

**Sun Life Global Investments (Canada) Inc.**

**AMENDED AND RESTATED SIMPLIFIED PROSPECTUS DATED  
DECEMBER 15, 2017**

**AMENDING AND RESTATING THE SIMPLIFIED PROSPECTUS DATED FEBRUARY 10, 2017, AS  
AMENDED BY AMENDMENT NO. 1 DATED JULY 28, 2017, AMENDMENT NO. 2 DATED  
SEPTEMBER 25, 2017 AND AMENDMENT NO. 3 DATED NOVEMBER 10, 2017**

Offering Series A, Series AT5, Series T5, Series T8, Series D, Series F, Series F5<sup>^</sup>, Series F8<sup>^</sup>, Series FT5<sup>^</sup>, Series I and Series O securities as indicated.

**Sun Life Granite Conservative Portfolio** (Series A, T5, F, F5, I, O securities)

**Sun Life Granite Moderate Portfolio** (Series A, T5, F, F5, I, O securities)

**Sun Life Granite Balanced Portfolio** (Series A, T5, D, F, F5, I, O securities)

**Sun Life Granite Balanced Growth Portfolio** (Series A, T5, T8, F, F5, F8, I, O securities)

**Sun Life Granite Growth Portfolio** (Series A, T5, T8, F, F5, F8, I, O securities)

**Sun Life Granite Income Portfolio** (Series A, T5, F, F5, I, O securities)

**Sun Life Granite Enhanced Income Portfolio** (Series A, F, I, O securities)

**Sun Life Sentry Value Fund** (Series A, F, I, O securities)

**Sun Life Infrastructure Fund (formerly Sun Life Sentry Infrastructure Fund)** (Series A, T5, T8, F, F5, F8, I, O securities)

**Sun Life Schroder Global Mid Cap Fund (formerly Sun Life Sentry Global Mid Cap Fund)** (Series A, T5, T8, F, F5, F8, I, O securities)

**Sun Life Dynamic American Fund** (Series A, T5, T8, F, F5, F8, I, O securities)

**Sun Life Templeton Global Bond Fund** (Series A, F, I, O securities)

**Sun Life Dynamic Equity Income Fund** (Series A, F, I, O securities)

**Sun Life Dynamic Strategic Yield Fund** (Series A, F, I, O securities)

**Sun Life NWQ Flexible Income Fund** (Series A, F, I, O securities)

**Sun Life BlackRock Canadian Equity Fund** (Series A, T5, T8, F, F5, F8, I and O securities)

**Sun Life BlackRock Canadian Balanced Fund** (Series A, T5, F, F5, I and O securities)

**Sun Life MFS Canadian Bond Fund** (Series A, D, F, I and O securities)

**Sun Life MFS Canadian Equity Growth Fund** (Series A, D, F, I and O securities)

**Sun Life MFS Canadian Equity Fund** (Series A, D, F, I and O securities)

**Sun Life MFS Canadian Equity Value Fund** (Series A, D, F, I and O securities)

**Sun Life MFS Dividend Income Fund** (Series A, D, F, I and O securities)

**Sun Life MFS U.S. Equity Fund** (Series A, D, F, I and O securities)

**Sun Life MFS Low Volatility International Equity Fund** (Series A, T5, T8, F, F5, F8, I, O securities)

**Sun Life MFS Low Volatility Global Equity Fund** (Series A, T5, T8, F, F5, F8, I, O securities)

**Sun Life Franklin Bissett Canadian Equity Class\*** (Series A, AT5, F, FT5, I and O securities)

**Sun Life Trimark Canadian Class\*** (Series A, AT5, F, FT5, I and O securities)

**Sun Life Sionna Canadian Small Cap Equity Class\*** (Series A, AT5, F, FT5, I and O securities)

\*each a class of shares of Sun Life Global Investments Corporate Class Inc., a mutual fund corporation.

^ Series F5, F8 and FT5 will be available for purchase as of February 9, 2018.



No securities regulatory authority has expressed an opinion about these securities. It is an offence to claim otherwise.

The Funds and the securities of the Funds offered under this Simplified Prospectus are not registered with the United States Securities and Exchange Commission and they are sold in the United States only in reliance on exemptions from registration.

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\*Dynamic, Dynamic Funds, Dynamic American Fund, Dynamic Equity Income Fund and Dynamic Strategic Yield Fund are registered and proprietary trademarks of Scotiabank, an affiliate of 1832 Asset Management L.P., used under license by the Manager.

# Introduction

This document contains selected important information to help you make an informed investment decision and understand your rights as an investor. Throughout this document:

- *we, us, our, Sun Life Global Investments Canada or the Manager* means Sun Life Global Investments (Canada) Inc.;
- *you* means each person who invests in the Funds;
- *advisor* means the registered representative who advises you on your investments;
- *BlackRock Funds* means the following Funds:
  - Sun Life BlackRock Canadian Equity Fund
  - Sun Life BlackRock Canadian Balanced Fund
- *Corporate Classes* means Sun Life Franklin Bissett Canadian Equity Class, Sun Life Trimark Canadian Class and Sun Life Sionna Canadian Small Cap Equity Class, which are each organized as separate classes of shares of Sun Life Global Investments Corporate Class Inc.;
- *dealer* means the company where your advisor works;
- *Fund* means a mutual fund listed on the front cover of this Simplified Prospectus;
- *intermediary* means a third party that your dealer may use to administer your account;
- *IRC* means the independent review committee established by the Manager under National Instrument 81-107 *Independent Review Committee for Investment Funds*;
- *MFS IMC Funds* means the following Funds:
  - Sun Life MFS Canadian Bond Fund
  - Sun Life MFS Canadian Equity Growth Fund
  - Sun Life MFS Canadian Equity Fund
  - Sun Life MFS Canadian Equity Value Fund
  - Sun Life MFS Dividend Income Fund
  - Sun Life MFS U.S. Equity Fund
  - Sun Life MFS Low Volatility International Equity Fund
  - Sun Life MFS Low Volatility Global Equity Fund
- *NAV* means net asset value;
- *Portfolio(s) or Sun Life Granite Portfolio(s)* means Sun Life Granite Conservative Portfolio, Sun Life Granite Moderate Portfolio, Sun Life Granite Balanced Portfolio, Sun Life Granite Balanced Growth Portfolio, Sun Life Granite Growth Portfolio, Sun Life Granite Income Portfolio and Sun Life Granite Enhanced Income Portfolio;
- *Securities* means units and shares, respectively;
- *Shares* means shares of the Corporate Classes;

- *Sun Life Global Investments Corporate Classes* means all of the mutual funds managed by us and which are offered for sale under a prospectus that are separate classes of shares of Sun Life Global Investments Corporate Class Inc., including the Corporate Classes;
- *Sun Life Global Investments Mutual Funds* means all of the mutual funds managed by us and which are offered for sale under a prospectus and includes the Funds;
- *Trust Funds* means Sun Life Granite Conservative Portfolio, Sun Life Granite Moderate Portfolio, Sun Life Granite Balanced Portfolio, Sun Life Granite Balanced Growth Portfolio, Sun Life Granite Growth Portfolio, Sun Life Granite Income Portfolio, Sun Life Granite Enhanced Income Portfolio, Sun Life Sentry Value Fund, Sun Life Infrastructure Fund, Sun Life Schroder Global Mid Cap Fund, Sun Life Dynamic American Fund, Sun Life Templeton Global Bond Fund, Sun Life Dynamic Equity Income Fund, Sun Life Dynamic Strategic Yield Fund, Sun Life NWQ Flexible Income Fund, Sun Life BlackRock Canadian Equity Fund, Sun Life BlackRock Canadian Balanced Fund, Sun Life MFS Canadian Bond Fund, Sun Life MFS Canadian Equity Growth Fund, Sun Life MFS Canadian Equity Fund, Sun Life MFS Canadian Equity Value Fund, Sun Life MFS Dividend Income Fund, Sun Life MFS U.S. Equity Fund, Sun Life MFS Low Volatility International Equity Fund and Sun Life Low Volatility Global Equity Fund, which are each organized as trusts;
- *underlying fund* means any mutual fund (including an exchange-traded fund or a Trust Fund) in which a Fund invests; and
- *units* means units of the Trust Funds.

### **How to use this Simplified Prospectus**

This Simplified Prospectus is divided into two parts. The first part, on pages 1 to 57, provides basic information about mutual funds and general information about all of the Funds. The second part, on pages 58 to 147, provides specific information about each Fund.

### **For more information**

You can find more information about each Fund in:

- the Annual Information Form (**AIF**);
- the Fund's most recently filed fund facts;
- the Fund's most recently filed annual financial statements;
- any interim financial report filed after those annual financial statements;
- the most recently filed annual management report of fund performance (**MRFP**); and
- any interim MRFP filed after that annual MRFP.

These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of it.

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

# What is a mutual fund and what are the risks of investing in a mutual fund?

## What is a mutual fund?

The Funds are mutual funds. When you invest in a mutual fund, you contribute your cash to a pool of investments along with many other people. Professional money managers use the cash to buy securities on behalf of all the contributors.

A mutual fund invests in different kinds of securities based on its investment objectives. For example, a Canadian equity fund buys mainly shares of Canadian corporations, while a Canadian balanced fund buys a mix of Canadian equities and bonds.

These securities form the mutual fund's investment portfolio. The value of these securities changes from day to day, reflecting changes in economic and market conditions, interest rates and company news. See *Price fluctuation* on page 4 for details.

## How mutual funds are structured

A mutual fund can be set up as a mutual fund trust or as a mutual fund corporation. Both allow you to pool your cash with other investors and share in the mutual fund's income, expenses and capital gains or losses with reference to the number of securities that you own. However, there are some differences between a mutual fund set up as a mutual fund trust or as a mutual fund corporation. When you invest in a mutual fund trust, you buy units of the trust and you become a unitholder. When you invest in a mutual fund corporation, you buy shares of the corporation and you become a shareholder. A mutual fund corporation can issue several classes of shares. Simply, each share class works like a separate mutual fund with its own investment objectives. Units and shares of mutual funds are collectively referred to as "securities".

The main difference between an investment in a mutual fund trust and an investment in a mutual fund corporation is in how your investment is taxed.

A mutual fund trust distributes sufficient income and net realized capital gains so that the mutual fund trust will not be subject to tax. A mutual fund corporation distributes its Canadian source dividends and sufficient net realized capital gains by declaring ordinary dividends and capital gains dividends so that the corporation will not be subject to tax on these earnings. Mutual fund corporations may be subject to tax on the income from other sources though steps are taken to eliminate or minimize tax at the corporate level.

Units of a mutual fund trust and shares of a mutual fund corporation may be issued in different series. Each series is intended for different kinds of investors and has different fees and expenses.

## Structure of the Funds

Each Trust Fund is an open end mutual fund trust governed by a Master Declaration of Trust under Ontario laws. We, as trustee, hold the property and investments of the Trust Funds in trust for the unitholders.

Each Corporate Class is a separate class of mutual fund shares of Sun Life Global Investments Corporate Class Inc. Sun Life Global Investments Corporate Class Inc. is a mutual fund corporation incorporated under the laws of the Province of Ontario. When you invest in a Corporate Class, you are buying shares of a class of Sun Life Global Investments Corporate Class Inc. and you become a shareholder. You share in the Corporate Class's income, expenses and capital gains or losses with reference to the number of shares that you own. In addition to the Corporate Classes,

Sun Life Global Investments Corporate Class Inc. offers additional classes of mutual fund shares under another simplified prospectus.

Provided that you are eligible, you can buy an unlimited number of a series of securities of a Fund.

## **Classes and series of securities**

A Fund may issue securities in one or more classes and a class may be issued in one or more series. An unlimited number of securities of each series may be issued. For some purposes, such as calculating fees and expenses, a class or a series of securities may be dealt with separately from other classes or series of securities of that Fund. In addition, the money that you and other investors pay to purchase securities of any series is tracked on a series-by-series basis in your Fund's administration records. For other purposes, such as the investment activity of the portfolio of a Fund, all classes and series of securities of the Fund are dealt with together.

Currently, each Fund has created one class of securities and the series that the class is issued in are shown on the front cover of the Simplified Prospectus. The series of each Fund derive their returns from a common pool of assets with a single investment objective and together constitute a single mutual fund.

See *Series of securities* on page 20 for more details on the different series of securities available.

## **What are the general risks of investing in a mutual fund?**

Risk is the chance that your investment may not perform as expected. There are different degrees and types of risk, but, in general, the more investment risk you are willing to accept, the higher your potential returns and the greater your potential losses.

The general risks include:

### **Price fluctuation**

Mutual funds own different types of investments, depending on their investment objectives. The value of these investments will change from day to day, reflecting changes in interest rates, economic conditions and market and company news. As a result, the value of a mutual fund's securities may go up and down and the value of your investment in a mutual fund may be more or less when you redeem it than when you purchased it.

### **Your investment is not guaranteed**

The value of your investment in a mutual fund is not guaranteed. Unlike bank accounts or guaranteed investment certificates, mutual fund securities are not covered by the Canada Deposit Insurance Corporation or any other government deposit insurer.

### **Redemptions may be suspended**

Under exceptional circumstances, your right to redeem your securities may be suspended. See *Suspending your right to redeem* on page 29 for details.

