of period		3,308,607	2,903,635	

Statements of Cash Flows For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	2,997,302	1,597,163
Adjustments for:		
Gain on short-term investments	2,478	–
Net realized (gain) loss on sale of investments	(129,946)	69,568
Change in unrealized (appreciation) depreciation in value of investments	(2,861,404)	(1,631,051)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	–	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(7,852,270)	(6,833,077)
Proceeds from sale of investments	6,724,063	1,126,848
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	–	–
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	10,808	65,887
Change in other payables and accrued expenses	1,392	7,350
Net Cash Provided by (Used in) Operating Activities	(1,107,577)	(5,597,312)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	136	184
Proceeds from redeemable units issued	4,971,302	9,491,190
Redemption of redeemable units	(4,198,526)	(3,719,377)
Net Cash Provided by (Used in) Financing Activities	772,912	5,771,997
Net increase (decrease) in cash	(334,665)	174,685
Cash (bank indebtedness) at beginning of period	351,817	(53,327)
Cash (bank indebtedness) at end of period	17,152	121,358
Dividends received, net of withholding taxes	–	–
Interest received, net of withholding taxes	1,908	2,976
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2035 Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS					
Federal Bonds					
Government of Canada, Coupon Strip	01-Jun-2033	660,000	482,731	481,658	
Government of Canada, Coupon Strip	01-Dec-2033	2,990,000	2,151,179	2,083,515	
Government of Canada, Coupon Strip	01-Jun-2034	4,852,000	3,362,934	3,334,600	
Government of Canada, Coupon Strip	01-Dec-2034	4,957,022	3,271,161	3,365,452	
Government of Canada, Coupon Strip	01-Jun-2035	6,944,000	4,332,721	4,667,917	
			13,600,726	13,933,142	28.22
Provincial Bonds					
Hydro Quebec, Interest Strip	15-Feb-2035	1,605,000	939,327	927,677	
Hydro Quebec, Residual Strip	15-Feb-2035	10,000	5,889	5,845	
New Brunswick Electric, Coupon Strip	03-Dec-2033	1,275,000	723,119	740,067	
Province of Alberta, Coupon Strip	01-Jun-2033	148,500	87,555	91,438	
Province of Alberta, Coupon Strip	01-Dec-2033	148,500	85,996	89,476	
Province of Alberta, Coupon Strip	01-Jun-2034	148,500	84,329	87,959	
Province of Alberta, Coupon Strip	01-Dec-2034	148,500	82,811	86,459	
Province of British Columbia, Interest Strip	18-Jun-2033	1,839,000	1,087,385	1,142,585	
Province of British Columbia, Interest Strip	18-Dec-2033	2,000,000	1,246,049	1,217,156	
Province of British Columbia, Interest Strip	18-Jun-2034	800,000	489,862	475,333	
Province of British Columbia, Interest Strip	18-Dec-2034	1,600,000	967,857	942,700	
Province of British Columbia, Interest Strip	18-Jun-2035	5,467,000	3,082,315	3,145,466	
Province of New Brunswick, Generic Coupon Strip	26-Mar-2033	774,000	446,673	451,368	
Province of New Brunswick, Generic Coupon Strip	03-Jun-2033	876,000	501,561	520,274	
Province of New Brunswick, Generic Coupon Strip	26-Sep-2033	645,000	364,753	370,223	
Province of New Brunswick, Generic Coupon Strip	26-Mar-2034	240,000	131,330	135,507	
Province of New Brunswick, Generic Coupon Strip	03-Jun-2034	345,000	189,632	197,314	
Province of New Brunswick, Generic Coupon Strip	03-Dec-2034	438,000	235,824	245,979	
Province of Newfoundland and Labrador, Coupon Strip	17-Apr-2033	208,950	119,838	122,818	
Province of Newfoundland and Labrador, Coupon Strip	17-Oct-2033	127,860	76,568	73,822	
Province of Newfoundland and Labrador, Coupon Strip	17-Apr-2034	93,000	56,022	52,693	
Province of Newfoundland and Labrador, Coupon Strip	17-Apr-2035	34,860	18,586	19,075	
Province of Ontario, Coupon Strip	02-Jun-2035	5,312,000	3,179,317	3,066,746	
Province of Ontario, Generic Residual Strip	10-Jan-2035	925,000	545,241	528,305	
Province of Ontario, Generic Residual Strip	02-Jun-2035	820,000	499,083	480,296	
Province of Saskatchewan, Coupon Strip	01-Dec-2030	188,694	129,389	125,838	
Province of Saskatchewan, Coupon Strip	02-Dec-2030	118,950	81,013	79,322	
Province of Saskatchewan, Coupon Strip	01-Jun-2031	188,694	127,319	123,891	
Province of Saskatchewan, Coupon Strip	02-Jun-2031	118,950	79,534	78,095	
Province of Saskatchewan, Coupon Strip	01-Dec-2031	188,694	125,052	121,077	
Province of Saskatchewan, Coupon Strip	02-Dec-2031	118,950	78,059	76,322	
Province of Saskatchewan, Coupon Strip	01-Jun-2032	188,694	122,919	119,141	
Province of Saskatchewan, Coupon Strip	02-Jun-2032	118,950	76,545	75,100	
Province of Saskatchewan, Coupon Strip	01-Dec-2032	188,694	120,763	116,281	
Province of Saskatchewan, Coupon Strip	02-Dec-2032	118,950	75,081	73,298	
Province of Saskatchewan, Coupon Strip	05-Mar-2033	171,180	101,556	102,922	
Province of Saskatchewan, Coupon Strip	01-Jun-2033	188,694	118,563	114,292	
Province of Saskatchewan, Coupon Strip	02-Jun-2033	118,950	73,731	72,043	
Province of Saskatchewan, Coupon Strip	05-Sep-2033	253,080	147,061	152,868	
Province of Saskatchewan, Coupon Strip	01-Dec-2033	188,694	116,604	113,201	
Province of Saskatchewan, Coupon Strip	02-Dec-2033	118,950	72,427	71,356	
Province of Saskatchewan, Coupon Strip	05-Mar-2034	177,180	101,085	104,470	
Province of Saskatchewan, Coupon Strip	01-Jun-2034	188,694	114,438	111,146	
Province of Saskatchewan, Coupon Strip	02-Jun-2034	118,950	71,208	70,060	
Province of Saskatchewan, Coupon Strip	05-Sep-2034	177,180	99,255	102,751	
Province of Saskatchewan, Coupon Strip	01-Dec-2034	188,694	112,597	109,073	
Province of Saskatchewan, Coupon Strip	02-Dec-2034	118,950	70,001	68,753	
Province of Saskatchewan, Coupon Strip	05-Mar-2035	177,180	97,454	102,647	

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2035 Fund (Continued)

Schedule of Investments

	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Province of Saskatchewan, Coupon Strip	01-Jun-2035	188,694	110,505	106,990	
Province of Saskatchewan, Coupon Strip	02-Jun-2035	118,950	68,912	67,439	
			17,737,993	17,674,957	35.80
Total Bonds			31,338,719	31,608,099	64.02

	Number of Units	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Milestone Global Equity Fund, Series I	841,258	17,119,720	18,071,905	
		17,119,720	18,071,905	36.60
Total Investments		48,458,439	49,680,004	100.62
Other Assets less Liabilities			(304,504)	(0.62)
Total Net Assets			49,375,500	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Milestone 2035 Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is subject to credit risk exposure related to both the direct investment in interest-bearing securities and to the extent of its investment in the underlying fund holding interest-bearing securities.

The Fund invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities

that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

	As a % of Net Assets
Rating	June 30, 2017
AAA/Aaa	28.22
AA/Aa	21.04
A/A	14.03
Not Rated	0.72
Total	64.01

	As a % of Net Assets
Rating	December 31, 2016
AAA/Aaa	27.92
AA/Aa	21.17
A/A	12.13
Not Rated	0.72
Total	61.94

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2035 Fund (Continued)

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, either directly or indirectly through underlying internally managed funds, including cash and cash equivalents. The Fund is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying internally managed funds.

The following tables summarize the Fund's direct exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	—
1-5 years	—
More than 5 years	31,608,099
Total	31,608,099

	December 31, 2016 (\$)
Less than 1 year	—
1-5 years	—
More than 5 years	28,270,473
Total	28,270,473

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$5,422,422 (\$5,007,523 as at December 31, 2016). In practice, the actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in underlying internally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Bonds		
Federal Bonds	28.2	27.9
Provincial Bonds	35.8	34.1
Mutual Funds		
Global Equities	36.6	37.7
Other Assets less Liabilities	(0.6)	0.3
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2035 Fund (Continued)

obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	31,608,099	–	31,608,099
Mutual Funds	18,071,905	–	–	18,071,905

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	–	28,270,473	–	28,270,473
Mutual Funds	17,220,489	–	–	17,220,489

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds have been classified as Level 2.

Guaranteed Value

The Fund has a maturity date where the asset mix of the respective fund moves from equities to fixed income as the fund nears maturity. The Fund has been structured to ensure that on the scheduled maturity date, it will have sufficient assets to pay unitholders an amount for each outstanding unit equal to the greatest of the following three values: (i) \$10.00 per unit (the inception unit value); (ii) the highest month-end unit value during the period from the start date until the scheduled maturity date; and (iii) the unit value on the scheduled maturity date (the "Guaranteed Value"). If on the maturity date of the Fund the unit value is less than the Guaranteed Value, then under the sub-advisory agreement, Sun Life Assurance Company of Canada has agreed to pay any shortfall to the applicable Fund.

As at June 30, 2017, the effective guaranteed unit value of the Fund is \$15.0868

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	49,680,004	45,490,962
Total financial assets at fair value through profit or loss	49,680,004	45,490,962
Financial assets at amortized cost		
Cash	17,152	351,817
Other receivables	295,603	95,391
Total financial assets at amortized cost	312,755	447,208
Total assets	49,992,759	45,938,170
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	617,259	301,588
Total liabilities (excluding net assets attributable to holders of redeemable units)	617,259	301,588

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	3,532,126	2,018,346
Total net gains (losses)	3,532,126	2,018,346

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone 2035 Fund (Continued)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010

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

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone Global Equity Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	–	–
Short-term investments	347,099,957	319,627,790
Cash	23,545,294	24,088,244
Margin	3,294,698	–
Option contracts, at fair value – long	319,004	691,311
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	573,152	6,146,168
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	–	–
Accrued interest	187,755	132,315
Dividends receivable	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	1,846,829	633,807
	376,866,689	351,319,635
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	6,256,410
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	4,298,530	941,524
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	–	–
Redemptions payable	3,127,825	615,089
Distributions payable	–	–
Due to investment dealers	–	–
Management fees payable	–	–
Total liabilities (excluding net assets attributable to holders of redeemable units)	7,426,355	7,813,023
Net Assets Attributable to Holders of Redeemable Units	369,440,334	343,506,612
Net Assets Attributable to Holders of Redeemable Units per Unit – Series I (note 4)	21.48	19.62

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	–	–
Interest income for distribution purposes	810,469	651,768
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	–	–
Net realized gain (loss) on futures contracts	41,490,032	1,523,570
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	(546,174)	(932,282)
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	–	–
Change in unrealized appreciation (depreciation) in value of futures contracts	(8,930,022)	(5,409,126)
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	(321,962)	116,971
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	32,502,343	(4,049,099)
Net gain (loss) on foreign exchange	(16,161)	(444,829)
Other income	–	–
Total income (loss)	32,486,182	(4,493,928)
Expenses (note 5)		
Management fees	–	–
Administration fees	–	–
Independent review committee fees	–	1,590
Withholding tax	–	–
Transaction costs (note 2)	22,376	29,411
Total operating expenses	22,376	31,001
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	32,463,806	(4,524,929)
Finance Cost		
Interest expense	(1,037)	(1,096)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) – Series I		
	32,462,769	(4,526,025)
Weighted Average Number of Units Outstanding – Series I		
	17,398,048	17,833,250
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) – Series I		
	1.87	(0.25)

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone Global Equity Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	343,506,612	314,797,714
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	32,462,769	(4,526,025)
Redeemable Unit Transactions		
Proceeds from redeemable units issued	43,344,988	31,040,413
Redemption of redeemable units	(49,874,035)	(23,859,188)
Reinvestment of distributions to holders of redeemable units	–	–
Capitalized distributions	–	–
	(6,529,047)	7,181,225
Distributions to Holders of Redeemable Units		
From capital gains	–	–
From net investment income	–	–
Return of capital	–	–
	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	25,933,722	2,655,200
Net Assets Attributable to Holders of Redeemable Units at end of period	369,440,334	317,452,914
	2017	2016
Redeemable Unit Transactions		
Balance – beginning of period	17,505,707	17,500,348
Units issued	2,042,072	1,800,158
Units issued on reinvestment of distributions	–	–
Units redeemed	(2,350,092)	(1,377,034)
Balance – end of period	17,197,687	17,923,472

Statements of Cash Flows For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	32,462,769	(4,526,025)
Adjustments for:		
Gain on short-term investments	(748,389)	(708,025)
Net realized (gain) loss on sale of investments	–	–
Change in unrealized (appreciation) depreciation in value of investments	–	–
Change in unrealized (appreciation) depreciation in value of futures contracts	8,930,022	5,409,126
Change in unrealized (appreciation) depreciation in currency forward contracts	–	–
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	372,307	420,282
Change in fair value of credit default swaps	–	–
Change in margin	(9,551,108)	(12,106,571)
Purchases of investments	–	–
Proceeds from sale of investments	–	–
Purchases of short-term investments	(716,409,346)	(610,488,242)
Proceeds from sale of short-term investments	689,685,568	626,390,870
Change in dividends and interest receivable	(55,440)	56,441
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	–	–
Change in other payables and accrued expenses	–	1,590
Net Cash Provided by (Used in) Operating Activities	4,686,383	4,449,446
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	–	–
Proceeds from redeemable units issued	42,131,966	31,315,664
Redemption of redeemable units	(47,361,299)	(25,742,888)
Net Cash Provided by (Used in) Financing Activities	(5,229,333)	5,572,776
Net increase (decrease) in cash	(542,950)	10,022,222
Cash (bank indebtedness) at beginning of period	24,088,244	26,724,628
Cash (bank indebtedness) at end of period	23,545,294	36,746,850
Dividends received, net of withholding taxes	–	–
Interest received, net of withholding taxes	755,029	708,209
Interest paid	(1,037)	(1,096)

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone Global Equity Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM INVESTMENTS						
Treasury Bills						
Canadian Treasury Bill	0.489%	13-Jul-2017	30,000,000	29,977,500	29,977,500	
Canadian Treasury Bill	0.474%	27-Jul-2017	72,211,000	72,140,595	72,140,595	
Canadian Treasury Bill	0.496%	10-Aug-2017	92,934,000	92,826,554	92,826,554	
Canadian Treasury Bill	0.504%	24-Aug-2017	66,498,000	66,399,173	66,399,173	
Canadian Treasury Bill	0.702%	05-Oct-2017	55,907,000	55,802,935	55,802,935	
Government of Canada	0.509%	07-Sep-2017	30,000,000	29,953,200	29,953,200	
Total Investments				347,099,957	347,099,957	93.95
Purchased option contracts⁽¹⁾					319,004	0.09
Unrealized appreciation/(depreciation) on futures contracts⁽²⁾					(3,725,378)	(1.01)
Other Assets less Liabilities					25,746,751	6.97
Total Net Assets					369,440,334	100.00

⁽¹⁾ Option Contracts

	Expiry Date	Number of Contracts	Average Cost (\$)	Current Value (\$)
S&P 500 Index @1675 Put Option	15-Sep-2017	100	151,298	9,264
S&P 500 Index @1675 Put Option	16-Mar-2018	100	183,767	97,403
S&P 500 Index @1700 Put Option	15-Jun-2018	75	255,518	142,207
S&P 500 Index @1725 Put Option	15-Dec-2017	100	422,078	70,130
			1,012,661	319,004

⁽²⁾ Futures Contracts Schedule

Name of Future	Contracted Value (\$)	Expiry Date	Numbers of Contracts	Contracted Price	Current Value (\$)	Unrealized Appreciation/Depreciation (\$)
Australian SPI 200 Index	11,194,909	21-Sep-2017	80	5,618.99	11,254,704	59,795
CME Nikkei 225 Index	36,938,924	07-Sep-2017	285	19,960.00	37,207,268	268,344
E-Mini MSCI Emerging Markets Index	41,985,691	15-Sep-2017	645	1,002.45	42,230,704	245,013
					90,692,676	573,152
DJ Euro Stoxx 50 Index	59,602,462	15-Sep-2017	1,137	3,539.00	57,783,568	(1,818,894)
LIFFE FTSE 100 index	24,285,060	15-Sep-2017	193	7,459.00	23,580,178	(704,882)
S&P 500 E-Mini Index	219,247,978	15-Sep-2017	1,385	2,437.85	217,732,574	(1,515,404)
S&P Canada 60 Index	13,597,350	14-Sep-2017	75	906.49	13,338,000	(259,350)
					312,434,320	(4,298,530)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Milestone Global Equity Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency

exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is subject to credit risk exposure related to its investment in interest-bearing securities and indexed equity linked futures and put options.

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone Global Equity Fund (Continued)

The Fund's investments in interest-bearing securities have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

	As a % of Net Assets
Rating	June 30, 2017
AAA/Aaa	93.95
AA/Aa	0.09
Total	94.04

	As a % of Net Assets
Rating	December 31, 2016
AAA/Aaa	93.04
AA/Aa	0.20
Total	93.24

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash, that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	June 30, 2017	
United States Dollar	16,498,171	4.47
British Pound	4,148,268	1.12
Australian Dollar	706,834	0.19
Euro	5,223,325	1.41
Total	26,576,598	7.19

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	December 31, 2016	
United States Dollar	19,710,680	5.74
British Pound	2,945,752	0.86
Australian Dollar	512,054	0.15
Euro	1,043,307	0.30
Total	24,211,793	7.05

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$1,328,830 (\$1,210,590 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates

	June 30, 2017 (\$)
Less than 1 year	347,099,957
1-5 years	-
More than 5 years	-
Total	347,099,957

	December 31, 2016 (\$)
Less than 1 year	319,627,790
1-5 years	-
More than 5 years	-
Total	319,627,790

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$473,288 (\$463,220 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed to other market risk resulting from its investment in indexed equity linked futures. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$20,156,350 (\$18,895,855 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone Global Equity Fund (Continued)

The exposure to other market risk is managed by limiting investments in equity futures to indices in the MSCI World Index and holding downside protection through put option strategies.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Short-Term Investments		
Treasury Bills	94.0	93.1
Option Contracts	–	0.2
Futures Contracts	(1.0)	1.5
Other Assets less Liabilities	7.0	5.2
Total	100.0	100.0

The Fund's use of Derivatives

Derivatives may be used to limit, or hedge against, losses that may occur because of an investment in a security or exposure to a currency or market. Derivatives may also be used for non-hedging purposes, such as to obtain exposure to financial markets, reduce transaction costs, create liquidity or increase the speed of portfolio transactions.

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).

- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Short-Term Investments	–	347,099,957	–	347,099,957
Futures Contracts	–	573,152	–	573,152
Option Contracts	319,004	–	–	319,004
Financial Liabilities				
Futures Contracts	–	4,298,530	–	4,298,530

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Short-Term Investments	–	319,627,790	–	319,627,790
Futures Contracts	–	6,146,168	–	6,146,168
Option Contracts	691,311	–	–	691,311
Financial Liabilities				
Futures Contracts	–	941,524	–	941,524

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by

The accompanying notes are an integral part of the financial statements.

Sun Life Milestone Global Equity Fund (Continued)

recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Derivative assets and liabilities

Derivative assets and liabilities consist of options and futures contracts. Option contracts are classified as Level 1, as the option contracts are actively traded and a reliable price is observable. Futures contracts are classified as Level 2 and are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out. Gains or losses arising from futures contracts are recorded as unrealized gain (loss) on futures contracts and shown as an asset (liability) on the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$22,376 (\$29,411 for the period ended June 30, 2016).

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$133,752 (nil as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	892,156	6,837,479
Investments designated at fair value through profit or loss	347,099,957	319,627,790
Total financial assets at fair value through profit or loss	347,992,113	326,465,269
Financial assets at amortized cost		
Cash	23,545,294	24,088,244
Other receivables	5,329,282	766,122
Total financial assets at amortized cost	28,874,576	24,854,366
Total assets	376,866,689	351,319,635
Financial liabilities		
Derivative liabilities held for trading	4,298,530	941,524
Financial liabilities at amortized cost	3,127,825	6,871,499
Total liabilities (excluding net assets attributable to holders of redeemable units)	7,426,355	7,813,023

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	31,691,874	(4,700,867)
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	810,469	651,768
Total net gains (losses)	32,502,343	(4,049,099)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below

	Date of creation	Date available for sale
Series I Units	September 10, 2010	October 01, 2010

The accompanying notes are an integral part of the financial statements.

Sun Life Money Market Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	–	–
Short-term investments	3,042,739,476	3,245,443,778
Cash	422,468	3,213,223
Margin	–	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	–	–
Accrued interest	3,729,290	5,301,556
Dividends receivable	–	–
Distributions receivable from underlying funds	–	–
Subscriptions receivable	–	–
	3,046,891,234	3,253,958,557
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	15,932	9,824
Redemptions payable	6,846	–
Distributions payable	225,446	1,340
Due to investment dealers	–	–
Management fees payable	44,415	46,406
Total liabilities (excluding net assets attributable to holders of redeemable units)	292,639	57,570
Net Assets Attributable to Holders of Redeemable Units	3,046,598,595	3,253,900,987
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	76,395,553	86,808,374
Series D	2,027,912	2,488,739
Series E	–	–
Series EF	–	–
Series F	3,011,479	3,202,191
Series I	2,959,277,046	3,152,233,084
Series O	5,886,605	9,168,599
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	10.00	10.00
Series D	10.00	10.00
Series E	–	–
Series EF	–	–
Series F	10.00	10.00
Series I	10.00	10.00
Series O	10.00	10.00

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	–	–
Interest income for distribution purposes	10,871,340	11,504,981
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	–	–
Net realized gain (loss) on futures contracts	–	–
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	–	–
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	10,871,340	11,504,981
Net gain (loss) on foreign exchange	–	–
Other income	–	–
Total income (loss)	10,871,340	11,504,981
Expenses (note 5)		
Management fees	243,286	212,615
Administration fees	84,600	91,794
Independent review committee fees	915	5,415
Withholding tax	–	–
Transaction costs (note 2)	–	–
Total operating expenses	328,801	309,824
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	10,542,539	11,195,157
Finance Cost		
Interest expense	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		
	10,542,539	11,195,157
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	55,757	53,683
Series D	4,382	5,225
Series E	–	1,601
Series EF	–	4
Series F	5,782	2,372
Series I	10,452,183	11,108,997
Series O	24,435	23,275
Weighted Average Number of Units Outstanding		
Series A	8,540,466	7,526,868
Series D	217,283	271,155
Series E	–	1,603,026
Series EF	–	1,001
Series F	288,224	116,079
Series I	307,356,254	335,335,879
Series O	714,675	700,613
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.01	0.01
Series D	0.02	0.02
Series E	–	–
Series EF	–	–
Series F	0.02	0.02
Series I	0.03	0.03
Series O	0.03	0.03

The accompanying notes are an integral part of the financial statements.

Sun Life Money Market Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	(\$)	Series D (\$)	(\$)	Series E (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	86,808,374	50,843,774	2,488,739	3,369,249	–	14,698,059
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	55,757	53,683	4,382	5,225	–	1,601
Redeemable Unit Transactions						
Proceeds from redeemable units issued	87,430,485	117,716,920	179,761	77,697	–	5,335,365
Redemptions of redeemable units	(97,897,855)	(93,153,698)	(644,951)	(941,846)	–	(20,035,023)
Reinvestment of distributions to holders of redeemable units	54,492	53,458	4,363	4,455	–	1,618
Capitalized distributions	–	–	–	–	–	–
	(10,412,878)	24,616,680	(460,827)	(859,694)	–	(14,698,040)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(55,700)	(53,682)	(4,382)	(5,225)	–	(1,620)
Return of capital	–	–	–	–	–	–
	(55,700)	(53,682)	(4,382)	(5,225)	–	(1,620)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(10,412,821)	24,616,681	(460,827)	(859,694)	–	(14,698,059)
Net Assets Attributable to Holders of Redeemable Units at end of period	76,395,553	75,460,455	2,027,912	2,509,555	–	–

	2017	2016	2017	2016	2017	2016
	Series EF (\$)	(\$)	Series F (\$)	(\$)	Series I (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	–	10,013	3,202,191	1,087,749	3,152,233,084	3,247,460,736
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	–	4	5,782	2,372	10,452,183	11,108,997
Redeemable Unit Transactions						
Proceeds from redeemable units issued	–	–	3,119,291	855,942	355,703,701	648,309,446
Redemptions of redeemable units	–	(10,017)	(3,315,781)	(819,021)	(559,111,952)	(788,638,396)
Reinvestment of distributions to holders of redeemable units	–	4	5,778	2,368	10,452,264	11,109,054
Capitalized distributions	–	–	–	–	–	–
	–	(10,013)	(190,712)	39,289	(192,955,987)	(129,219,896)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	–	(4)	(5,782)	(2,373)	(10,452,234)	(11,108,979)
Return of capital	–	–	–	–	–	–
	–	(4)	(5,782)	(2,373)	(10,452,234)	(11,108,979)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	–	(10,013)	(190,712)	39,288	(192,956,038)	(129,219,878)
Net Assets Attributable to Holders of Redeemable Units at end of period	–	–	3,011,479	1,127,037	2,959,277,046	3,118,240,858

	2017	2016	2017	2016
	Series O (\$)	(\$)	Total (\$)	Total (\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	9,168,599	7,494,518	3,253,900,987	3,324,964,098
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	24,435	23,275	10,542,539	11,195,157
Redeemable Unit Transactions				
Proceeds from redeemable units issued	7,449,175	8,500,418	453,882,413	780,795,788
Redemptions of redeemable units	(10,755,600)	(9,832,868)	(671,726,139)	(913,430,869)
Reinvestment of distributions to holders of redeemable units	24,437	23,040	10,541,334	11,193,997
Capitalized distributions	–	–	–	–
	(3,281,988)	(1,309,410)	(207,302,392)	(121,441,084)
Distributions to Holders of Redeemable Units				
From capital gains	–	–	–	–
From net investment income	(24,441)	(23,275)	(10,542,539)	(11,195,158)
Return of capital	–	–	–	–
	(24,441)	(23,275)	(10,542,539)	(11,195,158)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(3,281,994)	(1,309,410)	(207,302,392)	(121,441,085)
Net Assets Attributable to Holders of Redeemable Units at end of period	5,886,605	6,185,108	3,046,598,595	3,203,523,013

	2017	2016	2017	2016	2017	2016
	Series A	Series D	Series E	Series E	Series E	Series E
Redeemable Unit Transactions						
Balance – beginning of period	8,680,845	5,084,398	248,874	336,925	–	1,469,804
Units issued	8,742,292	11,771,692	17,939	7,770	–	533,537
Units issued on reinvestment of distributions	6,206	5,346	472	446	–	162
Units redeemed	(9,789,786)	(9,315,370)	(64,494)	(94,185)	–	(2,003,503)
Balance – end of period	7,639,557	7,546,066	202,791	250,956	–	–

	2017	2016	2017	2016	2017	2016
	Series EF	Series F	Series I	Series I	Series I	Series I
Redeemable Unit Transactions						
Balance – beginning of period	–	1,001	320,220	108,775	315,223,285	324,746,039
Units issued	–	–	311,919	85,594	35,570,370	64,830,945
Units issued on reinvestment of distributions	–	–	588	237	1,045,226	1,110,905
Units redeemed	–	(1,001)	(331,579)	(81,902)	(55,911,195)	(78,863,840)
Balance – end of period	–	–	301,148	112,704	295,927,686	311,824,049

	2017	2016	2017	2016
	Series O	Total	Total	Total
Redeemable Unit Transactions				
Balance – beginning of period	916,859	749,451	325,390,083	332,496,393
Units issued	744,217	850,042	45,386,737	78,079,580
Units issued on reinvestment of distributions	3,145	2,304	1,055,637	1,119,400
Units redeemed	(1,075,560)	(983,287)	(67,172,614)	(91,343,088)
Balance – end of period	588,661	618,510	304,659,843	320,352,285

The accompanying notes are an integral part of the financial statements.

Sun Life Money Market Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	10,542,539	11,195,157
Adjustments for:		
Gain on short-term investments	—	—
Net realized (gain) loss on sale of investments	—	—
Change in unrealized (appreciation) depreciation in value of investments	—	—
Change in unrealized (appreciation) depreciation in value of futures contracts	—	—
Change in unrealized (appreciation) depreciation in currency forward contracts	—	—
Change in unrealized (appreciation) depreciation in value of swaps	—	—
Non-cash income distributions from underlying funds	—	—
Change in fair value of option contracts	—	—
Change in fair value of credit default swaps	—	—
Change in margin	—	—
Purchases of investments	—	—
Proceeds from sale of investments	—	—
Purchases of short-term investments	(7,169,185,098)	(8,853,991,102)
Proceeds from sale of short-term investments	7,371,889,400	8,974,536,561
Change in dividends and interest receivable	1,572,266	643,634
Change in distributions receivable from underlying funds	—	—
Change in management fees payable	(1,991)	34,295
Change in other payables and accrued expenses	6,108	19,673
Net Cash Provided by (Used in) Operating Activities	214,823,224	132,438,218
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	222,901	(1,132)
Proceeds from redeemable units issued	453,882,413	780,795,788
Redemption of redeemable units	(671,719,293)	(913,430,869)
Net Cash Provided by (Used in) Financing Activities	(217,613,979)	(132,636,213)
Net increase (decrease) in cash	(2,790,755)	(197,995)
Cash (bank indebtedness) at beginning of period	3,213,223	309,315
Cash (bank indebtedness) at end of period	422,468	111,320
Dividends received, net of withholding taxes	—	—
Interest received, net of withholding taxes	12,443,606	12,148,615
Interest paid	—	—

The accompanying notes are an integral part of the financial statements.

Sun Life Money Market Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Treasury Bills						
Canadian Treasury Bill	0.438%	13-Jul-2017	134,800,000	134,514,302	134,514,302	
Canadian Treasury Bill	0.494%	10-Aug-2017	231,100,000	230,687,197	230,687,197	
Canadian Treasury Bill	0.521%	24-Aug-2017	190,700,000	190,431,888	190,431,888	
Canadian Treasury Bill	0.541%	21-Sep-2017	69,000,000	68,899,950	68,899,950	
Government of Canada	0.525%	07-Sep-2017	324,200,000	323,780,396	323,780,396	
Province of Alberta	0.599%	25-Jul-2017	36,000,000	35,946,360	35,946,360	
Province of Alberta	0.570%	15-Aug-2017	19,000,000	18,973,020	18,973,020	
Province of Alberta	0.630%	05-Sep-2017	15,000,000	14,980,350	14,980,350	
Province of British Columbia	0.792%	22-Sep-2017	42,300,000	42,225,425	42,225,425	
Province of Manitoba	0.601%	12-Jul-2017	21,000,000	20,968,920	20,968,920	
Province of Manitoba	0.599%	19-Jul-2017	36,000,000	35,946,360	35,946,360	
Province of Manitoba	0.558%	16-Aug-2017	31,500,000	31,456,215	31,456,215	
Province of Manitoba	0.559%	23-Aug-2017	115,900,000	115,743,600	115,743,600	
Province of Manitoba	0.570%	06-Sep-2017	10,000,000	9,986,900	9,986,900	
Province of Ontario	0.558%	30-Aug-2017	101,800,000	101,658,498	101,658,498	
Province of Ontario	0.651%	25-Oct-2017	72,000,000	71,773,020	71,773,020	
Province of Ontario	0.630%	01-Nov-2017	33,900,000	33,797,961	33,797,961	
Province of Ontario	0.630%	15-Nov-2017	30,000,000	29,912,700	29,912,700	
Province of Ontario	0.629%	29-Nov-2017	25,000,000	24,922,250	24,922,250	
Province of Ontario	0.740%	06-Dec-2017	42,000,000	41,703,060	41,703,060	
Province of Ontario	0.209%	07-Dec-2017	7,000,000	6,990,900	6,990,900	
Province of Ontario	0.740%	13-Dec-2017	10,000,000	9,927,900	9,927,900	
Province of Quebec	0.599%	07-Jul-2017	67,600,000	67,504,684	67,504,684	
Province of Quebec	0.591%	28-Jul-2017	58,000,000	57,919,380	57,919,380	
Province of Quebec	0.631%	11-Aug-2017	18,000,000	17,962,740	17,962,740	
Province of Quebec	0.740%	15-Dec-2017	10,000,000	9,927,500	9,927,500	
Province of Quebec	0.760%	17-Jan-2018	20,000,000	19,850,000	19,850,000	
				1,768,391,476	1,768,391,476	58.04
Bankers' Acceptances						
Bank of Nova Scotia	0.844%	28-Jul-2017	120,100,000	120,019,533	120,019,533	
Canadian Imperial Bank of Commerce	0.772%	22-Aug-2017	121,600,000	121,367,320	121,367,320	
Canadian Imperial Bank of Commerce	1.050%	13-Oct-2017	35,000,000	34,640,200	34,640,200	
Canadian Imperial Bank of Commerce	0.890%	06-Nov-2017	20,100,000	20,011,158	20,011,158	
Canadian Imperial Bank of Commerce	0.999%	04-Jan-2018	35,100,000	34,916,427	34,916,427	
Canadian Imperial Bank of Commerce	1.041%	16-Mar-2018	28,800,000	28,504,224	28,504,224	
JPMorgan Chase & Co.	0.700%	22-Aug-2017	20,100,000	20,073,066	20,073,066	
JPMorgan Chase Bank, N.A.	0.687%	18-Jul-2017	21,000,000	20,983,410	20,983,410	
JPMorgan Chase Bank, N.A.	0.731%	08-Aug-2017	20,000,000	19,974,800	19,974,800	
JPMorgan Chase Bank, N.A.	0.778%	06-Sep-2017	14,200,000	14,176,428	14,176,428	
National Bank of Canada	0.768%	26-Jul-2017	120,500,000	120,426,495	120,426,495	
Royal Bank of Canada	0.832%	17-Jul-2017	73,400,000	73,248,062	73,248,062	
Royal Bank of Canada	1.050%	14-Feb-2018	50,000,000	49,480,500	49,480,500	
The Toronto-Dominion Bank	0.832%	17-Jul-2017	43,200,000	43,110,576	43,110,576	
The Toronto-Dominion Bank	0.719%	08-Aug-2017	13,000,000	12,984,400	12,984,400	
The Toronto-Dominion Bank	0.700%	22-Aug-2017	12,400,000	12,383,384	12,383,384	
The Toronto-Dominion Bank	0.751%	28-Aug-2017	52,600,000	52,498,482	52,498,482	
				798,798,465	798,798,465	26.22
Discount Commercial Paper						
Honda Canada Finance Inc.	0.710%	13-Jul-2017	20,200,000	20,148,422	20,148,422	
Honda Canada Finance Inc.	0.931%	15-Aug-2017	9,000,000	8,958,420	8,958,420	
Honda Canada Finance Inc.	0.931%	14-Sep-2017	28,300,000	28,168,232	28,168,232	
Honda Canada Finance Inc.	0.941%	03-Oct-2017	9,100,000	9,059,596	9,059,596	
Honda Canada Finance Inc.	0.949%	01-Nov-2017	12,400,000	12,339,984	12,339,984	
Honda Canada Finance Inc.	1.080%	11-Jan-2018	28,000,000	27,718,600	27,718,600	

The accompanying notes are an integral part of the financial statements.