## **What are the specific risks of investing in a mutual fund?**

Each mutual fund also has specific risks. The description of each Fund, starting on page 58, sets out the risks that apply to that Fund. Following, in alphabetical order, is a description of each of those risks:



### **Asset-backed and mortgage-backed securities risk**

Asset-backed securities are debt obligations that are backed by pools of consumer or business loans. Mortgage-backed securities are debt obligations backed by pools of mortgages on commercial or residential real estate. If there are changes in the market's perception of the issuers of these types of securities, in the creditworthiness of the underlying borrowers or in the assets backing the pools, then the value of the securities may be affected. In addition, the underlying loans may not be ultimately repaid in full, in some cases leading to holders of asset-backed and mortgage-backed securities not receiving full payment.

### **Capital depletion risk**

Series AT5, Series T5, Series T8, Series F5, Series F8 and Series FT5 securities, as well as securities of other series of certain mutual funds or underlying funds, seek to provide investors with regular distributions. Series AT5, Series T5, Series T8, Series F5, Series F8 and Series FT5 securities are designed to provide investors with a fixed monthly cash flow based on a target annualized distribution rate of 5% or 8% of the NAV per security of the relevant series at the end of the prior year. In the case of the Corporate Classes, distributions are comprised of capital. In the case of the Trust Funds, where the distribution rate on these securities, as well as the securities of certain underlying funds, is greater than the income and net realized capital gains on the mutual fund's or underlying fund's investments, a portion of the regular target distributions for these series will include a return of capital. These distributions should not be confused with "yield" or "income", and are not intended to reflect the mutual fund's or the underlying fund's investment performance. **If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.** A distribution of capital is not immediately taxable to you but will reduce the adjusted cost base of your securities. Please see *Income tax considerations for investors* on page 53 for a discussion of the tax consequences of a distribution of capital.

Return of capital that is not reinvested will reduce the total NAV of the particular series on which it was paid and will reduce the total net assets of the mutual fund or underlying fund available for investment, which may reduce the ability of the Fund or underlying fund to generate future income.

### **Class risk**

Each Corporate Class is a class of mutual fund securities of Sun Life Global Investments Corporate Class Inc. Each class has its own fees and expenses, which are tracked separately, but if a class can't meet its financial obligations, the other classes are responsible for making up the difference. This is because the corporation as a whole is legally responsible for the financial obligations of all of the classes.

### **Commodity risk**

Some of the Funds or underlying funds may invest directly or indirectly in gold or silver or in companies engaged in the energy or natural resource industries, such as gold, silver, platinum, palladium, oil and gas, or other commodity focused industries. These investments, and therefore the value of a mutual fund's investment in these commodities or in these companies and the security value of the mutual fund, will be affected by changes in the price of these commodities, which can fluctuate significantly in short time periods. Commodity prices can change as a result of a variety of factors, including supply and demand, speculation, government and regulatory activities, international monetary and political factors, central bank activity and changes in interest rates and currency values. Direct purchases of bullion by a mutual fund may generate higher transaction and custody costs than other types of investments, which may impact the performance of such mutual fund.

### **Concentration risk**

Some mutual funds or underlying funds may hold a large portion of their assets in securities of a single issuer or may invest in a relatively small number of securities. These funds or underlying funds may be more volatile and will be strongly affected by changes in the market value of those securities.

## Credit risk

Credit risk can have a negative impact on the value of a money market security or a debt security such as a bond. This risk includes:

- Default risk, which is the risk that the issuer of the debt will not be able to pay interest or repay the debt when it is due. Negative perceptions of the issuer's ability to make such payments may cause the price of the debt security to decline. Generally, the greater the risk of default, the lower the quality of the debt security.
- Credit spread risk, which is the risk that the difference in interest rates (called **credit spread**) between the issuer's bond and a bond considered to have little associated risk (such as a treasury bill) will increase. An increase in credit spread decreases the value of a debt security.
- Downgrade risk, which is the risk that a specialized credit rating agency will reduce the credit rating of an issuer's securities. A downgrade in credit rating decreases the value of a debt security.
- Collateral risk, which is the risk that it will be difficult to sell the assets the issuer has given as collateral for the debt or that the assets may be deficient. This difficulty could cause a significant decrease in the value of a debt security.
- Low-rated security risk, which is the risk that an investment has a credit rating below investment grade or is sometimes not rated at all. These investments generally offer a higher interest to compensate for this risk and are sometimes referred to as "high yield" securities. However, they may also be less liquid and carry the risk of bigger losses than higher grade investments.

## Currency risk

Some Funds may invest a portion of their investment portfolio in foreign securities; however, the assets and liabilities of each Fund are valued in Canadian dollars. If a Fund buys a security denominated in a foreign currency, during the time that the Fund owns that security, for the purposes of calculating the NAV of that Fund, we convert, on a daily basis, the value of the security into Canadian dollars. Similarly, an underlying fund may buy a security denominated in a foreign currency and convert the value of the security into Canadian dollars. Fluctuations in the value of the Canadian dollar relative to the foreign currency will impact the NAV of the Fund or the underlying fund, as the case may be. If the value of the Canadian dollar has increased relative to the foreign currency, the return on the foreign security may be reduced, eliminated or made negative. The opposite can also occur; that is, a Fund or an underlying fund holding a security denominated in a foreign currency may benefit from an increase in the value of the foreign currency relative to the Canadian dollar.

Some foreign governments may restrict currency exchange. If we or the manager of an underlying fund cannot exchange the currencies in which a Fund or an underlying fund is invested, we or the manager of an underlying fund, as the case may be, may be unable to make cash distributions or process redemptions.

## Derivative risk

Derivatives are investments whose value is based on, or derived from, an underlying asset, such as a stock or a market index. Derivatives are not a direct investment in the underlying asset itself. Derivatives are often contracts with another party to buy or sell an asset at a later date. For example, common derivatives include: (a) futures and forward contracts, which are agreements to buy or sell currencies, commodities or securities for a set price at a future date; (b) options, which give the buyer the right, but not the obligation, to buy currencies, commodities or securities at a price within a certain time period and which require a seller, at the option of the buyer, to sell currencies, commodities or securities for a set price at a future date; and (c) swaps, which allow two parties to exchange the cash flows of a wide range of financial instruments. A Fund or an underlying fund may use derivatives to limit potential gains or losses caused by changes in factors that affect the value of its investments, such as foreign exchange rates, stock prices and interest rates. This is called hedging. The Funds or the underlying funds may also use derivatives for non-hedging

purposes, such as reducing transaction costs, increasing liquidity, gaining exposure to specific securities, financial markets or indices or increasing speed and flexibility in making portfolio changes.

Any use of derivatives has risks, including:

- a hedging or non-hedging strategy may not be effective and may not achieve the intended effect;
- derivatives may be less liquid than traditional securities and there is no guarantee that a market for a derivative contract will exist when a Fund or an underlying fund wants to buy or sell;
- there is no guarantee that the Fund or the underlying fund will be able to find an acceptable counterparty willing to enter into a derivative contract;
- the counterparty to the derivative contract may not be able to meet its obligations, which could result in a financial loss for the Fund or the underlying fund;
- where the derivatives contract is a commodity futures contract with an underlying interest in sweet crude oil or natural gas, a Fund or an underlying fund that is permitted to trade in commodities futures contracts will endeavour to settle the contract with cash or an offsetting contract. However, there is no guarantee that the Fund or underlying fund will be able to do so. This would result in the Fund or the underlying fund having to make or take delivery of the underlying commodity;
- a large percentage of the assets of a Fund or an underlying fund may be placed on deposit with one or more counterparties, which exposes the Fund or the underlying fund, as the case may be, to the credit risk of those counterparties;
- securities exchanges may set daily trading limits or halt trading, which may prevent a Fund or an underlying fund from selling a particular derivative contract;
- the price of derivatives may move in unexpected ways, especially in abnormal market conditions; the price of derivatives based on a stock index could be distorted if some or all of the stocks that make up the index temporarily stop trading;
- derivatives traded on certain foreign markets may be harder price and/or close out than those traded in Canada;
- the regulation of derivatives is a rapidly changing area of law and is subject to modification by government and judicial action; the effect of any future regulatory changes may make it more difficult, or impossible, for a Fund or underlying fund to use certain derivatives;
- costs relating to entering and maintaining derivatives contracts by a Fund or an underlying fund may reduce the returns of the Fund or the underlying fund;
- the use of futures or other derivatives can amplify a gain but can also amplify a loss, which loss can be substantially more than the initial margin or collateral deposited by the Fund or the underlying fund; and
- the price of a derivative may not accurately reflect the value of the underlying asset.

### **Emerging markets risk**

Emerging markets may be more likely to experience political, economic and social instability and may be subject to corruption or have lower business standards. Instability may result in the expropriation of assets or restrictions on

payment of dividends, income or proceeds from the sale of securities held by a mutual fund or an underlying fund. In addition, accounting and auditing standards and practices may be less stringent than those of developed countries resulting in limited availability or potentially lower quality of information relating to a mutual fund's or an underlying fund's investments. Further, emerging market securities are often less liquid and custody and settlement mechanisms in emerging market countries may be less developed, resulting in delays and the incurring of additional costs to execute trades of securities. Emerging markets also have the risks described under *Currency risk, Foreign investment risk and Liquidity risk*.

### **Equity risk**

Companies issue equities, or stocks, to help finance their operations and future growth. A company's performance outlook, market activity and the larger economic picture influence its stock price. When the economy is expanding, the outlook for many companies will be positive and the value of their stocks may rise. The opposite is also true. The value of a Fund or an underlying fund is affected by changes in the prices of the stocks it holds. Prices of equities may be more volatile than those of fixed income securities. The risks and potential rewards are usually greater for small companies, start-ups, resource companies and companies in emerging markets. Investments that are convertible into equity may also be subject to interest rate risk.

Certain issuers, such as royalty trusts, real estate investment trusts, limited partnerships and income trusts, have varying degrees of risk depending on the applicable sector and the underlying assets. To the extent that an underlying business or investment in property is susceptible to industry risks, stock market conditions, interest rate fluctuations, commodity prices and other economic factors, investment returns from these issuers may be similarly affected. Where a mutual fund invests in these types of issuers, the distributions paid by the issuers on their securities determine to some extent the distributions available for payment to the mutual fund's investors. In addition, if claims against an investment trust are not satisfied by the trust, investors in the trust (i.e., such as a mutual fund) could be held responsible for such obligations. Certain, but not all, jurisdictions have enacted legislation to protect investors from some of this liability. However, the extent to which a Fund or underlying funds remain at risk for the obligations of investment trusts ultimately depends on the local laws of the jurisdictions where the Fund or underlying funds invest in investment trusts.

### **Foreign investment risk**

Some mutual funds or underlying funds invest in securities issued by corporations in, or governments of, countries other than Canada or in depository receipts and other similar investments that represent securities of foreign companies. Investing in foreign securities can be beneficial in expanding an investor's investment opportunities and portfolio diversification, but there are risks associated with foreign investments, including:

- certain countries may have lower standards for accounting, auditing and financial reporting than those of Canada or the United States;
- companies outside of Canada may be subject to different regulations, standards, reporting practices and disclosure requirements than those that apply in Canada;
- less information may be available about foreign issuers or governments;
- foreign markets may be less liquid and, due to lower trading volumes, more volatile than securities of comparable issuers traded in North America or securities of governments in North America;
- the legal systems of some foreign countries may not adequately protect investor rights;
- political, social or economic instability may affect the value of foreign securities;
- foreign governments may make significant changes to tax policies, which could affect the value of foreign securities;

- foreign governments may impose nationalization or expropriation policies on certain industries or companies which may affect an issuer and/or its assets; and
- foreign governments may impose currency exchange controls that prevent a Fund or an underlying fund from taking money out of the country.

### **Geographic concentration risk**

Some mutual funds or underlying funds may invest a relatively large portion of their assets in issuers located in a single country, a small number of countries, or a particular geographic region. As a result, the performance of these mutual funds could be closely tied to the market, currency, economic, political, regulatory, geopolitical or other conditions in such countries or region, and could be more volatile than the performance of funds the holdings of which are more geographically-diversified.

### **Government securities risk**

Some government agency securities may be subject to varying degrees of credit risk, particularly those not backed by the full faith and credit of the government. All government securities may be subject to price declines due to changing interest rates.

### **Inflation risk**

There is a chance that the returns or cash flows from an investment will not be worth as much in the future because of a decrease in purchasing power due to inflation. Inflation causes money to lose value. For example, the value of fixed-income investments and currencies could depreciate as the level of inflation rises in the country of origin.

### **Interest rate risk**

The value of mutual funds or underlying funds that hold fixed-income securities will rise and fall as interest rates change. When interest rates fall, the value of an existing bond will, generally, rise. When interest rates rise, the value of an existing bond will, generally, fall. Changes in a debt instrument's value usually will not affect the amount of interest income paid to a mutual fund, but will affect the value of the securities. Interest rate risk is generally greater for investments with longer maturities. The value of debt securities that pay a variable (or "**floating**") rate of interest is generally less sensitive to interest rate changes.

### **Large transaction risk**

If an investor in a mutual fund or an underlying fund makes a large transaction, the cash flow of the mutual fund or the underlying fund, as the case may be, may be affected. For example, if an investor redeems a large number of securities of a mutual fund, that mutual fund may be forced to sell securities at unfavourable prices to pay for the proceeds of redemption. This unexpected sale may have a negative impact on the value of your investment in the mutual fund.

We or others may offer investment products that invest all or a significant portion of their assets in a Fund or an underlying fund. These investments may become large and could result in large purchases or redemptions of securities of a Fund or the underlying fund.

### **Liquidity risk**

A liquid asset trades on an organized market, such as a stock exchange, which provides price quotations for the asset. The use of an organized market means that it should be possible to convert the asset to cash at, or close to, the quoted price.

An asset is considered illiquid if it is more difficult to convert it to a liquid investment, such as cash. A company's securities may be illiquid if:

- the company is not well known;
- there are few outstanding securities;
- there are few potential buyers; or
- they cannot be resold because of a promise or an agreement.

The value of a mutual fund or an underlying fund that holds illiquid securities may rise and fall substantially because the mutual fund or the underlying fund may not be able to sell the securities for the value that is used in calculating the NAV of the mutual fund or the underlying fund, as the case may be. The sale of such securities may also require the mutual fund or underlying fund to incur expenses in addition to those normally associated with the sale of a security. There are restrictions on the amount of illiquid securities a mutual fund may hold.

### **Market risk**

This is the risk that the market value of a mutual fund's or an underlying fund's investments will rise or fall based on overall stock market conditions rather than each company's performance. The value of the market can vary with changes in the general economic and financial conditions. Political, social and environmental factors can also significantly affect the value of any investment.

### **Passive management risk**

Exchange-traded funds and index mutual funds in which a mutual fund or an underlying fund invests may not be "actively" managed. Passively managed funds would not sell a security if the security's issuer was in financial trouble, unless the security is removed from the applicable index being replicated. The passively managed fund must continue to invest in the securities of the index, even if the index is performing poorly. That means the passively managed fund won't be able to reduce risk by diversifying its investments into securities listed on other indices. As a result, the performance of a passively managed fund may differ significantly from the performance of an actively managed fund. This may in turn affect the performance of a mutual fund or an underlying fund that invests in such passively managed fund.

### **Real estate risk**

The assets, earnings and share values of companies involved in the real estate industry are influenced by general market conditions and a number of other factors, including:

- economic cycles;
- interest rates;
- consumer confidence;
- the policies of various levels of government, including property tax levels and zoning laws;
- the economic well-being of various industries;
- overbuilding and increased competition;
- lack of availability of financing to refinance maturing debt;
- vacancies due to tenant bankruptcies;
- losses due to costs resulting from environmental contamination and its related clean-up;

- casualty or condemnation losses;
- variations in rental income;
- changes in neighbourhood values; and
- functional obsolescence and appeal of properties to tenants.

In addition, underlying real estate investments may be difficult to buy or sell. This lack of liquidity can cause greater price volatility in the securities of companies like real estate investment trusts (“REITs”), which manage real estate assets. Mutual funds that invest in companies involved in the real estate industry or REITs are subject to real estate risk.

### **Regulatory risk**

There can be no assurance that certain laws applicable to investment funds, including the Funds and the underlying funds, such as income tax and securities laws, and the administrative policies and practices of the applicable regulatory authorities will not be changed in a manner that adversely affects an investment fund or the investors in such investment funds.

A Trust Fund will generally be subject to a “loss restriction event” for tax purposes each time a person or partnership becomes a “majority interest beneficiary” (as defined in the Tax Act) of the Fund if, at the time, the Fund does not qualify as an “investment fund” by satisfying investment diversification and other conditions. If a Trust Fund experiences a “loss restriction event”, investors may automatically receive an unscheduled distribution of income and capital gains from the Trust Fund. Also, the amount of distributions paid by the Trust Fund after a loss restriction event may be larger than they otherwise would have been. Please see *Income tax considerations for investors* on page 53 for a discussion of the tax consequences of a distribution.

### **Repurchase and reverse repurchase transactions and securities lending risk**

A mutual fund or an underlying fund may engage in repurchase, reverse repurchase or securities lending transactions.

A repurchase transaction is where a mutual fund sells portfolio securities that it owns to a third party for cash and simultaneously agrees to buy back the securities at a later date at a specified price. While the mutual fund retains its exposure to changes in the value of the portfolio securities, it also earns a return for participating in the repurchase transaction.

A reverse repurchase transaction is where a mutual fund purchases securities from a third party and simultaneously agrees to sell the securities back to the third party at a later date at a specified price. The difference between the mutual fund’s purchase price for the securities and the resale price provides the fund with a return.

A securities lending transaction is where a mutual fund lends portfolio securities that it owns to a third party borrower. The borrower promises to return to the mutual fund at a later date an equal number of the same securities and to pay a fee to the fund for borrowing the securities. While the securities are borrowed, the borrower provides the mutual fund with collateral consisting of cash and/or securities. In this way, the mutual fund retains exposure to changes in the value of the borrowed securities while earning additional fees.

As indicated above, repurchase, reverse repurchase and securities lending transactions allow mutual funds to earn additional income and thereby potentially enhance their performance.

Repurchase, reverse repurchase and securities lending transactions involve certain risks. The other party to these types of transactions may default under the agreement or go bankrupt. If that happens in a reverse repurchase transaction and the market value of the security has dropped, the mutual fund or an underlying fund may be unable to sell the security at the price it paid plus interest. If that happens in a repurchase or a securities lending transaction, the mutual

fund or the underlying fund, as the case may be, may suffer a loss if the value of the security it sold or loaned has increased more than the value of the cash or collateral the mutual fund or the underlying fund holds.

To reduce these risks, mutual funds and underlying funds that are subject to National Instrument 81-102 *Investment Funds* require the other party to put up collateral. The value of the collateral must be at least 102% of the market value of the security sold (for a repurchase transaction), bought (for a reverse repurchase transaction) or loaned (for a securities lending transaction). The value of the collateral is checked and reset daily. The market value of securities sold under repurchase transactions and loaned under securities lending agreements must not exceed 50% of a mutual fund's net asset value immediately after entering into the transaction. This calculation excludes cash held by a mutual fund for sold securities and collateral held for loaned securities.

### **Series risk**

Each Fund may be issued in more than one series of securities. Similarly, an underlying fund may issue more than one series or class of securities. Each series of a mutual fund has its own fees and expenses, which are tracked separately. If the mutual fund cannot pay the expenses of one series using that series' share of the mutual fund's assets, the mutual fund will have to pay those expenses out of the other series' share of the mutual fund's assets attributable to those series. This could lower the investment return of the other series.

### **Short selling risk**

The Funds are permitted by securities legislation to engage in a limited amount of short selling, provided certain conditions are met. A "short sale" is where a Fund borrows securities from a lender which are then sold in the open market (or "sold short"). At a later date, the same number of securities are repurchased by the Fund and returned to the lender. In the interim, the proceeds from the first sale are deposited with the lender and the Fund pays interest to the lender. If the value of the securities declines between the time that the Fund borrows the securities and the time it repurchases and returns the securities, the Fund makes a profit for the difference (less any interest the Fund is required to pay to the lender). Short selling involves certain risks. There is no assurance that securities will decline in value during the period of the short sale to an extent sufficient to offset the interest paid by the Fund and make a profit for the Fund, and securities sold short may instead appreciate in value. The Fund also may experience difficulties repurchasing and returning the borrowed securities if a liquid market for the securities does not exist. The lender from whom the Fund has borrowed securities may recall the securities, may go bankrupt and the Fund may lose the collateral it has deposited with the lender. Each Fund that engages in short selling will adhere to controls and limits that are intended to offset these risks in accordance with the requirements in securities legislation.

Funds that invest in underlying funds may be indirectly exposed to short selling risk if the underlying funds in which they invest engage in short selling.

### **Small company risk**

A mutual fund or an underlying fund may make investments in smaller capitalization companies. These investments are generally riskier than investments in larger companies for several reasons. Smaller companies are often relatively new and/or may not have an extensive track record. This may make it difficult for the market to place a proper value on these companies. Some of these companies may not have extensive financial resources and, as a result, may be unable to react to events in an optimal manner. In addition, stocks of smaller companies are sometimes less liquid, meaning that there is less demand for such stocks in the marketplace at a price that is deemed fair by sellers.

### **Specialization risk**

A mutual fund or an underlying fund that invests primarily in one industry or market capitalization range, or a mutual fund or an underlying fund that uses a specific investment approach such as growth or value, may be more volatile than a less specialized investment fund, and will be strongly affected by the overall economic performance of the area of specialization in which the mutual fund or the underlying fund invests. The mutual fund or the underlying fund, as the case may be, must continue to follow its investment objectives regardless of the economic performance of the area of specialization.



## **Tracking risk**

A mutual fund may seek to have its returns linked to the performance of an underlying fund by purchasing securities of the underlying fund. The fund may not be able to track the performance of the underlying fund to the extent desired for the following reasons:

- The fund pays fees and expenses, which affects returns;
- The fund may incur withholding tax from the income of the underlying fund, which affects returns;
- The level of subscription and redemption of securities in the fund and the underlying fund differs;
- Under normal circumstances, there will be at least a one business day delay between the time an investor buys securities of the fund and the time the fund gets additional exposure to the underlying fund. The possible impact of such a delay will be increased if new purchases of securities are large compared to existing investments in the fund. This “cash drag” is often generally more significant in funds with relatively smaller assets under management; and
- A fund may be permitted to invest in other assets.

In addition, certain mutual funds may invest in underlying funds that use various indexing strategies. These underlying funds track the performance of an index by tracking the performance of the investments included in the index. It is unlikely that an underlying fund which uses an indexing strategy will be able to track an index perfectly because the underlying fund has its own operating and trading costs, which lower returns. Indices do not have these costs. The effectiveness of an underlying fund in achieving the indexing strategy as well as the level of trading activity in the underlying fund by securityholders will also impact how closely the performance of an underlying fund tracks the performance of an index. In addition, if the stock market upon which the index is based is not open, the underlying fund may be unable to determine its net asset value per security, and so may be unable to satisfy redemption requests.

## **Transaction costs risk**

The asset allocation process used by a mutual fund may result in additional transaction costs. This process can have an adverse effect on the performance of the mutual fund during periods of increased equity market volatility. In addition, the investment strategy used by a mutual fund may result in the mutual fund having a higher portfolio turnover rate. Portfolio turnover refers to the frequency of portfolio transactions and the percentage of portfolio assets being bought and sold during the year, which may increase overall costs.

## **Underlying fund risk**

A mutual fund may pursue its investment objectives by investing indirectly in securities of other mutual funds, including exchange-traded funds, in order to gain access to the strategies pursued by those underlying funds. There can be no assurance that any use of such multi-layered fund of fund structures will result in any gains for a Fund. If an underlying fund that is not traded on an exchange suspends redemptions, a mutual fund that invests in such underlying fund will be unable to value part of its portfolio and may be unable to redeem its securities.

Investment funds that are traded on an exchange (i.e. exchange-traded funds) are subject to the following risks that do not apply to conventional mutual funds: (i) an exchange-traded fund’s securities often trade on the exchange at a premium or discount to the net asset value of such securities; (ii) an active trading market for an exchange-traded fund’s securities may not develop or be maintained, and (iii) there is no assurance that the exchange-traded fund will continue to meet the listing requirements of the exchange.

The Funds have obtained exemptive relief to invest in exchange-traded funds that may use leverage, seek to track an index on an inverse basis or seek to gain exposure to gold and/or silver, subject to certain conditions. Leveraged exchange-traded funds seek to deliver multiples of the performance of the index or benchmark they track. Leverage

involves borrowing money to increase the size of an investment. Inverse exchange-traded funds seek to deliver the opposite of the performance of the index or benchmark they track. Leveraged exchange-traded funds and inverse exchange-traded funds generally use derivatives to achieve their investment objectives. The strategies used by such exchange-traded funds have the potential of magnifying the risk associated with the underlying market segments or indexes to which such exchange-traded funds are exposed, particularly in volatile market conditions.

To the extent that a Fund or an underlying fund invests in other investment fund(s), the Fund or the underlying fund would be exposed to the risks to which such investment funds are exposed and the risks of investing in such investment funds.

# Organization and management of the Funds

## Who organizes and manages the Funds?

Sun Life Global Investments (Canada) Inc. is a Canadian investment management firm wholly-owned (indirectly) by Sun Life Financial Inc. Sun Life Financial Inc. is a global international financial services organization providing a diverse range of protection and wealth accumulation products and services as well as investment products to individuals and institutions.

## Who works with the Funds?

### MANAGER

#### **Sun Life Global Investments (Canada) Inc.**

One York Street, Suite 3300  
Toronto, Ontario  
M5J 0B6  
1-877-344-1434  
www.sunlifeglobalinvestments.com

The manager is responsible for the day to day business and operations of the Funds and for appointing portfolio managers and any sub-advisors. We may hire arm's length third parties or affiliates to perform some of the services required by the Funds.

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### TRUSTEE

#### **Sun Life Global Investments (Canada) Inc.**

Toronto, Ontario

The Trust Funds are organized as mutual fund trusts. When you invest in one of the Trust Funds, you buy units of the trust. The trustee holds title to the Trust Funds' investments in trust for the unitholders.

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### PORTFOLIO MANAGER

#### **Sun Life Global Investments (Canada) Inc.**

Toronto, Ontario

We are the portfolio manager of each Fund. In such capacity, we are responsible for managing the investment portfolio of the Funds. We may appoint sub-advisors for the Funds.

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### SUB-ADVISORS

#### **1832 Asset Management L.P.**

Toronto, Ontario

1832 Asset Management L.P. ("**1832 LP**") acts as a sub-advisor for Sun Life Dynamic American Fund\*, Sun Life Dynamic Equity Income Fund\* and Sun Life Dynamic Strategic Yield Fund\*. In this capacity, 1832 LP manages the investment portfolio (or a portion of such portfolio) for these Funds. 1832 LP is the manager of the Dynamic Funds\*.