Sun Life Money Market Fund (Continued)

Schedule of Investments

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Honda Canada Finance Inc.	1.070%	03-Apr-2018	10,900,000	10,787,730	10,787,730	
Imperial Oil Limited	0.756%	13-Jul-2017	26,300,000	26,292,373	26,292,373	
Nestlé Capital Canada Ltd.	0.618%	11-Jul-2017	15,000,000	14,986,050	14,986,050	
Nestlé Capital Canada Ltd.	0.619%	20-Jul-2017	10,000,000	9,991,700	9,991,700	
Nestlé Capital Canada Ltd.	0.620%	25-Jul-2017	68,600,000	68,535,655	68,535,655	
Toyota Credit Canada Inc.	0.959%	03-Jan-2018	50,000,000	49,671,000	49,671,000	
Toyota Credit Canada Inc.	0.971%	11-Jan-2018	17,700,000	17,575,215	17,575,215	
Toyota Credit Canada Inc.	0.970%	12-Jan-2018	50,000,000	49,646,500	49,646,500	
				353,879,477	353,879,477	11.62
Bearer Deposit Notes						
Manulife Bank of Canada	1.100%	03-Jan-2018	55,000,000	54,406,550	54,406,550	
Manulife Bank of Canada	1.100%	06-Mar-2018	46,200,000	45,698,730	45,698,730	
Manulife Bank of Canada	1.100%	23-Apr-2018	21,800,000	21,564,778	21,564,778	
				121,670,058	121,670,058	3.99
Total Investments				3,042,739,476	3,042,739,476	99.87
Transaction Costs				–	–	–
Total Investments				3,042,739,476	3,042,739,476	99.87
Other Assets less Liabilities					3,859,119	0.13
Total Net Assets					3,046,598,595	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Money Market Fund (the “Fund”) expose it to a variety of financial risks, which are described below. The Fund’s exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor’s and Moody’s. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets June 30, 2017
AAA/Aaa	56.81
AA/Aa	43.06
Total	99.87

Rating	As a % of Net Assets December 31, 2016
AAA/Aaa	55.97
AA/Aa	43.77
Total	99.74

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund is not exposed to currency risk as all monetary financial instruments are denominated in Canadian Dollars.

The accompanying notes are an integral part of the financial statements.

Sun Life Money Market Fund (Continued)

(ii) Interest rate risk

The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	3,042,739,476
1-5 years	–
More than 5 years	–
Total	3,042,739,476

	December 31, 2016 (\$)
Less than 1 year	3,245,443,778
1-5 years	–
More than 5 years	–
Total	3,245,443,778

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$6,309,051 (\$5,673,609 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is not currently exposed to other market risk as no equities are held in the Fund.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Short-Term Investments		
Treasury Bills	58.0	53.5
Bankers' Acceptances	26.3	20.5
Commercial Paper	11.6	14.0
Bearer Deposit Notes	4.0	7.9
Promissory Notes	–	3.8
Other Assets less Liabilities	0.1	0.3
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Short-Term Investments	–	3,042,739,476	–	3,042,739,476

The accompanying notes are an integral part of the financial statements.

Sun Life Money Market Fund (Continued)

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Short-Term Investments	–	3,245,443,778	–	3,245,443,778

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Short-Term Investments

Short-term investments include primarily treasury bills and bankers' acceptances, which are valued at the mean of bid/ask price provided by recognized investment dealers. These prices are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	3,042,739,476	3,245,443,778
Total financial assets at fair value through profit or loss	3,042,739,476	3,245,443,778
Financial assets at amortized cost		
Cash	422,468	3,213,223
Other receivables	3,729,290	5,301,556
Total financial assets at amortized cost	4,151,758	8,514,779
Total assets	3,046,891,234	3,253,958,557
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	292,639	57,570
Total liabilities (excluding net assets attributable to holders of redeemable units)	292,639	57,570

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	10,871,340	11,504,981
Total net gains (losses)	10,871,340	11,504,981

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series D Units	September 10, 2010	March 30, 2012
Series F Units	September 10, 2010	October 01, 2010
Series I Units	September 10, 2010	October 01, 2010
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Bond Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	375,806,963	394,493,787
Short-term investments	399,651	6,539,984
Cash	349,930	476,532
Margin	90,231	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	165,670	—
Unrealized appreciation on currency forward contracts	—	—
Unrealized appreciation on swaps	—	—
Due from investment dealers	1,621,334	—
Accrued interest	504,514	590,861
Dividends receivable	—	—
Distributions receivable from underlying funds	488,481	319,586
Subscriptions receivable	191,220	4,253,044
	379,617,994	406,673,794
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	—
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	12,665	11,245
Redemptions payable	1,831,636	16,913
Distributions payable	(154)	—
Due to investment dealers	556,375	4,545,833
Management fees payable	4,472	4,860
Total liabilities (excluding net assets attributable to holders of redeemable units)	2,404,994	4,578,851
Net Assets Attributable to Holders of Redeemable Units	377,213,000	402,094,943
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	3,227,419	3,558,675
Series E	—	—
Series EF	—	—
Series F	144,406	147,973
Series I	373,586,333	398,259,773
Series O	254,842	128,522
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	9.88	9.76
Series E	—	—
Series EF	—	—
Series F	9.93	9.79
Series I	9.91	9.78
Series O	10.07	9.94

Approved on behalf of Trustee

“signed” Rick Headrick	“signed” Paul Sergi
President	Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	—	—
Interest income for distribution purposes	1,722,155	7,300,319
Distributions from underlying funds	4,214,921	2,424,743
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	113,065	(1,735,621)
Net realized gain (loss) on futures contracts	89,822	34,529
Net realized gain (loss) on currency forward contracts	—	—
Net realized gain (loss) on option contracts	—	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	5,501,099	11,685,592
Change in unrealized appreciation (depreciation) in value of futures contracts	165,670	(155,324)
Change in unrealized appreciation (depreciation) in currency forward contracts	—	—
Change in unrealized appreciation (depreciation) in option contracts	—	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	11,806,732	19,554,238
Net gain (loss) on foreign exchange	558	—
Other income	—	—
Total income (loss)	11,807,290	19,554,238
Expenses (note 5)		
Management fees	23,763	25,001
Administration fees	68,346	107,808
Independent review committee fees	35	3,416
Withholding tax	—	—
Transaction costs (note 2)	2	156,855
Total operating expenses	92,146	293,080
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	11,715,144	19,261,158
Finance Cost		
Interest expense	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	11,715,144	19,261,158
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	71,916	106,075
Series E	—	3,294
Series EF	—	60
Series F	3,208	3,782
Series I	11,635,220	19,144,874
Series O	4,800	3,073
Weighted Average Number of Units Outstanding		
Series A	339,852	347,102
Series E	—	60,760
Series EF	—	1,008
Series F	13,747	9,075
Series I	39,904,358	63,904,462
Series O	19,894	8,278
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.21	0.31
Series E	—	0.05
Series EF	—	0.06
Series F	0.23	0.42
Series I	0.29	0.30
Series O	0.24	0.37

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Bond Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A	Series A	Series E	Series E	Series EF	Series EF
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	3,558,675	2,949,950	–	611,123	–	9,920
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	71,916	106,075	–	3,294	–	60
Redeemable Unit Transactions						
Proceeds from redeemable units issued	170,720	1,055,630	–	50	–	–
Redemption of redeemable units	(573,889)	(385,693)	–	(614,443)	–	(9,979)
Reinvestment of distributions to holders of redeemable units	28,039	37,758	–	627	–	19
Capitalized distributions	–	–	–	–	–	–
	(375,130)	707,695	–	(613,766)	–	(9,960)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(28,042)	(37,706)	–	(651)	–	(20)
Return of capital	–	–	–	–	–	–
	(28,042)	(37,706)	–	(651)	–	(20)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(331,256)	776,064	–	(611,123)	–	(9,920)
Net Assets Attributable to Holders of Redeemable Units at end of period	3,227,419	3,726,014	–	–	–	–

	2017	2016	2017	2016	2017	2016
	Series F	Series F	Series I	Series I	Series O	Series O
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	147,973	69,310	398,259,773	745,043,013	128,522	70,587
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	3,208	3,782	11,635,220	19,144,874	4,800	3,073
Redeemable Unit Transactions						
Proceeds from redeemable units issued	11,910	112,106	21,972,523	37,312,315	124,568	36,119
Redemption of redeemable units	(18,684)	(117,307)	(58,281,183)	(369,634,389)	(3,048)	(25,902)
Reinvestment of distributions to holders of redeemable units	1,440	1,046	6,235,386	10,542,693	3,187	1,452
Capitalized distributions	–	–	–	–	–	–
	(5,334)	(4,155)	(30,073,274)	(321,779,381)	124,707	11,669
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(1,441)	(1,044)	(6,235,386)	(10,542,676)	(3,187)	(1,452)
Return of capital	–	–	–	–	–	–
	(1,441)	(1,044)	(6,235,386)	(10,542,676)	(3,187)	(1,452)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(3,567)	(1,417)	(24,673,440)	(313,177,183)	126,320	13,290
Net Assets Attributable to Holders of Redeemable Units at end of period	144,406	67,893	373,586,333	431,865,830	254,842	83,877

	2017	2016
	Total	Total
	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	402,094,943	748,753,903
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	11,715,144	19,261,158
Redeemable Unit Transactions		
Proceeds from redeemable units issued	22,279,721	38,516,220
Redemption of redeemable units	(58,876,804)	(370,787,713)
Reinvestment of distributions to holders of redeemable units	6,268,052	10,583,595
Capitalized distributions	–	–
	(30,329,031)	(321,687,898)
Distributions to Holders of Redeemable Units		
From capital gains	–	–
From net investment income	(6,268,056)	(10,583,549)
Return of capital	–	–
	(6,268,056)	(10,583,549)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(24,881,943)	(313,010,289)
Net Assets Attributable to Holders of Redeemable Units at end of period	377,213,000	435,743,614

	2017	2016	2017	2016	2017	2016
	Series A	Series A	Series E	Series E	Series EF	Series EF
Redeemable Unit Transactions						
Balance – beginning of period	364,763	298,764	–	60,790	–	1,008
Units issued	17,272	106,413	–	5	–	–
Units issued on reinvestment of distributions	2,849	3,801	–	62	–	2
Units redeemed	(58,304)	(38,875)	–	(60,857)	–	(1,010)
Balance – end of period	326,580	370,103	–	–	–	–

	2017	2016	2017	2016	2017	2016
	Series F	Series F	Series I	Series I	Series O	Series O
Redeemable Unit Transactions						
Balance – beginning of period	15,107	7,000	40,727,486	75,264,216	12,932	7,015
Units issued	1,191	11,369	2,233,783	3,763,964	12,367	3,576
Units issued on reinvestment of distributions	146	105	631,328	1,061,670	317	144
Units redeemed	(1,903)	(11,760)	(5,877,086)	(37,299,331)	(305)	(2,560)
Balance – end of period	14,541	6,714	37,715,511	42,790,519	25,311	8,175

	2017	2016
	Total	Total
Redeemable Unit Transactions		
Balance – beginning of period	41,120,288	75,638,793
Units issued	2,264,613	3,885,327
Units issued on reinvestment of distributions	634,640	1,065,784
Units redeemed	(5,937,598)	(37,414,393)
Balance – end of period	38,081,943	43,175,511

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Bond Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	11,715,144	19,261,158
Adjustments for:		
Gain on short-term investments	(20,989)	(10,302)
Net realized (gain) loss on sale of investments	(113,065)	1,735,621
Change in unrealized (appreciation) depreciation in value of investments	(5,501,099)	(11,685,592)
Change in unrealized (appreciation) depreciation in value of futures contracts	(165,670)	155,324
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(4,214,921)	(2,424,743)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	(90,231)	(184,529)
Purchases of investments	(199,112,839)	(1,453,748,979)
Proceeds from sale of investments	222,017,953	1,766,228,075
Purchases of short-term investments	(33,717,558)	(64,959,178)
Proceeds from sale of short-term investments	39,878,881	70,687,452
Change in dividends and interest receivable	86,347	2,778,255
Change in distributions receivable from underlying funds	(168,895)	(543,730)
Change in management fees payable	(388)	3,981
Change in other payables and accrued expenses	1,422	169,849
Net Cash Provided by (Used in) Operating Activities	30,594,092	327,462,662
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(158)	46
Proceeds from redeemable units issued	26,341,545	41,249,279
Redemption of redeemable units	(57,062,081)	(368,420,305)
Net Cash Provided by (Used in) Financing Activities	(30,720,694)	(327,170,980)
Net increase (decrease) in cash	(126,602)	291,682
Cash (bank indebtedness) at beginning of period	476,532	215,519
Cash (bank indebtedness) at end of period	349,930	507,201
Dividends received, net of withholding taxes	-	-
Interest received, net of withholding taxes	1,781,389	10,068,498
Interest paid	-	-

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Bond Fund (Continued)

Schedule of Investments

As at June 30, 2017 (Unaudited)

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM INVESTMENTS						
Treasury Bills						
Canadian Treasury Bill	0.696%	24-Aug-2017	250,000	249,732	249,732	
				249,732	249,732	0.07
Bankers' Acceptances						
Royal Bank of Canada	0.942%	17-Jul-2017	150,000	149,919	149,919	
				149,919	149,919	0.04
Total Short-Term Investments				399,651	399,651	0.11
BONDS						
Federal Bonds						
Canada Housing Trust No. 1	2.000%	15-Dec-2019	1,091,000	1,116,540	1,108,404	
Canada Housing Trust No. 1	1.750%	15-Jun-2022	3,275,000	3,322,351	3,274,355	
Canada Housing Trust No. 1	2.400%	15-Dec-2022	1,112,000	1,183,490	1,145,719	
Canadian Government Bond	0.750%	01-Sep-2021	2,032,000	2,003,552	1,984,089	
Canadian Government Bond	0.500%	01-Mar-2022	6,113,000	5,978,003	5,872,147	
Canadian Government Bond	1.500%	01-Jun-2023	295,000	301,623	295,166	
Canadian Government Bond	2.500%	01-Jun-2024	303,000	329,816	321,648	
Canadian Government Bond	2.250%	01-Jun-2025	72,000	76,818	75,311	
Canadian Government Bond	3.500%	01-Dec-2045	7,049,000	9,068,949	9,055,401	
Canadian Government Bond	2.750%	01-Dec-2048	2,320,000	2,701,995	2,648,694	
				26,083,137	25,780,934	6.83
Provincial Bonds						
Province of Alberta	1.350%	01-Sep-2021	961,000	966,122	943,521	
Province of Alberta	1.600%	01-Sep-2022	316,000	315,245	310,225	
Province of Alberta	3.100%	01-Jun-2024	149,000	158,211	157,277	
Province of Alberta	2.350%	01-Jun-2025	794,000	798,108	793,827	
Province of Alberta	2.200%	01-Jun-2026	822,000	820,512	804,956	
Province of Alberta	3.500%	01-Jun-2031	316,000	333,480	340,585	
Province of Alberta	3.300%	01-Dec-2046	1,202,000	1,213,350	1,254,166	
Province of Alberta	3.050%	01-Dec-2048	965,000	963,350	964,459	
Province of British Columbia	4.700%	18-Jun-2037	304,000	387,412	389,969	
Province of British Columbia	4.300%	18-Jun-2042	797,000	977,034	993,662	
Province of British Columbia	3.200%	18-Jun-2044	389,000	407,814	410,276	
Province of British Columbia	2.800%	18-Jun-2048	371,000	380,546	364,397	
Province of Manitoba	2.450%	02-Jun-2025	97,000	98,785	97,729	
Province of Manitoba	6.300%	05-Mar-2031	466,000	646,955	648,428	
Province of Manitoba	4.600%	05-Mar-2038	231,000	280,518	286,859	
Province of Manitoba	4.050%	05-Sep-2045	399,000	483,884	470,685	
Province of New Brunswick	5.500%	27-Jan-2034	255,000	331,497	337,428	
Province of New Brunswick	3.550%	03-Jun-2043	219,000	223,885	235,007	
Province of New Brunswick	3.100%	14-Aug-2048	280,000	269,909	278,905	
Province of Newfoundland and Labrador	2.300%	02-Jun-2025	900,000	866,690	888,541	
Province of Newfoundland and Labrador	3.000%	02-Jun-2026	1,764,000	1,800,839	1,820,518	
Province of Newfoundland and Labrador	3.300%	17-Oct-2046	662,000	630,652	665,923	
Province of Nova Scotia	4.700%	01-Jun-2041	326,000	403,905	416,820	
Province of Ontario	3.150%	02-Jun-2022	984,000	1,059,620	1,041,336	
Province of Ontario	2.850%	02-Jun-2023	8,719,000	9,212,998	9,099,392	
Province of Ontario	5.600%	02-Jun-2035	523,000	719,498	725,933	
Province of Ontario	3.500%	02-Jun-2043	351,000	406,563	385,430	
Province of Ontario	3.450%	02-Jun-2045	1,081,000	1,173,923	1,181,377	
Province of Ontario	2.900%	02-Dec-2046	1,078,000	1,075,807	1,065,388	
Province of Ontario	2.800%	02-Jun-2048	120,000	117,331	116,734	
Province of Ontario, Coupon Strip	0.000%	02-Dec-2028	672,000	483,026	485,086	
Province of Ontario, Coupon Strip	0.000%	02-Jun-2029	474,000	333,882	335,995	
Province of Quebec	3.500%	01-Dec-2022	5,181,000	5,789,624	5,586,008	

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Province of Quebec	3.000%	01-Sep-2023	773,000	825,641	814,514	
Province of Quebec	6.000%	01-Oct-2029	488,000	664,270	659,391	
Province of Quebec	4.250%	01-Dec-2043	136,000	164,269	168,370	
Province of Quebec	3.500%	01-Dec-2045	3,701,000	4,094,591	4,090,676	
Province of Saskatchewan	2.650%	02-Jun-2027	827,000	823,518	838,402	
Province of Saskatchewan	3.900%	02-Jun-2045	500,000	558,416	582,285	
Province of Saskatchewan	3.300%	02-Jun-2048	597,000	626,197	632,155	
				41,887,877	41,682,635	11.06
Corporate Bonds						
407 International Inc.	4.450%	15-Nov-2041	250,000	274,800	292,740	
407 International Inc.	3.830%	11-May-2046	549,000	576,262	588,292	
Altalink LP	4.922%	17-Sep-2043	175,000	218,198	219,251	
Bank of Montreal	2.430%	04-Mar-2019	501,000	514,344	508,127	
Bank of Montreal	2.100%	06-Oct-2020	698,000	707,032	703,945	
Bank of Montreal	3.400%	23-Apr-2021	1,990,000	2,138,216	2,094,140	
Bank of Montreal	2.120%	16-Mar-2022	624,000	627,338	624,430	
Bank of Montreal	3.340%	08-Dec-2025	664,000	693,344	685,146	
Bank of Montreal	3.320%	01-Jun-2026	1,526,000	1,587,664	1,573,677	
Bell Canada	3.250%	17-Jun-2020	336,000	354,040	348,232	
Bell Canada	3.150%	29-Sep-2021	173,000	180,683	179,268	
Bell Canada	4.700%	11-Sep-2023	1,263,000	1,426,860	1,407,693	
Bell Canada	3.550%	02-Mar-2026	292,000	310,743	304,338	
Bell Canada	2.900%	12-Aug-2026	485,000	485,571	480,312	
Canadian Imperial Bank of Commerce	2.220%	07-Mar-2018	1,487,000	1,515,725	1,496,359	
Canadian Imperial Bank of Commerce	1.700%	09-Oct-2018	412,000	414,139	413,225	
Canadian Imperial Bank of Commerce	1.640%	12-Jul-2021	422,000	421,447	416,234	
Canadian Imperial Bank of Commerce	2.040%	21-Mar-2022	300,000	299,901	299,107	
Canadian Imperial Bank of Commerce	3.420%	26-Jan-2026	1,456,000	1,519,343	1,503,685	
Choice Properties LP	3.600%	20-Sep-2022	563,000	594,650	585,692	
Choice Properties Real Estate Investment Trust	4.293%	08-Feb-2024	1,293,000	1,406,751	1,387,693	
Choice Properties Real Estate Investment Trust	4.055%	24-Nov-2025	450,000	472,642	473,934	
CU Inc.	6.215%	06-Mar-2024	918,000	1,152,123	1,129,185	
CU Inc.	4.543%	24-Oct-2041	42,000	51,399	49,752	
CU Inc.	4.722%	09-Sep-2043	126,000	155,618	154,121	
CU Inc.	4.085%	02-Sep-2044	198,000	213,964	220,214	
Enbridge Gas Distribution Inc.	4.770%	17-Dec-2021	284,000	323,832	317,063	
Enbridge Inc.	3.940%	30-Jun-2023	337,000	354,203	358,076	
Enbridge Inc.	3.200%	08-Jun-2027	718,000	717,698	700,614	
First Capital Realty Inc.	3.900%	30-Oct-2023	692,000	739,582	725,214	
First Capital Realty Inc.	3.604%	06-May-2026	75,000	74,802	75,471	
FortisAlberta Inc.	5.850%	15-Apr-2038	12,000	15,768	16,192	
GE Capital Canada Funding Co.	4.600%	26-Jan-2022	888,000	1,020,743	983,880	
H&R Real Estate Investment Trust	2.923%	06-May-2022	232,000	232,223	229,883	
H&R Real Estate Investment Trust	3.369%	30-Jan-2024	427,000	427,290	424,145	
Hydro One Inc.	7.350%	03-Jun-2030	644,000	923,387	922,910	
Intact Financial Corp.	2.850%	07-Jun-2027	568,000	567,903	556,682	
Inter Pipeline Ltd.	3.776%	30-May-2022	114,000	121,953	120,138	
Inter Pipeline Ltd.	2.608%	13-Sep-2023	1,006,000	1,017,746	996,831	
Inter Pipeline Ltd.	2.734%	18-Apr-2024	629,000	633,431	624,016	
Loblaw Companies Limited	4.860%	12-Sep-2023	538,000	614,359	601,742	
Loblaw Companies Limited	6.500%	22-Jan-2029	94,000	121,855	118,914	
National Bank of Canada	1.957%	30-Jun-2022	275,000	275,000	272,264	
North West Redwater Partnership Ltd.	4.250%	01-Jun-2029	51,000	55,145	55,636	
North West Redwater Partnership Ltd.	4.150%	01-Jun-2033	138,000	142,664	148,740	
North West Redwater Partnership Ltd.	4.750%	01-Jun-2037	135,000	156,692	154,729	
Pembina Pipeline Corp.	3.540%	03-Feb-2025	566,000	548,619	578,737	
Plenary Properties LTAP LP	6.288%	31-Jan-2044	59,092	77,360	79,606	

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Bond Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Rogers Communications Inc.	6.680%	04-Nov-2039	61,000	82,638	82,969	
Rogers Communications Inc.	6.560%	22-Mar-2041	99,000	128,657	133,868	
Royal Bank of Canada	0.788%	19-Oct-2017	1,434,000	1,437,585	1,290,490	
Royal Bank of Canada	2.770%	11-Dec-2018	216,000	224,091	219,790	
Royal Bank of Canada	1.920%	17-Jul-2020	2,109,000	2,128,086	2,115,555	
Royal Bank of Canada	2.860%	04-Mar-2021	1,385,000	1,435,885	1,428,722	
Royal Bank of Canada	1.650%	15-Jul-2021	76,000	75,108	74,913	
Royal Bank of Canada	1.583%	13-Sep-2021	1,888,000	1,853,858	1,851,026	
Royal Bank of Canada	1.968%	02-Mar-2022	846,000	834,093	840,232	
Royal Bank of Canada	2.000%	21-Mar-2022	957,000	956,856	950,781	
Royal Bank of Canada	3.310%	20-Jan-2026	560,000	581,619	576,389	
Shaw Communications Inc.	6.750%	09-Nov-2039	549,000	700,999	710,618	
Smart Real Estate Investment Trust	2.876%	21-Mar-2022	332,000	336,707	331,502	
Smart Real Estate Investment Trust	3.556%	06-Feb-2025	235,000	235,324	237,419	
Smart Real Estate Investment Trust	3.444%	28-Aug-2026	408,000	401,656	401,255	
The Bank of Nova Scotia	1.900%	02-Dec-2021	899,000	895,521	891,588	
The Empire Life Insurance Co.	3.383%	16-Dec-2026	287,000	287,000	289,499	
The Toronto-Dominion Bank	2.563%	24-Jun-2020	1,173,000	1,205,443	1,199,361	
The Toronto-Dominion Bank	2.621%	22-Dec-2021	592,000	610,871	605,999	
The Toronto-Dominion Bank	1.994%	23-Mar-2022	321,000	321,000	319,643	
The Toronto-Dominion Bank	2.982%	30-Sep-2025	184,000	189,165	187,681	
Transcanada Trust	4.650%	18-May-2077	652,000	652,000	655,676	
Union Gas Ltd.	2.760%	02-Jun-2021	671,000	704,436	690,969	
Union Gas Ltd.	4.850%	25-Apr-2022	157,000	179,271	176,279	
Union Gas Ltd.	3.790%	10-Jul-2023	613,000	668,818	663,437	
				44,601,739	44,125,936	11.71
Total Bonds				112,572,753	111,589,505	29.60
MUTUAL FUNDS						
PH&N Bond Fund, Series O			10,945,262	115,177,558	112,951,819	
Sun Life BlackRock Canadian Universe Bond Fund, Series I			10,632,586	114,321,303	112,909,560	
Templeton Global Bond Fund, Series O			574,975	7,080,503	7,382,677	
Templeton Global Bond Fund (Hedged), Series O			3,519,705	30,188,695	30,973,402	
Total Mutual Funds				266,768,059	264,217,458	70.03
Total Investments				379,740,463	376,206,614	99.74
Unrealized appreciation/(depreciation) on futures contracts⁽¹⁾					165,670	0.04
Other Assets less Liabilities					840,716	0.22
Total Net Assets					377,213,000	100.00

⁽¹⁾ Futures Contracts Schedule

Name of Future	Contracted Value (\$)	Expiry Date	Numbers of Contracts	Contracted Price	Current Value (\$)	Unrealized Appreciation/ (Depreciation) (\$)
MTL 10-year Canadian Bond Futures	(7,193,170)	20-Sep-2017	(50)	143.86	(7,027,500)	165,670
					(7,027,500)	165,670

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Bond Fund (Continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Multi-Strategy Bond Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds.

The Fund also invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	June 30, 2017	
AAA/Aaa	7.51	
AA/Aa	4.79	
A/A	12.21	
BBB/Bbb	4.84	
Not rated	0.34	
Total	29.69	

Rating	As a % of Net Assets	
	December 31, 2016	
AAA/Aaa	6.40	
AA/Aa	3.69	
A/A	14.05	
BBB/Bbb	4.92	
Not rated	0.78	
Total	29.84	

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities indirectly through underlying internally and externally managed funds, including cash and cash equivalents. The Fund is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

The following tables summarize the Fund's direct exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	3,186,500
1-5 years	33,430,146
More than 5 years	75,372,510
Total	111,989,156

	December 31, 2016 (\$)
Less than 1 year	7,912,407
1-5 years	33,652,341
More than 5 years	78,405,563
Total	119,970,311

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$14,098,778 (\$12,450,455 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Bond Fund (Continued)

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Short-Term Investments		
Treasury Bills	0.1	–
Bankers' Acceptances	–	1.6
Bonds		
Federal Bonds	6.8	4.4
Provincial Bonds	11.1	12.6
Corporate Bonds	11.7	11.2
Mutual Funds		
Canadian Fixed Income	59.9	59.9
Global Fixed Income	10.1	10.0
Other Assets less Liabilities	0.3	0.3
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires

significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Bonds	–	111,589,505	–	111,589,505
Short-Term				
Investments	–	399,651	–	399,651
Mutual Funds	264,217,458	–	–	264,217,458
Futures				
Contracts	–	165,670	–	165,670

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Bonds	–	113,545,322	–	113,545,322
Short-Term				
Investments	–	6,539,984	–	6,539,984
Mutual Funds	280,948,465	–	–	280,948,465

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Derivative assets and liabilities

Derivative assets and liabilities consist of futures contracts, which are classified as Level 2 and are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out. Gains or losses arising from futures contracts are recorded as unrealized gain (loss) on futures contracts and shown as an asset (liability) on the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Bond Fund (Continued)

Bonds and short-term investments

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds and short-term investments have been classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$2 (\$156,855 for the period ended June 30, 2016).

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$9,837,385 (\$12,581,913 as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series F	1,038	10,303

	December 31, 2016	
	Units	Market Value (\$)
Series F	1,025	10,044

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	165,670	—
Investments designated at fair value through profit or loss	376,206,614	401,033,771
Total financial assets at fair value through profit or loss	376,372,284	401,033,771
Financial assets at amortized cost		
Cash	349,930	476,532
Other receivables	2,895,780	5,163,491
Total financial assets at amortized cost	3,245,710	5,640,023
Total assets	379,617,994	406,673,794
Financial liabilities		
Derivative liabilities held for trading	—	—
Financial liabilities at amortized cost	2,404,994	4,578,851
Total liabilities (excluding net assets attributable to holders of redeemable units)	2,404,994	4,578,851

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/ financial liabilities held for trading	255,492	(120,795)
Net gain (loss) on financial assets/ financial liabilities designated at fair value through profit or loss	11,551,240	19,675,033
Total net gains (losses)	11,806,732	19,554,238

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	August 24, 2011	September 01, 2011
Series F Units	August 24, 2011	September 01, 2011
Series I Units	August 24, 2011	September 01, 2011
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Target Return Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	26,002,394	34,080,287
Short-term investments	–	–
Cash	65,341,885	38,023,746
Margin	579,236	–
Option contracts, at fair value—long	4,671,544	4,120,181
Credit default swaps, sell protection	595,447	855,822
Unrealized appreciation on futures contracts	90,638	204,504
Unrealized appreciation on currency forward contracts	1,013,579	278,877
Unrealized appreciation on swaps	37,801,363	10,266,214
Due from investment dealers	587,661	578,026
Accrued interest	80,109	163,004
Dividends receivable	4,814	9,911
Distributions receivable from underlying funds	–	–
Subscriptions receivable	108,362	189,922
	136,877,032	88,770,494
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	1,681,247
Option contracts, at fair value—short	668,347	383,307
Credit default swaps, buy protection	–	51,973
Unrealized depreciation on futures contracts	256,002	198,007
Unrealized depreciation on currency forward contracts	233,204	832,543
Unrealized depreciation on swaps	39,042,172	10,157,566
Accrued expenses	14,500	8,766
Redemptions payable	77,275	14
Distributions payable	–	–
Due to investment dealers	2,370,428	–
Management fees payable	82,649	56,893
Total liabilities (excluding net assets attributable to holders of redeemable units)	42,744,577	13,370,316
Net Assets Attributable to Holders of Redeemable Units	94,132,455	75,400,178
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	7,256,098	6,471,540
Series F	47,142,537	36,820,839
Series I	39,723,746	31,995,065
Series O	10,074	112,734
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	9.72	9.98
Series F	9.81	10.01
Series I	9.93	10.05
Series O	9.93	10.05

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statement of Comprehensive Income (Loss)

For the six months ended June 30, 2017 and for the period from May 11, 2016 to June 30, 2016 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	85,943	2,062
Interest income for distribution purposes	265,432	3,980
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	503,207	–
Net realized gain (loss) on futures contracts	657,838	(185,304)
Net realized gain (loss) on currency forward contracts	(833,795)	38
Net realized gain (loss) on option contracts	(185,613)	80,921
Net realized gain (loss) on swaps	(288,549)	5,323
Change in unrealized appreciation (depreciation) in value of investments	(286,314)	258,657
Change in unrealized appreciation (depreciation) in value of futures contracts	(171,861)	(220,670)
Change in unrealized appreciation (depreciation) in currency forward contracts	1,335,366	12,722
Change in unrealized appreciation (depreciation) in option contracts	(548,381)	(288,244)
Change in unrealized appreciation (depreciation) in value of swaps	(1,474,410)	133,037
Net gains (losses) on investments	(941,137)	(197,478)
Net gain (loss) on foreign exchange	(65,874)	17,248
Other income	–	–
Total income (loss)	(1,007,011)	(180,230)
Expenses (note 5)		
Management fees	410,892	869
Administration fees	70,186	1,913
Independent review committee fees	514	33
Withholding tax	10,202	309
Transaction costs (note 2)	3,474	3,623
Total operating expenses	495,268	6,747
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	(1,502,279)	(186,977)
Finance Cost		
Interest expense	(2,253)	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	(1,504,532)	(186,977)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	(182,495)	3,865
Series F	(778,669)	1,200
Series I	(542,432)	(192,004)
Series O	(936)	(38)
Weighted Average Number of Units Outstanding		
Series A	741,162	38,504
Series F	4,637,700	39,903
Series I	3,413,451	5,012,060
Series O	2,699	1,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	(0.25)	0.10
Series F	(0.17)	0.03
Series I	(0.16)	(0.04)
Series O	(0.35)	(0.04)

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Target Return Fund (Continued)

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the six months ended June 30, 2017 and for the period
from May 11, 2016 to June 30, 2016 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A	Series F	Series F	Series F	Series I	Series I
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	6,471,540	10,000	36,820,839	10,000	31,995,065	20,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	(182,495)	3,865	(778,669)	1,200	(542,432)	(192,004)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	2,442,226	1,243,196	24,174,093	11,625,355	8,318,744	50,150,000
Redemption of redeemable units	(1,475,133)	–	(13,074,227)	–	(47,631)	(2)
Reinvestment of distributions to holders of redeemable units	1,156	10	7,957	17	–	–
Capitalized distributions	–	–	–	–	–	–
	968,249	1,243,206	11,107,823	11,625,372	8,271,113	50,149,998
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(1,196)	–	(7,456)	–	–	–
Return of capital	–	–	–	–	–	–
	(1,196)	–	(7,456)	–	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	784,558	1,247,071	10,321,698	11,626,572	7,728,681	49,957,994
Net Assets Attributable to Holders of Redeemable Units at end of period	7,256,098	1,257,071	47,142,537	11,636,572	39,723,746	49,977,994
			2017	2016	2017	2016
			Series O	Series O	Total	Total
			(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period			112,734	10,000	75,400,178	50,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)			(936)	(38)	(1,504,532)	(186,977)
Redeemable Unit Transactions						
Proceeds from redeemable units issued			–	–	34,935,063	63,018,551
Redemption of redeemable units			(101,724)	–	(14,698,715)	(2)
Reinvestment of distributions to holders of redeemable units			–	–	9,113	27
Capitalized distributions			–	–	–	–
			(101,724)	–	20,245,461	63,018,576
Distributions to Holders of Redeemable Units						
From capital gains			–	–	–	–
From net investment income			–	–	(8,652)	–
Return of capital			–	–	–	–
			–	–	(8,652)	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period			(102,660)	(38)	18,732,277	62,831,599
Net Assets Attributable to Holders of Redeemable Units at end of period			10,074	9,962	94,132,455	62,881,599

	2017	2016	2017	2016	2017	2016
	Series A	Series F	Series F	Series F	Series I	Series I
Redeemable Unit Transactions						
Balance – beginning of period	648,707	1,000	3,679,996	1,000	3,182,287	2,000
Units issued	248,090	125,333	2,444,880	1,168,194	822,596	5,015,090
Units issued on reinvestment of distributions	118	1	806	2	–	–
Units redeemed	(150,458)	–	(1,318,492)	–	(4,763)	–
Balance – end of period	746,457	126,334	4,807,190	1,169,196	4,000,120	5,017,090
			2017	2016	2017	2016
			Series O	Series O	Total	Total
Redeemable Unit Transactions						
Balance – beginning of period			11,218	1,000	7,522,208	5,000
Units issued			–	–	3,515,566	6,308,617
Units issued on reinvestment of distributions			–	–	924	3
Units redeemed			(10,203)	–	(1,483,916)	–
Balance – end of period			1,015	1,000	9,554,782	6,313,620

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Target Return Fund (Continued)

Statement of Cash Flows

For the six months ended June 30, 2017 and for the period from May 11, 2016 to June 30, 2016 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	(1,504,532)	(186,977)
Adjustments for:		
Gain on short-term investments	–	–
Net realized (gain) loss on sale of investments	(503,207)	–
Change in unrealized (appreciation) depreciation in value of investments	286,314	(258,657)
Change in unrealized (appreciation) depreciation in value of futures contracts	171,861	220,670
Change in unrealized (appreciation) depreciation in currency forward contracts	(1,335,366)	(12,722)
Change in unrealized (appreciation) depreciation in value of swaps	1,349,457	(546,268)
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	(266,323)	(1,567,444)
Change in fair value of credit default swaps	208,402	–
Change in margin	(2,260,483)	(945,518)
Purchases of investments	(6,272,241)	(14,090,792)
Proceeds from sale of investments	16,925,671	–
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	87,992	(66,142)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	25,756	841
Change in other payables and accrued expenses	9,208	5,568
Net Cash Provided by (Used in) Operating Activities	6,922,509	(17,447,441)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	461	27
Proceeds from redeemable units issued	35,016,623	51,598,364
Redemption of redeemable units	(14,621,454)	(2)
Net Cash Provided by (Used in) Financing Activities	20,395,630	51,598,389
Net increase (decrease) in cash	27,318,139	34,150,948
Cash (bank indebtedness) at beginning of period	38,023,746	50,000
Cash (bank indebtedness) at end of period	65,341,885	34,200,948
Dividends received, net of withholding taxes	84,207	415
Interest received, net of withholding taxes	344,958	3,980
Interest paid	(2,253)	(64,804)

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Target Return Fund (Continued)

Schedule of Investments

As at June 30, 2017 (Unaudited)

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS						
Federal Bonds						
Indonesia Treasury Bond	8.250%	15-Jul-2021	10,130,000,000	1,052,228	1,040,672	
Indonesia Treasury Bond	7.000%	15-May-2022	12,200,000,000	1,220,070	1,206,664	
United States Treasury Inflation Indexed Bond	0.636%	15-Jan-2026	3,150,000	4,311,037	4,238,866	
United States Treasury Inflation Indexed Bond	0.126%	15-Jul-2026	9,800,000	13,038,050	12,530,556	
Total Bonds				19,621,385	19,016,758	20.20

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Aviva Emerging Markets Equity Small Cap Fund, Series Z	2,762	4,010,922	4,623,210	
Global Equity Endurance Fund, Series Z	2,405	2,370,000	2,362,426	
Total Mutual Funds		6,380,922	6,985,636	7.42
Total Investments		26,002,307	26,002,394	27.62
Currency Forward Contracts⁽¹⁾			780,375	0.83
Option Contracts⁽²⁾			4,003,197	4.25
Futures contracts⁽³⁾			(165,364)	(0.18)
Swap Contracts⁽⁴⁾⁽⁵⁾			(645,362)	(0.68)
Other Assets less Liabilities			64,157,215	68.16
Total Net Assets			94,132,455	100.00

(1) Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
BNP Paribas	A-1	20-Sep-2017	USD	1,419,500	KRW	(1,591,940,860)	34,164
BNP Paribas	A-1	21-Jul-2017	USD	1,415,250	KRW	(1,581,216,368)	42,537
Citibank	A-2	21-Jul-2017	CAD	1,319,932	USD	(979,020)	49,004
Citibank	A-2	21-Jul-2017	CAD	5,782,559	USD	(4,289,040)	214,682
Citibank	A-2	21-Jul-2017	CAD	770,856	USD	(571,759)	28,619
Goldman Sachs & Co.	A-2	22-Aug-2017	USD	1,415,250	KRW	(1,588,009,568)	34,049
Goldman Sachs & Co.	A-2	20-Sep-2017	CAD	1,584,108	USD	(1,200,000)	27,649
Royal Bank of Canada	A-1+	20-Sep-2017	CAD	104,815	USD	(78,000)	3,641
Societe Generale Securities Corp.	A-1	22-Aug-2017	CAD	5,778,269	USD	(4,289,040)	212,900
Societe Generale Securities Corp.	A-1	20-Sep-2017	CAD	772,193	USD	(573,476)	28,330
Societe Generale Securities Corp.	A-1	20-Sep-2017	CAD	1,322,221	USD	(981,960)	48,509
Societe Generale Securities Corp.	A-1	20-Sep-2017	CAD	5,792,585	USD	(4,301,920)	212,517
Societe Generale Securities Corp.	A-1	22-Aug-2017	CAD	770,284	USD	(571,759)	28,381
Societe Generale Securities Corp.	A-1	22-Aug-2017	CAD	1,318,953	USD	(979,020)	48,597
							1,013,579
BNP Paribas	A-1	20-Sep-2017	INR	107,893,650	USD	(1,656,640)	(6,904)
BNP Paribas	A-1	22-Aug-2017	INR	107,264,228	USD	(1,651,680)	(5,108)
BNP Paribas	A-1	21-Jul-2017	INR	106,814,146	USD	(1,651,680)	(5,231)
BNP Paribas	A-1	22-Aug-2017	JPY	21,615,242	USD	(195,257)	(3,160)
BNP Paribas	A-1	20-Sep-2017	JPY	21,588,102	USD	(195,257)	(3,131)
BNP Paribas	A-1	21-Jul-2017	JPY	21,644,726	USD	(195,257)	(3,159)

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Target Return Fund (Continued)

Schedule of Investments

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
BNP Paribas	A-1	21-Jul-2017	JPY	16,749,580	USD	(152,371)	(4,096)
BNP Paribas	A-1	22-Aug-2017	JPY	16,726,907	USD	(152,371)	(4,094)
BNP Paribas	A-1	20-Sep-2017	JPY	16,706,337	USD	(152,371)	(4,064)
BNP Paribas	A-1	21-Jul-2017	JPY	16,965,098	USD	(152,372)	(1,606)
BNP Paribas	A-1	22-Aug-2017	JPY	16,942,242	USD	(152,372)	(1,606)
BNP Paribas	A-1	20-Sep-2017	JPY	16,921,291	USD	(152,372)	(1,580)
Citibank	A-2	22-Aug-2017	JPY	173,216,102	USD	(1,583,748)	(49,995)
Citibank	A-2	21-Jul-2017	JPY	173,454,456	USD	(1,583,748)	(49,984)
Citibank	A-2	20-Sep-2017	JPY	173,513,880	USD	(1,588,504)	(49,929)
Citibank	A-2	20-Sep-2017	USD	48,000	CAD	(65,637)	(3,374)
Goldman Sachs & Co.	A-2	20-Sep-2017	CAD	740,926	EUR	(500,000)	(1,982)
Goldman Sachs & Co.	A-2	20-Sep-2017	MXN	32,956,719	AUD	(2,378,653)	(32,857)
Royal Bank of Canada	A-1+	20-Sep-2017	USD	30,000	CAD	(40,257)	(1,344)
							(233,204)

(2) Option Contracts

		Expiry Date	Number of Contracts	Average Cost (\$)	Current Value (\$)
Euro Stoxx @155 Call Option	CALL	15-Sep-2017	1,000	80,222	14,812
Euro Stoxx @155 Call Option	CALL	15-Dec-2017	1,145	178,898	84,800
Euro Stoxx 50 Volatility @3950 Call Option	CALL	15-Sep-2017	955	135,097	13,627
Euro Stoxx 50 Volatility @3950 Call Option	CALL	15-Dec-2017	565	208,569	45,192
S&P 500 Index @2525 Call Option	CALL	15-Sep-2017	27	25,482	18,935
S&P 500 Index @2525 Call Option	CALL	15-Dec-2017	9	32,260	29,221
USD CALL JPY PUT @99.15 OTC Option	CALLPUT OTC	9-Feb-2022	600,000	72,728	68,287
USD CALL JPY PUT @91.40 OTC Option	CALLPUT OTC	13-Aug-2021	500,000	60,103	88,882
USD CALL JPY PUT @91.82 OTC Option	CALLPUT OTC	7-Jul-2021	1,000,000	121,829	175,553
USD CALL JPY PUT @96 OTC Option	CALLPUT OTC	21-Apr-2022	1,084,296	115,032	144,765
USD CALL JPY PUT @96.5 OTC Option	CALLPUT OTC	22-Apr-2022	1,084,296	112,297	140,957
USD CALL JPY PUT @95.56 OTC Option	CALLPUT OTC	4-Jun-2021	2,460,000	293,459	357,510
USD CALL SAR PUT @3.8 OTC Option	CALLPUT OTC	21-May-2019	1,675,000	40,260	67,646
USD CALL SAR PUT @3.88 OTC Option	CALLPUT OTC	9-Jul-2018	1,000,000	45,455	11,535
USD CALL SAR PUT @3.89 OTC Option	CALLPUT OTC	6-Jun-2018	2,360,000	105,605	21,908
USD CALL JPY PUT @99.16 OTC Option	CALLPUT OTC	25-Nov-2021	750,000	98,113	86,390
USD CALL JPY PUT @100.5 OTC Option	CALLPUT OTC	14-Dec-2021	750,000	94,042	79,864
USD CALL SAR PUT @3.86 OTC Option	CALLPUT OTC	27-Nov-2018	750,000	41,559	16,074
USD CALL SAR PUT @3.87 OTC Option	CALLPUT OTC	12-Sep-2018	560,000	24,935	9,033
USD PUT TRY CALL @4 OTC Option	CALLPUT OTC	8-Mar-2019	2,320,000	97,313	177,096
USD PUT TRY CALL @3.8 OTC Option	CALLPUT OTC	19-Jun-2019	452,993	21,143	19,622
USD PUT TRY CALL @3.8 OTC Option	CALLPUT OTC	27-Jun-2019	225,000	10,139	9,699
USD CALL JPY PUT @100.0 OTC Option	CALLPUT OTC	10-May-2022	636,408	67,406	68,087
USD CALL JPY PUT @97.5 OTC Option	CALLPUT OTC	13-Jun-2022	1,097,076	123,319	134,131
USD CALL JPY PUT @98.00 OTC Option	CALLPUT OTC	2-Jun-2022	1,405,847	158,477	167,450
USD CALL JPY PUT @98.9 OTC Option	CALLPUT OTC	6-May-2022	445,000	48,141	50,685
USD CALL JPY PUT @99.0 OTC Option	CALLPUT OTC	13-Jun-2022	1,097,077	119,322	123,683
USD CALL JPY PUT @99.8 OTC Option	CALLPUT OTC	20-Jan-2022	370,000	45,159	40,741
USD CALL JPY PUT @99.82 OTC Option	CALLPUT OTC	13-May-2022	950,000	99,351	102,736
USD CALL SAR PUT @3.8596 OTC Option	CALLPUT OTC	13-Dec-2018	800,000	41,271	18,107
USD PUT TRY CALL @3.9 OTC Option	CALLPUT OTC	21-Mar-2019	2,365,000	123,441	141,346
USD PUT TRY CALL @3.9 OTC Option	CALLPUT OTC	5-Apr-2019	1,623,000	67,498	95,412
USD PUT TRY CALL @4 OTC Option	CALLPUT OTC	4-Jun-2020	450,000	24,031	24,620
USD PUT TRY CALL @4 OTC Option	CALLPUT OTC	4-May-2020	225,000	6,929,437	12,554
BRAZIL CAPPED @31 PUT OTC Option	PUT OTC	19-Jan-2018	2,346	630,761	553,201
				10,612,933	3,214,161

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Target Return Fund (Continued)

Schedule of Investments

		Expiry Date	Number of Contracts	Average Cost (\$)	Current Value (\$)
Euro Stoxx @160 Call Option	CALL	15-Sep-2017	(1,000)	(51,843)	(3,703)
Euro Stoxx @160 Call Option	CALL	15-Dec-2017	(1,145)	(128,250)	(46,640)
Euro Stoxx 50 Volatility @4000 Call Option	CALL	15-Sep-2017	(520)	(42,363)	(3,851)
Euro Stoxx 50 Volatility @4100 Call Option	CALL	15-Sep-2017	(435)	(18,521)	(1,289)
Euro Stoxx 50 Volatility @4100 Call Option	CALL	15-Dec-2017	(565)	(96,811)	(14,227)
S&P 500 Index @2650 Call Option	CALL	15-Sep-2017	(27)	(4,405)	(444)
S&P 500 Index @2650 Call Option	CALL	15-Dec-2017	(9)	(6,429)	(6,078)
BRAZIL CAPPED @36 PUT OTC Option	PUT OTC	19-Jan-2018	(1,173)	(573,468)	(592,115)
				(966,246)	(668,347)

Referenced Entity	Notional Units	Interest Rate	Expiry Date	Counterparty	Credit Rating for Counterparty	Unrealized Gain/(Loss) (\$)	Base Market Value
Swaption:							
SWAPTION USD 15Y 3.85% P 18-AUG-2031 GS	8,000,000		18-Aug-2031	Goldman Sachs & Co.	A-2	106,894	615,985
SWAPTION USD 15Y 1% R 18-AUG-2031 GS	3,500,000		18-Aug-2031	Goldman Sachs & Co.	A-2	(140,602)	208,261
SWAPTION USD 15Y 3.85% P 10-NOV-2031 CITI	1,400,000		10-Nov-2031	Citibank	A-2	8,491	108,491
SWAPTION USD 15Y 1% R 10-NOV-2031 CITI	600,000		10-Nov-2031	Citibank	A-2	(14,472)	35,788
SWAPTION USD 15Y 3.85% P 27-FEB-2032 GS	3,700,000		27-Feb-2032	Goldman Sachs & Co.	A-2	(18,689)	287,401
SWAPTION USD 15Y 1% R 27-FEB-2032 GS	1,600,000		27-Feb-2032	Goldman Sachs & Co.	A-2	(235)	96,388
SWAPTION USD 15Y 3.85% P 17-MAY-2032 JPM	1,000,000		17-May-2032	JP Morgan	A-2	2,005	77,784
SWAPTION USD 15Y 1% R 17-MAY-2032 JPM	450,000		17-May-2032	JP Morgan	A-2	2,345	27,285
							1,457,383

(3) Futures Contracts

Name of Future	Contracted Value (\$)	Expiry Date	Numbers of Contracts	Contracted Price	Current Value (\$)	Unrealized Appreciation/ (Depreciation) (\$)
EURO STOXX Banks Futures	3,739,385	15-Sep-2017	389	130	3,759,700	20,316
Russell 2000 Index Mini Futures	(1,291,599)	15-Sep-2017	(14)	1,421	(1,285,726)	5,873
Russell 2000 Index Mini Futures	(1,561,265)	15-Sep-2017	(17)	1,414	(1,561,239)	27
Russell 2000 Index Mini Futures	(828,776)	15-Sep-2017	(9)	1,418	(826,538)	2,237
Russell 2000 Index Mini Futures	(923,222)	15-Sep-2017	(10)	1,422	(918,376)	4,846
Topix Stock Index Futures	371,207	07-Sep-2017	2	1,606	372,527	1,319
Topix Stock Index Futures	741,124	07-Sep-2017	4	1,603	745,053	3,930
Topix Stock Index Futures	368,301	07-Sep-2017	2	1,593	372,527	4,226
Topix Stock Index Futures	370,793	07-Sep-2017	2	1,604	372,527	1,734
Topix Banks Index Futures	928,828	07-Sep-2017	44	183	971,875	43,046
US 10-Year Ultra Futures	(17,686,264)	20-Sep-2017	(101)	135	(17,683,179)	3,084
					(15,680,849)	90,638
Dow Jones EURO STOXX 50® Index Futures	471,920	15-Sep-2017	9	3,540	457,389	(14,531)
Dow Jones EURO STOXX 50® Index Futures	1,941,033	15-Sep-2017	37	3,542	1,880,380	(60,653)
Dow Jones EURO STOXX 50® Index Futures	157,818	15-Sep-2017	3	3,551	152,463	(5,355)
Dow Jones EURO STOXX 50® Index Futures	368,708	15-Sep-2017	7	3,556	355,748	(12,961)
Dow Jones EURO STOXX 50® Index Futures	158,129	15-Sep-2017	3	3,559	152,463	(5,666)
Dow Jones EURO STOXX 50® Index Futures	738,555	15-Sep-2017	14	3,561	711,495	(27,060)
EURO STOXX Banks Futures	990,782	15-Sep-2017	102	131	985,834	(4,948)
MSCI Emerging Markets Index	4,522,785	15-Sep-2017	77	452	4,509,286	(13,500)
Nikkei 225 Index Futures	928,771	07-Sep-2017	4	20,089	925,595	(3,176)
Russell 2000 Index Mini Futures	(1,269,100)	15-Sep-2017	(14)	1,396	(1,285,726)	(16,626)
Russell 2000 Index Mini Futures	(3,000,088)	15-Sep-2017	(33)	1,400	(3,030,639)	(30,552)
S&P 500 Index E-mini	1,104,317	15-Sep-2017	7	2,430	1,100,453	(3,864)
S&P 500 Index E-mini	8,231,907	15-Sep-2017	52	2,438	8,174,797	(57,110)
					15,089,538	(256,002)

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Target Return Fund (Continued)

Schedule of Investments

(4) Swap Contracts

Referenced Entity	Notional Units	Interest Rate	Expiry Date	Counterparty	Credit Rating for Counterparty	Unrealized Gain/(Loss) (\$)	Market Value (\$)
Interest Rate Swaps:							
IRS CAD 1.402% PAY Floating Leg	(25,600,000)	1-month LIBOR + 45BPS	17-May-2021	JP Morgan	A-2	(915,870)	(915,870)
IRS CAD 1.402% REC Fixed	25,600,000	1-month LIBOR + 45BPS	17-May-2021	JP Morgan	A-2	686,699	686,699
IRS USD 1.923% PAY Floating Leg	(5,600,000)	1-month LIBOR + 45BPS	14-Feb-2020	JP Morgan	A-2	(290,172)	(290,172)
IRS USD 1.923% REC Fixed	5,600,000	1-month LIBOR + 45BPS	14-Feb-2020	JP Morgan	A-2	271,534	271,534
IRS USD 1.956% PAY Floating Leg	(33,000,000)	1-month LIBOR + 45BPS	15-Feb-2020	JP Morgan	A-2	(1,717,997)	(1,717,997)
IRS USD 1.956% REC Fixed	33,000,000	1-month LIBOR + 45BPS	15-Feb-2020	JP Morgan	A-2	1,634,107	1,634,107
IRS USD 2.48% PAY Fixed	(14,000,000)	1-month LIBOR + 45BPS	15-Feb-2024	JP Morgan	A-2	(2,075,397)	(2,075,397)
IRS USD 2.48% REC Floating Leg	14,000,000	1-month LIBOR + 45BPS	15-Feb-2024	JP Morgan	A-2	1,880,086	1,880,086
IRS SEK 0.123% PAY Fixed	(142,000,000)	1-month LIBOR + 45BPS	20-Feb-2020	JP Morgan	A-2	(53,988)	(53,988)
IRS SEK 0.123% REC Floating Leg	142,000,000	1-month LIBOR + 45BPS	20-Feb-2020	JP Morgan	A-2	131,224	131,224
IRS SEK 1.173% PAY Floating Leg	(58,000,000)	1-month LIBOR + 45BPS	20-Feb-2024	JP Morgan	A-2	(479,252)	(479,252)
IRS SEK 1.173% REC Fixed	58,000,000	1-month LIBOR + 45BPS	20-Feb-2024	JP Morgan	A-2	513,433	513,433
IRS USD 1.953% PAY Floating Leg	(43,970,000)	1-month LIBOR + 45BPS	21-Feb-2020	JP Morgan	A-2	(2,290,089)	(2,290,089)
IRS USD 1.953% REC Fixed	43,970,000	1-month LIBOR + 45BPS	21-Feb-2020	JP Morgan	A-2	2,164,528	2,164,528
IRS USD 2.343% PAY Fixed	(20,623,000)	1-month LIBOR + 45BPS	21-Feb-2024	JP Morgan	A-2	(3,010,475)	(3,010,475)
IRS USD 2.443% REC Floating Leg	20,623,000	1-month LIBOR + 45BPS	21-Feb-2024	JP Morgan	A-2	2,771,641	2,771,641
IRS AUD 2.275% PAY Floating Leg	(25,300,000)	1-month LIBOR + 45BPS	20-May-2021	JP Morgan	A-2	(1,295,234)	(1,295,234)
IRS GBP 1.6425% PAY Fixed	(2,562,000)	1-month LIBOR + 45BPS	29-Jun-2047	Citibank	A-2	(736,872)	(736,872)
IRS GBP 1.6425% REC Floating Leg	2,562,000	1-month LIBOR + 45BPS	29-Jun-2047	Citibank	A-2	757,268	757,268
IRS SEK 0.05% PAY Fixed	(143,000,000)	1-month LIBOR + 45BPS	26-Feb-2020	JP Morgan	A-2	(22,100)	(22,100)
IRS SEK 1.045% PAY Floating Leg	(58,500,000)	1-month LIBOR + 45BPS	25-Feb-2024	JP Morgan	A-2	(486,088)	(486,088)
IRS AUD 0.0775% PAY Fixed	(27,300,000)	1-month LIBOR + 45BPS	17-May-2020	JP Morgan	A-2	(6,544)	(6,544)
IRS USD 1.848% PAY Floating Leg	(8,250,000)	1-month LIBOR + 45BPS	17-May-2020	JP Morgan	A-2	(456,626)	(456,626)
IRS USD 2.31% PAY Fixed	(3,500,000)	1-month LIBOR + 45BPS	17-May-2024	JP Morgan	A-2	(480,483)	(480,483)
IRS SEK 0.05% REC Floating Leg	143,000,000	1-month LIBOR + 45BPS	26-Feb-2020	JP Morgan	A-2	150,354	150,354
IRS SEK 1.045% REC Fixed	58,500,000	1-month LIBOR + 45BPS	25-Feb-2024	JP Morgan	A-2	461,511	461,511
IRS AUD 0.0775% REC Floating Leg	27,300,000	1-month LIBOR + 45BPS	17-May-2020	JP Morgan	A-2	24,834	24,834
IRS AUD 1.05% PAY Floating Leg	(11,150,000)	1-month LIBOR + 45BPS	17-May-2024	JP Morgan	A-2	(99,526)	(99,526)
IRS AUD 1.05% REC Fixed	11,150,000	1-month LIBOR + 45BPS	17-May-2024	JP Morgan	A-2	88,075	88,075
IRS USD 1.848% REC Fixed	8,250,000	1-month LIBOR + 45BPS	17-May-2020	JP Morgan	A-2	383,109	383,109
IRS USD 2.31% REC Floating Leg	3,500,000	1-month LIBOR + 45BPS	17-May-2024	JP Morgan	A-2	475,518	475,518
IRS AUD 2.275% REC FI	25,300,000	1-month LIBOR + 45BPS	20-May-2021	JP Morgan	A-2	1,076,135	1,076,135

(946,657)

Referenced Entity	Notional Units	Interest Rate	Expiry Date	Counterparty	Credit Rating for Counterparty	Unrealized Gain/(Loss) (\$)	Market Value (\$)
Inflation Swaps:							
P UKRPI – R FIX 3.535%	(10,400,000)	1-month LIBOR + 45BPS	15-Feb-2027	Citibank	A-2	(6,258,908)	(6,258,908)
R FIX 3.535% – P UKRPI	10,400,000	1-month LIBOR + 45BPS	15-Feb-2027	Citibank	A-2	6,481,839	6,481,839
P FIX 3.565% – R UKRPI	(10,400,000)	1-month LIBOR + 45BPS	15-Feb-2022	Citibank	A-2	(3,235,931)	(3,235,931)
R UKRPI – P FIX 3.565%	10,400,000	1-month LIBOR + 45BPS	15-Feb-2022	Citibank	A-2	3,124,388	3,124,388
P UKRPI – R FIX 3.4475%	(1,000,000)	1-month LIBOR + 45BPS	15-Feb-2027	Goldman Sachs & Co.	A-2	(601,818)	(601,818)
R FIX 3.4475% – P UKRPI	1,000,000	1-month LIBOR + 45BPS	15-Feb-2027	Goldman Sachs & Co.	A-2	605,374	605,374
P FIX 3.47% – R UKRPI	(1,000,000)	1-month LIBOR + 45BPS	15-Feb-2022	Goldman Sachs & Co.	A-2	(302,281)	(302,281)
R UKRPI – P FIX 3.47%	1,000,000	1-month LIBOR + 45BPS	15-Feb-2022	Goldman Sachs & Co.	A-2	300,422	300,422
P FIX 3.5225% – R UKRPI	(3,732,000)	1-month LIBOR + 45BPS	15-Mar-2022	Citibank	A-2	(1,145,188)	(1,145,188)
R UKRPI – P FIX 3.5225%	3,732,000	1-month LIBOR + 45BPS	15-Mar-2022	Citibank	A-2	1,137,929	1,137,929
P UKRPI – R FIX 3.49%	(3,732,000)	1-month LIBOR + 45BPS	15-Mar-2027	Citibank	A-2	(2,262,636)	(2,262,636)
R FIX 3.49% – P UKRPI	3,732,000	1-month LIBOR + 45BPS	15-Mar-2027	Citibank	A-2	2,288,485	2,288,485
P FIX 3.5125% – R UKRPI	(3,057,000)	1-month LIBOR + 45BPS	15-May-2022	Citibank	A-2	(933,659)	(933,659)
R UKRPI – P FIX 3.5125%	3,057,000	1-month LIBOR + 45BPS	15-May-2022	Citibank	A-2	904,963	904,963
P UKRPI – R FIX 3.4825%	(3,057,000)	1-month LIBOR + 45BPS	15-May-2027	Citibank	A-2	(1,820,507)	(1,820,507)
R FIX 3.4825% – P UKRPI	3,057,000	1-month LIBOR + 45BPS	15-May-2027	Citibank	A-2	1,865,376	1,865,376
P FIX 2.18% VS R FLT USD CPI	(3,350,000)	1-month LIBOR + 45BPS	16-May-2027	Goldman Sachs & Co.	A-2	(836,590)	(836,590)
R FLT USD CPI – P FIX 2.18%	3,350,000	1-month LIBOR + 45BPS	16-May-2027	Goldman Sachs & Co.	A-2	774,837	774,837
P FIX 3.4825% – R UKRPI	(1,900,000)	1-month LIBOR + 45BPS	15-May-2022	Citibank	A-2	(574,991)	(574,991)
R UKRPI – P FIX 3.4825%	1,900,000	1-month LIBOR + 45BPS	15-May-2022	Citibank	A-2	562,456	562,456
P UKRPI – R FIX 3.47%	(1,900,000)	1-month LIBOR + 45BPS	15-May-2027	Citibank	A-2	(1,131,490)	(1,131,490)
R FIX 3.47% – P UKRPI	1,900,000	1-month LIBOR + 45BPS	15-May-2027	Citibank	A-2	1,154,548	1,154,548
P FIX 2.15% VS R FLT USD CPI	(2,675,000)	1-month LIBOR + 45BPS	17-May-2027	Goldman Sachs & Co.	A-2	(657,726)	(657,726)
R FLT USD CPI – P FIX 2.15%	2,675,000	1-month LIBOR + 45BPS	17-May-2027	Goldman Sachs & Co.	A-2	618,624	618,624
P FIX 1.995 VS R FLT USD CPI	(7,200,000)	1-month LIBOR + 45BPS	27-Jun-2027	JP Morgan	A-2	(1,626,450)	(1,626,450)
R FLT USD CPI VS P FIX 1.995	7,200,000	1-month LIBOR + 45BPS	27-Jun-2027	JP Morgan	A-2	1,683,765	1,683,765

114,831

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Target Return Fund (Continued)

Schedule of Investments

Referenced Entity	Notional Units	Interest Rate	Expiry Date	Counterparty	Credit Rating for Counterparty	Unrealized Gain/(Loss) (\$)	Market Value (\$)
Equity Index Swaps:							
BAV3QXAU9 BNPPAISB TRS – EQUITY LEG	(17,600)		07-Mar-2018	BNP Paribas	A-1	19,476	(2,220,979)
BAV3QXAU9 BNPPAISB TRS – INT LEG	17,600		07-Mar-2018	BNP Paribas	A-1	898	2,241,353
							20,374
Equity Variance Swaps:							
26.25 Var Swap DJEUROSTOXX50	(202)		15-Dec-2017	Goldman Sachs & Co.	A-2	142,625	142,625
27.76 Var Swap DJEUROSTOXX50	372		21-Dec-2018	Goldman Sachs & Co.	A-2	(231,498)	(231,498)
25.93 Var Swap DJEUROSTOXX50	649		21-Dec-2018	Goldman Sachs & Co.	A-2	(280,430)	(280,429)
23.75 Var Swap DJEUROSTOXX50	(312)		15-Dec-2017	Goldman Sachs & Co.	A-2	152,117	152,117
27.9 Var Swap HKHSCEI	676		28-Dec-2018	Societie Generale Securities Corp.	A-1	(22,966)	(22,966)
19.1 Var Swap USS&P500	(64)		21-Dec-2018	Societie Generale Securities Corp.	A-1	7,336	7,336
27.9 Var Swap HKHSCEI	338		28-Dec-2018	Societie Generale Securities Corp.	A-1	(11,483)	(11,483)
19.1 Var Swap S&P500	(127)		21-Dec-2018	Societie Generale Securities Corp.	A-1	152,117	152,117
19.35 Var Swap USS&P500	(63)		21-Dec-2018	Societie Generale Securities Corp.	A-1	7,965	7,965
28.15 Var Swap HKHSCEI	335		28-Dec-2018	Societie Generale Securities Corp.	A-1	(12,086)	(12,086)
19.25 Var Swap USS&P500	(63)		21-Dec-2018	Societie Generale Securities Corp.	A-1	7,729	7,729
28.05 Var Swap HKHSCEI	336		28-Dec-2018	Societie Generale Securities Corp.	A-1	(11,749)	(11,749)
19.2 Var Swap USS&P500	(62)		21-Dec-2018	Societie Generale Securities Corp.	A-1	7,425	7,425
27.95 Var Swap HKHSCEI	331		28-Dec-2018	Societie Generale Securities Corp.	A-1	(11,207)	(11,207)
28.18 Var Swap HKHSCEI	676		28-Dec-2018	Societie Generale Securities Corp.	A-1	(24,291)	(24,291)
19.43 Var Swap USS&P500	(126)		21-Dec-2018	Societie Generale Securities Corp.	A-1	16,510	16,510
28.05 Var Swap HKHSCEI	1,009		28-Dec-2018	JP Morgan	A-2	(34,933)	(34,933)
19.3 Var Swap USS&P500	(189)		21-Dec-2018	JP Morgan	A-2	23,352	23,352
27.85 Var Swap HKHSCEI	683		28-Dec-2018	Societie Generale Securities Corp.	A-1	(22,492)	(22,492)
27.85 Var Swap HKHSCEI	333		28-Dec-2018	Societie Generale Securities Corp.	A-1	(10,836)	(10,836)
19.2 Var Swap USS&P500	(62)		21-Dec-2018	JP Morgan	A-2	7,334	7,334
19.24 Var Swap USS&P500	(128)		21-Dec-2018	Societie Generale Securities Corp.	A-1	15,295	15,295
19.1 Var Swap USS&P500	(64)		21-Dec-2018	Societie Generale Securities Corp.	A-1	7,153	7,153
27.6 Var Swap HKHSCEI	342		28-Dec-2018	JP Morgan	A-2	(10,296)	(10,296)
27.1 Var Swap HKHSCEI	899		28-Dec-2018	Societie Generale Securities Corp.	A-1	(22,486)	(22,486)
19.15 Var Swap USS&P500	(164)		21-Dec-2018	Societie Generale Securities Corp.	A-1	17,779	17,779
27.09 Var Swap HKHSCEI	606		28-Dec-2018	JP Morgan	A-2	(14,973)	(14,973)
19.09 Var Swap USS&P500	(111)		21-Dec-2018	JP Morgan	A-2	11,717	11,717
26.41 Var Swap HKHSCEI	361		28-Dec-2018	JP Morgan	A-2	(6,336)	(6,336)
18.41 Var Swap USS&P500	(67)		21-Dec-2018	JP Morgan	A-2	4,490	4,490
26.05 Var Swap HKHSCEI	298		28-Dec-2018	JP Morgan	A-2	(4,247)	(4,247)
18.3 Var Swap USS&P500	(55)		21-Dec-2018	JP Morgan	A-2	3,357	3,357
25.87 Var Swap HKHSCEI	304		28-Dec-2018	Societie Generale Securities Corp.	A-1	(3,748)	(3,748)
18.37 Var Swap USS&P500	(55)		21-Dec-2018	Societie Generale Securities Corp.	A-1	3,428	3,428
25 Var Swap HKHSCEI	285		28-Dec-2018	JP Morgan	A-2	(1,041)	(1,041)
18.1 Var Swap USS&P500	(51)		21-Dec-2018	JP Morgan	A-2	2,205	2,205
25.07 Var Swap HKHSCEI	287		28-Dec-2018	Societie Generale Securities Corp.	A-1	(724)	(724)
17.67 Var Swap USS and P500	(52)		21-Dec-2018	Societie Generale Securities Corp.	A-1	709	709
25.15 Var Swap HKHSCEI	627		28-Dec-2018	JP Morgan	A-2	(1,750)	(1,750)
17.75 Var Swap USS and P500	(114)		21-Dec-2018	JP Morgan	A-2	1,750	1,750
25.4 Var Swap HKHSCEI	198		28-Dec-2018	BNP Paribas	A-1	(914)	(914)
18 Var Swap USS and P500	(36)		21-Dec-2018	BNP Paribas	A-1	924	924
18.09 Var Swap USS and P500	(53)		21-Dec-2018	JP Morgan	A-2	1,554	1,554
25.49 Var Swap HKHSCEI	295		28-Dec-2018	JP Morgan	A-2	(1,589)	(1,589)
25.45 Var Swap HKHSCEI	190		28-Dec-2018	JP Morgan	A-2	(913)	(913)
18.05 Var Swap USS and P500	(34)		21-Dec-2018	JP Morgan	A-2	907	907
18.65 Var Swap DJEUROSTOXX50	(116)		15-Dec-2017	BNP Paribas	A-1	8,547	8,547
21.9905 VarSwp DJEUROSTOXX50	319		21-Dec-2018	BNP Paribas	A-1	8,203	8,203
20.15 VarSwp DJEUROSTOXX50	(342)		15-Jun-2018	JP Morgan	A-2	(8,789)	(8,789)
21.71 VarSwp DJEUROSTOXX50	699		21-Jun-2019	JP Morgan	A-2	15,329	15,329
							(261,361)
Currency Swaps:							
11.15 FX Vol Swap USDJPY	(2,770)		22-Sep-2017	Goldman Sachs & Co.	A-2	2,344	2,344
12.3 FX Vol Swap EURJPY	2,508		22-Sep-2017	Goldman Sachs & Co.	A-2	(13,023)	(13,023)
10.95 FX Vol Swap USDJPY	(6,198)		22-Sep-2017	Societie Generale Securities Corp.	A-1	3,470	3,470
12.15 FX Vol Swap EURJPY	5,591		22-Sep-2017	Societie Generale Securities Corp.	A-1	(28,046)	(28,046)
12.65 FX Vol Swap EURJPY	5,591		06-Oct-2017	Societie Generale Securities Corp.	A-1	(31,921)	(31,921)
11.45 FX Vol Swap USDJPY	(6,215)		06-Oct-2017	Societie Generale Securities Corp.	A-1	7,423	7,423

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Target Return Fund (Continued)

Schedule of Investments

Referenced Entity	Notional Units	Interest Rate	Expiry Date	Counterparty	Credit Rating for Counterparty	Unrealized Gain/(Loss) (\$)	Market Value (\$)
11.45 FX Vol Swap USDJPY	(6,215)		06-Oct-2017	Societe Generale Securities Corp.	A-1	7,423	7,423
12.75 FX Vol Swap EURJPY	6,053		03-Nov-2017	Goldman Sachs & Co.	A-2	(33,996)	(33,996)
11.6 FX Vol Swap USDJPY	(6,719)		03-Nov-2017	Goldman Sachs & Co.	A-2	9,160	9,160
11.85 FX Vol Swap EURJPY	11,831		10-Nov-2017	BNP Paribas	A-1	(51,776)	(51,776)
11.2 FX Vol Swap USDJPY	(12,895)		10-Nov-2017	BNP Paribas	A-1	13,386	13,386
12.825 FX Vol Swap EURJPY	11,987		28-Nov-2017	BNP Paribas	A-1	(67,832)	(67,832)
12.15 FX Vol Swap USDJPY	(12,682)		28-Nov-2017	BNP Paribas	A-1	31,954	31,954
13.05 FX Vol Swap EURJPY	6,737		15-Jan-2018	BNP Paribas	A-1	(37,935)	(37,935)
12.40 FX Vol Swap USDJPY	(7,175)		15-Jan-2018	BNP Paribas	A-1	28,796	28,796
							(167,996)
							(1,240,809)

(5) Credit Default Swaps

Referenced Entity	Payment Frequency	Coupon	Expiry Date	Counterparty	Credit Rating for Counterparty	Notional Amount (\$)	Current Value (\$)
S-CDX.NA.HY.28 SP	Quarterly	5.00%	20-Jun-2022	JP Morgan	A-2	(11,548)	56,666
S-CDX.NA.HY.28 SP	Quarterly	5.00%	20-Jun-2022	JP Morgan	A-2	(24,137)	538,781
							595,447

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Multi-Strategy Target Return Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is subject to credit risk exposure related to its investment in interest-bearing securities and indexed equity linked futures and put options. However, as these investments are held exclusively in federally issued securities or directly with the exchanges, credit risk is not a significant risk to the Fund.