1832 LP is not an affiliate of the Manager.

\*Dynamic, Dynamic Funds, Dynamic American Fund, Dynamic Equity Income Fund and Dynamic Strategic Yield Fund are registered and proprietary trademarks of Scotiabank, an affiliate of 1832 Asset Management L.P., used under license by the Manager.

**Sentry Investments Inc.**

Toronto, Ontario

We have retained Sentry Investments Inc. (“**Sentry**”) to act as a sub-advisor for Sun Life Sentry Value Fund. In this capacity, Sentry manages the investment portfolio (or a portion of such portfolio) for this Fund.

Sentry is not an affiliate of the Manager.

**Franklin Templeton Investments Corp.**

Toronto, Ontario

We have retained Franklin Templeton Investments Corp. to act as sub-advisor for Sun Life Templeton Global Bond Fund and Franklin Bissett Investment Management, part of Franklin Templeton Investments Corp. (collectively, “**FTIC**”) to act as sub-advisor for Sun Life Franklin Bissett Canadian Equity Class. In this capacity, FTIC manages the investment portfolio (or a portion of such portfolio) for these Funds.

FTIC is not an affiliate of the Manager.

**Franklin Bissett Investment Management,  
part of Franklin Templeton Investments  
Corp.**

Toronto, Ontario

**NWQ Investment Management Company,  
LLC**

Los Angeles, California, U.S.A.

We have retained NWQ Investment Management Company, LLC (“**NWQ**”) to act as sub-advisor for Sun Life NWQ Flexible Income Fund. In this capacity, NWQ manages the investment portfolio (or a portion of such portfolio) for this Fund.

NWQ is not an affiliate of the Manager.

**BlackRock Asset Management Canada  
Limited**

Toronto, Ontario

We have retained BlackRock Asset Management Canada Limited (“**BlackRock**”) to act as a sub-advisor for the BlackRock Funds. BlackRock has in turn retained BlackRock Institutional Trust Company, N.A. (“**BTC**”) to act as sub-advisor for these Funds. In this capacity, BTC manages the investment portfolio (or a portion of such portfolio) for each of these Funds. BlackRock and BTC are collectively referred to as the sub-advisor to these Funds.

**BlackRock Institutional Trust Company,  
N.A.**

San Francisco, California, U.S.A.

It may be difficult to enforce legal rights against BTC because it is resident outside of Canada and all, or substantially all, of its assets are situated outside of Canada. BlackRock, as the sub-advisor, is responsible for the investment advice provided by BTC.

BlackRock and BTC are not affiliates of the Manager.

**MFS Investment Management Canada Limited**

Toronto, Ontario

**MFS Institutional Advisors, Inc.**

Boston, Massachusetts, U.S.A.

**Brandes Investment Partners & Co.  
(operating as Bridgehouse Asset Managers)**

Toronto, Ontario

**Sionna Investment Managers Inc.**

Toronto, Ontario

**Invesco Canada Ltd.**

Toronto, Ontario

**Schroder Investment Management North America Inc.**

New York, New York, U.S.A.

**Schroder Investment Management North America Limited**

London, U.K.

We have retained MFS Investment Management Canada Limited (“**MFS IMC**”) to act as a sub-advisor for the MFS IMC Funds. MFS IMC has in turn retained MFS Institutional Advisors, Inc. (“**MFS**”) to act as sub-advisor for these Funds.

It may be difficult to enforce legal rights against MFS because it is resident outside of Canada and all, or substantially all, of its assets are situated outside of Canada.

Each of MFS IMC and MFS are affiliates of the Manager.

We have retained Brandes Investment Partners & Co. (operating as Bridgehouse Asset Managers) (“**Bridgehouse**”) to act as sub-advisor for Sun Life Sionna Canadian Small Cap Equity Class. Bridgehouse retains Sionna Investment Managers Inc. (“**Sionna**”) to act as sub-advisor to Bridgehouse for this fund. In this capacity, Sionna manages and/or arranges for the management of the investment portfolio (or a portion of such portfolio) for this Fund.

Bridgehouse and Sionna are not affiliates of the Manager.

We have retained Invesco Canada Ltd. (“**Invesco**”) to act as sub-advisor for Sun Life Trimark Canadian Class. In this capacity, Invesco manages the investment portfolio (or a portion of such portfolio) for this Fund.

Invesco is not an affiliate of the Manager.

We have retained Schroder Investment Management North America Inc. (“**Schroders**”) to act as a sub-advisor for Sun Life Schroder Global Mid Cap Fund. Schroders has engaged its affiliate, Schroder Investment Management North America Limited (“**SIMNA Ltd.**”), to provide investment advisory services with respect to Sun Life Schroder Global Mid Cap Fund. In this capacity, SIMNA Ltd. will manage the investment portfolio (or a portion of such portfolio) for this Fund. Schroders oversees the management by SIMNA Ltd. and is responsible for the investment advice provided by SIMNA Ltd. Schroders and SIMNA Ltd. are collectively referred to as the sub-advisor to Sun Life Schroder Global Mid Cap Fund.

It may be difficult to enforce legal rights against Schroders and SIMNA Ltd. because they are

resident outside of Canada and all, or substantially all, of their assets are situated outside of Canada.

Schroders and SIMNA Ltd. are not affiliates of the Manager.

**Lazard Asset Management (Canada), Inc.**

New York, New York, U.S.A.

**Lazard Asset Management LLC**

New York, New York, U.S.A.

Lazard Asset Management (Canada), Inc. (“**Lazard Canada**”) will act as sub-advisor for Sun Life Infrastructure Fund. Lazard has engaged its affiliate, Lazard Asset Management LLC (“**LAM LLC**”), to provide investment advisory services with respect to Sun Life Infrastructure Fund. In this capacity, LAM LLC will manage the investment portfolio (or a portion of such portfolio) for this Fund. Lazard Canada oversees the management by LAM LLC and is responsible for the investment advice provided by LAM LLC. Lazard Canada and LAM LLC are collectively referred to as Lazard or the sub-advisor to Sun Life Infrastructure Fund.

It may be difficult to enforce legal rights against Lazard Canada and LAM LLC because they are resident outside of Canada and all, or substantially all, of their assets are situated outside of Canada.

Lazard Canada and LAM LLC are not affiliates of the Manager.

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**CUSTODIAN**

**RBC Investor & Treasury Services**

Toronto, Ontario

The custodian holds all of the Funds’ investments for safekeeping. The custodian is not an affiliate of the Manager.

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**RECORD KEEPER**

**International Financial Data Services (Canada) Limited**

Toronto, Ontario

The record keeper keeps a record of the owners of securities of the Funds and processes changes in ownership. The record keeper is not an affiliate of the Manager.

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**INDEPENDENT AUDITORS**

**Ernst & Young LLP**

Kitchener, Ontario

The auditors audit the Funds’ annual financial statements and provide an opinion as to whether they present fairly the Funds’ financial position, results and changes in net assets in accordance with applicable accounting principles.

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**SECURITIES LENDING AGENT**

**RBC Investor & Treasury Services**

Toronto, Ontario

In the event that a Fund engages in a securities lending or repurchase transaction, RBC Investor & Treasury Services will be appointed as the Fund's securities lending agent. The securities lending agent will act on behalf of the Fund in administering the securities lending and repurchase transactions entered into by the Fund.

The securities lending agent will be independent of us.

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**INDEPENDENT REVIEW COMMITTEE (IRC)**

The mandate of the IRC is to review, and provide input on, our written policies and procedures that deal with conflict of interest matters in respect of the Funds and to review and, in some cases, approve conflict of interest matters. The IRC may also approve any change of the auditor of the Funds and, in certain circumstances, approve a fund merger. Investor approval will not be obtained in these circumstances, but you will be sent a written notice at least 60 days before the effective date of any such change of auditor or merger.

The IRC is composed of three members. Each member of the IRC is independent of us, the Funds and any party related to us. The IRC will prepare, at least annually, a report of its activities for investors. This report will be available on our website at [www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com), or you may request a copy, at no cost to you, by contacting us at [info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com).

Additional information about the IRC, including the names of the members, is available in the AIF.

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**Fund of funds**

Some of the Funds (referred to in this context as a top fund) may buy securities of an underlying fund. Where we are the manager of both the top fund and underlying fund, we will not vote the securities of the underlying fund that are held by the top fund. However, in our discretion, we may decide to flow those voting rights to investors in the top fund.

# Purchases, redemptions and switches

## Series of securities

Each Fund may have an unlimited number of series of securities and may issue an unlimited number of securities of each series. The description of each Fund starting on page 58 sets out the series of securities currently offered by that Fund.

Each series of securities is intended for different types of investors. Investors must meet eligibility criteria established by us from time to time in order to hold certain series of securities of the Funds. We will publicly announce any new eligibility criteria or any change to existing eligibility criteria before such criteria or change becomes effective. If, at any time, you cease to be eligible to hold your series of a Fund, we may switch you to another series of securities of the same Fund (including a series that may be created in the future).

## Private Client Program

Sun Life Global Investments Canada offers a program (the “**Private Client Program**”), which provides clients with a cost effective investment solution with enhanced reporting and services. The Private Client Program was made available to investors in certain series offered by the Funds as of April 1, 2014. Effective February 5, 2016, Series F and Series O securities of a Sun Life Global Investments Mutual Fund as well as Series A, Series AH, Series AT5, Series T5, Series AT8 or Series T8 securities of a Sun Life Global Investments Mutual Fund purchased or held under the Front End Sales Charge option became eligible for the Private Client Program. Effective July 29, 2016, Series FH and Series OH securities of a Sun Life Global Investments Mutual Fund became eligible for the Private Client Program. Effective February 9, 2018 Series F5, Series F8, Series FT5 and Series FT8 securities of a Sun Life Global Investments Mutual Fund will become eligible for the Private Client Program. Series A, Series AH, Series AT5, Series T5, Series AT8 and Series T8 securities of a Sun Life Global Investments Mutual Fund purchased or held under the Front End Sales Charge option and Series F, Series F5, Series F8, Series FT5, Series FT8, Series FH, Series O and Series OH securities of a Sun Life Global Investments Mutual Fund are collectively referred to as “**Eligible Securities**”. Series AH, AT8, Series FH, Series FT8 and Series OH are not offered under this simplified prospectus.

Investors with Eligible Securities of Sun Life Global Investments Mutual Funds having a market value of \$100,000 in their account are automatically enrolled in the Private Client Program. Investors who link their account to a Master Account (as described below) are also enrolled in the Private Client Program. Investors participating in the Private Client Program benefit from reduced management fees. For all series of securities of each Fund, other than Series O and Series OH securities, management fees are paid by the Fund. Any management fee reduction that is paid to a Private Client investor, either as a distribution in the case of a Trust Fund, or as a rebate in the case of a Corporate Class, will generally be reinvested in additional securities of the applicable Fund. If you switch your securities to a series that is not eligible for the Private Client Program or redeem your securities, the management fee reduction will be applied to the securities that you held as of the end of the most recently completed month. For Series O and Series OH securities of each Fund, no management fees are paid by the Fund. Management fees are paid directly by Series O and Series OH investors, after subtracting any management fee reduction, and will be paid by redeeming a sufficient amount of the investor’s securities from the Fund to pay the amount owing.

Account linking (also referred to as “**householding**” or a “**Household Group**”) can be established with eligible accounts once an investor has an account holding Eligible Securities of Sun Life Global Investments Mutual Funds with a market value of \$100,000 or more (the “**Master Account**”). Eligible accounts can be linked to the Master Account if the aggregate market value of the Eligible Securities of the Sun Life Global Investments Mutual Funds that are held in these accounts, along with the market value of the Eligible Securities in the Master Account, are equal to or greater than \$250,000. Eligible accounts that may be linked to a Master Account are those held by the investor, investor’s spouse, investor or spouse’s children and/or parents residing at the same address (each, a “**qualifying investor**”) and/or those held by a corporation, partnership or trust where one or more qualifying investor owns more than 50% of the entity’s voting equity. Each eligible account must be serviced by the same advisor. Each account in a Household Group will be eligible for management fee reductions. An account may be linked to only one Master



Account. An eligible account will be linked to a Master Account once appropriate instructions and authorization by all eligible account holders are received by us.

Unless an account is linked to a Master Account, an account must maintain a minimum market value of \$100,000 in Eligible Securities to be eligible for the management fee reduction (based on the market value of the Eligible Securities held in such account) at any given time. If the market value of the Eligible Securities held in the account falls below \$100,000, the account will no longer qualify for any management fee reductions. The accounts forming a Household Group must, in the aggregate, maintain a minimum market value of \$250,000 (based on the market value of the Eligible Securities held in such accounts) at any given time. Should the aggregate market value of the Eligible Securities held in the accounts forming a Household Group fall below \$250,000, these accounts will no longer qualify for any management fee reductions, except for any individual account that has a market value of \$100,000 or more in Eligible Securities. We reserve the right to move non-qualifying accounts out of the Private Client Program.

**Please contact us or your advisor for more information on our Private Client Program.**

We may modify or discontinue the Private Client Program at any time, at our discretion. Existing clients in the Private Client Program will receive at least 90 days' prior notice of the discontinuance of the Private Client Program.

**Series A securities**

Series A securities are available to all investors.