The Fund invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities

that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets
	June 30, 2017
AAA/Aaa	17.79
AA/Aa	47.22
BBB/Bbb	2.41
Total	67.42

Rating	As a % of Net Assets
	December 31, 2016
AAA/Aaa	25.95
AA/Aa	24.13
BBB/Bbb	8.94
Total	59.02

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Target Return Fund (Continued)

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, either directly or indirectly through underlying funds, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following table summarizes the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
Japanese Yen	8,167,452	8.75
Indian Rupee	6,469,079	6.93
Mexican Peso	2,364,723	2.53
Indonesian Rupiah	2,298,338	2.46
South African Rand	738,649	0.79
British Pound	446,545	0.48
Swedish Krona	214,572	0.23
Polish Zloty	18	—
Singapore Dollar	1	—
Israeli Shekel	—	—
New Zealand Dollar	—	—
Hong Kong Dollar	(231,060)	(0.25)
Euro	(1,099,746)	(1.18)
Australian Dollar	(2,485,760)	(2.66)
United States Dollar	(5,277,802)	(5.66)
Korean Won	(5,404,298)	(5.79)
Total	6,200,711	6.63
December 31, 2016		
Japanese Yen	93,546	0.12
Indian Rupee	4,355,992	5.78
Mexican Peso	—	—
Indonesian Rupiah	2,082,588	2.76
South African Rand	1,774,833	2.35
British Pound	759,607	1.01
Swedish Krona	—	—
Polish Zloty	16	—
Singapore Dollar	1	—
Israeli Shekel	(126,616)	(0.17)
New Zealand Dollar	(2,496,577)	(3.31)
Hong Kong Dollar	—	—
Euro	492,659	0.65
Australian Dollar	1,098	—
United States Dollar	6,160,187	8.17
Korean Won	(4,870,251)	(6.46)
Total	8,227,083	10.90

As at June 30, 2017, if the Canadian dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$310,036 (\$411,354 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The following table summarizes the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	—
1-5 years	2,247,336
More than 5 years	16,769,422
Total	19,016,758
December 31, 2016 (\$)	
Less than 1 year	—
1-5 years	2,784,676
More than 5 years	23,528,310
Total	26,312,986

As at June 30, 2017 and December 31, 2016, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$1,596,967 (\$2,512,595 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in equity securities directly or indirectly through the underlying funds. As at June 30, 2017, if the MSCI World Index had increased or decreased 20%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased by \$8,424,855 (\$5,564,535 as at December 31, 2016) or decreased by \$5,073,739 (\$4,245,031 as at December 31, 2016) respectively. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Target Return Fund (Continued)

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Bonds		
Federal Bonds	20.2	34.9
Equities		
Energy	–	3.8
Materials	–	0.8
Mutual Funds		
Emerging Markets Equities	4.9	5.7
International Equities	2.5	–
Other Assets less Liabilities	72.4	54.8
Total	100.0	100.0

The Fund's use of Derivatives

The Fund will make significant use of derivative instruments and may take both long and short synthetic positions in markets, assets and groups of assets. As such, derivatives may be used for purposes of hedging, efficient portfolio management and/or investment purposes. The use of derivative instruments as part of the investment strategy will mean that the Fund may, from time to time, have substantial holdings in liquid assets, including deposits and money market instruments.

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Bonds	–	19,016,758	–	19,016,758
Mutual Funds	6,985,636	–	–	6,985,636
Swap Contracts	–	37,801,363	–	37,801,363
Credit Default				
Swaps	–	595,447	–	595,447
Futures Contracts	–	90,638	–	90,638
Currency Forward				
Contracts	–	1,013,579	–	1,013,579
Option Contracts	4,671,544	–	–	4,671,544
Financial Liabilities				
Swap Contracts	–	39,042,172	–	39,042,172
Futures Contracts	–	256,002	–	256,002
Currency Forward				
Contracts	–	233,204	–	233,204
Option Contracts	668,347	–	–	668,347

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Target Return Fund (Continued)

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	3,492,321	–	–	3,492,321
Bonds	–	26,312,986	–	26,312,986
Mutual Funds	4,274,980	–	–	4,274,980
Swap Contracts	–	10,266,214	–	10,266,214
Credit Default				
Swaps	–	855,822	–	855,822
Futures Contracts	–	204,504	–	204,504
Currency Forward				
Contracts	–	278,877	–	278,877
Option Contracts	4,120,181	–	–	4,120,181
Financial Liabilities				
Swap Contracts	–	10,157,566	–	10,157,566
Credit Default				
Swaps	–	51,973	–	51,973
Futures Contracts	–	198,007	–	198,007
Currency Forward				
Contracts	–	832,543	–	832,543
Option Contracts	383,307	–	–	383,307

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and May 11 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g. transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Bonds and short-term investments

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds and short-term investments have been classified as Level 2.

Derivative assets and liabilities

Derivative assets and liabilities consist of options, foreign currency forward contracts, equity swaps and futures contracts. Option contracts are classified as Level 1, when the

option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Forward contracts and equity swaps are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Futures contracts are classified as Level 2 and are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out. Gains or losses arising from futures contracts are recorded as unrealized gain (loss) on futures contracts and shown as an asset (liability) on the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized.

Leverage

The Fund measures leverage in terms of the total underlying notional value of the securities and/or financial derivative positions as a ratio of the total assets held by such fund. The Fund, by being subject to National Instrument 81-104 ("NI 81-104"), is permitted to lever its assets: that is, the aggregate underlying market exposure of all derivatives held by the Fund calculated on a daily mark-to-market basis can exceed the Fund's cash and cash equivalents, including cash held as margin on deposit to support the Fund's derivatives trading activities. The Fund will generally not use leverage in excess of 7.0 times its net asset value.

The following table discloses the minimum and maximum leverage levels for the Fund during the six months ended June 30, 2017 and year ended December 31, 2016; the Fund's leverage at the end of this reporting period; and, approximately what that leverage represents as a percentage of the Fund's net assets.

Period Ended	Leverage			
	Minimum Leverage	Maximum Leverage	at End of Reporting Period	Approximate Percentage of Net Assets
June 30, 2017	4.67:1	9.44:1	6.95:1	695%
December 31, 2016	3.95:1	9.64:1	5.84:1	584%

Maximum and minimum leverage factors are not adjusted for capital stock activity.

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Target Return Fund (Continued)

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$3,474.

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$1,052,583. The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statement of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series A	1,023	9,956
Series F	1,023	10,062
Series I	2,049	20,389
Series O	1,015	10,080

	December 31, 2016	
	Units	Market Value (\$)
Series A	1,021	10,184
Series F	1,023	10,237
Series I	2,049	20,607
Series O	1,020	10,256

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money

investments. As at June 30, 2017 and December 31, 2016, SLA held the following position in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series I	3,098,917	30,832,987

	December 31, 2016	
	Units	Market Value (\$)
Series I	3,083,595	31,008,628

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	44,172,571	15,725,598
Investments designated at fair value through profit or loss	26,002,394	34,080,287
Total financial assets at fair value through profit or loss	70,174,965	49,805,885
Financial assets at amortized cost		
Cash	65,341,885	38,023,746
Other receivables	1,360,182	940,863
Total financial assets at amortized cost	66,702,067	38,964,609
Total assets	136,877,032	88,770,494
Financial liabilities		
Derivative liabilities held for trading	40,199,725	11,623,396
Financial liabilities at amortized cost	2,544,852	1,746,920
Total liabilities (excluding net assets attributable to holders of redeemable units)	42,744,577	13,370,316

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	(1,509,405)	(462,177)
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	568,268	264,699
Total net gains (losses)	(941,137)	(197,478)

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statement of Financial Position if all offset rights were exercised.

The accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Target Return Fund (Continued)

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
June 30, 2017				
Derivative assets – Forward				
Contracts	1,013,579	(233,204)	–	780,375
Derivative assets – Credit				
Default Swaps	595,447	–	–	595,447
Derivative assets – Swaps	37,801,363	(37,624,293)	–	177,070
Total	39,410,389	(37,857,497)	–	1,552,892
Derivative liabilities –				
Forward Contracts	(233,204)	233,204	–	–
Derivative liabilities –				
Swaps	(39,042,172)	37,624,293	–	(1,417,879)
Total	(39,275,376)	37,857,497	–	(1,417,879)
December 31, 2016				
Derivative assets – Forward				
Contracts	278,877	(148,763)	–	130,114
Derivative assets – Credit				
Default Swaps	855,822	(51,973)	–	803,849
Derivative assets – Swaps	10,266,214	(10,036,046)	–	230,168
Total	11,400,913	(10,236,782)	–	1,164,131
Derivative liabilities –				
Forward Contracts	(832,543)	148,763	–	(683,780)
Derivative liabilities –				
Credit Default Swaps	(51,973)	51,973	–	–
Derivative liabilities –				
Swaps	(10,157,566)	10,036,046	–	(121,520)
Total	(11,042,082)	10,236,782	–	(805,300)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	May 11, 2016	May 11, 2016
Series F Units	May 11, 2016	May 11, 2016
Series I Units	May 11, 2016	May 11, 2016
Series O Units	May 11, 2016	May 11, 2016

The accompanying notes are an integral part of the financial statements.

Sun Life NWQ Flexible Income Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	203,829,229	114,619,823
Short-term investments	—	—
Cash	6,083,942	7,791,158
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	4,062,802	526,069
Unrealized appreciation on swaps	—	—
Due from investment dealers	12,150	6,021
Accrued interest	1,910,176	996,641
Dividends receivable	175,068	111,717
Distributions receivable from underlying funds	—	—
Subscriptions receivable	96,391	4,125,289
	216,169,758	128,176,718
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	85,481	66,146
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	11,812	6,445
Redemptions payable	89,315	—
Distributions payable	—	—
Due to investment dealers	1,620,419	1,773,635
Management fees payable	3,723	3,666
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,810,750	1,849,892
Net Assets Attributable to Holders of Redeemable Units	214,359,008	126,326,826
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	2,597,085	2,612,885
Series E	—	—
Series F	88,527	114,545
Series I	211,063,661	123,159,819
Series O	609,735	439,577
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	9.53	9.29
Series E	—	—
Series F	9.61	9.34
Series I	10.16	9.82
Series O	9.61	9.29

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	2,045,572	1,274,997
Interest income for distribution purposes	3,458,637	1,086,246
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	1,321,636	(9,038)
Net realized gain (loss) on futures contracts	—	(451)
Net realized gain (loss) on currency forward contracts	803,359	5,015,813
Net realized gain (loss) on option contracts	31,313	43,231
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	557,165	(1,485,513)
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	3,536,734	(1,021,485)
Change in unrealized appreciation (depreciation) in option contracts	3,661	33,243
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	11,758,077	4,937,043
Net gain (loss) on foreign exchange	(313,028)	(465,744)
Other income	—	—
Total income (loss)	11,445,049	4,471,299
Expenses (note 5)		
Management fees	19,544	17,769
Administration fees	54,547	24,075
Independent review committee fees	32	412
Withholding tax	192,983	118,091
Transaction costs (note 2)	35,193	18,112
Total operating expenses	302,299	178,459
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	11,142,750	4,292,840
Finance Cost		
Interest expense	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	11,142,750	4,292,840
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	131,931	116,639
Series E	—	(18,520)
Series F	6,421	3,585
Series I	10,970,843	4,176,463
Series O	33,555	14,673
Weighted Average Number of Units Outstanding		
Series A	275,760	244,430
Series E	—	64,378
Series F	12,730	8,953
Series I	18,459,307	7,984,533
Series O	61,047	28,976
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.48	0.48
Series E	—	(0.29)
Series F	0.50	0.40
Series I	0.59	0.52
Series O	0.55	0.51

The accompanying notes are an integral part of the financial statements.

Sun Life NWQ Flexible Income Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017		2016		2017		2016	
	Series A (\$)	(\$)	Series E (\$)	(\$)	Series F (\$)	(\$)	(\$)	
Net Assets Attributable to Holders of Redeemable Units at beginning of period	2,612,885	1,855,131	–	571,312	114,545	85,407		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	131,931	116,639	–	(18,520)	6,421	3,585		
Redeemable Unit Transactions								
Proceeds from redeemable units issued	156,261	769,250	–	950	43,687	–		
Redemption of redeemable units	(301,314)	(272,431)	–	(553,714)	(76,126)	(5,027)		
Reinvestment of distributions to holders of redeemable units	61,590	58,772	–	2,705	2,877	2,247		
Capitalized distributions	–	–	–	–	–	–		
	(83,463)	555,591	–	(550,059)	(29,562)	(2,780)		
Distributions to Holders of Redeemable Units								
From capital gains	–	–	–	–	–	–		
From net investment income	(64,268)	(61,815)	–	(2,733)	(2,877)	(2,244)		
Return of capital	–	–	–	–	–	–		
	(64,268)	(61,815)	–	(2,733)	(2,877)	(2,244)		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(15,800)	610,415	–	(571,312)	(26,018)	(1,439)		
Net Assets Attributable to Holders of Redeemable Units at end of period	2,597,085	2,465,546	–	–	88,527	83,968		

	2017		2016		2017		2016	
	Series I (\$)	(\$)	Series O (\$)	(\$)	Total (\$)	(\$)	(\$)	
Net Assets Attributable to Holders of Redeemable Units at beginning of period	123,159,819	66,050,329	439,577	266,177	126,326,826	68,828,356		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	10,970,843	4,176,463	33,555	14,673	11,142,750	4,292,840		
Redeemable Unit Transactions								
Proceeds from redeemable units issued	86,137,649	27,275,324	242,228	178,900	86,579,825	28,224,424		
Redemption of redeemable units	(9,204,650)	(4,914,385)	(105,625)	(84,776)	(9,687,715)	(5,830,333)		
Reinvestment of distributions to holders of redeemable units	4,697,710	2,052,995	14,650	7,457	4,776,827	2,124,176		
Capitalized distributions	–	–	–	–	–	–		
	81,630,709	24,413,934	151,253	101,581	81,668,937	24,518,267		
Distributions to Holders of Redeemable Units								
From capital gains	–	–	–	–	–	–		
From net investment income	(4,697,710)	(2,052,995)	(14,650)	(7,457)	(4,779,505)	(2,127,244)		
Return of capital	–	–	–	–	–	–		
	(4,697,710)	(2,052,995)	(14,650)	(7,457)	(4,779,505)	(2,127,244)		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	87,903,842	26,537,402	170,158	108,797	88,032,182	26,683,863		
Net Assets Attributable to Holders of Redeemable Units at end of period	211,063,661	92,587,731	609,735	374,974	214,359,008	95,512,219		

	2017		2016		2017		2016	
	Series A	Series E	Series F	Series A	Series E	Series F	Series A	Series E
Redeemable Unit Transactions								
Balance – beginning of period	281,345	199,772	–	64,282	12,264	9,195		
Units issued	16,583	85,156	–	110	4,638	–		
Units issued on reinvestment of distributions	6,533	6,355	–	314	303	243		
Units redeemed	(31,991)	(29,494)	–	(64,706)	(7,996)	(548)		
Balance – end of period	272,470	261,789	–	–	9,209	8,890		

	2017		2016		2017		2016	
	Series I	Series O	Total	Series I	Series O	Total	Series I	Series O
Redeemable Unit Transactions								
Balance – beginning of period	12,543,412	6,844,721	47,299	29,064	12,884,320	7,147,034		
Units issued	8,683,949	2,823,413	25,809	19,610	8,730,979	2,928,289		
Units issued on reinvestment of distributions	468,368	212,286	1,546	813	476,750	220,011		
Units redeemed	(918,591)	(508,501)	(11,210)	(9,405)	(969,788)	(612,654)		
Balance – end of period	20,777,138	9,371,919	63,444	40,082	21,122,261	9,682,680		

The accompanying notes are an integral part of the financial statements.

Sun Life NWQ Flexible Income Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	11,142,750	4,292,840
Adjustments for:		
Gain on short-term investments	–	–
Net realized (gain) loss on sale of investments	(1,321,636)	9,038
Change in unrealized (appreciation) depreciation in value of investments	(557,165)	1,485,513
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	(3,536,734)	1,021,485
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	19,335	(8,994)
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(117,987,498)	(43,888,702)
Proceeds from sale of investments	30,463,191	14,278,911
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	(976,886)	(289,345)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	57	2,806
Change in other payables and accrued expenses	39,725	23,198
Net Cash Provided by (Used in) Operating Activities	(82,714,861)	(23,073,250)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(2,678)	(3,068)
Proceeds from redeemable units issued	90,608,723	29,198,931
Redemption of redeemable units	(9,598,400)	(5,826,502)
Net Cash Provided by (Used in) Financing Activities	81,007,645	23,369,361
Net increase (decrease) in cash	(1,707,216)	296,111
Cash (bank indebtedness) at beginning of period	7,791,158	3,776,586
Cash (bank indebtedness) at end of period	6,083,942	4,072,697
Dividends received, net of withholding taxes	1,789,238	1,175,918
Interest received, net of withholding taxes	2,545,102	777,889
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life NWQ Flexible Income Fund (Continued)

Schedule of Investments

As at June 30, 2017 (Unaudited)

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS						
Corporate Bonds						
Emera Inc.	6.750%	15-Jun-2076	2,145,000	2,976,029	3,161,787	
Transcanada Trust	5.875%	15-Aug-2076	650,000	878,711	918,188	
				3,854,740	4,079,975	1.90
Foreign Bonds						
A Schulman Inc.	6.875%	01-Jun-2023	775,000	1,088,906	1,069,399	
AK Steel Corp.	7.000%	15-Mar-2027	1,550,000	2,079,361	2,088,474	
Ally Financial Inc.	5.750%	20-Nov-2025	1,525,000	2,069,449	2,091,924	
American Axle & Manufacturing Inc.	6.250%	01-Apr-2025	900,000	1,212,934	1,142,532	
American Axle & Manufacturing Inc.	6.500%	01-Apr-2027	725,000	964,802	918,019	
Amkor Technology Inc.	6.625%	01-Jun-2021	1,400,000	1,866,939	1,854,545	
Anheuser-Busch InBev Finance Inc.	4.900%	01-Feb-2046	2,450,000	3,512,859	3,605,542	
ArcelorMittal	7.500%	15-Oct-2039	700,000	922,276	1,023,864	
Bank of America Corp.	6.300%	31-Dec-2049	1,625,000	2,278,160	2,371,550	
Bank of America Corp.	6.500%	31-Dec-2049	1,175,000	1,588,529	1,698,684	
Capital One Financial Corp.	5.550%	31-Dec-2049	735,000	960,899	1,004,659	
CenturyLink Inc.	7.650%	15-Mar-2042	2,975,000	3,420,642	3,607,670	
CIT Group Inc.	5.800%	31-Dec-2049	400,000	543,154	542,857	
Citigroup Inc.	5.800%	31-Dec-2049	375,000	467,166	508,320	
Citigroup Inc.	6.250%	31-Dec-2049	2,575,000	3,576,098	3,714,120	
CoBank ACB	6.250%	31-Dec-2049	225,000	296,595	322,168	
Communications Sales & Leasing Inc.	8.250%	15-Oct-2023	1,500,000	1,994,592	2,016,234	
Conduent Finance Inc. / Xerox Business Services LLC	10.500%	15-Dec-2024	400,000	605,195	605,709	
Cooper-Standard Automotive Inc.	5.625%	15-Nov-2026	1,475,000	1,974,100	1,927,557	
Cott Beverages Inc.	5.375%	01-Jul-2022	1,575,000	1,991,330	2,127,273	
CVR Partners LP / CVR Nitrogen Finance Corp.	9.250%	15-Jun-2023	530,000	734,725	722,727	
DISH DBS Corp.	5.875%	15-Nov-2024	1,575,000	1,919,913	2,190,109	
DISH DBS Corp.	7.750%	01-Jul-2026	1,550,000	2,324,839	2,390,422	
Donnelley Financial Solutions Inc.	8.250%	15-Oct-2024	1,100,000	1,575,558	1,517,857	
Enviva Partners LP / Enviva Partners Finance Corp.	8.500%	01-Nov-2021	695,000	993,874	966,907	
Frontier Communications Corp.	11.000%	15-Sep-2025	2,475,000	3,312,017	2,997,321	
GCI Inc.	6.875%	15-Apr-2025	2,752,000	3,654,083	3,882,286	
General Motors Co.	6.600%	01-Apr-2036	2,050,000	3,120,780	3,093,250	
Hewlett Packard Enterprise Co.	6.350%	15-Oct-2045	2,950,000	4,101,223	4,062,668	
Iron Mountain Inc.	5.750%	15-Aug-2024	1,475,000	2,007,878	1,963,474	
JPMorgan Chase & Co.	6.750%	29-Aug-2049	1,375,000	1,894,199	2,031,250	
Kennedy-Wilson Inc.	5.875%	01-Apr-2024	1,375,000	1,794,598	1,848,214	
Kindred Healthcare Inc.	8.000%	15-Jan-2020	2,195,000	2,901,070	3,007,435	
L Brands Inc.	6.950%	01-Mar-2033	1,650,000	2,259,349	2,100,000	
L Brands Inc.	6.875%	01-Nov-2035	2,250,000	2,957,352	2,834,416	
Liberty Interactive LLC	4.000%	15-Nov-2029	1,800,000	1,556,390	1,577,922	
Liberty Interactive LLC	3.750%	15-Feb-2030	1,850,000	1,597,571	1,609,740	
McDonald's Corp.	4.875%	09-Dec-2045	2,900,000	4,075,086	4,215,621	
Meritor Inc.	6.750%	15-Jun-2021	1,090,000	1,416,666	1,465,838	
Micron Technology Inc.	5.500%	01-Feb-2025	525,000	704,998	722,727	
Navient Corp.	8.000%	25-Mar-2020	2,150,000	2,946,241	3,127,273	
Nordstrom Inc.	5.000%	15-Jan-2044	1,650,000	2,097,222	2,048,989	
PNC Financial Services Group Inc.	6.750%	29-Jul-2049	900,000	1,323,391	1,319,318	
Qwest Corp.	6.875%	15-Sep-2033	466,000	569,189	597,019	
Raymond James Financial Inc.	4.950%	15-Jul-2046	950,000	1,295,214	1,344,250	
Rite Aid Corp.	6.750%	15-Jun-2021	1,875,000	2,579,059	2,512,987	
RR Donnelley & Sons Co.	6.500%	15-Nov-2023	2,975,000	3,763,684	3,873,295	
Seagate HDD Cayman	4.875%	01-Jun-2027	3,940,000	4,647,773	5,119,979	
Sealed Air Corp.	6.875%	15-Jul-2033	850,000	1,232,023	1,275,000	
Select Income REIT	4.500%	01-Feb-2025	1,525,000	1,885,964	1,986,580	
Southern Copper Corp.	5.875%	23-Apr-2045	975,000	1,159,247	1,360,435	

The accompanying notes are an integral part of the financial statements.

Sun Life NWQ Flexible Income Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Tech Data Corp.	4.950%	15-Feb-2027	1,800,000	2,362,268	2,482,773	
Tempur Sealy International Inc.	5.500%	15-Jun-2026	2,335,000	3,097,761	3,089,326	
Terex Corp.	5.625%	01-Feb-2025	725,000	982,610	969,805	
The Goldman Sachs Group Inc.	5.300%	31-Dec-2049	525,000	689,447	717,614	
Triumph Group Inc.	4.875%	01-Apr-2021	1,450,000	1,730,399	1,880,763	
Viacom Inc.	6.875%	30-Apr-2036	4,050,000	5,803,222	6,162,995	
Wells Fargo & Co.	5.875%	31-Dec-2049	475,000	607,103	680,558	
Western Digital Corp.	10.500%	01-Apr-2024	2,625,000	4,084,204	4,030,159	
Whole Foods Market Inc.	5.200%	03-Dec-2025	1,050,000	1,464,020	1,578,627	
Zions Bancorporation	7.200%	29-Sep-2049	475,000	646,721	677,800	
				123,282,917	126,276,829	58.91
Total Bonds				127,137,657	130,356,804	60.81

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Materials				
CHS Inc., 6.75%, Preferred	67,956	2,337,454	2,495,839	
CHS Inc., 7.10%, Preferred	35,888	1,227,279	1,371,201	
CVR Partners LP	115,000	1,120,196	521,234	
United States Cellular Corp., 7.25%, Preferred	92,245	3,097,408	3,162,685	
		7,782,337	7,550,959	3.52
Industrials				
Koninklijke Philips N.V.	23,700	834,768	1,102,512	
General Electric Co.	44,500	1,746,636	1,560,968	
Johnson Controls International PLC	38,600	2,155,321	2,173,631	
Siemens AG, ADR	22,200	1,630,756	1,993,675	
		6,367,481	6,830,786	3.19
Consumer Discretionary				
DuPont Fabros Technology Inc., Series C, Preferred	27,090	895,504	956,207	
Kingfisher PLC, Sponsored ADR	100,200	1,176,631	1,039,738	
TravelCenters of America LLC, 8.00%, Preferred	12,666	415,469	388,863	
		2,487,604	2,384,808	1.11
Consumer Staples				
Imperial Brands PLC, ADR	26,400	1,701,984	1,568,229	
		1,701,984	1,568,229	0.73
Health Care				
AstraZeneca PLC, Sponsored ADR	47,300	1,886,135	2,094,100	
Gilead Sciences Inc.	10,400	1,163,399	955,990	
GlaxoSmithKline PLC, ADR	47,000	2,493,842	2,632,000	
		5,543,376	5,682,090	2.65
Financials				
Apartment Investment & Management Co.	28,100	1,593,926	1,568,126	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Ares Capital Corp.	74,300	1,596,417	1,580,564	
Argo Group US Inc., 6.50%, Preferred	27,303	890,658	897,453	
Bank of America Corp.	650	1,019,690	1,065,316	
Bank of NT Butterfield & Son Ltd.	35,700	1,504,185	1,581,000	
Capital One Financial Corp., Series D, Preferred	7,896	252,897	281,282	
CIT Group Inc.	35,600	1,931,872	2,251,584	
Citigroup Inc., Series K, Preferred	25,463	910,278	978,507	
CNA Financial Corp.	16,700	968,482	1,057,305	
Colony Northstar Inc., Series E, Preferred	11,937	380,669	418,570	
CoreSite Realty Corp., Series A, Preferred	18,023	592,171	598,738	
Digital Realty Trust Inc., Series H, Preferred	21,190	736,941	754,859	
Endurance Specialty Holdings Ltd., Series C, Preferred	28,555	966,271	988,300	
FNB Corp., 7.25%, Preferred	13,907	502,125	529,911	
GMAC Capital Trust I, Series 2, Preferred	90,410	2,996,858	3,076,288	
Hercules Technology Growth Capital Inc., 6.25%, Preferred	12,896	401,783	427,159	
HSBC Holdings PLC, 8.00%, Preferred	10,900	381,363	379,518	
Huntington Banc., Series D, Preferred	28,827	949,139	1,028,413	
Kemper Corp., 7.38%, Preferred	15,187	511,505	538,645	
Ladenburg Thalmann Financial Services Inc., Series A, Preferred	61,066	1,914,199	1,964,422	
Maiden Holdings North America Ltd., 7.75%, Preferred	29,456	1,017,767	1,028,665	
MGM Growth Properties LLC	55,100	1,752,115	2,088,791	

The accompanying notes are an integral part of the financial statements.

Sun Life NWQ Flexible Income Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Morgan Stanley, 7.13%, Preferred	30,144	1,100,375	1,160,348	
Morgan Stanley, Series I, Preferred	13,250	464,993	491,110	
National General Holdings Corp., 7.63%, Preferred	53,980	1,761,495	1,796,763	
Pennsylvania Real Estate Investment Trust, Series A, Preferred	5,946	194,749	195,986	
Solar Capital Ltd., 6.75%, Preferred	8,355	253,004	277,668	
Synchrony Financial	26,800	1,215,233	1,037,891	
The Charles Schwab Corp., Series C, Preferred	21,200	719,358	747,782	
VEREIT Inc., Series F, Preferred	59,719	1,942,033	2,062,244	
Wells Fargo & Co., Series L, Preferred	2,475	3,929,196	4,214,282	
		35,351,747	37,067,490	17.29
Real Estate				
Colony Northstar Inc., Class A	57,514	1,072,435	1,052,432	
Colony Northstar Inc., Series C, Preferred	22,132	731,824	742,428	
Life Storage Inc.	15,900	1,770,541	1,530,117	
		3,574,800	3,324,977	1.55

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Information Technology				
Cypress Semiconductor Corp.	60,200	1,080,129	1,067,182	
Oracle Corp.	17,600	911,087	1,146,057	
		1,991,216	2,213,239	1.03
Utilities				
Great Plains Energy Inc.	45,600	3,085,012	3,141,070	
Nextera Energy Inc., 6.37%, Preferred	30,000	2,374,946	2,498,961	
Veolia Environnement SA	43,900	974,011	1,209,816	
		6,433,969	6,849,847	3.20
Total Equities		71,234,514	73,472,425	34.27
Transaction Costs		(46,416)		
Total Investments		198,325,755	203,829,229	95.08
Currency Forward Contracts⁽¹⁾			4,062,802	1.90
Option Contracts⁽²⁾			(85,481)	(0.04)
Other Assets less Liabilities			6,552,458	3.06
Total Net Assets			214,359,008	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Jul-2017	CAD	200,561,869	USD	(151,398,071)	4,062,802
							4,062,802

⁽²⁾ Option Contracts

	Expiry Date	Number Of Contracts	Average Cost (\$)	Current Value (\$)
CIT Group Inc. @46 Call Option	21-Jul-2017	(169)	(26,776)	(60,247)
Synchrony Financial @32 Call Option	15-Sep-2017	(268)	(26,104)	(25,234)
				(85,481)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life NWQ Flexible Income Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in

its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

The accompanying notes are an integral part of the financial statements.

Sun Life NWQ Flexible Income Fund (Continued)

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund also invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets
	June 30, 2017
AAA/Aaa	1.90
A/A	1.68
BBB/Bbb	25.04
BB/Bb	24.82
B/B	21.03
Not Rated	7.21
Total	81.68

Rating	As a % of Net Assets
	December 31, 2016
AAA/Aaa	–
A/A	2.49
BBB/Bbb	22.29
BB/Bb	30.42
B/B	12.03
Not Rated	10.38
Total	77.61

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016:

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	9,186,803	4.29
Bermuda Dollar	1,581,000	0.74
Total	10,767,803	5.03

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	5,632,298	4.46
Bermuda Dollar	–	–
Total	5,632,298	4.46

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$459,340 (\$281,615 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	–
1-5 years	14,815,748
More than 5 years	115,541,056
Total	130,356,804

	December 31, 2016 (\$)
Less than 1 year	–
1-5 years	9,459,611
More than 5 years	56,750,500
Total	66,210,111

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$21,458,497 (\$11,144,722 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in foreign equities. As at June 30, 2017, if these

The accompanying notes are an integral part of the financial statements.

Sun Life NWQ Flexible Income Fund (Continued)

investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$3,673,621 (\$2,420,486 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Bonds		
Corporate Bonds	1.9	1.8
Foreign Bonds	58.9	50.6
Equities		
Energy	—	0.2
Materials	3.5	4.1
Industrials	3.2	2.6
Consumer Discretionary	1.1	2.0
Consumer Staples	0.7	0.7
Health Care	2.7	3.2
Financials	17.3	22.3
Real Estate	1.6	—
Information Technology	1.0	0.4
Telecommunication Services	—	0.4
Utilities	3.2	2.4
Other Assets less Liabilities	4.9	9.3
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.

- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	67,660,967	5,811,458	—	73,472,425
Currency Forward				
Contracts	—	4,062,802	—	4,062,802
Bonds	—	130,356,804	—	130,356,804
Financial Liabilities				
Option Contracts	85,481	—	—	85,481
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	46,245,791	2,163,921	—	48,409,712
Currency Forward				
Contracts	—	526,069	—	526,069
Bonds	—	66,210,111	—	66,210,111
Financial Liabilities				
Option Contracts	66,146	—	—	66,146

The accompanying notes are an integral part of the financial statements.

Sun Life NWQ Flexible Income Fund (Continued)

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain of the Fund's equities do not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Bonds and short-term investments

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's bonds have been classified as Level 2.

Derivative assets and liabilities

Derivative assets and liabilities consist of options and foreign currency forward contracts. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$35,193 (\$18,112 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$2,901 (\$835 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$10,692,857 (\$7,672,231 as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	4,062,802	526,069
Investments designated at fair value through profit or loss	203,829,229	114,619,823
Total financial assets at fair value through profit or loss	207,892,031	115,145,892
Financial assets at amortized cost		
Cash	6,083,942	7,791,158
Other receivables	2,193,785	5,239,668
Total financial assets at amortized cost	8,277,727	13,030,826
Total assets	216,169,758	128,176,718
Financial liabilities		
Derivative liabilities held for trading	85,481	66,146
Financial liabilities at amortized cost	1,725,269	1,783,746
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,810,750	1,849,892

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	4,375,067	4,070,351
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	7,383,010	866,692
Total net gains (losses)	11,758,077	4,937,043

The accompanying notes are an integral part of the financial statements.

Sun Life NWQ Flexible Income Fund (Continued)

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial received/ Instruments (\$)	Collateral paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	4,062,802	–	–	4,062,802
Total	4,062,802	–	–	4,062,802
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–
December 31, 2016				
Derivative assets –				
Forward Contracts	526,069	–	–	526,069
Total	526,069	–	–	526,069
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	January 23, 2014	February 03, 2014
Series F Units	January 23, 2014	February 03, 2014
Series I Units	January 23, 2014	February 03, 2014
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life Schroder Emerging Markets Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	276,600,285	188,954,666
Short-term investments	–	–
Cash	4,898,873	1,443,844
Margin	–	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	275,013	263,055
Accrued interest	–	–
Dividends receivable	1,611,303	281,972
Distributions receivable from underlying funds	–	–
Subscriptions receivable	331,806	1,004,171
	283,717,280	191,947,708
Liabilities		
Current Liabilities		
Bank indebtedness	–	–
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	15,306	9,400
Redemptions payable	1,306,366	30,991
Distributions payable	–	–
Due to investment dealers	1,279,409	884,632
Management fees payable	6,909	5,709
Total liabilities (excluding net assets attributable to holders of redeemable units)	2,607,990	930,732
Net Assets Attributable to Holders of Redeemable Units	281,109,290	191,016,976
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	2,569,957	2,185,377
Series E	–	–
Series EF	–	–
Series F	61,709	30,578
Series I	278,078,706	188,505,123
Series O	398,918	295,898
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	9.95	8.61
Series E	–	–
Series EF	–	–
Series F	10.50	9.04
Series I	10.75	9.18
Series O	12.81	10.94

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	4,111,465	2,825,186
Interest income for distribution purposes	385	941
Distributions from underlying funds	–	–
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	3,092,961	(2,267,318)
Net realized gain (loss) on futures contracts	–	–
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	29,618,785	256,405
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	36,823,596	815,214
Net gain (loss) on foreign exchange	(136,729)	(205,009)
Other income	–	–
Total income (loss)	36,686,867	610,205
Expenses (note 5)		
Management fees	33,084	26,626
Administration fees	109,040	42,325
Independent review committee fees	26	744
Withholding tax	479,737	323,829
Transaction costs (note 2)	183,457	238,437
Total operating expenses	805,344	631,961
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	35,881,523	(21,756)
Finance Cost		
Interest expense	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		
	35,881,523	(21,756)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	329,617	(33,399)
Series E	–	(24,793)
Series EF	–	(716)
Series F	4,755	294
Series I	35,495,899	37,253
Series O	51,252	(395)
Weighted Average Number of Units Outstanding		
Series A	251,310	242,042
Series E	–	33,952
Series EF	–	1,018
Series F	4,294	3,352
Series I	23,488,794	17,144,441
Series O	28,494	22,609
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.31	(0.14)
Series E	–	(0.73)
Series EF	–	(0.70)
Series F	1.11	0.09
Series I	1.51	–
Series O	1.80	(0.02)

The accompanying notes are an integral part of the financial statements.

Sun Life Schroder Emerging Markets Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A	Series A	Series E	Series E	Series EF	Series EF
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	2,185,377	1,725,154	–	331,863	–	9,726
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	329,617	(33,399)	–	(24,793)	–	(716)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	332,499	515,757	–	17,527	–	–
Redemption of redeemable units	(277,544)	(223,479)	–	(324,585)	–	(9,010)
Reinvestment of distributions to holders of redeemable units	190	99	–	9	–	1
Capitalized distributions	–	–	–	–	–	–
	55,145	292,377	–	(307,049)	–	(9,009)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(182)	(75)	–	(21)	–	(1)
Return of capital	–	–	–	–	–	–
	(182)	(75)	–	(21)	–	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	384,580	258,903	–	(331,863)	–	(9,726)
Net Assets Attributable to Holders of Redeemable Units at end of period	2,569,957	1,984,057	–	–	–	–

	2017	2016	2017	2016	2017	2016
	Series F	Series F	Series I	Series I	Series O	Series O
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	30,578	17,947	188,505,123	127,260,104	295,898	192,328
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	4,755	294	35,495,899	37,253	51,252	(395)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	27,171	18,406	64,296,077	49,217,064	88,950	62,516
Redemption of redeemable units	(797)	(2,850)	(10,218,393)	(23,731,110)	(37,182)	(13,640)
Reinvestment of distributions to holders of redeemable units	34	19	–	–	–	–
Capitalized distributions	–	–	–	–	–	–
	26,408	15,575	54,077,684	25,485,954	51,768	48,876
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(32)	(15)	–	–	–	–
Return of capital	–	–	–	–	–	–
	(32)	(15)	–	–	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	31,131	15,854	89,573,583	25,523,207	103,020	48,481
Net Assets Attributable to Holders of Redeemable Units at end of period	61,709	33,801	278,078,706	152,783,311	398,918	240,809

	2017	2016
	Total	Total
	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	191,016,976	129,537,122
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	35,881,523	(21,756)
Redeemable Unit Transactions		
Proceeds from redeemable units issued	64,744,697	49,831,270
Redemption of redeemable units	(10,533,916)	(24,304,674)
Reinvestment of distributions to holders of redeemable units	224	128
Capitalized distributions	–	–
	54,211,005	25,526,724
Distributions to Holders of Redeemable Units		
From capital gains	–	–
From net investment income	(214)	(112)
Return of capital	–	–
	(214)	(112)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	90,092,314	25,504,856
Net Assets Attributable to Holders of Redeemable Units at end of period	281,109,290	155,041,978

	2017	2016	2017	2016	2017	2016
	Series A	Series A	Series E	Series E	Series EF	Series EF
Redeemable Unit Transactions						
Balance – beginning of period	253,822	209,545	–	32,966	–	1,018
Units issued	33,995	67,415	–	1,874	–	–
Units issued on reinvestment of distributions	20	13	–	–	–	–
Units redeemed	(29,427)	(28,979)	–	(34,840)	–	(1,018)
Balance – end of period	258,410	247,994	–	–	–	–

	2017	2016	2017	2016	2017	2016
	Series F	Series F	Series I	Series I	Series O	Series O
Redeemable Unit Transactions						
Balance – beginning of period	3,382	2,093	20,544,164	14,614,776	27,039	18,516
Units issued	2,567	2,301	6,308,447	6,050,115	7,089	6,421
Units issued on reinvestment of distributions	3	2	–	–	–	–
Units redeemed	(74)	(364)	(985,344)	(2,863,647)	(2,997)	(1,404)
Balance – end of period	5,878	4,032	25,867,267	17,801,244	31,131	23,533

	2017	2016
	Total	Total
Redeemable Unit Transactions		
Balance – beginning of period	20,828,407	14,878,914
Units issued	6,352,098	6,128,126
Units issued on reinvestment of distributions	23	15
Units redeemed	(1,017,842)	(2,930,252)
Balance – end of period	26,162,686	18,076,803

The accompanying notes are an integral part of the financial statements.

Sun Life Schroder Emerging Markets Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	35,881,523	(21,756)
Adjustments for:		
Gain on short-term investments	—	—
Net realized (gain) loss on sale of investments	(3,092,961)	2,267,318
Change in unrealized (appreciation) depreciation in value of investments	(29,618,785)	(256,405)
Change in unrealized (appreciation) depreciation in value of futures contracts	—	—
Change in unrealized (appreciation) depreciation in currency forward contracts	—	—
Change in unrealized (appreciation) depreciation in value of swaps	—	—
Non-cash income distributions from underlying funds	—	—
Change in fair value of option contracts	—	—
Change in fair value of credit default swaps	—	—
Change in margin	—	—
Purchases of investments	(86,835,254)	(89,273,256)
Proceeds from sale of investments	32,100,743	60,344,556
Purchases of short-term investments	—	—
Proceeds from sale of short-term investments	—	—
Change in dividends and interest receivable	(1,329,331)	(1,003,276)
Change in distributions receivable from underlying funds	—	—
Change in management fees payable	1,200	4,038
Change in other payables and accrued expenses	189,363	246,084
Net Cash Provided by (Used in) Operating Activities	(52,703,502)	(27,692,697)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	10	16
Proceeds from redeemable units issued	65,417,062	50,023,452
Redemption of redeemable units	(9,258,541)	(25,020,837)
Net Cash Provided by (Used in) Financing Activities	56,158,531	25,002,631
Net increase (decrease) in cash	3,455,029	(2,690,066)
Cash (bank indebtedness) at beginning of period	1,443,844	4,886,165
Cash (bank indebtedness) at end of period	4,898,873	2,196,099
Dividends received, net of withholding taxes	2,302,397	1,498,081
Interest received, net of withholding taxes	385	941
Interest paid	—	—

The accompanying notes are an integral part of the financial statements.

Sun Life Schroder Emerging Markets Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES						
Energy						
China Petroleum & Chemical Corporation			5,712,000	5,423,629	5,787,099	
Lukoil PJSC			75,544	4,745,130	4,786,743	
MOL Hungarian Oil & Gas PLC			10,961	912,105	1,114,865	
NovaTek OAO			12,702	2,065,115	1,837,666	
Petroleo Brasileiro SA, ADR			122,628	1,493,580	1,272,465	
Petroleo Brasileiro SA, ADR, Preferred			123,502	1,342,145	1,196,526	
SK Innovation Co., Ltd.			15,964	2,993,726	2,872,085	
Thai Oil PCL			174,600	447,107	527,333	
				19,422,537	19,394,782	6.90
Materials						
Conch Cement Co., Ltd.			392,500	1,575,527	1,772,821	
Formosa Plastics Corp.			484,000	1,645,333	1,915,469	
Klabin SA			178,400	1,177,275	1,134,929	
Korea Zinc Co., Ltd.			2,786	1,441,618	1,442,023	
LG Chem Ltd.			8,000	2,473,308	2,642,465	
Polymetal International PLC			41,032	586,802	595,971	
Polyus PJSC			14,323	620,303	618,493	
PTT Global Chemical PCL			444,700	1,046,000	1,164,586	
Sibanye Gold Ltd.			483,396	919,766	721,098	
Ternium SA			14,096	483,770	514,229	
Ultratech Cement Ltd.			13,143	852,357	1,045,480	
Vale SA			164,767	1,692,428	1,872,352	
				14,514,487	15,439,916	5.49
Industrials						
CCR SA			364,149	2,432,135	2,412,244	
DP World Ltd.			43,416	1,189,160	1,179,562	
Grupo Aeroportuario del Pacifico SAB de CV			31,188	342,839	457,387	
KOC Holding AS			387,605	2,300,640	2,312,174	
Korea Aerospace Industries Ltd.			16,334	1,343,954	1,056,802	
Weg SA			129,370	866,701	897,558	
Zhuzhou CSR Times Electric Co., Ltd.			262,200	1,835,223	1,670,655	
				10,310,652	9,986,382	3.55
Consumer Discretionary						
CJ CGV Co., Ltd.			13,671	1,358,754	1,142,101	
Dongfeng Motor Group Co., Ltd.			690,000	1,066,300	1,059,513	
El Puerto de Liverpool SAB de CV			4,079	47,476	41,903	
Foschini Group Ltd.			48,983	764,755	666,511	
Hyundai Mobis Co., Ltd.			5,638	1,721,752	1,599,895	
Hyundai Motor Co.			18,913	3,414,554	3,424,108	
Hyundai Motor Co., Preferred			10,199	1,218,655	1,348,683	
Kroton Educacional SA			98,600	565,322	574,703	
Lojas Americanas SA, Preferred			6,700	45,873	36,767	
Lojas Renner SA			216,150	2,362,272	2,319,766	
Maruti Suzuki India Ltd.			15,582	1,492,699	2,259,647	
Naspers Ltd.			14,855	2,895,917	3,747,273	
New Oriental Education & Technology Group Inc.			45,935	2,414,792	4,205,141	
SACI Falabella			114,113	1,192,065	1,215,977	
Shenzhou International Group Holdings Ltd.			194,000	1,628,028	1,655,673	
				22,189,214	25,297,661	9.00
Consumer Staples						
Amorepacific Corp.			5,530	2,081,417	1,908,205	
AVI Ltd.			52,490	467,724	494,260	
BRF SA			46,608	908,027	713,647	

The accompanying notes are an integral part of the financial statements.

Sun Life Schroder Emerging Markets Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
China Mengniu Dairy Co., Ltd.			662,000	1,582,942	1,685,019	
China Resources Beer Holdings Co., Ltd.			470,000	1,358,851	1,540,350	
E-MART Inc.			5,658	1,156,390	1,506,025	
Fomento Economico Mexicano SAB de CV			14,524	1,565,374	1,854,922	
Hindustan Unilever Ltd.			121,105	2,051,979	2,626,937	
ITC Ltd.			307,358	1,818,382	1,998,687	
Raia Drogasil SA			26,400	705,264	725,503	
X5 Retail Group NV			61,659	1,877,072	2,774,655	
				15,573,422	17,828,210	6.34
Health Care						
Medy-Tox Inc.			1,282	699,371	814,896	
				699,371	814,896	0.29
Financials						
AIA Group Ltd.			501,800	3,752,620	4,762,574	
Akbank TAS			260,495	921,479	941,192	
Banco Bradesco SA			309,204	3,629,364	3,413,291	
Bancolombia SA			36,909	1,908,120	2,135,449	
Bank Pekao SA			77,955	3,412,384	3,407,165	
Barclays Africa Group Ltd.			127,555	1,800,742	1,817,441	
Cathay Financial Holding Co., Ltd.			1,806,809	3,215,378	3,864,560	
China Construction Bank Corporation			8,758,000	8,445,789	8,814,868	
China Pacific Insurance Group Co., Ltd.			896,600	4,319,569	4,758,224	
Commercial International Bank Egypt SAE			250,067	1,394,835	1,461,431	
DGB Financial Group			74,141	928,632	993,040	
Emaar Properties PJSC			1,098,100	2,766,953	3,020,758	
Grupo Financiero Galicia SA			21,691	869,537	1,201,174	
Hana Financial Group Inc.			70,458	2,401,970	3,618,889	
HDFC Bank Ltd.			26,824	756,818	894,935	
HDFC Bank Ltd., ADR			30,049	2,218,488	3,393,976	
Industrial & Commercial Bank of China Ltd.			875,000	740,083	767,139	
Itau Unibanco Holding SA, ADR			244,203	3,286,620	3,504,472	
Kasikornbank PCL			554,000	3,800,420	4,204,206	
OTP Bank PLC			80,634	2,470,382	3,496,965	
Powszechny Zaklad Ubezpieczen SA			199,788	2,160,895	3,119,905	
Samsung Fire & Marine Insurance Co., Ltd.			4,237	1,444,414	1,353,827	
Sberbank of Russia			83,260	1,203,711	1,119,144	
Sberbank of Russia, ADR			410,834	4,214,764	5,543,591	
				62,063,967	71,608,216	25.47
Information Technology						
Advanced Semiconductor Engineering Inc.			923,985	1,384,793	1,540,409	
Alibaba Group Holding Ltd.			72,510	8,683,117	13,268,388	
Ennoconn Corp.			37,000	717,404	608,942	
Hon Hai Precision Industry Co., Ltd.			1,957,091	6,503,336	9,775,679	
Infosys Ltd.			120,539	2,465,600	2,265,788	
Mail.ru Group Ltd.			38,770	972,584	1,326,740	
NCSOFT Corp.			5,856	1,880,067	2,522,546	
NHN Corp.			3,777	3,127,851	3,592,670	
Samsung Electronics Co., Ltd.			7,355	12,897,910	19,844,410	
SK Hynix Inc.			28,042	1,278,413	2,145,335	
Taiwan Semiconductor Manufacturing Co., Ltd.			1,660,000	10,309,370	14,776,249	
Tencent Holdings Ltd.			382,100	9,884,482	17,747,938	
				60,104,927	89,415,094	31.82
Telecommunication Services						
China Mobile Ltd.			472,000	7,048,871	6,505,639	
China Unicom Hong Kong Ltd.			1,408,000	2,546,155	2,717,165	

The accompanying notes are an integral part of the financial statements.

Sun Life Schroder Emerging Markets Fund (Continued)

Schedule of Investments

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Far EasTone Telecommunications Co., Ltd.			453,000	1,424,683	1,498,822	
Hellenic Telecommunications Organization SA			90,289	1,135,308	1,409,616	
MegaFon PJSC			80,091	1,173,674	952,771	
Mobile Telesystems OJSC			24,955	286,200	271,588	
Taiwan Mobile Co., Ltd.			231,000	908,735	1,129,191	
Telefonica Brasil SA			96,523	1,579,217	1,691,033	
				16,102,843	16,175,825	5.75
Utilities						
Enersis SA			109,409	1,241,819	1,339,905	
Equatorial Energia SA			9,400	198,902	199,628	
Light SA			76,000	656,100	667,592	
				2,096,821	2,207,125	0.79
Exchange-Traded Funds						
Schroder International Selection Fund Frontier Markets Equity Fund, Series I			35,964	7,238,876	8,432,178	
				7,238,876	8,432,178	3.00
Total Equities				230,317,117	276,600,285	98.40
Transaction Costs				(295,917)		
Total Investments				230,021,200	276,600,285	98.40
Other Assets less Liabilities					4,509,005	1.60
Total Net Assets					281,109,290	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Schroder Emerging Markets Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in underlying externally managed funds.

The Fund also invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings

for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

	As a % of Net Assets
Rating	June 30, 2017
Not Rated	1.71
Total	1.71
	As a % of Net Assets
Rating	December 31, 2016
Not Rated	1.58
Total	1.58

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund is exposed indirectly to currency risk as a result of its investment in underlying externally managed funds.

The accompanying notes are an integral part of the financial statements.

Sun Life Schroder Emerging Markets Fund (Continued)

The Fund also holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The tables below summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	71,600,976	25.47
Hong Kong Dollar	61,237,579	21.78
Korean Won	53,645,258	19.08
Taiwan Dollar	35,500,347	12.63
India Rupee	11,151,068	3.97
Brazilian Real	9,092,477	3.23
South African Rand	7,447,239	2.65
Polish Zloty	6,728,630	2.39
Thai Baht	5,863,733	2.09
Hungarian Forint	4,611,950	1.64
Turkish Lira	3,253,438	1.16
UAE Dirham	3,020,758	1.07
Euro	1,409,736	0.50
Chilean Peso	1,215,977	0.43
British Pound	596,077	0.21
Chinese Renminbi	547,869	0.19
Mexican Peso	532,372	0.19
Czech Koruna	90	—
Indonesian Rupiah	—	—
Total	277,455,574	98.68

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	51,776,879	27.10
Hong Kong Dollar	41,389,763	21.67
Korean Won	34,103,894	17.85
Taiwan Dollar	23,135,201	12.11
India Rupee	6,695,468	3.51
Brazilian Real	6,306,733	3.30
South African Rand	6,313,752	3.31
Polish Zloty	2,248,708	1.18
Thai Baht	4,414,036	2.31
Hungarian Forint	3,289,289	1.72
Turkish Lira	3,391,913	1.78
UAE Dirham	2,127,327	1.11
Euro	870,429	0.46
Chilean Peso	575,263	0.30
British Pound	518,755	0.27
Chinese Renminbi	—	—
Mexican Peso	896,038	0.47
Czech Koruna	83	—
Indonesian Rupiah	826,804	0.43
Total	188,880,335	98.88

As June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$13,872,779 (\$9,444,017 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying externally managed funds.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in underlying externally managed funds.

The Fund is also exposed directly to other market risk as a result of its investment in global equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$13,830,014 (\$9,447,733 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Energy	6.9	7.3
Materials	5.5	5.4
Industrials	3.5	3.4
Consumer Discretionary	9.0	9.2
Consumer Staples	6.3	5.6
Health Care	0.3	0.4
Financials	25.4	28.3
Information Technology	31.8	28.5
Telecommunication Services	5.8	7.2
Utilities	0.8	0.6
Exchange-Traded Funds	3.0	3.0
Other Assets less Liabilities	1.7	1.1
Total	100.0	100.0

The accompanying notes are an integral part of the financial statements.

Sun Life Schroder Emerging Markets Fund (Continued)

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

June 30, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	265,651,458	10,330,334	618,493	276,600,285
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	178,812,733	10,141,933	—	188,954,666

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

The following is a reconciliation of Level 3 fair value assets as at June 30, 2017. There were no fair value assets as at December 31, 2016.

	June 30, 2017 (\$)
Opening Balance	—
Net purchases and sales	620,303
Net transfers in (out)	—
Gains (Losses)	—
Realized	—
Unrealized	(1,810)
Closing Balance	618,493

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the assets at cost or derive the prices indirectly from other observable market prices.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$183,457 (\$238,437 for the period ended June 30, 2016).

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$6,540,846 (\$6,540,846 as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

The accompanying notes are an integral part of the financial statements.

Sun Life Schroder Emerging Markets Fund (Continued)

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series F	2,156	22,636

	December 31, 2016	
	Units	Market Value (\$)
Series F	2,153	19,466

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at June 30, 2017 and December 31, 2016, SLA held the following positions in the Fund:

	Series	June 30, 2017	
		Units	Market Value (\$)
Sun Life Schroder Emerging Markets Fund	I	1,078,510	11,594,302

	Series	December 31, 2016	
		Units	Market Value (\$)
Sun Life Schroder Emerging Markets Fund	I	1,078,510	9,895,973

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	276,600,285	188,954,666
Total financial assets at fair value through profit or loss	276,600,285	188,954,666
Financial assets at amortized cost		
Cash	4,898,873	1,443,844
Other receivables	2,218,122	1,549,198
Total financial assets at amortized cost	7,116,995	2,993,042
Total assets	283,717,280	191,947,708
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	2,607,990	930,732
Total liabilities (excluding net assets attributable to holders of redeemable units)	2,607,990	930,732

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	36,823,596	815,214
Total net gains (losses)	36,823,596	815,214

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	August 24, 2011	September 01, 2011
Series F Units	August 24, 2011	September 01, 2011
Series I Units	August 24, 2011	September 01, 2011
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Conservative Balanced Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	19,317,408	13,972,745
Short-term investments	—	—
Cash	1,314,181	566,069
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	84,629	2,883
Unrealized appreciation on swaps	—	—
Due from investment dealers	44,076	—
Accrued interest	53,761	40,052
Dividends receivable	25,235	16,467
Distributions receivable from underlying funds	—	—
Subscriptions receivable	850	74,111
	20,840,140	14,672,327
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	8,600
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	139
Unrealized depreciation on swaps	—	—
Accrued expenses	2,019	1,372
Redemptions payable	22,760	—
Distributions payable	—	—
Due to investment dealers	226,043	—
Management fees payable	8,237	6,564
Total liabilities (excluding net assets attributable to holders of redeemable units)	259,059	16,675
Net Assets Attributable to Holders of Redeemable Units	20,581,081	14,655,652
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	3,989,434	3,594,003
Series T5	74,505	10,098
Series E	—	—
Series F	401,209	61,211
Series I	14,787,077	10,314,188
Series O	1,328,856	676,152
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	9.46	9.38
Series T5	13.73	13.70
Series E	—	—
Series F	9.71	9.57
Series I	9.99	9.79
Series O	9.95	9.76

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	118,653	57,712
Interest income for distribution purposes	121,054	52,421
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	144,635	78,213
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	(7,787)	9,810
Net realized gain (loss) on option contracts	3,683	1
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	224,826	302,240
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	81,885	9,183
Change in unrealized appreciation (depreciation) in option contracts	7,340	136
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	694,289	509,716
Net gain (loss) on foreign exchange	(988)	(4,915)
Other income	—	—
Total income (loss)	693,301	504,801
Expenses (note 5)		
Management fees	39,804	14,734
Administration fees	9,383	3,866
Independent review committee fees	48	43
Withholding tax	1,495	881
Transaction costs (note 2)	5,917	4,408
Total operating expenses	56,647	23,932
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	636,654	480,869
Finance Cost		
Interest expense	(25)	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	636,629	480,869
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	104,528	76,574
Series T5	(383)	453
Series E	—	(794)
Series F	1,670	785
Series I	484,598	380,719
Series O	46,216	23,132
Weighted Average Number of Units Outstanding		
Series A	406,261	155,013
Series T5	1,925	708
Series E	—	33,457
Series F	16,492	1,618
Series I	1,303,626	679,469
Series O	121,108	42,970
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.26	0.49
Series T5	(0.20)	0.64
Series E	—	(0.02)
Series F	0.10	0.49
Series I	0.37	0.56
Series O	0.38	0.54

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Conservative Balanced Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A	Series T5	Series T5	Series T5	Series E	Series E
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	3,594,003	778,389	10,098	9,407	–	303,898
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	104,528	76,574	(383)	453	–	(794)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	842,319	1,495,724	65,318	–	–	9,400
Redemption of redeemable units	(551,453)	(197,376)	–	–	–	(312,493)
Reinvestment of distributions to holders of redeemable units	73,554	30,143	270	248	–	1,019
Capitalized distributions	–	–	–	–	–	–
	364,420	1,328,491	65,588	248	–	(302,074)
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(73,517)	(30,096)	(798)	(246)	–	(1,030)
Return of capital	–	–	–	–	–	–
	(73,517)	(30,096)	(798)	(246)	–	(1,030)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	395,431	1,374,969	64,407	455	–	(303,898)
Net Assets Attributable to Holders of Redeemable Units at end of period	3,989,434	2,153,358	74,505	9,862	–	–

	2017	2016	2017	2016	2017	2016
	Series F	Series I	Series I	Series I	Series O	Series O
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	61,211	11,321	10,314,188	5,658,399	676,152	383,588
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	1,670	785	484,598	380,719	46,216	23,132
Redeemable Unit Transactions						
Proceeds from redeemable units issued	571,018	16,492	4,245,311	1,526,076	663,315	169,416
Redemption of redeemable units	(232,703)	(1,811)	(257,020)	(167,775)	(56,827)	(16,841)
Reinvestment of distributions to holders of redeemable units	3,545	314	241,157	124,324	23,231	7,963
Capitalized distributions	–	–	–	–	–	–
	341,860	14,995	4,229,448	1,482,625	629,719	160,538
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(3,532)	(311)	(241,157)	(124,324)	(23,231)	(7,963)
Return of capital	–	–	–	–	–	–
	(3,532)	(311)	(241,157)	(124,324)	(23,231)	(7,963)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	339,998	15,469	4,472,889	1,739,020	652,704	175,707
Net Assets Attributable to Holders of Redeemable Units at end of period	401,209	26,790	14,787,077	7,397,419	1,328,856	559,295

	2017	2016
	Total	Total
	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	14,655,652	7,145,002
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	636,629	480,869
Redeemable Unit Transactions		
Proceeds from redeemable units issued	6,387,281	3,217,108
Redemption of redeemable units	(1,098,003)	(696,296)
Reinvestment of distributions to holders of redeemable units	341,757	164,011
Capitalized distributions	–	–
	5,631,035	2,684,823
Distributions to Holders of Redeemable Units		
From capital gains	–	–
From net investment income	(342,235)	(163,970)
Return of capital	–	–
	(342,235)	(163,970)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	5,925,429	3,001,722
Net Assets Attributable to Holders of Redeemable Units at end of period	20,581,081	10,146,724

	2017	2016	2017	2016	2017	2016
	Series A	Series T5	Series T5	Series T5	Series E	Series E
Redeemable Unit Transactions						
Balance – beginning of period	383,123	85,604	737	700	–	33,437
Units issued	89,196	162,969	4,669	–	–	1,051
Units issued on reinvestment of distributions	7,768	3,268	20	18	–	113
Units redeemed	(58,367)	(21,416)	–	–	–	(34,601)
Balance – end of period	421,720	230,425	5,426	718	–	–

	2017	2016	2017	2016	2017	2016
	Series F	Series I	Series I	Series I	Series O	Series O
Redeemable Unit Transactions						
Balance – beginning of period	6,394	1,233	1,053,550	609,872	69,295	41,407
Units issued	58,330	1,756	427,944	161,965	67,651	17,701
Units issued on reinvestment of distributions	365	34	24,223	13,161	2,344	844
Units redeemed	(23,773)	(198)	(25,661)	(17,710)	(5,723)	(1,800)
Balance – end of period	41,316	2,825	1,480,056	767,288	133,567	58,152

	2017	2016
	Total	Total
Redeemable Unit Transactions		
Balance – beginning of period	1,513,099	772,253
Units issued	647,790	345,442
Units issued on reinvestment of distributions	34,720	17,438
Units redeemed	(113,524)	(75,725)
Balance – end of period	2,082,085	1,059,408

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Conservative Balanced Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	636,629	480,869
Adjustments for:		
Gain on short-term investments	–	–
Net realized (gain) loss on sale of investments	(144,635)	(78,213)
Change in unrealized (appreciation) depreciation in value of investments	(224,826)	(302,240)
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	(81,885)	(9,183)
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	(8,600)	338
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(9,042,769)	(5,432,044)
Proceeds from sale of investments	4,243,617	2,909,434
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	(22,477)	(2,344)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	1,673	3,408
Change in other payables and accrued expenses	6,564	5,245
Net Cash Provided by (Used in) Operating Activities	(4,636,709)	(2,424,730)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(478)	64
Proceeds from redeemable units issued	6,460,542	3,249,506
Redemption of redeemable units	(1,075,243)	(692,058)
Net Cash Provided by (Used in) Financing Activities	5,384,821	2,557,512
Net increase (decrease) in cash	748,112	132,782
Cash (bank indebtedness) at beginning of period	566,069	691,861
Cash (bank indebtedness) at end of period	1,314,181	824,643
Dividends received, net of withholding taxes	108,390	60,708
Interest received, net of withholding taxes	107,345	46,200
Interest paid	(25)	–

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Conservative Balanced Fund (Continued)

Schedule of Investments

As at June 30, 2017 (Unaudited)

	Coupon	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS						
Federal Bonds						
Canada Housing Trust No. 1	1.700%	15-Dec-2017	200,000	203,353	200,728	
Canada Housing Trust No. 1	1.500%	15-Dec-2021	100,000	99,938	99,135	
Canada Housing Trust No. 1	2.350%	15-Sep-2023	125,000	129,064	128,279	
Canada Housing Trust No. 1	1.900%	15-Sep-2026	100,000	99,741	97,661	
Canadian Government Bond	1.500%	01-Sep-2017	300,000	308,496	300,357	
Canadian Government Bond	0.750%	01-Sep-2021	425,000	420,360	414,979	
Canadian Government Bond	0.500%	01-Mar-2022	320,000	310,838	307,392	
Canadian Government Bond	1.500%	01-Jun-2026	425,000	431,018	418,221	
Canadian Government Bond	1.000%	01-Jun-2027	150,000	140,535	139,801	
Canadian Government Bond	3.500%	01-Dec-2045	510,000	665,372	655,165	
Canadian Government Bond	2.750%	01-Dec-2048	75,000	85,170	85,626	
				2,893,885	2,847,344	13.83
Provincial Bonds						
OPB Finance Trust	2.980%	25-Jan-2027	75,000	74,961	76,916	
Province of British Columbia	2.850%	18-Jun-2025	100,000	105,404	104,369	
Province of British Columbia	2.800%	18-Jun-2048	150,000	139,910	147,330	
Province of Nova Scotia	2.100%	01-Jun-2027	125,000	122,158	120,395	
Province of Ontario	1.126%	27-Jun-2022	150,000	150,000	149,658	
Province of Ontario	2.400%	02-Jun-2026	275,000	280,209	275,241	
Province of Ontario	2.900%	02-Dec-2046	225,000	221,361	222,368	
Province of Quebec	2.500%	01-Sep-2026	100,000	100,160	100,985	
Province of Quebec	3.500%	01-Dec-2045	100,000	102,739	110,529	
				1,296,902	1,307,791	6.35
Municipal Bonds						
City of Montreal	3.500%	01-Sep-2024	100,000	105,435	107,190	
				105,435	107,190	0.52
Corporate Bonds						
407 International Inc.	3.600%	21-May-2047	150,000	154,843	155,724	
Allied Properties Real Estate Investment Trust	3.748%	13-May-2020	100,000	99,910	103,164	
Artis Real Estate Investment Trust	3.753%	27-Mar-2019	100,000	103,048	101,303	
Bank of Montreal	4.609%	10-Sep-2025	100,000	119,118	115,530	
Bank of Montreal	3.340%	08-Dec-2025	100,000	102,166	103,185	
Canadian Western Bank	2.751%	29-Jun-2020	100,000	100,275	100,854	
Canadian Western Bank	2.737%	16-Jun-2022	75,000	75,000	74,564	
Choice Properties LP	3.600%	20-Sep-2022	75,000	77,865	78,023	
CNOOC Nexen Finance 2014 ULC	4.250%	30-Apr-2024	75,000	102,365	102,655	
CPPIB Capital Inc.	1.400%	04-Jun-2020	125,000	125,186	124,466	
Emera Inc.	6.750%	15-Jun-2076	105,000	138,408	154,773	
Encana Corp.	3.900%	15-Nov-2021	50,000	64,201	66,250	
Enercare Solutions Inc.	3.990%	21-Feb-2024	100,000	100,308	102,416	
First Capital Realty Inc.	3.604%	06-May-2026	75,000	77,024	75,471	
Ford Credit Canada Ltd.	2.450%	07-May-2020	50,000	49,860	50,145	
Hollis Receivables Term Trust II	1.788%	26-Feb-2020	100,000	100,511	99,979	
Home Trust Co.	3.400%	10-Dec-2018	100,000	99,921	98,375	
MCAP Commercial LP	3.955%	11-Mar-2019	150,000	149,168	149,330	
Pembina Pipeline Corp.	3.540%	03-Feb-2025	75,000	76,094	76,688	
PSP Capital Inc.	1.730%	21-Jun-2022	150,000	150,000	148,489	
Reliance LP	5.187%	15-Mar-2019	75,000	78,517	78,108	
Royal Bank of Canada	3.310%	20-Jan-2026	50,000	50,308	51,463	
Sobeys Inc.	5.790%	06-Oct-2036	100,000	101,264	99,857	
SSL Finance Inc.	4.099%	31-Oct-2045	100,000	106,794	105,605	
TELUS Corp.	4.850%	05-Apr-2044	100,000	101,132	108,107	
The Bank of Nova Scotia	2.270%	13-Jan-2020	100,000	103,130	101,282	

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Conservative Balanced Fund (Continued)

Schedule of Investments

	Coupon	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
The Toronto-Dominion Bank	3.226%	24-Jul-2024	100,000	106,980	105,494	
Toyota Credit Canada Inc.	2.800%	21-Nov-2018	100,000	105,180	101,691	
TransCanada PipeLines Ltd.	3.392%	15-May-2067	100,000	124,707	124,026	
Ventas Canada Finance Ltd.	4.125%	30-Sep-2024	75,000	78,808	79,732	
Veresen Inc.	3.060%	13-Jun-2019	45,000	44,427	45,864	
				3,066,518	3,082,613	14.99
Foreign Bonds						
AT&T Inc.	3.825%	25-Nov-2020	150,000	159,132	156,995	
Ballsbridge Repackaging DAC	0.000%	31-Dec-2049	100,000	142,904	148,346	
Barclays PLC	3.650%	16-Mar-2025	75,000	93,108	97,274	
CHS/Community Health Systems Inc.	6.250%	31-Mar-2023	75,000	106,002	100,919	
Commerzbank AG	8.125%	19-Sep-2023	75,000	117,814	117,659	
Deutsche Bank AG	4.250%	14-Oct-2021	150,000	202,468	204,488	
HSBC Bank Capital Funding Sterling 1 LP	5.844%	31-Dec-2049	100,000	189,907	206,237	
Lloyds Banking Group PLC	7.500%	27-Jun-2024	25,000	35,505	35,897	
Marks & Spencer PLC	7.125%	01-Dec-2037	50,000	80,416	78,894	
Molson Coors International LP	2.840%	15-Jul-2023	125,000	125,765	124,710	
Morgan Stanley	5.450%	31-Dec-2049	75,000	99,066	100,982	
Time Warner Inc.	3.800%	15-Feb-2027	50,000	66,523	65,502	
Williams Partners LP / ACMP Finance Corp.	4.875%	15-May-2023	100,000	133,559	135,081	
				1,552,169	1,572,984	7.64
Total Bonds				8,914,909	8,917,922	43.33

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
AltaGas Ltd.	10,600	318,742	312,594	
Pembina Pipeline Corp., Series II, Preferred	2,000	50,000	53,640	
ShawCor Ltd.	6,250	220,157	165,500	
		588,899	531,734	2.58
Materials				
Agrium Inc.	1,700	219,326	199,801	
Canfor Pulp Products Inc.	27,800	285,556	349,168	
Stella-Jones Inc.	7,900	343,726	349,654	
West Fraser Timber Co., Ltd.	2,298	104,091	141,051	
		952,699	1,039,674	5.05
Industrials				
Aecon Group Inc.	20,900	311,383	337,326	
Logistec Corp.	7,150	266,220	248,820	
Morneau Shepell Inc.	20,500	361,838	427,220	
Waste Connections Inc.	1,350	77,180	112,766	
		1,016,621	1,126,132	5.47
Consumer Discretionary				
AutoZone Inc.	450	405,623	333,386	
Great Canadian Gaming Corp.	13,800	293,775	329,544	
Linamar Corp.	7,500	410,332	479,400	
Newell Brands Inc.	8,000	518,423	557,090	
		1,628,153	1,699,420	8.27

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Consumer Staples				
AGT Food & Ingredients Inc.	9,300	329,451	216,504	
Alimentation Couche-Tard Inc., Class B	3,300	187,617	205,128	
CVS Caremark Corp.	4,200	485,250	438,873	
		1,002,318	860,505	4.18
Health Care				
Cigna Corp.	2,000	400,768	434,779	
		400,768	434,779	2.11
Financials				
Brookfield Asset Management Inc., Class A	10,500	468,903	534,345	
IGM Financial Inc.	10,100	399,776	406,222	
The Toronto-Dominion Bank	7,000	446,968	457,450	
		1,315,647	1,398,017	6.79
Real Estate				
Allied Properties Real Estate Investment Trust	4,900	174,403	190,708	
Automotive Properties Real Estate Investment Trust	13,200	131,904	146,520	
Boardwalk Real Estate Investment Trust	6,135	307,857	291,719	
RioCan Real Estate Investment Trust	11,100	299,309	267,177	
		913,473	896,124	4.35

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Conservative Balanced Fund (Continued)

Schedule of Investments

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Information Technology				
Calian Group Ltd.	3,000	65,215	82,500	
CGI Group Inc.	6,900	422,762	457,194	
Open Text Corp.	10,100	439,388	413,393	
Oracle Corp.	2,300	122,356	149,769	
Visa Inc., Class A	3,500	352,153	426,273	
		1,401,874	1,529,129	7.44
Telecommunication Services				
BCE Inc.	7,800	451,406	455,520	
		451,406	455,520	2.21

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Utilities				
Fortis Inc.	9,400	386,336	428,452	
		386,336	428,452	2.08
Total Equities		10,058,194	10,399,486	50.53
Transaction Costs		(7,493)		
Total Investments		18,965,610	19,317,408	93.86
Currency Forward Contracts⁽¹⁾			84,629	0.41
Other Assets less Liabilities			1,179,044	5.73
Total Net Assets			20,581,081	100.00

(1) Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Aug-2017	CAD	157,080	GBP	(90,000)	5,108
Royal Bank of Canada	A-1+	31-Aug-2017	CAD	117,188	EUR	(77,400)	2,277
Royal Bank of Canada	A-1+	31-Aug-2017	CAD	36,671	USD	(27,200)	1,381
Royal Bank of Canada	A-1+	31-Aug-2017	CAD	540,317	USD	(401,600)	19,266
The Toronto-Dominion Bank	A-1+	31-Aug-2017	CAD	1,005,469	USD	(746,600)	36,801
The Toronto-Dominion Bank	A-1+	31-Aug-2017	CAD	540,847	USD	(401,600)	19,796
							84,629

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Sentry Conservative Balanced Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund also invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets
	June 30, 2017
AAA/Aaa	17.28
AA/Aa	3.21
A/A	7.37
BBB/Bbb	13.04
BB/Bb	1.90
B/B	0.48
Not rated	0.72
Total	44.00

Rating	As a % of Net Assets
	December 31, 2016
AAA/Aaa	14.79
AA/Aa	2.92
A/A	8.33
BBB/Bbb	18.10
BB/Bb	1.29
B/B	—
Not rated	—
Total	45.43

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Conservative Balanced Fund (Continued)

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	1,695,975	8.24
British Pound	60,813	0.30
Euro	33,699	0.16
Total	1,790,487	8.70

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	1,586,917	10.83
British Pound	—	—
Euro	—	—
Total	1,586,917	10.83

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$84,799 (\$79,346 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The following tables summarize the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	June 30, 2017 (\$)
Less than 1 year	501,084
1-5 years	2,776,514
More than 5 years	5,640,324
Total	8,917,922

	December 31, 2016 (\$)
Less than 1 year	604,062
1-5 years	1,600,687
More than 5 years	4,451,283
Total	6,656,032

As at June 30, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$1,145,445 (\$829,299 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in publicly traded equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$519,974 (\$365,836 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Conservative Balanced Fund (Continued)

location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Bonds		
Federal Bonds	13.8	12.7
Provincial Bonds	6.4	5.7
Municipal Bonds	0.5	0.7
Corporate Bonds	15.0	18.5
Foreign Bonds	7.6	7.8
Equities		
Energy	2.6	5.5
Materials	5.1	5.0
Industrials	5.5	8.8
Consumer Discretionary	8.2	4.8
Consumer Staples	4.2	4.8
Health Care	2.1	0.6
Financials	6.8	5.0
Real Estate	4.4	5.0
Information Technology	7.4	6.2
Telecommunication Services	2.2	1.8
Utilities	2.1	2.4
Other Assets less Liabilities	6.1	4.7
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as

Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	10,399,486	—	—	10,399,486
Bonds	—	8,769,576	148,346	8,917,922
Currency Forward Contracts	—	84,629	—	84,629

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	7,316,713	—	—	7,316,713
Bonds	—	6,656,032	—	6,656,032
Currency Forward Contracts	—	2,883	—	2,883
Financial Liabilities				
Currency Forward Contracts	—	139	—	139
Option Contracts	8,600	—	—	8,600

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

The following is a reconciliation of Level 3 fair value assets as at June 30, 2017. There were no fair value assets as at December 31, 2016.