**Series AT5 securities**

Series AT5 securities are available to all investors. Series AT5 securities are designed to provide investors with a fixed monthly distribution based on a target annualized distribution rate of 5% of the NAV per security, respectively, at the end of the prior year. The amount of the monthly distribution will be reset at the beginning of each calendar year. The monthly distributions are not intended to reflect a Fund's investment performance and should not be confused with "yield" or "income". **The monthly distributions will be comprised of capital.** The distribution rate on Series AT5 securities may be greater than the return on the Fund's investments. **If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.** A distribution of capital is not immediately taxable to you but will reduce the adjusted cost base of your securities. Please see *Income tax considerations for investors* on page 53 for a discussion of the tax consequences of a distribution of capital. **Ordinary dividends and capital gains dividends may also be paid on Series AT5 securities, if required.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series AT5 securities will make any distributions in any particular month.

**Series T5 and Series T8 securities**

Series T5 and Series T8 securities are available to all investors. Series T5 and T8 securities are designed to provide investors with a fixed monthly distribution based on a target annualized distribution rate of 5% (in the case of Series T5) and 8% (in the case of Series T8) of the NAV per security of the relevant series at the end of the prior year. The amount of the monthly distribution will be reset at the beginning of each calendar year. The monthly distributions are not intended to reflect a Fund's investment performance and should not be confused with "yield" or "income". **The target monthly distributions may be paid out of income, capital gains or capital of the Fund and the composition may vary from month to month. A portion of the monthly distribution for Series T5 or Series T8 securities is likely to include a return of capital.** The distribution rate on these series may be greater than the return on the Fund's investments. **If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.** A distribution of capital is not immediately taxable to you but will reduce the adjusted cost base of your securities. Please see *Income tax considerations for investors* on page 53 for a discussion of the tax consequences of a distribution of capital. **Additional distributions of income and capital gains will be made in December if required.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series T5 or Series T8 securities will make any distributions in any particular month.

### **Series D securities**

Series D securities of a Fund are only available for purchase by existing investors who held Series D securities of the same Fund on March 30, 2012. Investors may switch their Series D securities of one Fund into Series D securities of another Sun Life Global Investments Mutual Fund, but may not switch securities of another series into Series D securities. Once a Series D investor no longer owns any Series D securities, the investor may not purchase additional Series D securities. In addition, Series D securities may be switched into any other series (if available), if the investor meets the applicable requirements for those series. Series D securities are not eligible for the Private Client Program.

### **Series F securities**

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

If you cease to be eligible to hold Series F securities, we may change your Series F securities as Series A securities of the same Fund under the Front End Sales Charge option.

### **Series F5 and Series F8 securities**

Series F5 and Series F8 securities are available to investors who have a fee-based account with their dealer and whose dealer has signed an agreement with us. Instead of paying sales charges, investors buying Series F5 and Series F8 securities pay fees to their dealer for investment advice and other services. We do not pay any commissions to dealers in respect of Series F5 and Series F8 securities, so we can charge a lower management fee.

Series F5 and Series F8 securities are designed to provide investors with a fixed monthly distribution based on a target annualized distribution rate of 5% (in the case of Series F5) and 8% (in the case of Series F8) of the NAV per security of the relevant series at the end of the prior year. The amount of the monthly distribution will be reset at the beginning of each calendar year. The monthly distributions are not intended to reflect a Fund's investment performance and should not be confused with "yield" or "income". **The target monthly distributions may be paid out of income, capital gains or capital of the Fund and the composition may vary from month to month. A portion of the monthly distribution for Series F5 or Series F8 securities is likely to include a return of capital.** The distribution rate on these series may be greater than the return on the Fund's investments. **If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.** A distribution of capital is not immediately taxable to you but will reduce the adjusted cost base of your securities. Please see *Income tax considerations for investors* on page 53 for a discussion of the tax consequences of a distribution of capital. **Additional distributions of income and capital gains will be made in December if required.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series F5 or Series F8 securities will make any distributions in any particular month. If you cease to be eligible to hold Series F5 and F8 securities, we may change your Series F5 and F8 securities to Series T5 and T8 securities of the same Fund under the Front End Sales Charge option.

### **Series FT5**

Series FT5 securities are available to investors who have a fee-based account with their dealer and whose dealer has signed an agreement with us. Instead of paying sales charges, investors buying Series FT5 securities pay fees to their dealer for investment advice and other services. We do not pay any commissions to dealers in respect of Series FT5 securities, so we can charge a lower management fee.

Series FT5 securities are designed to provide investors with a fixed monthly distribution based on a target annualized distribution rate of 5% of the NAV per security, respectively, at the end of the prior year. The amount of the monthly distribution will be reset at the beginning of each calendar year. The monthly distributions are not intended to reflect a Fund's investment performance and should not be confused with "yield" or "income". **The monthly distributions will be comprised of capital.** The distribution rate on Series FT5 securities may be greater than the return on the Fund's investments. **If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.** A distribution of capital is not immediately taxable to you but will reduce the adjusted cost base of your securities. Please see *Income tax considerations for investors* on page 53 for a discussion of the tax consequences of a distribution of capital. **Ordinary dividends and capital gains dividends may also be paid on Series FT5 securities, if required.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series FT5 securities will make any distributions in any particular month. If you cease to be eligible to hold Series FT5, we may change your Series FT5 to Series AT5 securities of the same Fund under the Front End Sales Charge option.

### **Series I securities**

Series I securities are special purpose securities that are currently only available to other mutual funds and eligible institutional investors. Series I securities are not sold to the general public. Each Series I investor negotiates its own management and advisory fee that is paid directly to us. Series I securities are not generally sold through dealers, and no sales commissions are payable to dealers for selling these securities. We must approve any switch to or from the Series I securities. Series I securities are not eligible for the Private Client Program.

If you cease to be eligible to hold Series I securities, we may change your Series I securities as Series A securities of the same Fund under the Front End Sales Charge option.

### **Series O securities**

Series O securities are only available to investors through the Private Client Program and to investors whose dealer has signed a Series O dealer agreement with us. Each Series O investor pays a management fee directly to us and is eligible for management fee reductions, if any, based on the value of Series O securities held in the investor's account. The Series O management fee is paid, after subtracting any management fee reductions, by a redemption of Series O securities held in the investor's account.

If your account ceases to qualify for the Private Client Program, we may change the Series O securities held in your account for Series A securities of the same Fund under the Front End Sales Charge option.

## **How to buy securities of the Funds**

You can buy securities of the Funds through a registered dealer. You must be of the age of majority in the province or territory in which you live to buy securities in a mutual fund. You may hold securities in trust for a minor.

### **Purchase price**

When you buy securities in a Fund, the price you pay is the NAV of those securities. Each series of securities of a Fund has a separate NAV ("**series NAV**"). In general, we calculate the series NAV by:

- taking that series' proportionate share of the assets of the Fund; and
- subtracting that series' expenses and its proportionate share of the class expenses and the Fund's common expenses.

The NAV for each security in each series is calculated by dividing the series NAV by the total number of outstanding securities of that series.

We calculate the NAV for each series of each Fund in Canadian dollars.

If we receive your purchase order before 4 p.m. ET on a day that the Toronto Stock Exchange (“TSX”) is open for business or before the TSX closes for the day, whichever is earlier, we will process your order based on the NAV calculated on that day. If we receive your order after that time, we will process your order based on the NAV calculated on the next business day.

### **Choosing a purchase option**

Certain series of the Funds are available for purchase under different purchase options. The purchase option you choose determines the amount of the fee and when you pay it. Your choice of purchase option will require you to pay different fees and will affect the amount of compensation your dealer will receive. Not all dealers may make all series or all purchase options available. See *Fees and expenses* on page 35 and Dealer compensation on page 49 for more information.

Generally, there are three different purchase options:

- **Front End Sales Charge option.** You and your dealer negotiate the fee, which may be up to 5% of the cost of the securities, and you pay this fee to your dealer when you buy the securities.
- **Deferred Sales Charge option.** You do not pay a fee when you buy the securities. However, if you redeem the securities within seven years of buying them, you will pay a redemption fee that starts at 5.5% of the original cost and declines over time. See *Fees and expenses payable directly by you* on page 43 for the redemption fee schedule.
- **Low Load Sales Charge option.** You do not pay a fee when you buy the securities. However, if you redeem the securities within three years of buying them, you will pay a redemption fee that starts at 3.0% of their original cost and declines over time.

Series A, Series AT5, Series T5 and Series T8 securities are generally available for purchase under the Front End Sales Charge option, the Deferred Sales Charge option and the Low Load Sales Charge option.

There are no sales charges for the purchase of Series D, Series F, Series F5, Series F8, Series FT5 or Series I securities. However, Series F, F5, F8 and FT5 investors pay a separate fee to their dealer. In addition, Series D, Series F, Series F5, Series F8, Series FT5, Series I and Series O securities are not available under the Deferred Sales Charge option or the Low Load Sales Charge option.

Securities must be purchased or held under either the Front End Sales Charge option or in Series F, Series F5, Series F8, Series FT5 or Series O securities to be eligible for the Private Client Program.

For securities purchased under the Deferred Sales Charge option or the Low Load Sales Charge option, upon the completion of the redemption fee schedule applicable to those securities, such securities will be automatically changed to Front End Sales Charge option securities without increased costs to you. Your dealer may, from the time your securities are changed, receive the higher level of service fees or trailing commissions that are applicable to securities purchased under the Front End Sales Charge option. See *Fees and expenses* on page 35 and Dealer compensation on page 49 for more information.

### **Minimum investment**

The minimum initial investment in Series A, Series AT5, Series T5, Series T8, Series F, Series F5, Series F8, Series FT5 or Series O securities of the Funds is \$500.00. Each additional investment in Series A, Series AT5, Series T5, Series T8, Series F, Series F5, Series F8, Series FT5 or Series O securities must be at least \$50.00. Each additional investment in Series D securities must be at least \$100.00. These minimum investment amounts may be adjusted or waived in our absolute discretion and without notice to securityholders.

The minimum initial investment and each additional investment in Series I securities of any of the Funds is negotiated between each Series I investor and the Manager.

Unless an account is linked to a Master Account, an account must maintain a minimum market value of \$100,000 in Eligible Securities to be eligible for the management fee reduction (based on the market value of the Eligible Securities held in such account) at any given time and if the market value of the Eligible Securities held in the account falls below \$100,000, the account will no longer qualify for any management fee reductions. The accounts forming a Household Group must, in the aggregate, maintain a minimum market value of \$250,000 (based on the market value of the Eligible Securities held in such accounts) at any given time. Should the aggregate market value of the Eligible Securities held in such accounts fall below \$250,000, these accounts will no longer qualify for any management fee reductions, except for any individual account that has a market value of \$100,000 or more in Eligible Securities. We reserve the right to move non-qualifying accounts out of the Private Client Program.

We reserve the right, on giving 30 days' prior written notice to your dealer, to increase or decrease the minimum investment required to participate in the Private Client Program.

Please see *Automatic redemption* on page 28 for more information on the minimum balance that must be maintained for investments in other series of the securities of the Funds and the consequences of failing to maintain such minimum.

### **How we process your order**

You and your advisor are responsible for ensuring that your purchase order is accurate and that we receive all the necessary documents or instructions. If we receive a payment or a purchase order that is otherwise valid but fails to specify a Fund, or if any other documentation in respect of your purchase order is incomplete, we will deem such order to be for Series A securities of Sun Life Money Market Fund (in the case of an incomplete order for a Trust Fund) and Sun Life Money Market Class (in the case of an incomplete order for a Corporate Class) and invest your money in such securities, under the Front End Sales Charge option at a 0% sales charge. Once we know the Fund you have selected and we have received your documentation in good order, we will switch this investment into the Fund(s), series and sales charge option that you have selected, without additional charge, at the NAV of the Fund(s) on the applicable switch date.

We must receive full payment within three business days of processing your order (or one business day in the case of Sun Life Money Market Fund and Sun Life Money Market Class). If we do not receive payment within that time or if the payment is returned, we will sell your securities on the next business day. If the proceeds are greater than the amount you owe us, the Fund will keep the difference. If the proceeds are less than the amount you owe us, your dealer will pay the difference to the Fund and you may have to reimburse your dealer.

We can accept or reject your order within one business day of receiving it. To reduce the adverse effect to existing investors of large redemptions in a Fund, we may reject your order if it makes you a holder of 10% or more of the Fund's net assets. If we accept your order, you will receive a written confirmation from us and/or your dealer or the intermediary. If we reject your order, we will return your money to you without interest.

### **How to redeem your securities**

If you want to redeem any of your securities of the Funds, contact your advisor, who may ask you to complete a redemption request form.

For all Funds, we will pay you the current NAV for your securities, less the redemption fees described below. If we receive your redemption request before 4 p.m. ET on a day that the TSX is open for business or before the TSX closes for the day, whichever is earlier, we will calculate your redemption value as of that day. If we receive your redemption request after that time, we will calculate your redemption value as of the next business day.

Redemption requests in any of the following cases are required to have signatures guaranteed by a Canadian chartered bank or trust company or by your dealer:

- your redemption proceeds are \$25,000.00 or more;
- you ask us to send your redemption proceeds to another person or to a different address than which is recorded for your account;
- your redemption proceeds are not payable to all joint owners on your account; or
- a corporation, partnership, agent, fiduciary or surviving joint owner is redeeming securities.

You should consult your advisor with respect to the documentation required.