	June 30, 2017 (\$)
Opening Balance	—
Net purchases and sales	142,904
Transfers in	—
Transfers out	—
Gains (Losses)	—
Realized	—
Change in unrealized	5,442
Closing Balance	148,346

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Conservative Balanced Fund (Continued)

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the assets at cost or derive the prices indirectly from other observable market prices.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of the bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and are classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Derivative assets and liabilities

Derivative assets and liabilities consist of options and foreign currency forward contracts. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$5,917 (\$4,408 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also

cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$295 (\$1,908 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series A	12,112	114,580
Series T5	757	10,390
Series F	1,100	10,681
Series I	1,094	10,932
Series O	1,074	10,687

	December 31, 2016	
	Units	Market Value (\$)
Series A	11,868	111,329
Series T5	737	10,098
Series F	1,078	10,322
Series I	1,075	10,520
Series O	1,058	10,327

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at June 30, 2017 and December 31, 2016, SLA held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series I	530,675	5,301,979

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Conservative Balanced Fund (Continued)

	December 31, 2016	
	Units	Market Value (\$)
Series I	521,173	5,102,232

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	84,629	2,883
Investments designated at fair value through profit or loss	19,317,408	13,972,745
Total financial assets at fair value through profit or loss	19,402,037	13,975,628
Financial assets at amortized cost		
Cash	1,314,181	566,069
Other receivables	123,922	130,630
Total financial assets at amortized cost	1,438,103	696,699
Total assets	20,840,140	14,672,327
Financial liabilities		
Derivative liabilities held for trading	–	8,739
Financial liabilities at amortized cost	259,059	7,936
Total liabilities (excluding net assets attributable to holders of redeemable units)	259,059	16,675

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	85,121	19,130
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	609,168	490,586
Total net gains (losses)	694,289	509,716

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	Net (\$)
June 30, 2017				
Derivative assets –				
Forward Contracts	84,629	–	–	84,629
Total	84,629	–	–	84,629
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–
December 31, 2016				
Derivative assets –				
Forward Contracts	2,883	(31)	–	2,852
Total	2,883	(31)	–	2,852
Derivative liabilities –				
Forward Contracts	(139)	31	–	(108)
Total	(139)	31	–	(108)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	January 29, 2015	February 02, 2015
Series T5 Units	January 29, 2015	February 02, 2015
Series F Units	January 29, 2015	February 02, 2015
Series I Units	January 29, 2015	February 02, 2015
Series O Units	January 29, 2015	February 02, 2015

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

Anticipated Future Fund Change

As announced on July 24, 2017, the Fund will be merging into the Sun Life Granite Income Portfolio on or about October 27, 2017, subject to receiving the requisite securityholder and regulatory approval.

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Global Mid Cap Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	52,215,942	55,228,471
Short-term investments	—	—
Cash	1,999,788	6,146,973
Margin	—	—
Option contracts, at fair value – long	—	14,993
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	—	46,168
Unrealized appreciation on swaps	—	—
Due from investment dealers	221,283	—
Accrued interest	—	—
Dividends receivable	117,283	112,882
Distributions receivable from underlying funds	—	—
Subscriptions receivable	46,112	54,468
	54,600,408	61,603,955
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	1,133
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	2,017
Unrealized depreciation on swaps	—	—
Accrued expenses	3,265	2,785
Redemptions payable	16,476	2,909,168
Distributions payable	—	—
Due to investment dealers	117,256	1,144,384
Management fees payable	3,043	1,926
Total liabilities (excluding net assets attributable to holders of redeemable units)	140,040	4,061,413
Net Assets Attributable to Holders of Redeemable Units	54,460,368	57,542,542
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	1,245,044	955,729
Series T5	11,192	10,118
Series T8	11,192	10,118
Series E	—	—
Series F	236,859	45,714
Series I	52,591,123	56,066,426
Series O	364,958	454,437
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	10.78	9.77
Series T5	14.78	13.71
Series T8	13.69	12.88
Series E	—	—
Series F	10.91	9.83
Series I	11.05	9.90
Series O	11.03	9.88

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	660,671	603,795
Interest income for distribution purposes	91	2
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	375,370	5,025
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	137,268	(41,272)
Net realized gain (loss) on option contracts	(84,885)	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	4,920,277	(3,136,787)
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	(44,151)	928,721
Change in unrealized appreciation (depreciation) in option contracts	71,025	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	6,035,666	(1,640,516)
Net gain (loss) on foreign exchange	(25,603)	(6,411)
Other income	—	—
Total income (loss)	6,010,063	(1,646,927)
Expenses (note 5)		
Management fees	13,074	6,627
Administration fees	16,050	11,376
Independent review committee fees	16	198
Withholding tax	41,025	24,584
Transaction costs (note 2)	112,762	60,377
Total operating expenses	182,927	103,162
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	5,827,136	(1,750,089)
Finance Cost		
Interest expense	(186)	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	5,826,950	(1,750,089)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	104,213	(31,750)
Series T5	1,074	(662)
Series T8	1,073	(662)
Series E	—	(1,311)
Series F	5,989	(2,033)
Series I	5,669,218	(1,693,825)
Series O	45,383	(19,846)
Weighted Average Number of Units Outstanding		
Series A	107,188	65,446
Series T5	747	707
Series T8	799	733
Series E	—	1,762
Series F	12,081	2,325
Series I	4,827,632	4,107,330
Series O	37,992	36,601
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.97	(0.49)
Series T5	1.44	(0.94)
Series T8	1.34	(0.90)
Series E	—	(0.74)
Series F	0.50	(0.87)
Series I	1.17	(0.41)
Series O	1.19	(0.54)

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Global Mid Cap Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	955,729	457,415	10,118	9,880	10,118	9,880
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	104,213	(31,750)	1,074	(662)	1,073	(662)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	346,919	319,463	–	–	–	–
Redemption of redeemable units	(161,824)	(11,271)	–	–	–	–
Reinvestment of distributions to holders of redeemable units	1,216	103	282	260	439	413
Capitalized distributions	–	–	–	–	–	–
	186,311	308,295	282	260	439	413
Distributions to Holders of Redeemable Units						
From capital gains	(1,034)	–	(11)	–	(11)	–
From net investment income	(175)	(79)	(271)	(258)	(427)	(411)
Return of capital	–	–	–	–	–	–
	(1,209)	(79)	(282)	(258)	(438)	(411)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	289,315	276,466	1,074	(660)	1,074	(660)
Net Assets Attributable to Holders of Redeemable Units at end of period	1,245,044	733,881	11,192	9,220	11,192	9,220
	2017	2016	2017	2016	2017	2016
	Series E		Series F		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	–	14,495	45,714	29,392	56,066,426	28,747,598
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	–	(1,311)	5,989	(2,033)	5,669,218	(1,693,825)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	–	4,871	196,992	15,705	4,354,690	20,618,293
Redemption of redeemable units	–	(18,055)	(11,854)	(17,984)	(13,499,209)	(1,691,524)
Reinvestment of distributions to holders of redeemable units	–	1	112	11	60,685	–
Capitalized distributions	–	–	–	–	–	–
	–	(13,183)	185,250	(2,268)	(9,083,834)	18,926,769
Distributions to Holders of Redeemable Units						
From capital gains	–	–	(49)	–	(60,687)	–
From net investment income	–	(1)	(45)	(8)	–	–
Return of capital	–	–	–	–	–	–
	–	(1)	(94)	(8)	(60,687)	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	–	(14,495)	191,145	(4,309)	(3,475,303)	17,232,944
Net Assets Attributable to Holders of Redeemable Units at end of period	–	–	236,859	25,083	52,591,123	45,980,542

	2017	2016	2017	2016	2017	2016
	Series O		Total			
	(\$)	(\$)	(\$)	(\$)		(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	454,437	329,480	57,542,542	29,598,140		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	45,383	(19,846)	5,826,950	(1,750,089)		
Redeemable Unit Transactions						
Proceeds from redeemable units issued	5,925	81,769	4,904,526	21,040,101		
Redemption of redeemable units	(140,787)	(18,742)	(13,813,674)	(1,757,576)		
Reinvestment of distributions to holders of redeemable units	492	–	63,226	788		
Capitalized distributions	–	–	–	–		
	(134,370)	63,027	(8,845,922)	19,283,313		
Distributions to Holders of Redeemable Units						
From capital gains	(492)	–	(62,284)	–		
From net investment income	–	–	(918)	(757)		
Return of capital	–	–	–	–		
	(492)	–	(63,202)	(757)		
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(89,479)	43,181	(3,082,174)	17,532,467		
Net Assets Attributable to Holders of Redeemable Units at end of period	364,958	372,661	54,460,368	47,130,607		
	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
Redeemable Unit Transactions						
Balance – beginning of period	97,838	47,670	738	699	785	719
Units issued	32,577	35,562	–	–	–	–
Units issued on reinvestment of distributions	123	11	20	19	33	33
Units redeemed	(15,067)	(1,245)	–	–	–	–
Balance – end of period	115,471	81,998	758	718	818	752
	2017	2016	2017	2016	2017	2016
	Series E		Series F		Series I	
Redeemable Unit Transactions						
Balance – beginning of period	–	1,513	4,650	3,052	5,664,692	2,979,035
Units issued	–	556	18,113	1,737	422,835	2,251,378
Units issued on reinvestment of distributions	–	–	11	1	6,116	–
Units redeemed	–	(2,069)	(1,066)	(2,015)	(1,336,161)	(180,732)
Balance – end of period	–	–	21,708	2,775	4,757,482	5,049,681
	2017	2016	2017	2016	2017	2016
	Series O		Total			
Redeemable Unit Transactions						
Balance – beginning of period	45,992	34,196	5,814,695	3,066,884		
Units issued	594	8,949	474,119	2,298,182		
Units issued on reinvestment of distributions	50	–	6,353	64		
Units redeemed	(13,539)	(2,124)	(1,365,833)	(188,185)		
Balance – end of period	33,097	41,021	4,929,334	5,176,945		

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Global Mid Cap Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	5,826,950	(1,750,089)
Adjustments for:		
Gain on short-term investments	–	–
Net realized (gain) loss on sale of investments	(375,370)	(5,025)
Change in unrealized (appreciation) depreciation in value of investments	(4,920,277)	3,136,787
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	44,151	(928,721)
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	13,860	–
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(25,920,197)	(25,682,665)
Proceeds from sale of investments	32,867,200	6,872,659
Purchases of short-term investments	–	–
Proceeds from sale of short-term investments	–	–
Change in dividends and interest receivable	(4,401)	(23,623)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	1,117	1,274
Change in other payables and accrued expenses	113,242	62,921
Net Cash Provided by (Used in) Operating Activities	7,646,275	(18,316,482)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	24	31
Proceeds from redeemable units issued	4,912,882	21,052,881
Redemption of redeemable units	(16,706,366)	(1,756,722)
Net Cash Provided by (Used in) Financing Activities	(11,793,460)	19,296,190
Net increase (decrease) in cash	(4,147,185)	979,708
Cash (bank indebtedness) at beginning of period	6,146,973	2,086,284
Cash (bank indebtedness) at end of period	1,999,788	3,065,992
Dividends received, net of withholding taxes	615,245	555,588
Interest received, net of withholding taxes	91	2
Interest paid	(186)	–

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Global Mid Cap Fund (Continued)

Schedule of Investments

As at June 30, 2017 (Unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Industrials				
Cargojet Inc.	29,500	748,677	1,401,545	
DCC PLC	4,500	468,412	530,626	
Diploma PLC	29,870	449,780	556,797	
Groupe Eurotunnel SA	51,500	671,619	712,339	
Indus Holding AG	15,700	1,134,305	1,444,165	
ISS AS	28,500	1,424,319	1,451,834	
Morneau Shepell Inc.	50,000	871,901	1,042,000	
Rentokil Initial PLC	117,300	435,143	540,800	
Sensata Technologies Holding NV	24,000	1,311,739	1,331,532	
Temp Holdings Co., Ltd.	54,000	1,157,807	1,314,467	
Wolseley PLC	9,800	829,294	779,153	
		9,502,996	11,105,258	20.39
Consumer Discretionary				
AutoCanada Inc.	37,000	771,831	705,960	
Cinemark Holdings Inc.	25,100	1,286,545	1,266,409	
Cineworld Group PLC	49,100	513,891	581,457	
Dixons Carphone PLC	101,700	719,018	486,549	
Duffry AG	5,219	931,919	1,111,901	
Gamehost Inc.	76,300	805,202	705,775	
Inchcape PLC	85,620	1,120,421	1,089,767	
Amer Sports Oyj	19,300	657,024	626,076	
Omnicom Group Inc.	10,200	1,122,762	1,098,156	
Liberty Global PLC	33,200	1,311,142	1,344,384	
Liberty Global Plc LiLAC	35,400	1,015,898	984,304	
Live Nation Entertainment Inc.	40,400	1,258,850	1,828,494	
Newell Rubbermaid Inc.	22,775	1,357,886	1,585,968	
Shenzhen International Group Holdings Ltd.	106,100	925,863	905,499	
Techtronic Industries Co., Ltd.	119,300	679,653	712,509	
		14,477,905	15,033,208	27.61
Consumer Staples				
Britvic PLC	46,600	559,690	543,990	
		559,690	543,990	1.00
Health Care				
AmerisourceBergen Corp.	10,900	1,193,353	1,338,152	
Cigna Corp.	7,400	1,278,863	1,608,683	
Laboratory Corp. of America Holdings	8,900	1,483,308	1,781,618	
		3,955,524	4,728,453	8.68
Financials				
Alaris Royalty Corp.	26,000	611,556	598,780	
Jyske Bank A/S	16,200	1,012,285	1,216,740	
Gjensidige Forsikring ASA	44,100	961,461	974,299	
Natixis SA	105,600	938,216	919,274	
Partners Group Holding AG	1,490	944,474	1,201,271	
Suruga Bank Ltd.	33,100	920,219	1,041,391	
		5,388,211	5,951,755	10.93

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Real Estate				
Merlin Properties Sociimi SA	47,300	692,539	774,893	
UOL Group Ltd.	207,317	1,266,868	1,494,007	
		1,959,407	2,268,900	4.17
Information Technology				
Altran Technologies SA	43,200	971,001	913,131	
Cap Gemini SA	18,300	2,166,757	2,452,614	
Infineon Technologies AG	19,000	539,252	520,234	
Halma PLC	29,500	478,965	547,411	
Liberty Expedia Holdings Inc.	18,400	1,264,102	1,290,868	
Nice Ltd.	11,000	1,030,857	1,124,571	
Sage Group PLC	72,600	791,722	842,605	
		7,242,656	7,691,434	14.12
Telecommunication Services				
Drillisch AG	10,000	571,881	781,206	
Sunrise Communications AG	11,340	1,087,283	1,158,775	
		1,659,164	1,939,981	3.56
Utilities				
Algonquin Power & Utilities Corp.	94,700	968,576	1,292,655	
Brookfield Infrastructure Partners LP	31,250	1,190,209	1,660,308	
		2,158,785	2,952,963	5.42
Total Equities		46,904,338	52,215,942	95.88
Transaction Costs		(107,278)		
Total Investments		46,797,060	52,215,942	95.88
Other Assets less Liabilities			2,244,426	4.12
Total Net Assets			54,460,368	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Sentry Global Mid Cap Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Global Mid Cap Fund (Continued)

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund had no significant investments in debt instruments and/or derivatives and, therefore, did not have significant exposure to credit risk. Credit risk from other financial instruments is minimal.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017, and December 31, 2016.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	18,322,859	33.64
British Pound	6,529,388	11.99
Euro	9,032,044	16.58
Swiss Franc	3,333,123	6.12
Danish Krone	2,682,092	4.92
Japanese Yen	2,360,146	4.33
Singapore Dollar	1,625,703	2.99
Norwegian Krone	974,299	1.79
Hong Kong Dollar	1,618,008	2.97
Australian Dollar	—	—
Total	46,477,662	85.33

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	15,853,066	27.55
British Pound	7,984,044	13.88
Euro	5,729,332	9.96
Swiss Franc	4,212,648	7.32
Danish Krone	2,476,510	4.30
Japanese Yen	1,800,929	3.13
Singapore Dollar	1,555,866	2.70
Norwegian Krone	—	—
Hong Kong Dollar	1,077,541	1.87
Australian Dollar	872,138	1.52
Total	41,562,074	72.23

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$2,323,883 (\$2,078,104 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at June 30, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in publicly traded equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$2,610,797 (\$2,761,424 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Global Mid Cap Fund (Continued)

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Energy	–	1.2
Industrials	20.4	23.5
Consumer Discretionary	27.6	30.8
Consumer Staples	1.0	4.4
Health Care	8.7	10.2
Financials	10.9	8.2
Real Estate	4.2	3.9
Information Technology	14.1	3.8
Telecommunication Services	3.6	4.6
Utilities	5.4	5.4
Other Assets less Liabilities	4.1	4.0
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable

from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	52,215,942	–	–	52,215,942

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	55,228,471	–	–	55,228,471
Currency Forward Contracts	–	46,168	–	
Option Contracts	14,993	–	–	14,993
Financial Liabilities				
Currency Forward Contracts	–	2,017	–	2,017
Option Contracts	1,133	–	–	1,133

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Derivative assets and liabilities

Derivative assets and liabilities consist of options and foreign currency forward contracts. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Global Mid Cap Fund (Continued)

rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$112,762 (\$60,377 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$1,383 (\$5,790 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of nil (\$1,421,046 as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series A	2	27
Series T5	758	11,192
Series T8	818	11,193
Series F	0.26	3
Series O	–	–

	December 31, 2016	
	Units	Market Value (\$)
Series A	10,379	101,390
Series T5	738	10,119
Series T8	785	10,119
Series F	1,053	10,355
Series O	1,048	10,352

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada (“SLA”) invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at June 30, 2017 there were no seed capital positions held.

	June 30, 2017	
	Units	Market Value (\$)
Series I	–	–

As at December 31, 2016, SLA held the following positions in the Fund:

	December 31, 2016	
	Units	Market Value (\$)
Series I	15,313	151,569

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	61,161
Investments designated at fair value through profit or loss	52,215,942	55,228,471
Total financial assets at fair value through profit or loss	52,215,942	55,289,632
Financial assets at amortized cost		
Cash	1,999,788	6,146,973
Other receivables	384,678	167,350
Total financial assets at amortized cost	2,384,466	6,314,323
Total assets	54,600,408	61,603,955
Financial liabilities		
Derivative liabilities held for trading	–	3,150
Financial liabilities at amortized cost	140,040	4,058,263
Total liabilities (excluding net assets attributable to holders of redeemable units)	140,040	4,061,413

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Global Mid Cap Fund (Continued)

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/ financial liabilities held for trading	79,257	887,449
Net gain (loss) on financial assets/ financial liabilities designated at fair value through profit or loss	5,956,409	(2,527,965)
Total net gains (losses)	6,035,666	(1,640,516)

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	–	–	–	–
Total	–	–	–	–
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–
December 31, 2016				
Derivative assets –				
Forward Contracts	46,168	(2,017)	–	44,151
Total	46,168	(2,017)	–	44,151
Derivative liabilities –				
Forward Contracts	(2,017)	2,017	–	–
Total	(2,017)	2,017	–	–

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	January 29, 2015	February 02, 2015
Series T5 Units	January 29, 2015	February 02, 2015
Series T8 Units	January 29, 2015	February 02, 2015
Series F Units	January 29, 2015	February 02, 2015
Series I Units	January 29, 2015	February 02, 2015
Series O Units	January 29, 2015	February 02, 2015

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

Anticipated Future Fund Change

As announced on July 24, 2017, Schroder Investment Management North America Inc. will replace Sentry Investments Inc. as sub-advisor for the Fund, effective October 2, 2017. As of that date, the Fund will change its name and adopt new investment strategies to reflect the investment strategies to be employed by Schroders in respect of the Fund.

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Infrastructure Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	145,407,763	210,725,921
Short-term investments	—	—
Cash	9,207,533	6,480,883
Margin	—	—
Option contracts, at fair value – long	—	56,166
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	1,240,837	274,691
Unrealized appreciation on swaps	—	—
Due from investment dealers	—	—
Accrued interest	—	—
Dividends receivable	495,679	521,405
Distributions receivable from underlying funds	—	—
Subscriptions receivable	91,329	8,621
	156,443,141	218,067,687
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	—	4,245
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	220,077	25,263
Unrealized depreciation on swaps	—	—
Accrued expenses	11,327	12,802
Redemptions payable	2,344	4,081,661
Distributions payable	—	—
Due to investment dealers	—	—
Management fees payable	30,101	23,281
Total liabilities (excluding net assets attributable to holders of redeemable units)	263,849	4,147,252
Net Assets Attributable to Holders of Redeemable Units	156,179,292	213,920,435
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	13,520,100	10,990,502
Series T5	13,219	11,969
Series T8	12,104	10,003
Series E	—	—
Series F	843,515	656,964
Series I	138,632,879	200,190,943
Series O	3,157,475	2,060,054
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	9.61	9.04
Series T5	14.43	13.56
Series T8	13.41	12.79
Series E	—	—
Series F	9.88	9.23
Series I	10.21	9.48
Series O	10.16	9.45

Approved on behalf of Trustee

“signed” Rick Headrick

President

“signed” Paul Sergi

Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	3,135,417	3,040,544
Interest income for distribution purposes	3,033	4,454
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	7,206,590	(5,454,837)
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	190,346	(635,568)
Net realized gain (loss) on option contracts	(317,996)	—
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	5,465,140	6,346,685
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	771,332	3,608,805
Change in unrealized appreciation (depreciation) in option contracts	266,075	—
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	16,719,937	6,910,083
Net gain (loss) on foreign exchange	(1,829)	252,760
Other income	—	—
Total income (loss)	16,718,108	7,162,843
Expenses (note 5)		
Management fees	142,864	90,102
Administration fees	55,482	55,039
Independent review committee fees	149	897
Withholding tax	187,189	224,120
Transaction costs (note 2)	171,056	198,233
Total operating expenses	556,740	568,391
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	16,161,368	6,594,452
Finance Cost		
Interest expense	(402)	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	16,160,966	6,594,452
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	1,217,973	295,546
Series T5	1,249	247
Series T8	1,134	354
Series E	—	(51,970)
Series F	84,227	11,262
Series I	14,616,549	6,286,500
Series O	239,834	52,513
Weighted Average Number of Units Outstanding		
Series A	1,333,052	901,093
Series T5	903	742
Series T8	859	1,233
Series E	—	135,780
Series F	82,518	29,971
Series I	13,825,287	18,134,653
Series O	244,034	145,841
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.91	0.33
Series T5	1.38	0.33
Series T8	1.32	0.29
Series E	—	(0.38)
Series F	1.02	0.38
Series I	1.06	0.35
Series O	0.98	0.36

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Infrastructure Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	10,990,502	5,926,165	11,969	9,310	10,003	15,679
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	1,217,973	295,546	1,249	247	1,134	354
Redeemable Unit Transactions						
Proceeds from redeemable units issued	2,689,831	3,757,682	335	1,853	1,000	–
Redemption of redeemable units	(1,373,550)	(890,866)	(335)	–	–	–
Reinvestment of distributions to holders of redeemable units	438,837	218,265	467	261	549	648
Capitalized distributions	–	–	–	–	–	–
	1,755,118	3,085,081	467	2,114	1,549	648
Distributions to Holders of Redeemable Units						
From capital gains	(133,593)	–	(145)	–	(122)	–
From net investment income	(309,900)	(221,598)	(321)	(259)	(460)	(646)
Return of capital	–	–	–	–	–	–
	(443,493)	(221,598)	(466)	(259)	(582)	(646)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	2,529,598	3,159,029	1,250	2,102	2,101	356
Net Assets Attributable to Holders of Redeemable Units at end of period	13,520,100	9,085,194	13,219	11,412	12,104	16,035

	2017	2016	2017	2016	2017	2016
	Series E		Series F		Series I	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	–	1,180,415	656,964	177,472	200,190,943	154,089,770
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	–	(51,970)	84,227	11,262	14,616,549	6,286,500
Redeemable Unit Transactions						
Proceeds from redeemable units issued	–	48,195	413,190	220,146	9,474,858	48,165,599
Redemption of redeemable units	–	(1,176,490)	(298,016)	(37,953)	(85,649,473)	(49,143,092)
Reinvestment of distributions to holders of redeemable units	–	5,461	14,365	5,274	5,674,101	4,396,608
Capitalized distributions	–	–	–	–	–	–
	–	(1,122,834)	129,539	187,467	(70,500,514)	3,419,115
Distributions to Holders of Redeemable Units						
From capital gains	–	–	(7,986)	–	(2,433,386)	–
From net investment income	–	(5,611)	(19,229)	(7,613)	(3,240,713)	(4,397,524)
Return of capital	–	–	–	–	–	–
	–	(5,611)	(27,215)	(7,613)	(5,674,099)	(4,397,524)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	–	(1,180,415)	186,551	191,116	(61,558,064)	5,308,091
Net Assets Attributable to Holders of Redeemable Units at end of period	–	–	843,515	368,588	138,632,879	159,397,861

	2017	2016	2017	2016
	Series O		Total	
	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	2,060,054	1,215,481	213,920,435	162,614,292
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	239,834	52,513	16,160,966	6,594,452
Redeemable Unit Transactions				
Proceeds from redeemable units issued	950,098	459,848	13,529,312	52,653,323
Redemption of redeemable units	(85,956)	(224,927)	(87,407,330)	(51,473,328)
Reinvestment of distributions to holders of redeemable units	78,509	34,225	6,206,828	4,660,742
Capitalized distributions	–	–	–	–
	942,651	269,146	(67,671,190)	5,840,737
Distributions to Holders of Redeemable Units				
From capital gains	(25,041)	–	(2,600,273)	–
From net investment income	(60,023)	(35,477)	(3,630,646)	(4,668,728)
Return of capital	–	–	–	–
	(85,064)	(35,477)	(6,230,919)	(4,668,728)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	1,097,421	286,182	(57,741,143)	7,766,461
Net Assets Attributable to Holders of Redeemable Units at end of period	3,157,475	1,501,663	156,179,292	170,380,753

	2017	2016	2017	2016	2017	2016
	Series A		Series T5		Series T8	
Redeemable Unit Transactions						
Balance – beginning of period	1,215,980	665,425	882	699	782	1,212
Units issued	288,901	439,629	23	141	78	–
Units issued on reinvestment of distributions	47,323	25,081	34	20	42	51
Units redeemed	(145,959)	(103,949)	(23)	–	–	–
Balance – end of period	1,406,245	1,026,186	916	860	902	1,263

	2017	2016	2017	2016	2017	2016
	Series E		Series F		Series I	
Redeemable Unit Transactions						
Balance – beginning of period	–	132,570	71,159	19,736	21,119,674	16,927,534
Units issued	–	5,567	42,639	24,966	996,182	5,454,972
Units issued on reinvestment of distributions	–	632	1,503	597	584,876	491,414
Units redeemed	–	(138,769)	(29,924)	(4,301)	(9,118,557)	(5,481,186)
Balance – end of period	–	–	85,377	40,998	13,582,175	17,392,734

	2017	2016	2017	2016
	Series O		Total	
Redeemable Unit Transactions				
Balance – beginning of period	218,056	133,731	22,626,533	17,880,907
Units issued	93,486	51,795	1,421,309	5,977,070
Units issued on reinvestment of distributions	8,037	3,829	641,815	521,624
Units redeemed	(8,892)	(25,104)	(9,303,355)	(5,753,309)
Balance – end of period	310,687	164,251	15,386,302	18,626,292

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Infrastructure Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	16,160,966	6,594,452
Adjustments for:		
Gain on short-term investments	—	—
Net realized (gain) loss on sale of investments	(7,206,590)	5,454,837
Change in unrealized (appreciation) depreciation in value of investments	(5,465,140)	(6,346,685)
Change in unrealized (appreciation) depreciation in value of futures contracts	—	—
Change in unrealized (appreciation) depreciation in currency forward contracts	(771,332)	(3,608,805)
Change in unrealized (appreciation) depreciation in value of swaps	—	—
Non-cash income distributions from underlying funds	—	—
Change in fair value of option contracts	51,921	—
Change in fair value of credit default swaps	—	—
Change in margin	—	—
Purchases of investments	(45,360,403)	(66,471,616)
Proceeds from sale of investments	123,179,235	63,346,471
Purchases of short-term investments	—	—
Proceeds from sale of short-term investments	—	—
Change in dividends and interest receivable	25,726	(65,667)
Change in distributions receivable from underlying funds	—	—
Change in management fees payable	6,820	16,052
Change in other payables and accrued expenses	169,581	207,570
Net Cash Provided by (Used in) Operating Activities	80,790,784	(873,391)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(24,091)	(6,730)
Proceeds from redeemable units issued	13,446,604	53,388,305
Redemption of redeemable units	(91,486,647)	(51,474,292)
Net Cash Provided by (Used in) Financing Activities	(78,064,134)	1,907,283
Net increase (decrease) in cash	2,726,650	1,033,892
Cash (bank indebtedness) at beginning of period	6,480,883	14,562,637
Cash (bank indebtedness) at end of period	9,207,533	15,596,529
Dividends received, net of withholding taxes	2,973,954	2,750,757
Interest received, net of withholding taxes	3,033	4,454
Interest paid	(402)	—

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Infrastructure Fund (Continued)

Schedule of Investments

As at June 30, 2017 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Enbridge Inc.	97,900	5,417,568	5,057,514	
Keyera Corp.	109,200	4,287,130	4,457,544	
Kinder Morgan Canada Ltd.	175,300	2,925,700	2,774,999	
Kinder Morgan Inc.	136,700	3,976,037	3,401,522	
Pembina Pipeline Corp.	110,600	4,254,917	4,750,270	
TransCanada Corp.	74,100	3,968,320	4,580,862	
Williams Cos Inc.	137,300	4,877,869	5,399,278	
	29,707,541	30,421,989	19.48	
Industrials				
Atlantia SpA	98,437	3,271,272	3,592,730	
East Japan Railway Co.	24,800	2,874,633	3,080,035	
Canadian Pacific Railway Ltd.	14,900	2,954,504	3,108,885	
FedEx Corp.	12,200	3,124,541	3,443,410	
Ferrovial SA	195,655	5,030,223	5,632,497	
Groupe Eurotunnel SA	151,600	2,219,339	2,096,904	
Macquarie Infrastructure Co., LLC	53,650	5,278,205	5,462,545	
Societa Iniziative Autostradali e Servizi SpA	98,485	1,316,674	1,408,471	
Sydney Airport	349,200	2,225,829	2,466,333	
Transurban Group	213,100	2,303,272	2,515,550	
Union Pacific Corp.	17,800	2,202,729	2,517,660	
Vinci SA	40,740	3,346,692	4,509,636	
	36,147,913	39,834,656	25.51	
Consumer Discretionary				
Comcast Corp.	36,900	1,550,400	1,865,127	
Liberty Global PLC LiLAC	116,000	3,289,484	3,225,403	
Liberty Global PLC	110,700	4,568,169	4,482,631	
NOS SGPS	393,500	3,255,264	3,097,360	
SES SA	49,200	1,689,124	1,495,801	
	14,352,441	14,166,322	9.07	
Financials				
American Tower Corp.	22,729	2,980,241	3,905,846	
Brookfield Asset Management Inc., Class A	94,950	4,167,446	4,832,006	
Crown Castle International Corp.	23,200	2,599,961	3,018,410	
	9,747,648	11,756,262	7.53	
Information Technology				
Equinix Inc.	4,600	2,438,080	2,563,813	
Visa Inc.	25,000	2,989,743	3,044,805	
	5,427,823	5,608,618	3.59	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Real Estate				
SBA Communications Corp.	17,500	2,478,659	3,065,909	
	2,478,659	3,065,909	1.96	
Telecommunication Services				
Drillisch AG	21,600	1,122,967	1,687,405	
Iliad SA	8,150	2,215,469	2,500,133	
	3,338,436	4,187,538	2.68	
Utilities				
Algonquin Power & Utilities Corp.	361,000	3,845,407	4,927,650	
American Water Works Co., Inc.	29,200	2,598,454	2,956,026	
Brookfield Infrastructure Partners LP	79,711	3,050,663	4,227,871	
CMS Energy Corp.	50,900	2,927,757	3,057,305	
Edison International	20,500	1,957,788	2,081,682	
Fortis Inc.	53,300	2,178,549	2,429,414	
National Grid PLC	137,500	2,540,074	2,207,738	
NextEra Energy Inc.	19,500	2,905,796	3,548,747	
PG&E Corp.	27,000	2,477,775	2,327,260	
Polaris Infrastructure Inc.	212,829	1,978,663	3,637,248	
Sempra Energy	20,900	2,777,757	3,060,357	
WEC Energy Group Inc.	23,900	1,832,494	1,905,171	
	31,071,177	36,366,469	23.29	
Total Equities	132,271,638	145,407,763	93.11	
Transaction Costs	(128,953)			
Total Investments	132,142,685	145,407,763	93.11	
Currency Forward Contracts⁽¹⁾		1,020,760	0.65	
Other Assets less Liabilities		9,750,769	6.24	
Total Net Assets		156,179,292	100.00	

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Infrastructure Fund (Continued)

Schedule of Investments

(l) Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Aug-2017	EUR	158,300	CAD	(234,984)	25
Royal Bank of Canada	A-1+	31-Aug-2017	CAD	13,622,719	EUR	(8,997,500)	264,715
Royal Bank of Canada	A-1+	31-Aug-2017	CAD	2,113,375	USD	(1,566,600)	80,802
Royal Bank of Canada	A-1+	31-Aug-2017	CAD	12,384,028	USD	(9,204,650)	441,583
The Toronto-Dominion Bank	A-1+	31-Aug-2017	CAD	12,396,178	USD	(9,204,650)	453,712
							1,240,837
Royal Bank of Canada	A-1+	31-Aug-2017	EUR	72,700	CAD	-110,406	(2,473)
Royal Bank of Canada	A-1+	31-Aug-2017	EUR	80,000	CAD	-121,919	(3,147)
Royal Bank of Canada	A-1+	31-Aug-2017	EUR	70,800	CAD	-106,260	(1,149)
Royal Bank of Canada	A-1+	31-Aug-2017	EUR	306,000	CAD	-454,713	(429)
Royal Bank of Canada	A-1+	31-Aug-2017	EUR	509,100	CAD	-768,421	(12,597)
Royal Bank of Canada	A-1+	31-Aug-2017	EUR	123,000	CAD	-187,102	(4,490)
Royal Bank of Canada	A-1+	31-Aug-2017	USD	3,644,000	CAD	-4,823,599	(95,877)
The Toronto-Dominion Bank	A-1+	31-Aug-2017	USD	3,644,000	CAD	-4,827,644	(99,915)
							(220,077)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Sentry Infrastructure Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund also invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings

for securities that subject the Fund to credit risk as at June 30, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets
	June 30, 2017
AAA/Aaa	0.79
AA/Aa	—
A/A	—
Total	0.79

Rating	As a % of Net Assets
	December 31, 2016
AAA/Aaa	0.02
AA/Aa	0.03
A/A	0.11
Total	0.16

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Infrastructure Fund (Continued)

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	48,029,278	30.75
Euro	14,776,816	9.46
Swiss Franc	26	—
British Pound	2,275,237	1.46
Japanese Yen	3,080,035	1.97
Australian Dollar	5,081,193	3.25
Total	73,242,585	46.89

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2016		
United States Dollar	52,599,447	24.59
Euro	33,477,918	15.65
Swiss Franc	4,544,051	2.12
British Pound	—	—
Japanese Yen	5,237,409	2.45
Australian Dollar	6,399,066	2.99
Total	102,257,891	47.80

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$3,662,129 (\$5,112,895 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at June 30, 2017, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in publicly traded equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to

Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$7,270,388 (\$10,536,296 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Energy	19.5	20.4
Industrials	25.5	23.7
Consumer Discretionary	9.1	7.7
Financials	7.5	3.0
Information Technology	3.6	3.4
Real Estate	1.9	5.4
Telecommunication Services	2.7	10.7
Utilities	23.3	24.2
Other Assets less Liabilities	6.9	1.5
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Infrastructure Fund (Continued)

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	145,407,763	–	–	145,407,763
Currency Forward Contracts	–	1,240,837	–	1,240,837
Financial Liabilities				
Currency Forward Contracts	–	220,077	–	220,077
<hr/>				
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	210,725,921	–	–	210,725,921
Currency Forward Contracts	–	274,691	–	274,691
Option Contracts	56,166	–	–	56,166
Financial Liabilities				
Currency Forward Contracts	–	25,263	–	25,263
Option Contracts	4,245	–	–	4,245

There were no transfers between the fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

There were no Level 3 fair value assets as at June 30, 2017. The following is a reconciliation of Level 3 assets as at December 31, 2016.