## **Redemption fees**

When you redeem Series A, Series AT5, Series T5 or Series T8 securities, you may be charged redemption fees. The amount of those fees depends on the purchase option you chose when you bought the securities. If you have held the securities for less than 30 days, you may also pay a short term trading fee. See *Short-term trading fees* on page 27.

### **Deferred Sales Charge and Low Load Sales Charge options**

When you redeem Series A, Series AT5, Series T5 or Series T8 securities that you bought under the Deferred Sales Charge option within seven years of buying them, you pay a fee. The fee is a percentage of what you paid for the securities, and it declines over the period that you hold the securities. See *Deferred Sales Charge option* on page 47 and the redemption fee schedule under *Fees and expenses payable directly by you* on page 43 for details.

When you redeem Series A, Series AT5, Series T5 or Series T8 securities that you bought under the Low Load Sales Charge option within three years of buying them, you pay a fee. The fee is a percentage of what you paid for the securities, and it declines over the period that you hold the securities. See *Low Load Sales Charge option* on page 47 and the redemption fee schedule under *Fees and expenses payable directly by you* on page 43 for details.

If you chose the Deferred Sales Charge or the Low Load Sales Charge options for a Fund and then switched into another Sun Life Global Investments Mutual Fund, the redemption fee for the new securities will generally be based on the original purchase date and cost before the switch.

There is no redemption fee for Series D, Series F, Series F5, Series F8, Series FT5, Series I or Series O securities. However, if you have held the securities for less than 30 days, you may pay a short-term trading fee. See *Short-term trading fees* on page 26. In addition, there is no redemption fee for securities received from reinvested distributions.

### **Order of redemption**

Your Series A, Series AT5, Series T5 or Series T8 securities bought under the Deferred Sales Charge or the Low Load Sales Charge options are redeemed in the following order:

- securities that qualify for free redemption entitlement (in order of maturity date) – see *10% free redemption entitlement* below;
- matured securities (securities that are no longer subject to a redemption fee); then
- securities that have a fee remaining, starting with those that will mature first.

### **10% free redemption entitlement**

If you bought Series A, Series AT5, Series T5 or Series T8 securities under the Deferred Sales Charge or the Low Load Sales Charge options, each year you can generally redeem the following at no charge:

- up to 10% of the number of Series A, Series AT5, Series T5 or Series T8 securities you held on December 31 of the previous year; plus

- up to 10% of the number of Series A, Series AT5, Series T5 or Series T8 securities you bought during the current year prior to the date of redemption.

You cannot carry forward your unused free redemption entitlement to the next year.

We may modify or discontinue this free redemption entitlement at any time in our sole discretion.

### **Redemption of Deferred Sales Charge and Low Load Sales Charge Securities Following death of an investor**

We may waive the deferred sales charge or low load sales charge if securities are redeemed following the death of the holder of an individual account. Once we receive the required estate documentation in good order, we will process the redemption as requested, and in accordance with our current policies. Please contact us or your advisor for more information.

### **Front End Sales Charge option**

You do not pay a fee for redeeming securities that you bought under the Front End Sales Charge option. You may have to pay a short term trading fee if you redeem securities within 30 days of purchase. See *Short-term trading fees* on page 27.

### **Series D, Series F, Series F5, Series F8, Series FT5, Series I and Series O securities**

You do not pay a fee for redeeming Series D, Series F, Series F5, Series F8, Series FT5, Series I or Series O securities. You may have to pay a short-term trading fee if you redeem securities within 30 days of purchase. See *Short-term trading fees* on page 27.

### **Excessive short-term trading**

In general, the Funds are long-term investments. Some investors may seek to trade or switch frequently to try to take advantage of the difference between the Fund's NAV and the value of the Fund's portfolio holdings. This activity is sometimes referred to as "market-timing". Frequent trading or switching in order to time the market can hurt a Fund's performance, affecting all the investors in a Fund by forcing the Fund to keep cash or sell investments to meet redemptions. We use a combination of measures to detect and deter market timing activity, including:

- monitoring trading activity in our client accounts and, through this monitoring, declining certain trades;
- imposing short-term trading fees; and
- applying fair value pricing to foreign portfolio holdings in determining the prices of our Funds.

### **Short-term trading fees**

If you redeem or switch securities of a Fund within 30 days of purchase, we may charge a short-term trading fee of 2% of the NAV of the securities redeemed or switched on behalf of the Fund. This is in addition to any redemption or switch fees that you may pay. See *Fees and expenses payable directly by you* on page 43. Each additional switch counts as a new purchase for this purpose. No short-term trading fees are charged:

- for a redemption of securities when an investor fails to meet the minimum investment amount for the Funds;
- for a redemption of securities acquired through automatic reinvestment of all distributions by a Fund;
- for a redemption of securities in connection with a failed settlement of a purchase of securities;
- for a switch or a redemption from Sun Life Money Market Fund or from Sun Life Money Market Class (each a Sun Life Global Investments Mutual Fund offered under a separate simplified prospectus);

- for a switch under the Systematic Transfer Plan;
- for a switch as a result of a rebalancing transaction under the Private Client account rebalancing service;
- for a change of securities from one series to another;
- for a redemption of securities by another investment fund or investment product approved by us; or
- in the absolute discretion of the Manager.

See also *Switch fees* on page 30 and *Minimum investment* on page 24 for details.

### **Fair value pricing**

The TSX generally closes at 4 p.m. ET. We price a Fund's equity holdings using their market values as of 4 p.m. ET. For securities traded on North American markets, the closing prices are generally an accurate reflection of market values at 4 p.m. ET. However, closing prices on foreign securities exchanges may, in certain cases, no longer accurately reflect market values. Events affecting the values of the Fund's foreign portfolio holdings may have occurred after the foreign market closed but before 4 p.m. ET. Our fair value pricing process makes adjustments to closing prices of foreign securities if there is a significant event which has occurred between the time the foreign market closed and the time at which the NAV for the Funds is calculated. The intent of fair value pricing is to increase the likelihood that a Fund's NAV truly reflects the value of its holdings at the time the Fund's price is determined and to deter market timing activity by decreasing the likelihood that an investor is able to take inappropriate advantage of market developments that occur following the foreign market close and prior to 4 p.m. ET.

### **How we process your redemption request**

We will pay you the proceeds of your redemption request within three business days of receiving all the required documents or instructions. We will deduct any redemption fees and withholding tax from the payment.

If your account is registered in the name of your dealer or an intermediary, we will send the proceeds to that account unless your dealer or the intermediary tells us otherwise.

If we do not receive all the necessary documents or instructions within 10 business days of receiving your redemption order, we will buy back your securities on the tenth business day after the redemption. If the sale proceeds are greater than the cost, the Fund will keep the difference. If the sale proceeds are less than the cost, your dealer will pay the difference to the Fund and you may have to reimburse your dealer.

### **Automatic redemption**

Investors in Series A, Series AT5, Series T5, Series T8, Series F, Series F5, Series F8, Series FT5 and Series I securities of the Funds must keep at least \$500.00 in their accounts. If your account falls below \$500.00, we may notify you and give you 30 days to make another investment. If your account stays below \$500.00 after those 30 days, we may redeem all of the securities in your account and send the proceeds to you.

In addition, we reserve the right to redeem, without notice to you, all of the securities that you hold in a Fund if your investment in that Fund falls below \$500.00. We also intend to observe all redemption policies that may be implemented from time to time by industry participants such as FundSERV, which provides a transaction processing system used by most mutual funds in Canada.

Please see *Minimum investment* on page 24 for more information on the minimum balance that must be maintained for investments in Series O securities of the Funds and the consequences of failing to maintain such minimum.

Irrespective of the size of your investment in a Fund, we reserve the right to redeem all of the securities that you hold in a Fund if we believe it is in the best interest of the Fund to do so.



## Suspending your right to redeem

Canadian securities regulators allow us to suspend your right to redeem your securities when:

- normal trading is suspended in any market where securities or derivatives that make up more than 50% of the Fund's total value are traded and there is no other market or exchange that represents a reasonable alternative; or
- Canadian securities regulators consent.

If we suspend redemption rights after you have requested a redemption and before your redemption proceeds have been determined, you may either withdraw your redemption request or redeem your securities at the NAV determined after the suspension period ends. We will not accept orders to buy securities of a Fund during any redemption suspension period.

## How to switch your securities

You may, at any time, switch all or part of your investment in one Fund to a different Sun Life Global Investments Mutual Fund (provided that you are eligible to make the switch). You may also change between series of the same Fund (which, in the case of a change between series of a Trust Fund, is referred to as a “**redesignation**” and in the case of a change between series of a Corporate Class, is referred to as a “**conversion**”), provided that you are eligible to purchase the new series) or change between purchase options. It is generally not advisable to make changes between purchase options. You, by retaining the original purchase option, will avoid any unnecessary additional charges. See *Changing between purchase options* on page 30.

You must place all switch orders through your advisor.

## Switching between Sun Life Global Investments Mutual Funds

You can switch your securities of one series of a Fund into securities of the same series or a different series of another Sun Life Global Investments Mutual Fund, provided you are qualified for the series you are switching into. This involves both a redemption of securities of the Fund and a purchase of securities of the other Sun Life Global Investments Mutual Fund. The redemption is a disposition for tax purposes and will generally result in realizing a capital gain or capital loss. See *Income tax considerations for investors* on page 53 for more details.

If you switch from securities of a Fund purchased under the Deferred Sales Charge option or the Low Load Sales Charge option to new securities under the same purchase option, your new securities will generally have the same redemption fee schedule as your original securities.

## Changing between series

You may change your securities of one series of a Fund into securities of a different series of the same Fund if you are eligible to purchase the new series. See *Series of securities* on page 20 for eligibility details. This change is processed as a redesignation, in the case of a Trust Fund, or a conversion, in the case of a Corporate Class and is not considered to be a disposition of the securities for tax purposes. You will not realize a capital gain or loss upon a conversion or redesignation unless securities are redeemed to pay any fees or charges. See *Income tax considerations for investors* on page 53 for more details.

The following are some more things you should keep in mind about changing between series:

- If you change Series A, Series AT5, Series T5 or Series T8 securities of a Fund purchased under the Deferred Sales Charge option or the Low Load Sales Charge option into Series F, Series F5, Series F8, Series FT5, Series I or Series O securities of the same Fund, you will have to pay any applicable redemption fees.
- If you change from Series D, Series F, Series F5, Series F8, Series FT5, Series I or Series O securities of a Sun Life Global Investments Mutual Fund into Series A, Series AH, Series AT5, Series T5, Series AT8 or

Series T8 securities of the same or another Sun Life Global Investments Mutual Fund, you can choose to have any of the three available purchase options apply to your new securities.

- Any change into or out of Series I securities is subject to the prior written approval of the Manager.
- A change from one series of a Fund to another series will likely result in a change in the number of securities of the Fund you hold since each series of a Fund generally have a different NAV per security.
- If you are no longer eligible to hold Series D, Series F, Series F5, Series F8, Series FT5, Series I or Series O securities, we may change your Series D, Series F, Series F5, Series F8, Series FT5, Series I or Series O securities to Series A, Series AT5, Series T5, Series AT8 or Series T8 securities, as applicable, of the same Fund under the Front End Sales Charge option.
- Series AH, Series FH, Series OH, Series IH, Series AT8 and Series FT8 securities are not offered under this prospectus.

### **Changing between purchase options**

Changes in purchase options may involve a change in the compensation paid to your dealer. For the reasons set out below, it is generally not advisable to make changes between purchase options.

Changes between purchase options will generally be permitted only if you provide the Manager with instructions to sell your original securities of a Fund and buy new securities under a different purchase option. There may be tax consequences to you when making this type of change. If your original securities are subject to a redemption fee or do not have a free redemption amount (as described above), such a change will trigger any applicable redemption fees. In addition, if you are changing to any of the Deferred Sales Charge option or the Low Load Sales Charge option from a different purchase option, a new redemption fee schedule will be imposed on your new securities. See *Choosing a purchase option* on page 24 for more details.

A change from securities purchased under the Deferred Sales Charge option or the Low Load Sales Charge option that are not subject to redemption fees to securities purchased under the Front End Sales Charge option may result in an increase in the trailing commissions being paid to your dealer, although no incremental charges to you, other than any switch fee as described in *Switch fees* on page 30. See *Trailing commission* under *Dealer compensation* on page 49 for more details. If the securities are registered in your own name, we generally require written authorization from you through your dealer. If your securities are registered in the name of your dealer or an intermediary, we generally require written authorization from your dealer or intermediary. Your dealer or intermediary will generally be required to make certain disclosures to you and to obtain your written consent to a change between purchase options.

We automatically change securities purchased under the Deferred Sales Charge option or the Low Load Sales Charge option to Front End Sales Charge option securities upon the completion of the redemption fee schedule of those securities. This change is not a disposition of the securities for tax purposes. This will result in an increase in the trailing commissions being paid to your dealer, although no incremental charges to you. See *Trailing commission* under *Dealer compensation* on page 49 for more details.

### **Switch fees**

Dealers may charge you a switch fee of up to 2% of the amount switched to cover the time and processing costs involved in a switch. Generally, dealers may charge you a switch fee for a switch to or from Series A, Series AH, Series AT5, Series T5, Series AT8, Series T8 or Series O securities of a Sun Life Global Investments Mutual Fund. You and your advisor negotiate the fee.

Switch fees and sales commissions are exclusive of each other. Dealers may receive a switch fee or a sales commission for a switch transaction, but not both.