	December 31, 2016 (\$)
Opening Balance	2,999,999
Net purchases and sales	(3,199,999)
Transfers in	–
Transfers out	–
Gains (Losses)	
Realized	200,000
Change in unrealized	–
Closing Balance	–

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the assets at cost or derive the prices indirectly from other observable market prices.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Derivative assets and liabilities

Derivative assets and liabilities consist of options and foreign currency forward contracts. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$171,056 (\$198,233 for the period ended June 30, 2016).

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Infrastructure Fund (Continued)

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$9,315 (\$38,153 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2016, the Fund had accumulated capital losses of \$2,160,819 (\$1,293,525 as at December 31, 2015). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series T5	765	11,035
Series T8	824	11,054

	December 31, 2016	
	Units	Market Value (\$)
Series T5	736	9,989
Series T8	782	10,003

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at June 30, 2017, there were no seed positions held.

	June 30, 2017	
	Units	Market Value (\$)
Series I	—	—

As at December 31, 2016, SLA held the following positions in the Fund:

	December 31, 2016	
	Units	Market Value (\$)
Series I	15,793	149,698

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	1,240,837	330,857
Investments designated at fair value through profit or loss	145,407,763	210,725,921
Total financial assets at fair value through profit or loss	146,648,600	211,056,778
Financial assets at amortized cost		
Cash	9,207,533	6,480,883
Other receivables	587,008	530,026
Total financial assets at amortized cost	9,794,541	7,010,909
Total assets	156,443,141	218,067,687
Financial liabilities		
Derivative liabilities held for trading	220,077	29,508
Financial liabilities at amortized cost	43,772	4,117,744
Total liabilities (excluding net assets attributable to holders of redeemable units)	263,849	4,147,252

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	909,757	2,973,237
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	15,810,180	3,936,846
Total net gains (losses)	16,719,937	6,910,083

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Infrastructure Fund (Continued)

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	1,240,837	(220,077)	–	1,020,760
Total	1,240,837	(220,077)	–	1,020,760
Derivative liabilities –				
Forward Contracts	(220,077)	220,077	–	–
Total	(220,077)	220,077	–	–
December 31, 2016				
Derivative assets –				
Forward Contracts	274,691	(25,263)	–	249,428
Total	274,691	(25,263)	–	249,428
Derivative liabilities –				
Forward Contracts	(25,263)	25,263	–	–
Total	(25,263)	25,263	–	–

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	January 29, 2015	February 02, 2015
Series T5 Units	January 29, 2015	February 02, 2015
Series T8 Units	January 29, 2015	February 02, 2015
Series F Units	January 29, 2015	February 02, 2015
Series I Units	January 29, 2015	February 02, 2015
Series O Units	January 29, 2015	February 02, 2015

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

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Value Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	79,355,184	80,652,599
Short-term investments	—	—
Cash	6,153,861	11,449,261
Margin	—	—
Option contracts, at fair value – long	—	—
Credit default swaps, sell protection	—	—
Unrealized appreciation on futures contracts	—	—
Unrealized appreciation on currency forward contracts	251,117	3,666
Unrealized appreciation on swaps	—	—
Due from investment dealers	1,197,552	356,036
Accrued interest	—	—
Dividends receivable	195,461	180,914
Distributions receivable from underlying funds	—	—
Subscriptions receivable	165,500	1,704,442
	87,318,675	94,346,918
Liabilities		
Current Liabilities		
Bank indebtedness	—	—
Margin	—	—
Option contracts, at fair value – short	22,478	5,103
Credit default swaps, buy protection	—	—
Unrealized depreciation on futures contracts	—	—
Unrealized depreciation on currency forward contracts	—	—
Unrealized depreciation on swaps	—	—
Accrued expenses	12,189	10,486
Redemptions payable	109,753	82,060
Distributions payable	—	—
Due to investment dealers	763,604	1,480,927
Management fees payable	80,155	70,555
Total liabilities (excluding net assets attributable to holders of redeemable units)	988,179	1,649,131
Net Assets Attributable to Holders of Redeemable Units	86,330,496	92,697,787
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	37,367,674	33,802,550
Series E	—	—
Series F	3,628,598	3,027,004
Series I	38,892,667	48,982,953
Series O	6,441,557	6,885,280
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	13.92	13.63
Series E	—	—
Series F	14.29	13.92
Series I	14.65	14.20
Series O	11.45	11.10

Approved on behalf of Trustee

“signed” Rick Headrick	“signed” Paul Sergi
President	Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	1,007,482	857,834
Interest income for distribution purposes	1,131	5,853
Distributions from underlying funds	—	—
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	5,509,107	1,351,225
Net realized gain (loss) on futures contracts	—	—
Net realized gain (loss) on currency forward contracts	(9,398)	205,912
Net realized gain (loss) on option contracts	41,223	76,319
Net realized gain (loss) on swaps	—	—
Change in unrealized appreciation (depreciation) in value of investments	(2,623,984)	(153,741)
Change in unrealized appreciation (depreciation) in value of futures contracts	—	—
Change in unrealized appreciation (depreciation) in currency forward contracts	247,451	169,774
Change in unrealized appreciation (depreciation) in option contracts	(13,855)	(19,555)
Change in unrealized appreciation (depreciation) in value of swaps	—	—
Net gains (losses) on investments	4,159,157	2,493,621
Net gain (loss) on foreign exchange	(19,599)	(122,863)
Other income	—	—
Total income (loss)	4,139,558	2,370,758
Expenses (note 5)		
Management fees	401,925	283,232
Administration fees	62,053	43,507
Independent review committee fees	432	332
Withholding tax	19,774	21,734
Transaction costs (note 2)	90,457	57,341
Total operating expenses	574,641	406,146
Expenses waived/absorbed by the Manager	—	—
Operating Profit (Loss)	3,564,917	1,964,612
Finance Cost		
Interest expense	—	—
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	3,564,917	1,964,612
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	1,376,404	829,749
Series E	—	(219,427)
Series F	150,809	55,333
Series I	1,710,464	1,165,168
Series O	327,240	133,789
Weighted Average Number of Units Outstanding		
Series A	2,606,490	1,913,173
Series E	—	495,764
Series F	244,601	150,084
Series I	2,773,884	2,487,910
Series O	589,952	343,016
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.53	0.43
Series E	—	(0.44)
Series F	0.62	0.37
Series I	0.62	0.47
Series O	0.55	0.39

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Value Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A (\$)	(\$)	Series E (\$)	(\$)	Series F (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	33,802,550	19,162,647	–	4,958,383	3,027,004	1,848,895
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	1,376,404	829,749	–	(219,427)	150,809	55,333
Redeemable Unit Transactions						
Proceeds from redeemable units issued	6,320,749	9,948,510	–	206,824	839,737	668,551
Redemption of redeemable units	(4,129,665)	(1,340,097)	–	(4,944,616)	(371,016)	(267,806)
Reinvestment of distributions to holders of redeemable units	562,535	2,143	–	(677)	38,376	642
Capitalized distributions	–	–	–	–	–	–
	2,753,619	8,610,556	–	(4,738,469)	507,097	401,387
Distributions to Holders of Redeemable Units						
From capital gains	(553,682)	–	–	–	(51,066)	–
From net investment income	(11,217)	(1,608)	–	(487)	(5,246)	(621)
Return of capital	–	–	–	–	–	–
	(564,899)	(1,608)	–	(487)	(56,312)	(621)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	3,565,124	9,438,697	–	(4,958,383)	601,594	456,099
Net Assets Attributable to Holders of Redeemable Units at end of period	37,367,674	28,601,344	–	–	3,628,598	2,304,994

	2017	2016	2017	2016	2017	2016
	Series I (\$)	(\$)	Series O (\$)	(\$)	Total (\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	48,982,953	31,786,914	6,885,280	3,178,470	92,697,787	60,935,309
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	1,710,464	1,165,168	327,240	133,789	3,564,917	1,964,612
Redeemable Unit Transactions						
Proceeds from redeemable units issued	8,989,303	5,972,066	1,742,564	1,615,628	17,892,353	18,411,579
Redemption of redeemable units	(20,790,054)	(1,700,357)	(2,510,909)	(440,948)	(27,801,644)	(8,693,824)
Reinvestment of distributions to holders of redeemable units	973,160	–	125,938	–	1,700,009	2,108
Capitalized distributions	–	–	–	–	–	–
	(10,827,591)	4,271,709	(642,407)	1,174,680	(8,209,282)	9,719,863
Distributions to Holders of Redeemable Units						
From capital gains	(855,404)	–	(114,299)	–	(1,574,451)	–
From net investment income	(117,755)	–	(14,257)	–	(148,475)	(2,716)
Return of capital	–	–	–	–	–	–
	(973,159)	–	(128,556)	–	(1,722,926)	(2,716)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	(10,090,286)	5,436,877	(443,723)	1,308,469	(6,367,291)	11,681,759
Net Assets Attributable to Holders of Redeemable Units at end of period	38,892,667	37,223,791	6,441,557	4,486,939	86,330,496	72,617,068

	2017	2016	2017	2016	2017	2016
	Series A	Series E	Series F			
Redeemable Unit Transactions						
Balance – beginning of period	2,480,736	1,490,284	–	487,721	217,441	141,527
Units issued	460,220	790,848	–	21,371	59,741	50,791
Units issued on reinvestment of distributions	42,344	164	–	(66)	2,826	48
Units redeemed	(299,538)	(105,394)	–	(509,026)	(26,073)	(20,706)
Balance – end of period	2,683,762	2,175,902	–	–	253,935	171,660

	2017	2016	2017	2016	2017	2016
	Series I	Series O	Total			
Redeemable Unit Transactions						
Balance – beginning of period	3,449,902	2,396,635	620,087	306,215	6,768,166	4,822,382
Units issued	627,823	446,930	154,410	155,141	1,302,194	1,465,081
Units issued on reinvestment of distributions	70,322	–	11,636	–	127,128	146
Units redeemed	(1,492,851)	(129,790)	(223,465)	(43,026)	(2,041,927)	(807,942)
Balance – end of period	2,655,196	2,713,775	562,668	418,330	6,155,561	5,479,667

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Value Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	3,564,917	1,964,612
Adjustments for:		
Gain on short-term investments	–	(2,048)
Net realized (gain) loss on sale of investments	(5,509,107)	(1,351,225)
Change in unrealized (appreciation) depreciation in value of investments	2,623,984	153,741
Change in unrealized (appreciation) depreciation in value of futures contracts	–	–
Change in unrealized (appreciation) depreciation in currency forward contracts	(247,451)	(169,774)
Change in unrealized (appreciation) depreciation in value of swaps	–	–
Non-cash income distributions from underlying funds	–	–
Change in fair value of option contracts	17,375	(6,927)
Change in fair value of credit default swaps	–	–
Change in margin	–	–
Purchases of investments	(40,711,901)	(28,442,351)
Proceeds from sale of investments	43,245,143	21,725,148
Purchases of short-term investments	–	(3,797,440)
Proceeds from sale of short-term investments	–	3,000,000
Change in dividends and interest receivable	(14,547)	(14,432)
Change in distributions receivable from underlying funds	–	–
Change in management fees payable	9,600	49,590
Change in other payables and accrued expenses	92,160	65,398
Net Cash Provided by (Used in) Operating Activities	3,070,173	(6,825,708)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(22,917)	(608)
Proceeds from redeemable units issued	19,431,295	18,143,215
Redemption of redeemable units	(27,773,951)	(8,713,693)
Net Cash Provided by (Used in) Financing Activities	(8,365,573)	9,428,914
Net increase (decrease) in cash	(5,295,400)	2,603,206
Cash (bank indebtedness) at beginning of period	11,449,261	7,686,133
Cash (bank indebtedness) at end of period	6,153,861	10,289,339
Dividends received, net of withholding taxes	973,161	821,975
Interest received, net of withholding taxes	1,131	5,546
Interest paid	–	–

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Value Fund (Continued)

Schedule of Investments

As at June 30, 2017 (Unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Advantage Oil & Gas Ltd.	283,000	2,613,530	2,481,910	
AltaGas Ltd.	124,700	3,834,663	3,677,403	
Birchcliff Energy Ltd.	151,000	1,272,527	922,610	
Crescent Point Energy Corp.	14,752	268,228	146,340	
Keyera Corp.	57,400	2,263,846	2,343,068	
Kinder Morgan Canada Ltd.	82,000	1,391,789	1,298,060	
Pembina Pipeline Corp.	20,700	763,089	889,065	
ShawCor Ltd.	69,000	2,430,761	1,827,120	
	14,838,433	13,585,576		15.75
Industrials				
Aecon Group Inc.	84,500	1,306,670	1,363,830	
ATS Automation Tooling Systems Inc.	99,514	1,148,014	1,322,541	
HNZ Group Inc.	63,200	1,108,684	885,432	
MacDonald Dettwiler & Associates Ltd.	18,600	1,251,685	1,255,128	
Morneau Shepell Inc.	130,400	1,992,449	2,717,536	
New Flyer Industries Inc.	25,800	1,028,350	1,399,392	
Stantec Inc.	8,000	263,122	261,200	
	8,098,974	9,205,059		10.66
Consumer Discretionary				
AutoCanada Inc.	35,000	744,272	667,800	
AutoZone Inc.	2,250	2,058,842	1,666,929	
Gildan Activewear Inc.	50,100	1,670,575	1,996,485	
Great Canadian Gaming Corp.	66,100	1,368,274	1,578,468	
Linamar Corp.	43,400	2,482,615	2,774,128	
Magna International Inc.	27,900	1,553,716	1,675,953	
Park Lawn Corp.	48,800	926,744	918,416	
	10,805,038	11,278,179		13.06
Consumer Staples				
AGT Food & Ingredients Inc.	73,800	2,109,836	1,718,064	
Alimentation Couche-Tard Inc.	34,000	2,059,406	2,113,440	
CVS Caremark Corp.	56,500	6,691,119	5,903,884	
George Weston Ltd.	8,700	918,429	1,021,293	
	11,778,790	10,756,681		12.46
Real Estate				
Allied Properties Real Estate Investment Trust	17,300	622,367	673,316	
Altus Group Ltd.	35,000	1,079,324	981,050	
Automotive Properties Real Estate Investment Trust	131,400	1,376,821	1,458,540	
First Capital Realty Inc.	79,600	1,581,814	1,572,896	
InterRent Real Estate Investment Trust	104,000	707,104	841,360	
Killam Apartment Real Estate Investment Trust	151,000	1,822,640	1,923,740	
Smart Real Estate Investment Trust	35,250	1,080,486	1,132,230	
	8,270,556	8,583,132		9.94

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Health Care				
Cigna Corp.	11,700	2,055,750	2,543,458	
Gilead Sciences Inc.	25,100	2,571,742	2,307,244	
Jamieson Wellness Inc.	8,000	126,000	126,000	
	4,753,492	4,976,702		5.76
Financials				
CI Financial Corp.	78,800	2,347,176	2,178,032	
National Bank of Canada	9,400	512,055	512,582	
	2,859,231	2,690,614		3.12
Information Technology				
Alphabet Inc.	900	951,192	1,062,152	
Evertz Technologies Ltd.	71,000	1,187,993	1,263,800	
Information Services Corp.	53,000	972,603	938,100	
	3,111,788	3,264,052		3.78
Materials				
Canfor Pulp Products Inc.	190,500	2,215,891	2,392,680	
CCL Industries Inc.	24,100	1,106,408	1,581,201	
Chemtrade Logistics Income Fund	75,800	1,447,798	1,378,802	
Interfor Corp.	66,200	878,719	1,229,996	
Mountain Province Diamonds Inc.	160,000	621,994	620,800	
Stella-Jones Inc.	9,300	355,561	411,618	
Western Forest Products Inc.	646,500	1,278,241	1,512,810	
	7,904,612	9,127,907		10.58
Telecommunication Services				
BCE Inc.	37,776	2,193,814	2,206,118	
	2,193,814	2,206,118		2.56
Utilities				
Fortis Inc.	18,300	731,998	834,114	
Hydro One Ltd.	22,800	515,280	529,644	
TransAlta Corp.	141,000	993,479	1,168,889	
WGL Holdings Inc.	10,600	1,170,365	1,148,517	
	3,411,122	3,681,164		4.26
Total Equities	78,025,850	79,355,184		91.93
Transaction Costs		(72,790)		
Total Investments	77,953,060	79,355,184		91.93
Currency Forward Contracts⁽¹⁾			251,117	0.29
Written Option Contracts⁽²⁾			(22,478)	(0.03)
Other Assets less Liabilities			6,746,673	7.81
Total Net Assets			86,330,496	100.00

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Value Fund (Continued)

Schedule of Investments

(1) Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
The Toronto Dominion Bank	A-1+	31-Aug-2017	CAD	3,321,238	USD	(2,466,150)	121,560
Royal Bank of Canada	A-1+	31-Aug-2017	CAD	3,317,983	USD	(2,466,150)	118,311
Royal Bank of Canada	A-1+	31-Aug-2017	CAD	298,629	USD	(221,500)	11,246
							251,117

(2) Written Option Contracts

	Expiry Date	Number of Contracts	Average Cost (\$)	Current Value (\$)
Alphabet Inc. @ 905 Put Option	18-Aug-2017	(5)	(13,399)	(19,870)
CVS Health Corp. @ 80 Call Option	18-Aug-2017	(8)	(1,430)	(2,608)
			(14,829)	(22,478)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Sentry Value Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at June 30, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund also invests in financial assets, which have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings

for securities that subject the Fund to credit risk as at June 30, 2017 are noted below:

Rating	As a % of Net Assets	
	June 30, 2017	
AAA/Aaa	0.29	
BB/Bb	-	
Total	0.29	

Rating	As a % of Net Assets	
	December 31, 2016	
AAA/Aaa	-	
BB/Bb	0.25	
Total	0.25	

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Value Fund (Continued)

The following tables summarize the Fund's proportionate exposure to currency risk as at June 30, 2017 and December 31, 2016.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
June 30, 2017		
United States Dollar	8,460,432	9.80
Total	8,460,432	9.80
December 31, 2016		
United States Dollar	15,828,964	17.08
Total	15,828,964	17.08

As at June 30, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$423,022 (\$791,448 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

The Fund is exposed to other market risk as a result of its investment in publicly traded equities. As at June 30, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased or decreased respectively by \$3,967,759 (\$4,032,630 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type.

The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Equities		
Energy	15.8	10.9
Industrials	10.7	17.7
Consumer Discretionary	13.0	10.6
Consumer Staples	12.4	10.7
Real Estate	9.9	9.1
Health Care	5.8	5.4
Financials	3.1	2.5
Information Technology	3.8	4.4
Materials	10.6	7.7
Telecommunication Services	2.6	2.7
Utilities	4.3	5.3
Other Assets less Liabilities	8.0	13.0
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Value Fund (Continued)

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	79,229,184	–	126,000	79,355,184
Currency Forward Contracts	–	251,117	–	251,117
Financial Liabilities				
Option Contracts	–	22,478	–	22,478
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	80,373,144	279,455	–	80,652,599
Currency Forward Contracts	–	3,666	–	3,666
Financial Liabilities				
Option Contracts	–	5,103	–	5,103

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

The following is a reconciliation of Level 3 fair value assets as at June 30, 2017. There were no Level 3 fair value assets at December 31, 2016.

	June 30, 2017 (\$)
Opening Balance	–
Net purchases and sales	126,000
Net transfers in (out)	–
Gains (Losses)	
Realized	
Unrealized	–
Closing Balance	126,000

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the assets at cost or derive the prices indirectly from other observable market prices.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

Derivative assets and liabilities

Derivative assets and liabilities consist of options and foreign currency forward contracts. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended June 30, 2017 were \$90,457 (\$57,341 for the period ended June 30, 2016).

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended June 30, 2017 was \$6,294 (\$11,452 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

The accompanying notes are an integral part of the financial statements.

Sun Life Sentry Value Fund (Continued)

Related Party Transactions

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada (“SLA”) invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at June 30, 2017 and December 31, 2016, SLA held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series I	504,526	7,390,800

	December 31, 2016	
	Units	Market Value (\$)
Series I	495,105	7,029,645

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	251,117	3,666
Investments designated at fair value through profit or loss	79,355,184	80,652,599
Total financial assets at fair value through profit or loss	79,606,301	80,656,265
Financial assets at amortized cost		
Cash	6,153,861	11,449,261
Other receivables	1,558,513	2,241,392
Total financial assets at amortized cost	7,712,374	13,690,653
Total assets	87,318,675	94,346,918
Financial liabilities		
Derivative liabilities held for trading	22,478	5,103
Financial liabilities at amortized cost	965,701	1,644,028
Total liabilities (excluding net assets attributable to holders of redeemable units)	988,179	1,649,131

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	265,421	432,450
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	3,893,736	2,061,171
Total net gains (losses)	4,159,157	2,493,621

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments received/paid (\$)	Collateral received/paid (\$)	
June 30, 2017				
Derivative assets –				
Forward Contracts	251,117	–	–	251,117
Total	251,117	–	–	251,117
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–
December 31, 2016				
Derivative assets –				
Forward Contracts	3,666	–	–	3,666
Total	3,666	–	–	3,666
Derivative liabilities –				
Forward Contracts	–	–	–	–
Total	–	–	–	–

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2013	January 17, 2013
Series F Units	January 11, 2013	January 17, 2013
Series I Units	January 11, 2013	January 17, 2013
Series O Units	April 01, 2014	April 01, 2014

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

The accompanying notes are an integral part of the financial statements.

Sun Life Templeton Global Bond Fund

Statements of Financial Position

As at June 30, 2017 (unaudited) and December 31, 2016

	June 30, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	3,627,764	5,410,350
Short-term investments	–	–
Cash	516	–
Margin	–	–
Option contracts, at fair value – long	–	–
Credit default swaps, sell protection	–	–
Unrealized appreciation on futures contracts	–	–
Unrealized appreciation on currency forward contracts	–	–
Unrealized appreciation on swaps	–	–
Due from investment dealers	3,126	6,778
Accrued interest	–	–
Dividends receivable	–	–
Distributions receivable from underlying funds	9,126	–
Subscriptions receivable	31,386	98
	3,671,918	5,417,226
Liabilities		
Current Liabilities		
Bank indebtedness	–	2,924
Margin	–	–
Option contracts, at fair value – short	–	–
Credit default swaps, buy protection	–	–
Unrealized depreciation on futures contracts	–	–
Unrealized depreciation on currency forward contracts	–	–
Unrealized depreciation on swaps	–	–
Accrued expenses	627	772
Redemptions payable	854	789
Distributions payable	–	–
Due to investment dealers	42,095	8
Management fees payable	2,726	3,299
Total liabilities (excluding net assets attributable to holders of redeemable units)	46,302	7,792
Net Assets Attributable to Holders of Redeemable Units	3,625,616	5,409,434
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	2,079,699	1,921,051
Series E	–	–
Series F	27,741	2,250,979
Series I	933,650	773,049
Series O	584,526	464,355
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	9.07	8.85
Series E	–	–
Series F	10.07	9.79
Series I	9.42	9.15
Series O	9.32	9.03

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Investment Income		
Interest income for distribution purposes	142	9
Distributions from underlying funds	56,775	50,151
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	60,280	(18,038)
Net realized gain (loss) on futures contracts	–	–
Net realized gain (loss) on currency forward contracts	–	–
Net realized gain (loss) on option contracts	–	–
Net realized gain (loss) on swaps	–	–
Change in unrealized appreciation (depreciation) in value of investments	137,169	(94,438)
Change in unrealized appreciation (depreciation) in value of futures contracts	–	–
Change in unrealized appreciation (depreciation) in currency forward contracts	–	–
Change in unrealized appreciation (depreciation) in option contracts	–	–
Change in unrealized appreciation (depreciation) in value of swaps	–	–
Net gains (losses) on investments	254,366	(62,316)
Net gain (loss) on foreign exchange	–	–
Other income	–	–
Total income (loss)	254,366	(62,316)
Expenses (note 5)		
Management fees	16,802	11,134
Administration fees	3,964	2,708
Independent review committee fees	31	15
Withholding tax	–	–
Transaction costs (note 2)	–	–
Total operating expenses	20,797	13,857
Expenses waived/absorbed by the Manager	–	–
Operating Profit (Loss)	233,569	(76,173)
Finance Cost		
Interest expense	–	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	233,569	(76,173)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	76,123	(50,687)
Series E	–	(2,065)
Series F	104,653	(95)
Series I	33,857	(11,408)
Series O	18,936	(11,918)
Weighted Average Number of Units Outstanding		
Series A	220,996	181,606
Series E	–	15,684
Series F	86,838	1,104
Series I	85,635	72,658
Series O	54,683	54,657
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.34	(0.28)
Series E	–	(0.13)
Series F	1.21	(0.09)
Series I	0.40	(0.16)
Series O	0.35	(0.22)

The accompanying notes are an integral part of the financial statements.

Sun Life Templeton Global Bond Fund (Continued)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Units For the six months ended June 30 (unaudited)

	2017	2016	2017	2016	2017	2016
	Series A		Series E		Series F	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	1,921,051	1,133,352	–	147,990	2,250,979	–
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	76,123	(50,687)	–	(2,065)	104,653	(95)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	342,245	848,020	–	–	73,979	11,169
Redemption of redeemable units	(259,721)	(241,671)	–	(145,917)	(2,388,968)	–
Reinvestment of distributions to holders of redeemable units	30,102	31,022	–	434	461	162
Capitalized distributions	–	–	–	–	–	–
	112,626	637,371	–	(145,483)	(2,314,528)	11,331
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(30,101)	(30,811)	–	(442)	(13,363)	(159)
Return of capital	–	–	–	–	–	–
	(30,101)	(30,811)	–	(442)	(13,363)	(159)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	158,648	555,873	–	(147,990)	(2,223,238)	11,077
Net Assets Attributable to Holders of Redeemable Units at end of period	2,079,699	1,689,225	–	–	27,741	11,077

	2017	2016	2017	2016	2017	2016
	Series I		Series O		Total	
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net Assets Attributable to Holders of Redeemable Units at beginning of period	773,049	476,262	464,355	431,671	5,409,434	2,189,275
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	33,857	(11,408)	18,936	(11,918)	233,569	(76,173)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	159,618	414,815	112,413	136,365	688,255	1,410,369
Redemption of redeemable units	(32,874)	(48,991)	(11,178)	(33,902)	(2,692,741)	(470,481)
Reinvestment of distributions to holders of redeemable units	14,358	12,585	7,434	9,204	52,355	53,407
Capitalized distributions	–	–	–	–	–	–
	141,102	378,409	108,669	111,667	(1,952,131)	993,295
Distributions to Holders of Redeemable Units						
From capital gains	–	–	–	–	–	–
From net investment income	(14,358)	(12,585)	(7,434)	(9,204)	(65,256)	(53,201)
Return of capital	–	–	–	–	–	–
	(14,358)	(12,585)	(7,434)	(9,204)	(65,256)	(53,201)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	160,601	354,416	120,171	90,545	(1,783,818)	863,921
Net Assets Attributable to Holders of Redeemable Units at end of period	933,650	830,678	584,526	522,216	3,625,616	3,053,196

	2017	2016	2017	2016	2017	2016
	Series A		Series E		Series F	
Redeemable Unit Transactions						
Balance – beginning of period	217,176	121,613	–	15,947	229,918	–
Units issued	36,982	92,911	–	–	7,500	1,118
Units issued on reinvestment of distributions	3,292	3,488	–	47	46	17
Units redeemed	(28,084)	(27,238)	–	(15,994)	(234,709)	–
Balance – end of period	229,366	190,774	–	–	2,755	1,135

	2017	2016	2017	2016	2017	2016
	Series I		Series O		Total	
Redeemable Unit Transactions						
Balance – beginning of period	84,510	50,224	51,449	46,039	583,053	233,823
Units issued	16,554	45,313	11,677	14,969	72,713	154,311
Units issued on reinvestment of distributions	1,509	1,386	794	1,024	5,641	5,962
Units redeemed	(3,507)	(5,455)	(1,190)	(3,815)	(267,490)	(52,502)
Balance – end of period	99,066	91,468	62,730	58,217	393,917	341,594

The accompanying notes are an integral part of the financial statements.

Sun Life Templeton Global Bond Fund (Continued)

Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	233,569	(76,173)
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(60,280)	18,038
Change in unrealized (appreciation) depreciation in value of investments	(137,169)	94,438
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(56,775)	(50,151)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(580,009)	(1,211,689)
Proceeds from sale of investments	2,662,558	272,802
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	-	-
Change in distributions receivable from underlying funds	(9,126)	(5,451)
Change in management fees payable	(573)	1,821
Change in other payables and accrued expenses	(145)	447
Net Cash Provided by (Used in) Operating Activities	2,052,050	(955,918)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(12,901)	206
Proceeds from redeemable units issued	656,967	1,425,829
Redemption of redeemable units	(2,692,676)	(469,355)
Net Cash Provided by (Used in) Financing Activities	(2,048,610)	956,680
Net increase (decrease) in cash	3,440	762
Cash (bank indebtedness) at beginning of period	(2,924)	(5,190)
Cash (bank indebtedness) at end of period	516	(4,428)
Dividends received, net of withholding taxes	-	-
Interest received, net of withholding taxes	142	9
Interest paid	-	-

The accompanying notes are an integral part of the financial statements.

Sun Life Templeton Global Bond Fund (Continued)

Schedule of Investments

As at June 30, 2017 (Unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Mutual Funds				
Templeton Global Bond Fund, Class O	282,536	3,601,967	3,627,764	
		3,601,967	3,627,764	100.06
Total Investments		3,601,967	3,627,764	100.06
Other Assets less Liabilities			(2,148)	(0.06)
Total Net Assets			3,625,616	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Templeton Global Bond Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at June 30, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in an underlying externally managed fund.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the dealer. The transaction will fail if either party fails to meet its obligation. Also, risks may arise upon entering into currency contracts from the potential inability of the counterparties to meet the terms of their contracts.

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities indirectly through an underlying externally managed fund, including cash and cash equivalents. It is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in an underlying externally managed fund.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in an underlying externally managed fund.

(c) Liquidity risk

As at June 30, 2017 and December 31, 2016, the majority of the Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	June 30, 2017	December 31, 2016
Bonds		
Indonesia	9.3	9.4
South Korea	9.1	9.2
Brazil	9.1	9.7
India	7.8	7.4
Argentina	5.6	4.6
Colombia	5.5	5.3
Malaysia	–	5.8
Mexico	4.5	5.1
Philippines	2.6	2.8
Portugal	–	0.9
Sri Lanka	–	0.6
Ghana	1.7	–
Serbia	1.7	1.6
South Africa	1.6	0.4
Ukraine	1.4	4.0
Peru	0.3	0.3
Supranational	0.1	0.1
Short-Term investments	5.3	11.6
Other Assets less Liabilities	34.4	21.2
Total	100.0	100.0

Fair Value Disclosure

The Fund's assets and liabilities recorded at fair value have been categorized based upon a fair value hierarchy. The Fund classifies fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively

The accompanying notes are an integral part of the financial statements.

Sun Life Templeton Global Bond Fund (Continued)

traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- (1) Level 1 — for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- (2) Level 2 — for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- (3) Level 3 — for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2017 and December 31, 2016.

	June 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	3,627,764	—	—	3,627,764

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	5,410,350	—	—	5,410,350

There were no transfers between fair value levels during the periods from January 1 to June 30, 2017 and January 1 to December 31, 2016.

Mutual funds

Mutual fund units held as investments are valued at their respective Net Asset Value per unit on the relevant valuation dates and are classified as Level 1.

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series A	14,768	133,908
Series F	1,050	10,572
Series I	1,131	10,659
Series O	1,120	10,439

	December 31, 2016	
	Units	Market Value (\$)
Series A	14,532	128,544
Series F	1,034	10,122
Series I	1,112	10,167
Series O	1,107	9,994

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at June 30, 2017 and December 31, 2016, SLA held the following positions in the Fund:

	June 30, 2017	
	Units	Market Value (\$)
Series I	39,583	373,050

	December 31, 2016	
	Units	Market Value (\$)
Series I	38,903	355,864

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying

The accompanying notes are an integral part of the financial statements.

Sun Life Templeton Global Bond Fund (Continued)

fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at June 30, 2017 and December 31, 2016, there were no significant interests in underlying funds.

Financial Instruments by Category

	June 30, 2017 (\$)	December 31, 2016 (\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	–	–
Investments designated at fair value through profit or loss	3,627,764	5,410,350
Total financial assets at fair value through profit or loss	3,627,764	5,410,350
Financial assets at amortized cost		
Cash	516	–
Other receivables	43,638	6,876
Total financial assets at amortized cost	44,154	6,876
Total assets	3,671,918	5,417,226
Financial liabilities		
Derivative liabilities held for trading	–	–
Financial liabilities at amortized cost	46,302	7,792
Total liabilities (excluding net assets attributable to holders of redeemable units)	46,302	7,792

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	June 30, 2017 (\$)	June 30, 2016 (\$)
Net gain (loss) on financial assets/financial liabilities held for trading	–	–
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	254,366	(62,316)
Total net gains (losses)	254,366	(62,316)

Establishment of the Fund

The origin dates on the series of units of the Fund are shown below:

	Date of creation	Date available for sale
Series A Units	January 29, 2015	February 02, 2015
Series F Units	February 05, 2016	February 11, 2016
Series I Units	January 29, 2015	February 02, 2015
Series O Units	January 29, 2015	February 02, 2015

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

The accompanying notes are an integral part of the financial statements.

Notes to Financial Statements

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

1. Establishment of the Funds

With the exception of the Sun Life Milestone 2020 Fund, Sun Life Milestone 2025 Fund, Sun Life Milestone 2030 Fund and Sun Life Milestone 2035 Fund (the "Milestone Funds"), all Funds are open-ended mutual fund trusts established under the laws of the Province of Ontario pursuant to a Master Declaration of Trust dated as of September 10, 2010, as amended from time to time and as amended and consolidated as of January 1, 2015.

The Milestone Funds are open-ended mutual fund trusts established under the laws of the Province of Ontario pursuant to a Master Declaration of Trust as of September 10, 2010, as amended and restated on August 28, 2014 and as further amended and restated on January 1, 2015.

Sun Life Global Investments (Canada) Inc. (the "Manager" or the "Company") is the trustee and Manager of the Funds. The Company has its registered office at 1 York Street, Toronto, Ontario, Canada, M5J 0B6.

Valuation, accounting and custodial duties of the Funds are provided by RBC Investor Services Trust. Client recordkeeping duties are provided by International Financial Data Services (Canada) Limited.

Each Fund may issue an unlimited number of series of redeemable units and may issue an unlimited number of redeemable units of each series. Each individual series of redeemable units is sold under differing purchasing options and may have lower or higher management fees reflecting the extent of investment advice provided. The management fee rates for each of the Funds and their various series are provided in note 5.

The financial statements of the Funds include the Schedule of Investments for each Fund as at June 30, 2017, the Statements of Financial Position as at June 30, 2017 and December 31, 2016, and the Statements of Comprehensive Income (Loss), Statements of Changes in Net Assets Attributable to Holders of Redeemable Units and Statements of Cash Flows for the six month periods ended June 30, 2017 and 2016. For details on each Fund's date of origin, refer to the Establishment of the Fund disclosure within the Fund Specific Notes to the Financial Statements of each Fund.

The financial statements of the Funds for the six months ended June 30, 2017 were authorized for issue on August 25, 2017 by the Trustee.

2. Significant Accounting Policies

Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards ("IFRS") as issued by the International Accounting Standards Board ("IASB").

The financial statements have been prepared on a going concern basis using the historical cost convention. However, each Fund is an investment entity and primarily all financial assets and financial liabilities are measured at fair value in accordance with IFRS. Accordingly, the Funds' accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value ("NAV") for transactions with redeemable unitholders.