If you are no longer eligible to hold a certain series of securities and the Manager changes your securities for securities of another series of the same Fund, the dealer will not receive a fee or a sales commission.

You may also have to pay a short-term trading fee if you switch from securities purchased within the last 30 days. See *Excessive short-term trading on page 27 and Short-term trading fees on page 27*.

No switch fees are charged when:

- you change securities of a series of a Fund to securities of another series of the same Fund;
- you are switching Series A, Series AH, Series AT5, Series T5, Series AT8, or Series T8 securities of a Sun Life Global Investments Mutual Fund purchased under the Deferred Sales Charge option or the Low Load Sales Charge option to the Front End Sales Charge option, and your dealer charges you a sales commission for the switch transaction;
- you are switching *from* Series D, Series F, Series F5, Series F8, Series FT5 or Series I securities to Series D, Series F, Series F5, Series F8, Series FT5 or Series I securities of the same or another Sun Life Global Investments Mutual Fund;
- you are switching securities as a result of a rebalancing transaction under the Private Client account rebalancing service; or
- you are switching under the Systematic Transfer Plan.

# Optional services

## **Pre-authorized chequing (PAC) plan**

You can set up a PAC plan with us so that money is automatically withdrawn from your bank account at regular intervals and invested in the Funds that you choose. PAC plans allow you to take advantage of dollar cost averaging. Dollar cost averaging is investing a fixed dollar amount at regular intervals. You will buy fewer securities when the price is high and more when the price is low, averaging out the cost of your investment. Your dealer may offer a similar plan.

To set up a PAC plan, you must:

- provide us with an imprinted void cheque;
- tell us how much to withdraw;
- tell us when and how often to make the withdrawals; and
- tell us how to invest your contributions.

You may choose this option when you first buy securities or at any time afterwards. You must set up your PAC plan through your advisor. We must receive at least three business days' notice to set up a PAC plan.

We do not charge a fee for setting up your PAC plan. However, there is a minimum contribution amount of \$50.00 (\$100.00 for Series D and \$500.00 for Series O) for each Fund you hold in a PAC. This minimum amount may be adjusted or waived in our absolute discretion and without notice to securityholders. You can only buy securities in Canadian dollars through your PAC plan.

You may change your PAC plan instructions or cancel your PAC plan at any time as long as we receive at least two business days' notice. Most changes to accounts administered by us must be made through your dealer. If you redeem all of the securities in your account, we will terminate your PAC plan unless you tell us otherwise.

## **Systematic withdrawal plan (SWP)**

You can set up a SWP with us so that we automatically make regular payments to you. We do this by redeeming securities in your account. Your dealer may offer a similar plan.

To set up a SWP, you must:

- have a minimum initial purchase of \$5,000.00 in your SWP;
- complete the required form and give it to your advisor or send it to us; and
- tell us the frequency and amount of the withdrawals you want.

We must receive at least three business days' notice to set up a SWP. We do not charge a fee for a SWP. However, there is a minimum withdrawal amount of \$50.00 for each withdrawal (\$500.00 for each withdrawal of Series O securities). This minimum withdrawal amount may be adjusted or waived in our absolute discretion and without notice to investors. Your redemption fees will depend on the purchase option that applies to the securities redeemed.

You may change your SWP instructions or cancel your SWP at any time as long as we receive at least two business days' notice. Most changes must be made through your advisor or dealer.

**If your regular withdrawals are greater than the growth in your account, you will eventually exhaust your original investment.** In certain circumstances, such as when the amount in your account falls below \$500.00, we may redeem all your securities and close your account. See *Automatic redemption* on page 28 for more details.

Withdrawals from your registered retirement savings plan (“RRSP”) and withdrawals of more than the minimum amount required to be withdrawn from your registered retirement income fund (“RRIF”) in a year are generally subject to withholding tax. Withdrawals from a tax free savings account (“TFSA”) are not subject to withholding tax. The SWP is not offered on securities held within a registered education savings plan (“RESP”) or registered disability savings plan (“RDSP”).

## **Systematic transfer plan (STP)**

You can set up a STP with us so that we automatically switch a specified dollar amount (minimum \$50.00 for all series of securities other than Series O securities or \$500.00 for Series O securities) of a series of securities from one Sun Life Global Investments Mutual Fund (the “first fund”) to the same series of securities of another Sun Life Global Investments Mutual Fund (if the same series is offered) (the “other fund”) on a weekly, bi-weekly, semi-monthly, monthly, bi-monthly, quarterly, semi-annual or annual basis.

To set up a STP, you must:

- complete the required form and give it to your advisor or send it to us;
- tell us the Sun Life Global Investments Mutual Fund from which you wish to switch from and the Sun Life Global Investments Mutual Fund to which you wish to switch to; and
- tell us the frequency and amount of the switches you want.

We must receive at least three business days’ notice to set up a STP. We do not charge a fee for a STP.

You may change your STP instructions or cancel your STP at any time as long as we receive at least three business days’ notice. Most changes must be made through your advisor or dealer.

All the rules with respect to switching securities of the Fund, as described under *How to switch your securities* on page 29, apply to switches under the STP. However, switches under an STP are not subject to the switch fee or the short term trading fee.

See *Income tax considerations for investors* on page 53 for details on the tax consequences of switching securities of the Funds.

## **Account Rebalancing**

You can set up account rebalancing with us so that we automatically rebalance the investments in your account. This service permits you to establish a target allocation for your investments within an account. You will tell us the applicable Sun Life Global Investments Mutual Funds, the target allocation for each fund, the percentage that you will allow the actual values of your investments in the funds to differ from your target allocations before a rebalancing occurs (i.e. the “variance percentage”), and the frequency at which you want the rebalancing to occur (monthly, quarterly, semi-annually or annually). Your account will be reviewed and, if necessary, rebalanced on the last business day in the calendar period of the frequency you selected.

All rebalancing transactions are subject to the rules related to switching as set out in the simplified prospectus of the applicable Sun Life Global Investments Mutual Funds, unless otherwise indicated. Short-term trading fees will not be applied to rebalancing transactions. There is no fee for the account rebalancing service and a dealer must not charge a switch fee as a result of any rebalancing. The rebalancing service is not offered on securities held under the Deferred Sales Charge option or the Low Load Sales Charge option or within a RESP.

Before an account is subject to the account rebalancing service, a form must be completed. Please ask your advisor for more details

### **Registered plans**

Generally, we can set up an RRSP, RRIF, any one of the various types of locked in registered plans (such as a locked in retirement account or life income fund), RESP or TFSA for you when you invest in the Funds. Please contact your advisor for more details.

Please see *Income tax considerations for investors* on page 53 for details on holding securities of the Funds in registered plans.

# Fees and expenses

The following tables show the fees and expenses you may have to pay if you invest in the Funds. You may pay some of these fees and expenses directly, depending on the purchase option you select. The Funds may pay some of these fees and expenses, which reduces the value of your investment.

If the basis of the calculation of a fee or expense that is charged to a Fund is changed in a way that could result in an increase in charges to the Fund or to its investors, or if a fee or expense to be charged to a Fund or directly to the Fund's investors by the Fund or us in connection with holding securities of the Fund that could result in an increase in charges to the Fund or its investors is introduced, and, in both cases, when this fee or expense is charged by an entity that is at arm's length to the Fund, the approval of such Fund's investors will not be obtained. Instead, investors in the Fund will be sent a written notice at least 60 days before the effective date of the change.

## Fees and expenses payable by the Funds

The Funds generally pay two types of fees: Management Fees and Administration Fees.

**Management fees** Each Fund pays us a management fee based on the NAV of each series of the Fund, plus HST or other applicable taxes.

Management fees pay for the services we provide to the Funds, including the following:

- Portfolio and investment advisory services
- Oversight of any service providers to the Funds
- General administration of fund operations
- Marketing and other promotional activities
- Arranging for the distribution and sale of securities of the Funds
- Commissions to advisors and dealers

This list is not exhaustive.

The annual rate of the fee, excluding HST and other applicable taxes, if any, is set out below. The fee is accrued daily and paid monthly.

Fund name	Annual management fees					
	Series A, AT5, T5 and T8 securities (until December 31, 2017)	Series A, AT5, T5 and T8 securities (effective January 1, 2018)	Series D Securities **	Series F securities (until December 31, 2017)	Series F securities (effective January 1, 2018)	Series F5, F8 and FT5 securities <sup>1</sup>
Sun Life Granite Conservative Portfolio	1.50%	1.50%	--	0.75%	0.75%	0.75%
Sun Life Granite Moderate Portfolio	1.75%	1.75%	--	0.75%	0.75%	0.75%

Fund name	Annual management fees					
	Series A, AT5, T5 and T8 securities (until December 31, 2017)	Series A, AT5, T5 and T8 securities (effective January 1, 2018)	Series D Securities **	Series F securities (until December 31, 2017)	Series F securities (effective January 1, 2018)	Series F5, F8 and FT5 securities <sup>1</sup>
Sun Life Granite Balanced Portfolio	1.80%	1.80%	0.95%	0.80%	0.80%	0.80%
Sun Life Granite Balanced Growth Portfolio	1.85%	1.85%	--	0.85%	0.85%	0.85%
Sun Life Granite Growth Portfolio	1.90%	1.90%	--	0.90%	0.90%	0.90%
Sun Life Granite Income Portfolio	1.50%	1.50%	--	0.75%	0.75%	0.75%
Sun Life Granite Enhanced Income Portfolio	1.80%	1.80%	--	0.80%	0.80%	--
Sun Life Sentry Value Fund	1.95%	1.80%	--	0.95%	0.80%	--
Sun Life Infrastructure Fund	2.00%	2.00%	--	1.00%	1.00%	1.00%
Sun Life Schroder Global Mid Cap Fund	2.00%	2.00%	--	1.00%	1.00%	1.00%
Sun Life Dynamic* American Fund	2.00%	2.00%	--	1.00%	1.00%	1.00%
Sun Life Templeton Global Bond Fund	1.25%	1.25%	--	0.75%	0.75%	--
Sun Life Dynamic* Equity Income Fund	1.75%	1.75%	--	0.75%	0.75%	--
Sun Life Dynamic* Strategic Yield Fund	1.85%	1.85%	--	0.85%	0.85%	--
Sun Life NWQ Flexible Income Fund	1.35%	1.35%	--	0.85%	0.85%	--



Fund name	Annual management fees					
	Series A, AT5, T5 and T8 securities (until December 31, 2017)	Series A, AT5, T5 and T8 securities (effective January 1, 2018)	Series D Securities **	Series F securities (until December 31, 2017)	Series F securities (effective January 1, 2018)	Series F5, F8 and FT5 securities <sup>1</sup>
Sun Life BlackRock Canadian Equity Fund	1.55%	1.50%	--	0.55%	0.50%	0.50%
Sun Life BlackRock Canadian Balanced Fund	1.55%	1.50%	--	0.55%	0.50%	0.50%
Sun Life MFS Canadian Bond Fund	1.25%	1.05%	0.65%	0.75%	0.55%	--
Sun Life MFS Canadian Equity Growth Fund	1.95%	1.80%	1.25%	1.00%	0.80%	--
Sun Life MFS Canadian Equity Fund	1.95%	1.80%	1.25%	1.00%	0.80%	--
Sun Life MFS Canadian Equity Value Fund	1.95%	1.80%	1.25%	1.00%	0.80%	--
Sun Life MFS Dividend Income Fund	1.75%	1.70%	1.25%	0.75%	0.70%	--
Sun Life MFS U.S. Equity Fund	2.00%	1.85%	1.25%	1.00%	0.85%	--
Sun Life Franklin Bissett Canadian Equity Class	2.00%	2.00%	--	1.00%	1.00%	1.00%
Sun Life Trimark Canadian Class	2.00%	2.00%	--	1.00%	1.00%	1.00%
Sun Life Sionna Canadian Small Cap Equity Class	2.10%	2.10%	--	1.10%	1.10%	1.10%
Sun Life MFS Low Volatility International Equity Fund	2.00%	1.80%	--	1.00%	0.80%	0.80%
Sun Life MFS Low Volatility Global Equity Fund	2.00%	1.80%	--	1.00%	0.80%	0.80%

\* Dynamic, Dynamic Funds, Dynamic American Fund, Dynamic Equity Income Fund and Dynamic Strategic Yield Fund are registered and proprietary trademarks of Scotiabank, an affiliate of 1832 Asset Management L.P., used under license by the Manager.

\*\* Series D securities of a Fund are only available for purchase by investors who held Class D securities of a Sun Life Global Investments Mutual Fund on March 30, 2012 (or funds that may have subsequently been merged with a Sun Life Global Investments Mutual Fund). See *Series D securities* on page 22 for more details.

<sup>1</sup> Series F5, F8 and FT5 will be available for purchase as of February 9, 2018.

We may, at our discretion, waive a portion or the entire amount of the management fee chargeable to a series of a Fund at any given time.

For Series I securities, investors negotiate and pay the management fees directly. The Series I management fees are described below under *Fees and expenses payable directly by you*.

For Series O securities, investors pay the management fee directly to us. The management fee is paid from the redemption of securities held in the applicable Private Client account. The Series O management fees are described below under *Fees and expenses payable directly by you*.