Financial instruments

(a) Classification and recognition of financial instruments

In accordance with IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39"), financial assets and financial liabilities are classified at initial recognition into the following categories:

Financial assets and financial liabilities at fair value through profit or loss

The category of financial assets and financial liabilities at fair value through profit or loss is sub-divided into:

Financial assets and financial liabilities classified as held-for-trading: Financial assets and financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling and/or repurchasing in the near term. Derivatives and securities sold short held by the Funds are classified as held-for-trading and do not qualify for hedge accounting as defined by IAS 39. These investments are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Financial instruments designated as fair value through profit or loss: All investments held by the Funds, excluding derivatives and securities sold short, are designated as fair value through profit or loss upon initial recognition. Investments in this category include equities, underlying funds, bonds and other interest-bearing investments. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Funds, as set out in the Funds' prospectus.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Funds include in this category amounts receivable relating to portfolio investments, securities sold short and other short-term receivables.

Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

Other financial liabilities

This category includes all financial liabilities, other than those classified as fair value through profit or loss. The Funds include in this category amounts relating to payables in respect of amounts payable for portfolio securities purchased and other accrued liabilities.

A financial asset or a financial liability is recognized when a Fund becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that a Fund commits to purchase or sell the asset.

(b) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount reported in the Statements of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Funds enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.

As at June 30, 2017 and December 31, 2016, the Funds did not enter into any arrangements whereby the financial instruments were eligible to be offset.

(c) Valuation of financial instruments

Financial assets and financial liabilities at fair value through profit or loss are recorded in the Statements of Financial Position at fair value upon initial recognition. All transaction costs such as brokerage commissions, incurred in the purchase and sale of securities for such instruments, are recognized directly in profit or loss. Loans and receivables and other financial liabilities (other than those classified as held-for-trading) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue. For financial assets and financial liabilities where the fair value at initial recognition does not equal the transaction price, the Funds recognize the difference in the Statements of Comprehensive Income (Loss), unless specified otherwise.

After initial measurement, the Funds measure financial instruments which are classified as fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments (i.e., the excess/shortfall of the sum of the fair value of portfolio investments over/below the sum of the average cost of each portfolio investment) are recorded in "Change in unrealized appreciation (depreciation) in value of investments" in the Statements of Comprehensive Income (Loss).

The average cost of portfolio investments represents the sum of the average cost of each portfolio investment. For the purposes of determining the average cost of each portfolio investment, the purchase price of portfolio investments acquired by a Fund is added to the average cost of the particular portfolio investment immediately prior to the purchase. The average cost of a portfolio investment is reduced by the number of units sold multiplied by the average cost of the portfolio investment at the time of the sale. The average cost per unit of each portfolio investment sold is determined by dividing the average cost of the portfolio investment by the number of units held immediately prior to the sale transaction. Transaction costs incurred in portfolio transactions are excluded from the average cost of investments and are recognized immediately in income and are presented in "Transaction costs" in the Statements of Comprehensive Income (Loss). Realized gains and losses from the sale of portfolio investments are also calculated based on the average cost, excluding transaction costs, of the related investment.

Loans and receivables and other assets and liabilities (other than those classified as fair value through profit or loss) are measured at amortized cost.

The Funds' obligation for net assets attributable to holders of redeemable units is presented at the redemption amount.

The Funds measure their financial instruments, such as equities, bonds and other interest-bearing investments and derivatives, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Funds.

The fair values of each specific type of investment and derivative, where applicable, are determined in the following manner:

- (i) Securities traded in an active market are valued at the last traded prices (when the price falls within the day's bid-ask spread) through recognized public stock exchanges or through recognized investment dealers on the valuation date. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the value that is most representative of fair value within the bid-ask spread based on the specific facts and circumstances.
- (ii) Securities not traded in an active market are valued using fair valuation techniques, on such basis and in such manner established by the Manager.

Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

- (iii) Short-term notes and treasury bills are valued at cost or amortized cost, which approximates the fair value.
- (iv) Bonds, debentures, and other debt obligations are valued at the average bid quotations obtained from recognized investment dealers.
- (v) Underlying funds are fair valued each business day using the most recent NAV per unit quoted by the Manager on the valuation date.
- (vi) The Funds may buy and sell currency forward contracts, which are agreements between two parties to buy and sell currencies at a set price at a future date. These contracts are generally used to lock in the Canadian dollar value of other currencies that the Funds are purchasing or selling. The Canadian dollar value of currency forward contracts is determined using current currency forward exchange rates supplied by a quotation service. The fair value of the contract will fluctuate with changes in currency exchange rates. The contract is marked to market daily and the change in fair value is recorded as an unrealized gain or loss. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.
- (vii) The Funds may buy and sell options, which are recorded on the trade date, and any realized gains or losses are recognized using the average cost of the investments. Net realized gains or losses on investments and options include net realized gains or losses from foreign currency changes. Option premiums paid or received by the Funds are, so long as the options are outstanding, reflected as an asset or liability, respectively, in the Statements of Financial Position and are valued at an amount equal to the current market value of an option that would have the effect of closing the position.
- (viii) Futures contracts are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out. Gains or losses arising from futures contracts are recorded as unrealized appreciation (depreciation) on futures contracts and shown as an asset (liability) on the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized. The margin deposits balance with brokers relating to futures contracts is disclosed as "Margin" on the Statements of Financial Position.
- (ix) For all other financial assets and financial liabilities, the carrying value approximates the fair value for cash, short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers and management fees payable.

(d) Cash and short-term investments

Cash consists of cash on hand and short-term investments consist of debt instruments with maturities of less than one year.

Cash is valued at fair value or at recorded cost, plus or minus any foreign exchange between recognition of the asset by the Fund and the current valuation date, which approximates fair value.

(e) Other assets and other liabilities

Due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers and management fees payable are valued at fair value or at their recorded cost, plus or minus any foreign exchange between recognition of the asset by the Fund and the current valuation date, which approximates fair value.

(f) Distributions from underlying funds

Distributions from underlying funds are recorded in the year to which the distribution relates. Distributions from underlying funds may include a combination of capital gains/(losses), Canadian and foreign dividends, and interest income.

(g) Transaction costs

Transaction costs incurred in portfolio transactions, if any, are excluded from the average cost of investments and are recognized immediately in income and are presented as a separate expense item in the Statements of Comprehensive Income (Loss).

(h) Redeemable unit valuation and valuation date

Redeemable units are issued and redeemed on a continuous basis at their NAV which is determined, for every series of redeemable units of each Fund, except for the Sun Life Money Market Fund, on each day that the Toronto Stock Exchange is open for business. The Sun Life Money Market Fund is valued on each day that the Canadian chartered banks are open for business, other than Saturdays and Sundays.

The redeemable unit valuation per series is determined by dividing the aggregate market value of the net assets of that series of the Fund by the total number of redeemable units of that series outstanding at the close of business on the valuation day.

(i) Investment transactions

Investment transactions are accounted for on the trade date. Realized gains and losses arising from the sale of investments and unrealized appreciation and depreciation on investments are calculated with reference to the average cost of the related investments and derivative instruments.

Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

(j) Revenue recognition

- (i) Interest income for distribution purposes resulting from investments in bonds is recorded on the accrual basis based on the bond coupon rate.
- (ii) Dividend income is recorded on the ex-dividend date.
- (iii) Realized gains (losses) on investments and unrealized appreciation (depreciation) in the value of investments are calculated with reference to the average cost of the related investments.
- (iv) Income, realized gain (loss) and unrealized gain (loss) are allocated among the series of a Fund on a pro-rata basis.

(k) Foreign currency translation

Foreign currency amounts are expressed in Canadian dollars on the following bases:

- (i) Fair value of investments and other assets and liabilities at the rate of exchange prevailing at the period end; and
- (ii) Value of investment transactions, income and expenses at the rates prevailing on the respective dates of such transactions.

The Funds' functional currency and presentation currency is the Canadian dollar, which is the currency of the primary economic environment in which the Funds operate.

Foreign exchange gains (losses) are included in "Net gain (loss) on foreign exchange" in the Statements of Comprehensive Income (Loss).

(l) Increase (decrease) in net assets attributable to holders of redeemable units per unit

Increase (decrease) in net assets attributable to holders of redeemable units per unit in the Statements of Comprehensive Income (Loss) represents the increase (decrease) in net assets attributable to holders of redeemable units for the period, divided by the weighted average number of units outstanding during the period.

(m) Multi-series structured funds

The realized and unrealized capital gains or losses, income, and common expenses (other than series-specific fixed operating expenses and fixed management fees) of the Funds are allocated on each valuation date to the unitholders in proportion to the respective prior day's NAV, which includes unitholder trade(s) dated for that day, of each series at the date on which the allocation is made. The fixed management fees and operating expenses are charged directly to the Funds. Additional details of the calculation are disclosed in note 5.

3. Critical Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may materially differ from such estimates. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

(i) Judgments

Assessment as investment entity

Entities that meet the definition of an investment entity within IFRS 10, *Consolidated Financial Statements* are required to measure their subsidiaries at fair value through profit or loss rather than consolidate them. The criteria which define an investment entity are as follows:

- an entity that obtains funds from one or more investors for the purpose of providing those investors with investment services;
- an entity that commits to its investors that its business purpose is to invest funds solely for returns from capital appreciation, investment income or both; and
- an entity that measures and evaluates the performance of substantially all of its investments on a fair value basis.

The Funds' prospectus details the objective of providing investment management services to investors for the purpose of returns in the form of investment income and capital appreciation.

The Funds report to their investors via quarterly investor information, and to their management via internal management reports, on a fair value basis. All investments are reported at fair value to the extent allowed by IFRS in the Funds' financial statements. The Funds have a clearly documented exit strategy for all of their investments.

The Manager has also concluded that each of the Funds meets the additional characteristics of an investment entity, in that each Fund has one or more investments and each Fund has more than one investor and its investors are not related parties.

These conclusions will be reassessed on an annual basis, if any of these criteria or characteristics change.

Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

(ii) Estimates and assumptions

Fair value measurement of derivatives and securities not quoted in an active market

The Funds hold financial instruments that are not quoted in an active market, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Funds may value positions using their own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability, as appropriate.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Funds consider observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to the Fair Value Disclosure section in the Fund Specific Notes to the Financial Statements for further information about the fair value measurement of the Funds' financial instruments.

4. Redeemable Units of the Funds

The series of redeemable units offered by each Fund have been outlined in the Fund Specific Notes to the Financial Statements. The outstanding redeemable units represent the capital of the Funds. Each redeemable unit has no par value, and the value of each redeemable unit is its NAV. Settlement of the cost for redeemable units is completed as per securities regulations in place at the time of issue. Distributions made by the Funds and re-invested by clients in additional redeemable units also constitute issued capital of the Funds.

Redeemable units are redeemed at the NAV per unit of the Fund. A right to redeem redeemable units of a Fund may be suspended with the approval of the Canadian securities regulatory authorities or when normal trading is suspended on a stock, options, or futures exchange in Canada or outside Canada on which securities or derivatives that make up more than 50% of the value or underlying exposure of the total assets of a Fund, not including any liabilities of the Fund, are traded, and when those securities or derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Fund.

The Manager is responsible for managing the capital of the Funds. The capital received by a Fund is utilized within the respective investment mandate of a Fund. This includes, for all Funds, the ability to make liquidity available to satisfy client unit redemption requirements upon the client's request.

Changes in the Funds' capital during the period are reflected in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

The Funds' redeemable units are classified as financial liabilities on the Statements of Financial Position since the Funds have a contractual obligation for the issuer to repurchase or redeem the units for cash or another financial asset and to distribute their income to minimize taxes such that they have no discretion to avoid cash distributions and have an ongoing redemption option.

5. Management Fees and Expenses

The Funds pay management fees to the Manager, which are accrued daily and paid monthly based on the NAV of each series of a Fund. The maximum rate of the fee, excluding GST/HST and other applicable taxes if any, is set out below.

	Maximum Annual Management Fees							
	Series A units	Series AH units	Series T5 units	Series T8 units	Series D units	Series F units	Series FH units	Series FX units
Sun Life BlackRock Canadian Balanced Fund	1.55%	–	1.55%	–	–	0.55%	–	–
Sun Life BlackRock Canadian Composite Equity Fund	–	–	–	–	–	–	–	–
Sun Life BlackRock Canadian Equity Fund	1.55%	–	1.55%	1.55%	–	0.55%	–	–
Sun Life BlackRock Canadian Universe Bond Fund	–	–	–	–	–	–	–	–
Sun Life Dynamic American Fund	2.00%	–	2.00%	2.00%	–	1.00%	–	–
Sun Life Dynamic Energy Fund	1.85%	–	1.85%	1.85%	–	0.85%	–	–
Sun Life Dynamic Equity Income Fund	1.75%	–	–	–	–	0.75%	–	–
Sun Life Dynamic Strategic Yield Fund	1.85%	–	–	–	–	0.85%	–	–
Sun Life Granite Balanced Growth Portfolio	1.85%	–	1.85%	1.85%	–	0.85%	–	–

Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

	Maximum Annual Management Fees							
	Series A units	Series AH units	Series T5 units	Series T8 units	Series D units	Series F units	Series FH units	Series FX units
Sun Life Granite Balanced Portfolio	1.80%	–	1.80%	–	0.95%	0.80%	–	–
Sun Life Granite Conservative Portfolio	1.50%	–	1.50%	–	–	0.75%	–	–
Sun Life Granite Enhanced Income Portfolio	1.80%	–	–	–	–	0.80%	–	–
Sun Life Granite Growth Portfolio	1.90%	–	1.90%	1.90%	–	0.90%	–	–
Sun Life Granite Income Portfolio	1.50%	–	–	–	–	0.75%	–	–
Sun Life Granite Moderate Portfolio	1.75%	–	1.75%	–	–	0.75%	–	–
Sun Life Granite Tactical Completion Fund	–	–	–	–	–	–	–	–
Sun Life MFS Canadian Bond Fund	1.25%	–	–	–	0.65%	0.75%	–	0.00%
Sun Life MFS Canadian Equity Fund	1.95%	–	–	–	1.25%	1.00%	–	–
Sun Life MFS Canadian Equity Growth Fund	1.95%	–	–	–	1.25%	1.00%	–	–
Sun Life MFS Canadian Equity Value Fund	1.95%	–	–	–	1.25%	1.00%	–	–
Sun Life MFS Dividend Income Fund	1.75%	–	–	–	1.25%	0.75%	–	–
Sun Life MFS Global Growth Fund	2.00%	–	2.00%	2.00%	1.25%	1.00%	–	–
Sun Life MFS Global Total Return Fund	2.00%	–	2.00%	–	–	1.00%	–	–
Sun Life MFS Global Value Fund	2.00%	–	2.00%	2.00%	–	1.00%	–	–
Sun Life MFS International Growth Fund	2.00%	–	2.00%	2.00%	1.25%	1.00%	–	–
Sun Life MFS International Value Fund	2.00%	–	2.00%	2.00%	–	1.00%	–	–
Sun Life MFS Low Volatility Global Equity Fund	2.00%	–	2.00%	2.00%	–	1.00%	–	–
Sun Life MFS Low Volatility International Equity Fund	2.00%	–	2.00%	2.00%	–	1.00%	–	–
Sun Life MFS Monthly Income Fund	1.25%	–	1.25%	–	–	0.75%	–	–
Sun Life MFS U.S. Equity Fund	2.00%	–	–	–	1.25%	1.00%	–	–
Sun Life MFS U.S. Growth Fund	2.00%	2.00%	2.00%	2.00%	–	1.00%	1.00%	–
Sun Life MFS U.S. Value Fund	2.00%	2.00%	2.00%	2.00%	–	1.00%	1.00%	–
Sun Life Milestone Global Equity Fund	–	–	–	–	–	–	–	–
Sun Life Money Market Fund*	1.00%	–	–	–	0.55%	0.75%	–	–
Sun Life Multi-Strategy Bond Fund	1.25%	–	–	–	–	0.75%	–	–
Sun Life Multi-Strategy Target Return Fund	2.25%	–	–	–	–	1.25%	–	–
Sun Life NWQ Flexible Income Fund	1.35%	–	–	–	–	0.85%	–	–
Sun Life Schroder Emerging Markets Fund	2.50%	–	–	–	–	1.50%	–	–
Sun Life Sentry Conservative Balanced Fund	1.85%	–	1.85%	–	–	0.85%	–	–
Sun Life Sentry Global Mid Cap Fund	2.00%	–	2.00%	2.00%	–	1.00%	–	–
Sun Life Sentry Infrastructure Fund	2.00%	–	2.00%	2.00%	–	1.00%	–	–
Sun Life Sentry Value Fund	1.95%	–	–	–	–	0.95%	–	–
Sun Life Templeton Global Bond Fund	1.25%	–	–	–	–	0.75%	–	–

* As money market yields have remained low during the period, the Manager has opted to waive a portion of the management fees that otherwise would have been charged. The Manager may discontinue waiving fees and expenses at any time, without notice.

The maximum rate of the management fee chargeable to each Milestone Fund reduces over time based on the remaining years to the scheduled maturity date of the Milestone Fund. This reduction in the management fee is based on the fact that the portion of the portfolio of each Milestone Fund invested in the underlying fund will decrease over time.

	Remaining Years to Maturity		
	More than 5	5 to more than 1	1 or Less
Series A	1.85%	1.30%	1.00%

For Series I units, investors negotiate and pay the management fees directly. These fees will not exceed the Series A management fee of the Fund.

Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

For Series O and Series OH units, investors pay the management fees directly to the Manager. The maximum rate of the fee, excluding GST/HST and other applicable taxes if any, is set out below.

	Series O and Series OH units
Sun Life BlackRock Canadian Balanced Fund	0.55%
Sun Life BlackRock Canadian Composite Equity Fund	–
Sun Life BlackRock Canadian Equity Fund	0.55%
Sun Life BlackRock Canadian Universe Bond Fund	–
Sun Life Dynamic American Fund	1.00%
Sun Life Dynamic Energy Fund	0.85%
Sun Life Dynamic Equity Income Fund	0.75%
Sun Life Dynamic Strategic Yield Fund	0.85%
Sun Life Granite Balanced Growth Portfolio	0.85%
Sun Life Granite Balanced Portfolio	0.80%
Sun Life Granite Conservative Portfolio	0.75%
Sun Life Granite Enhanced Income Portfolio	0.80%
Sun Life Granite Growth Portfolio	0.90%
Sun Life Granite Income Portfolio	0.75%
Sun Life Granite Moderate Portfolio	0.75%
Sun Life Granite Tactical Completion Fund	–
Sun Life MFS Canadian Bond Fund	0.75%
Sun Life MFS Canadian Equity Fund	1.00%
Sun Life MFS Canadian Equity Growth Fund	1.00%
Sun Life MFS Canadian Equity Value Fund	1.00%
Sun Life MFS Dividend Income Fund	0.75%
Sun Life MFS Global Growth Fund	1.00%
Sun Life MFS Global Total Return Fund	1.00%
Sun Life MFS Global Value Fund	1.00%
Sun Life MFS International Growth Fund	1.00%
Sun Life MFS International Value Fund	1.00%
Sun Life MFS Low Volatility Global Equity Fund	1.00%
Sun Life MFS Low Volatility International Equity Fund	1.00%
Sun Life MFS Monthly Income Fund	0.75%
Sun Life MFS U.S. Equity Fund	1.00%
Sun Life MFS U.S. Growth Fund	1.00%
Sun Life MFS U.S. Value Fund	1.00%
Sun Life Milestone Global Equity Fund	–
Sun Life Money Market Fund*	0.75%
Sun Life Multi-Strategy Bond Fund	0.75%
Sun Life Multi-Strategy Target Return Fund	1.25%
Sun Life NWQ Flexible Income Fund	0.85%
Sun Life Schroder Emerging Markets Fund	1.50%
Sun Life Sentry Conservative Balanced Fund	0.85%
Sun Life Sentry Global Mid Cap Fund	1.00%
Sun Life Sentry Infrastructure Fund	1.00%
Sun Life Sentry Value Fund	0.95%
Sun Life Templeton Global Bond Fund	0.75%

* As money market yields have remained low during the period, the Manager has opted to waive a portion of the management fees that otherwise would have been charged. The Manager may discontinue waiving fees and expenses at any time, without notice.

Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

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 is eligible for management fee reductions, if any, based on the value of Series O units held in the investor's Private Client account. A Series O management fee is paid, after subtracting any management fee reductions, by redemption of Series O units held in the investor's account.

The Manager bears certain operating expenses of the Funds in return for fixed annual administration fees. These expenses include, but are not limited to, recordkeeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, taxes, administrative and system costs, cost of reports to investors, prospectus and other disclosure documents, regulatory filing fees (including those incurred by the Company) and trustee fees for registered plans. The fixed annual administration fees are calculated as a fixed annual percentage of the NAV of each class of a Fund at the end of each business day.

Each Fund pays certain operating expenses directly, in addition to the fixed annual administration fees. Fund costs are certain taxes, borrowing costs and fees and expenses payable to or in connection with the Funds' Independent Review Committee. Each Fund also pays costs in connection with brokerage commissions and other portfolio transaction costs, including any tax applicable to such costs.

The fixed annual administration fees, excluding GST/HST and other applicable taxes, if any, are set out below:

	Maximum Annual Administration Fees	
	All Series (other than Series I and Series IH)	Series I and Series IH
Sun Life BlackRock Canadian Balanced Fund	0.10%	0.05%
Sun Life BlackRock Canadian Composite Equity Fund	–	0.00%
Sun Life BlackRock Canadian Equity Fund	0.10%	0.05%
Sun Life BlackRock Canadian Universe Bond Fund	–	0.00%
Sun Life Dynamic American Fund	0.20%	0.05%
Sun Life Dynamic Energy Fund	0.20%	0.05%
Sun Life Dynamic Equity Income Fund	0.20%	0.05%
Sun Life Dynamic Strategic Yield Fund	0.20%	0.05%
Sun Life Granite Balanced Growth Portfolio	0.20%	0.03%
Sun Life Granite Balanced Portfolio	0.20%	0.03%
Sun Life Granite Conservative Portfolio	0.20%	0.03%
Sun Life Granite Enhanced Income Portfolio	0.20%	0.03%
Sun Life Granite Growth Portfolio	0.20%	0.03%
Sun Life Granite Income Portfolio	0.20%	0.03%
Sun Life Granite Moderate Portfolio	0.20%	0.03%
Sun Life Granite Tactical Completion Fund	–	0.05%
Sun Life MFS Canadian Bond Fund	0.15%	0.03%
Sun Life MFS Canadian Equity Fund	0.20%	0.05%
Sun Life MFS Canadian Equity Growth Fund	0.20%	0.05%
Sun Life MFS Canadian Equity Value Fund	0.20%	0.05%
Sun Life MFS Dividend Income Fund	0.20%	0.05%
Sun Life MFS Global Growth Fund	0.20%	0.05%
Sun Life MFS Global Total Return Fund	0.20%	0.05%
Sun Life MFS Global Value Fund	0.20%	0.05%
Sun Life MFS International Growth Fund	0.20%	0.05%
Sun Life MFS International Value Fund	0.20%	0.05%
Sun Life MFS Low Volatility Global Equity Fund	0.20%	0.05%
Sun Life MFS Low Volatility International Equity Fund	0.20%	0.05%
Sun Life MFS Monthly Income Fund	0.20%	0.05%
Sun Life MFS U.S. Equity Fund	0.20%	0.05%
Sun Life MFS U.S. Growth Fund	0.20%	0.05%
Sun Life MFS U.S. Value Fund	0.20%	0.05%

Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

	Maximum Annual Administration Fees	
	All Series (other than Series I and Series IH)	Series I and Series IH
Sun Life Milestone 2020 Fund	0.10%	–
Sun Life Milestone 2025 Fund	0.10%	–
Sun Life Milestone 2030 Fund	0.20%	–
Sun Life Milestone 2035 Fund	0.20%	–
Sun Life Milestone Global Equity Fund	–	0.00%
Sun Life Money Market Fund*	0.05%	0.01%
Sun Life Multi-Strategy Bond Fund	0.15%	0.03%
Sun Life Multi-Strategy Target Return Fund	0.20%	0.05%
Sun Life NWQ Flexible Income Fund	0.20%	0.05%
Sun Life Schroder Emerging Markets Fund	0.25%	0.05%
Sun Life Sentry Conservative Balanced Fund	0.20%	0.05%
Sun Life Sentry Global Mid Cap Fund	0.20%	0.05%
Sun Life Sentry Infrastructure Fund	0.20%	0.05%
Sun Life Sentry Value Fund	0.20%	0.05%
Sun Life Templeton Global Bond Fund	0.20%	0.05%

* As money market yields have remained low during the period, the Manager has opted to waive a portion of the management fees that otherwise would have been charged. The Manager may discontinue waiving fees and expenses at any time, without notice.

6. Taxation of the Funds and Allocation to Unitholders

With the exception of the Sun Life BlackRock Canadian Composite Equity Fund, Sun Life BlackRock Canadian Universe Bond Fund, Sun Life Milestone Global Equity Fund and Sun Life MFS Canadian Equity Fund, which are unit trusts, all Funds qualify as mutual fund trusts as defined in the *Income Tax Act* (Canada) (the “Act”). Pursuant to the terms of the Declaration of Trust, the Funds pay or make payable in the calendar year to the unitholders all the net income and such portion of the net capital gains that will result in the Funds paying no tax under the current provisions of the Act. As a result, under existing tax legislation, the net income and net capital gains are taxable in the hands of the unitholders of the Funds. Accordingly, no provision for Canadian income taxes has been made in these financial statements. All Funds have a December 15 taxation year-end except for the Sun Life BlackRock Canadian Composite Equity Fund, Sun Life BlackRock Canadian Universe Bond Fund and Sun Life Milestone Global Equity Fund, which have a December 31 taxation year-end.

The details by Fund of the non-capital losses and net capital losses are included in the Fund Specific Notes to the Financial Statements, as applicable.

The Funds may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and capital gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income (Loss).

7. Related Party Transactions

As Manager, the Company is responsible for the provision of all general management and administrative services required by the Funds in their day-to-day operations, including providing or arranging for the provision of investment advice, bookkeeping, recordkeeping and other administrative services for the Funds.

As trustee, the Manager holds legal title to the Funds’ investments in trust for unitholders. For its services, the Manager receives a management fee that is calculated as a percentage of the average NAV of each Fund. This fee is calculated daily and payable monthly. The dollar amount, including all applicable taxes, of each Fund’s management fee that the Manager receives is reported in the line item “Management fees” on the Statements of Comprehensive Income (Loss).

An operating expense incurred by the Manager on behalf of each Fund is considered a fund administration expense. Under the terms of the Funds’ trust documentation, each Fund is responsible for the payment of its administration and operating expenses. The Manager recovers these expenses from each Fund through fixed administration fees and the amounts of these charges are disclosed in line item “Expenses” in each Fund’s Statements of Comprehensive Income (Loss).

As Portfolio Manager, the Company is responsible for managing the investment portfolios of the Funds directly or through sub-advisors. The Company has retained MFS Investment Management Canada Limited (“MFS Canada”), an affiliate, to act as a sub-advisor for the Sun Life MFS Canadian Bond Fund, Sun Life MFS Canadian Equity Fund, Sun Life MFS Canadian Equity Growth Fund, Sun Life MFS Canadian Equity Value Fund,

Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

Sun Life MFS Dividend Income Fund, Sun Life Money Market Fund, Sun Life MFS Monthly Income Fund and Sun Life MFS U.S. Equity Fund. The Company has retained MFS Institutional Advisors Inc. ("MFS"), an affiliate, to act as a sub-advisor for the Sun Life MFS Global Growth Fund, Sun Life MFS Global Total Return Fund, Sun Life MFS Global Value Fund, Sun Life MFS International Growth Fund, Sun Life MFS International Value Fund, Sun Life MFS U.S. Growth Fund and Sun Life MFS U.S. Value Fund. In addition, MFS acts as a sub-advisor to MFS Canada in respect of certain of the Funds that are primarily sub-advised by MFS Canada. The Company has retained Sun Life Assurance Company of Canada ("SLA"), an affiliate, to act as a sub-advisor for the Milestone Funds and for the Sun Life Milestone Global Equity Fund. These relationships are described in more detail in the applicable simplified prospectus and annual information forms for the Funds.

The Company is an indirect wholly owned subsidiary of Sun Life Financial Inc. SLA is a direct wholly owned subsidiary of Sun Life Financial Inc. Sun Life Financial Inc. also has an indirect majority ownership in MFS and MFS Canada.

8. Financial Risk Management

Each Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments, and markets in which it invests. These risks include credit risk, market risk (which includes currency risk, interest rate risk and other market risk), liquidity risk and concentration risk.

The value of investments within a Fund's portfolio can fluctuate on a daily basis as a result of corporate developments, changes in interest rates, changes in the level of inflation, and other political and economic developments. The level of risk depends on the Fund's investment objectives and the type of securities in which it invests.

These risks and related risk management practices employed by the Funds are discussed below and for each Fund specifically in the "Financial Risk Management" section in the Fund Specific Notes to the Financial Statements. Additional risks that may be associated with investments in the Funds are described in the simplified prospectus of the Funds.

(a) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with a Fund. The Funds' main credit risk concentration is spread between short-term debt securities, fixed income securities, and derivative contracts, and represents the maximum credit risk exposure of the Funds. The Funds limit their exposure to credit risk by placing their cash and cash equivalents, derivative instruments and fixed income securities with high credit quality counterparties.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the broker/dealer. The trade will fail if either party fails to meet its obligation.

(b) Market risk

(i) Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the Canadian dollar (the functional currency of the Funds), will fluctuate due to changes in foreign exchange rates. The "Financial Risk Management" section in the Fund Specific Notes to the Financial Statements identifies all investments denominated in foreign currencies. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted into the Canadian dollar in determining fair value. The Funds could be exposed to currency risk if the value of the foreign currency changes unfavourably.

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Funds invest in interest-bearing financial instruments. The Funds are exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

(iii) Other market risk

Other market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investments of the Funds are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Funds is determined by the fair value of the financial instruments.

The value of investments in various markets can be affected by political, social and economic instability, diplomatic developments, imposition of taxes, expropriation of assets, and ability to invest in and withdraw assets from these markets. The Manager moderates this risk through diversification of the Funds. The Manager monitors the Funds' overall market positions on a daily basis and positions are maintained within established ranges.

Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

(c) Liquidity risk

The Funds are exposed to daily cash redemptions of redeemable units. The units of the Funds are redeemed on demand at the current NAV per unit at the option of the unitholder. Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. Liquidity risk is managed by investing the majority of the Funds' assets in investments that are traded in an active market and can be readily transacted. In addition, the Funds aim to retain sufficient cash and cash equivalent positions to maintain liquidity. Each Fund may, from time to time, hold securities that are not traded in an active market and may be illiquid. All liabilities mature within three months.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposure within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Funds limit their exposure to concentration risk through diversification and a thorough understanding of each investment in the portfolio.

9. Capital Management

Units issued and outstanding are considered to be capital of the Funds. The Funds are not subject to externally imposed capital requirements and have no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Funds' prospectus. The capital received by a Fund is managed to achieve its investment objective while maintaining liquidity to satisfy unitholder redemptions.

Units are redeemable at the NAV per unit of the respective Fund. A right to redeem units of a Fund may be suspended with the approval of the Canadian Securities Administrators. Changes in the units issued and outstanding of each Fund for the period ended June 30, 2017 and the year ended December 31, 2016, if applicable, are reported in a footnote "Redeemable units issued and outstanding" to the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

10. Accounting Standards Issued but not yet Adopted

IFRS 9

Financial Instruments ("IFRS 9") was issued in November 2009 and amended in October 2010, November 2013 and July 2014, and is effective for years beginning on or after January 1, 2018, to be applied retrospectively, or on a modified retrospective basis. It is intended to replace IAS 39, *Financial Instruments: Recognition and Measurement* ("IAS 39").

In July 2014, the IASB issued the final version of IFRS 9, which replaces IAS 39 and all previous versions of IFRS 9. IFRS 9 brings together all three aspects of the accounting for financial instruments project: classification and measurement, impairment and hedge accounting. IFRS 9 is effective for annual periods beginning on or after January 1, 2018, with early application permitted. Except for hedge accounting, retrospective application is required, but the provision of comparative information is not compulsory. For hedge accounting, the requirements are generally applied prospectively, with some limited exceptions.

The Funds plan to adopt the new standard on the required effective date. During 2016, the Funds have performed a high-level impact assessment of all three aspects of IFRS 9. This preliminary assessment is based on currently available information and may be subject to changes arising from further detailed analyses or additional reasonable and supportable information being made available to the Funds in the future. Overall, the Funds expect no significant impact on the Statements of Financial Position.

(a) Classification and measurement

The Funds do not expect a significant impact on their Statements of Financial Position from applying the classification and measurement requirements of IFRS 9. The Funds expect to continue measuring at fair value all financial assets currently held at fair value. Debt securities are expected to be measured at fair value through profit or loss under IFRS 9 as the Funds do not expect to hold the assets to collect contractual cash flows.

Loans as well as trade receivables are held to collect contractual cash flows and are expected to give rise to cash flows representing solely payments of principal and interest. Thus, the Funds expect that these will continue to be measured at amortized cost under IFRS 9. However, the Manager will analyze the contractual cash flow characteristics of those instruments in more detail before concluding whether all those instruments meet the criteria for amortized cost measurement under IFRS 9.

(b) Impairment

IFRS 9 requires entities to record future expected credit losses on all of their debt securities, loans and trade receivables, either on a 12-month or lifetime basis. The debt instruments held by the Funds are expected to be classified as fair value through profit or loss. Therefore, it is not expected that this amendment will have a significant impact on the financial statements.

Notes to Financial Statements (Continued)

For the periods ended June 30, 2017 (unaudited) and December 31, 2016

(c) Hedge accounting

The Funds have not applied hedge accounting under IAS 39 and are not expected to apply hedge accounting under IFRS 9.

IFRS 15

Revenue from Contracts with Customers ("IFRS 15") was issued in May 2014 and establishes a five-step model to account for revenue arising from contracts with customers. Under IFRS 15, revenue is recognized at an amount that reflects the consideration to which an entity expects to be entitled in exchange for transferring goods or services to a customer. The new revenue standard will supersede all current revenue recognition requirements under IFRS and is effective for annual periods beginning on or after January 1, 2018, when the IASB finalizes its amendments to defer the effective date of IFRS 15 by one year. Early adoption is permitted. Given that the majority of revenue streams of the Funds, being interest, dividends and realized/unrealized gains, fall outside of the scope of IFRS 15, preliminary impact assessments made during 2016 indicate minimal impact arising on the adoption of this standard.

11. Comparative Balances

The comparative financial statements may have been reclassified from the statements previously presented in order to conform to the current period's presentation.

SEMI-ANNUAL FINANCIAL STATEMENTS

Sun Life BlackRock Canadian Balanced Fund	Sun Life MFS Canadian Bond Fund	Sun Life Milestone 2020 Fund
Sun Life BlackRock Canadian Composite Equity Fund	Sun Life MFS Canadian Equity Fund	Sun Life Milestone 2025 Fund
Sun Life BlackRock Canadian Equity Fund	Sun Life MFS Canadian Equity Growth Fund	Sun Life Milestone 2030 Fund
Sun Life BlackRock Canadian Universe Bond Fund	Sun Life MFS Canadian Equity Value Fund	Sun Life Milestone 2035 Fund
Sun Life Dynamic American Fund (formerly Sun Life Dynamic American Value Fund)	Sun Life MFS Dividend Income Fund	Sun Life Milestone Global Equity Fund
Sun Life Dynamic Energy Fund	Sun Life MFS Global Growth Fund	Sun Life Money Market Fund
Sun Life Dynamic Equity Income Fund	Sun Life MFS Global Total Return Fund	Sun Life Multi-Strategy Bond Fund
Sun Life Dynamic Strategic Yield Fund	Sun Life MFS Global Value Fund	Sun Life Multi-Strategy Target Return Fund
Sun Life Granite Balanced Growth Portfolio	Sun Life MFS International Growth Fund	Sun Life NWQ Flexible Income Fund
Sun Life Granite Balanced Portfolio	Sun Life MFS International Value Fund	Sun Life Schroder Emerging Markets Fund
Sun Life Granite Conservative Portfolio	Sun Life MFS Low Volatility Global Equity Fund	Sun Life Sentry Conservative Balanced Fund
Sun Life Granite Enhanced Income Portfolio	Sun Life MFS Low Volatility International Equity Fund	Sun Life Sentry Global Mid Cap Fund
Sun Life Granite Growth Portfolio	Sun Life MFS Monthly Income Fund	Sun Life Sentry Infrastructure Fund
Sun Life Granite Income Portfolio	Sun Life MFS U.S. Equity Fund	Sun Life Sentry Value Fund
Sun Life Granite Moderate Portfolio	Sun Life MFS U.S. Growth Fund	Sun Life Templeton Global Bond Fund
Sun Life Granite Tactical Completion Fund	Sun Life MFS U.S. Value Fund	

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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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