Generally, we may reduce the fees and expenses charged to a Fund (including the management fee and the administration fee) for the benefit of institutional and individual investors who invest large amounts in a Fund. These reductions are negotiable by institutional investors or their advisor and us. To achieve the reduction, we reduce the fee and/or expenses charged to the Fund and then, in the case of a Trust Fund, the Fund makes a special distribution to the investor of income, capital gains and/or capital of the Fund equal to the amount of the reduction (a “**fee distribution**”) and in the case of a Corporate Class, we pay an amount equal to the reduction as a rebate. Fee distributions and rebates are generally reinvested in additional securities. However, some institutional investors may choose to receive these amounts in cash.

You are eligible for management fee reductions if your account is linked to a Household Group or when the market value of the Eligible Securities in your account exceeds \$100,000. A different rate of management fee reduction applies to the dollar value indicated in each tier and a particular rate is applied to the assets within a particular tier only, as set out in the tables below. The thresholds indicated below apply to the market value of Eligible Securities in an account or, if an account is linked to a Household Group, the aggregate market value of Eligible Securities in all accounts in the Household Group. If the market value of the Eligible Securities in your account falls below \$100,000, the account will no longer qualify for the management fee reductions set out below. If the aggregate market value of the Eligible Securities in all accounts in your Household Group falls below \$250,000, only those accounts with \$100,000 or more will still qualify for the management fee reduction:

**Private Client Program - Management Fee Reductions**

The thresholds indicated below apply to an account or Household Group, that entered the Private Client Program, on or after March 28, 2018. Subject to the grandfathered fee reductions described below, the thresholds indicated below also apply to an account or Household Group, that began participating in the Private Client Program prior to March 28, 2018 if, as of March 27, 2018, the market value of Eligible Securities in such account exceeded \$100,000 but was less than \$500,000 or the market value of Eligible Securities in such Household Group exceeded \$250,000 but was less than \$500,000.

Balance in Eligible Securities (Individual Account or Household Group)	Management Fee Reduction (within tier)
Tier 1 – Less than or equal to \$250,000, provided that AUM exceeds \$100,000	0.050%
Tier 2 – Greater than \$250,000 to \$500,000	0.100%

Tier 3 – Greater than \$500,000 to \$1million	0.150%
Tier 4 – Greater than \$1million to \$3million	0.175%
Tier 5 – Greater than \$3million	0.200%

### Grandfathered fee reductions

The thresholds indicated below apply to an account or Household Group, that entered the Private Client Program, on or after February 5, 2016 and prior to March 28, 2018. The thresholds indicated below also apply to an account or Household Group, that began participating in the Private Client Program prior to February 5, 2016 if, as of April 1, 2016, the market value of Eligible Securities in such account exceeded \$100,000 but was less than \$1,000,000 or market value of Eligible Securities in such Household Group exceeded \$250,000 but was less than \$1,000,000:

<b>Balance in Eligible Securities (Individual Account or Household Group)</b>	<b>Management Fee Reduction (within tier)</b>
Tier 1 – Less than or equal to \$250,000 (provided that the market value exceeds \$100,000)	0.05%
Tier 2 – Greater than \$250,000 to \$500,000	0.10%
Tier 3 – Greater than \$500,000 to \$1million	0.20%
Tier 4 – Greater than \$1million to \$3million	0.25%
Tier 5 – Greater than \$3million	0.30%

For those accounts or Household Groups that qualified for the Private Client Program prior to February 5, 2016 and as of April 1, 2016, had a market value of Eligible Securities in excess of \$1 million, the thresholds indicated below apply:

<b>Balance in Eligible Securities (Individual Account or Household Group)</b>	<b>Management Fee Reduction (within tier)</b>
Tier 1 – Less than or equal to \$250,000 (provided that the market value exceeds \$100,000)	0.05%
Tier 2 – Greater than \$250,000 to \$500,000	0.10%
Tier 3 – Greater than \$500,000 to \$1 million	0.20%
Tier 4 – Greater than \$1 million to \$3 million	0.30%
Tier 5 – Greater than \$3 million to \$5 million	0.35%

Tier 6 - Greater than \$5 million

0.40%

The availability of management fee reductions on securities eligible for the Private Client Program is in our sole and absolute discretion. Such management fee reductions may be changed or cancelled by us at any time. At all times, we are entitled to charge any Fund the management fee at the rates set out under *Management fees* on page 39 and are not obligated to provide any management fee reductions to investors. Management fee reductions may not apply on securities of a Fund if the Manager chooses to waive all or a portion of the management fees otherwise payable by the Fund. We will provide investors participating in the Private Client Program with at least 90 days' prior written notice before we reduce the rate of management fee reductions on Eligible Securities in the Private Client Program or cancel the management fee reduction program.

**Administration fees and operating expenses**

We pay certain of the operating expenses of each Fund, other than Fund Costs (as defined below) (the “**Administration Expenses**”), in return for a fixed-rate annual administration fee paid to us by each Fund (“**administration fee**”). The administration fee is based on the NAV of each series of the Fund. The annual rate of the administration fee, excluding HST and other applicable taxes, if any, is set out below. The fee is accrued daily and paid monthly. The Administration Expenses include, but are not limited to, record keeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, administrative and systems costs, costs of reports to investors, prospectuses and other disclosure documents, regulatory filing fees (including any regulatory fees and expenses payable by the Manager in connection with acting as manager of the Funds) and trustee fees for registered plans.

Fund name	Fixed-rate annual administration fees								
	Series A, AT5, T5 and T8 securities (until December 31, 2017)	Series A, AT5, T5 and T8 securities (effective January 1, 2018)	Series D securities	Series F securities (until December 31, 2017)	Series F securities (effective January 1, 2018)	Series F5, F8 and FT5 securities <sup>1</sup>	Series I securities	Series O securities (until December 31, 2017)	Series O securities (effective January 1, 2018)
Sun Life Granite Conservative Portfolio	0.20%	0.20%	--	0.20%	0.15%	0.15%	0.03%	0.20%	0.15%
Sun Life Granite Moderate Portfolio	0.20%	0.20%	--	0.20%	0.15%	0.15%	0.03%	0.20%	0.15%
Sun Life Granite Balanced Portfolio	0.20%	0.20%	0.20%	0.20%	0.15%	0.15%	0.03%	0.20%	0.15%
Sun Life Granite Balanced Growth Portfolio	0.20%	0.20%	--	0.20%	0.15%	0.15%	0.03%	0.20%	0.15%
Sun Life Granite Growth Portfolio	0.20%	0.20%	--	0.20%	0.15%	0.15%	0.03%	0.20%	0.15%
Sun Life Granite Income Portfolio	0.20%	0.20%	--	0.20%	0.15%	0.15%	0.03%	0.20%	0.15%
Sun Life Granite Enhanced Income Portfolio	0.20%	0.20%	--	0.20%	0.15%	--	0.03%	0.20%	0.15%
Sun Life Sentry Value Fund	0.20%	0.20%	--	0.20%	0.15%	--	0.05%	0.20%	0.15%

Fund name	Fixed-rate annual administration fees								
	Series A, AT5, T5 and T8 securities (until December 31, 2017)	Series A, AT5, T5 and T8 securities (effective January 1, 2018)	Series D securities	Series F securities (until December 31, 2017)	Series F securities (effective January 1, 2018)	Series F5, F8 and FT5 securities <sup>1</sup>	Series I securities	Series O securities (until December 31, 2017)	Series O securities (effective January 1, 2018)
Sun Life Infrastructure Fund	0.20%	0.20%	--	0.20%	0.20%	0.20%	0.05%	0.20%	0.20%
Sun Life Schroder Global Mid Cap Fund	0.20%	0.20%	--	0.20%	0.15%	0.15%	0.05%	0.20%	0.15%
Sun Life Dynamic* American Fund	0.20%	0.20%	--	0.20%	0.20%	0.20%	0.05%	0.20%	0.20%
Sun Life Templeton Global Bond Fund	0.20%	0.20%	--	0.20%	0.20%	--	0.05%	0.20%	0.20%
Sun Life Dynamic* Equity Income Fund	0.20%	0.15%	--	0.20%	0.15%	--	0.05%	0.20%	0.15%
Sun Life Dynamic* Strategic Yield Fund	0.20%	0.20%	--	0.20%	0.15%	--	0.05%	0.20%	0.15%
Sun Life NWQ Flexible Income Fund	0.20%	0.20%	--	0.20%	0.15%	--	0.05%	0.20%	0.15%
Sun Life BlackRock Canadian Equity Fund	0.10%	0.10%	--	0.10%	0.05%	0.05%	0.05%	0.10%	0.05%
Sun Life BlackRock Canadian Balanced Fund	0.10%	0.10%	--	0.10%	0.05%	0.05%	0.05%	0.10%	0.05%
Sun Life MFS Canadian Bond Fund	0.15%	0.15%	0.15%	0.15%	0.10%	--	0.03%	0.15%	0.10%
Sun Life MFS Canadian Equity Growth Fund	0.20%	0.20%	0.20%	0.20%	0.15%	--	0.05%	0.20%	0.15%
Sun Life MFS Canadian Equity Fund	0.20%	0.20%	0.20%	0.20%	0.15%	--	0.05%	0.20%	0.15%
Sun Life MFS Canadian Equity Value Fund	0.20%	0.20%	0.20%	0.20%	0.15%	--	0.05%	0.20%	0.15%
Sun Life MFS Dividend Income Fund	0.20%	0.20%	0.20%	0.20%	0.15%	--	0.05%	0.20%	0.15%
Sun Life MFS U.S. Equity Fund	0.20%	0.20%	0.20%	0.20%	0.15%	--	0.05%	0.20%	0.15%

Fund name	Fixed-rate annual administration fees								
	Series A, AT5, T5 and T8 securities (until December 31, 2017)	Series A, AT5, T5 and T8 securities (effective January 1, 2018)	Series D securities	Series F securities (until December 31, 2017)	Series F securities (effective January 1, 2018)	Series F5, F8 and FT5 securities <sup>1</sup>	Series I securities	Series O securities (until December 31, 2017)	Series O securities (effective January 1, 2018)
Sun Life Franklin Bissett Canadian Equity Class	0.20%	0.20%	--	0.20%	0.20%	0.20%	0.05%	0.20%	0.20%
Sun Life Trimark Canadian Class	0.20%	0.20%	--	0.20%	0.20%	0.20%	0.05%	0.20%	0.20%
Sun Life Sionna Canadian Small Cap Equity Class	0.20%	0.20%	--	0.20%	0.20%	0.20%	0.05%	0.20%	0.20%
Sun Life MFS Low Volatility International Equity Fund	0.20%	0.20%	--	0.20%	0.15%	0.15%	0.05%	0.20%	0.15%
Sun Life MFS Low Volatility Global Equity Fund	0.20%	0.20%	--	0.20%	0.15%	0.15%	0.05%	0.20%	0.15%

\* Dynamic, Dynamic Funds, Dynamic American Fund, Dynamic Equity Income Fund and Dynamic Strategic Yield Fund are registered and proprietary trademarks of Scotiabank, an affiliate of 1832 Asset Management L.P., used under license by the Manager.

<sup>1</sup> Series F5, F8 and FT5 will be available for purchase as of February 9, 2018.

Each Fund also pays certain operating expenses directly (the “**Fund Costs**”). Fund Costs are: (a) borrowing costs incurred by the Funds from time to time; (b) fees and expenses payable to or in connection with the Funds’ IRC; (c) taxes payable by the Funds; and (d) the costs of complying with any new regulatory or legal requirement imposed on the Funds commencing: (i) after September 25, 2014 with respect to the Trust Funds existing as of this date; (ii) after July 29, 2013 with respect to the Corporate Classes existing as of this date; and (iii) after the inception date of any Fund not existing as of these dates. Each Fund also pays costs in connection with brokerage commissions and other portfolio transaction costs, including any tax applicable to such costs, which are expenses of the Fund, but are not included in the MER of a series of a Fund.

We may, at our discretion, (i) waive a portion or the entire amount of the administration fee chargeable to a Fund at any given time; and (ii) pay certain Fund Costs for a Fund.

We may reduce the administration fee and Fund Costs charged to a Fund for the benefit of institutional and individual investors who invest large amounts in a Fund. These reductions are negotiable by the institutional investor or your advisor and us. To achieve this reduction, we make a payment directly to the investors, which is generally invested in additional shares. However, some institutional investors may choose to receive cash.

Each member of the IRC is currently entitled to an annual retainer of \$24,000 (\$28,000 for the Chair). A quarterly meeting fee is also payable to each IRC member (\$1,000 for the Chair, \$500 for individual members) for attending regularly scheduled quarterly meetings. In the event that additional or special meetings are held, each IRC member is entitled to a special meeting fee of \$1,000. Members are also entitled to be reimbursed for all reasonable expenses incurred in the performance of their duties.

**Fund of funds fees and expenses** When a Fund invests in an underlying fund, the underlying fund may pay a management fee and other expenses in addition to the fees and expenses payable by the Fund. The fees and expenses of the underlying fund will have an impact on the management expense ratio of a Fund that invests in such underlying fund, as the Fund is required, in determining its management expense ratio, to take into account the expenses incurred by the Fund that are attributable to its investment in the underlying fund. However, the Fund will not pay management fees on the portion of its assets that it invests in the underlying fund that, to a reasonable person, would duplicate a fee payable by the underlying fund for the same service. In addition, the Fund will not pay duplicate sales charges or redemption fees for its purchase or redemption of securities of the underlying fund.

## Fees and expenses payable directly by you

**Management fees** Series I investors negotiate and pay the management fees for Series I securities, plus any applicable taxes, to us directly. The fee is accrued daily and paid monthly. These fees will not exceed 1.50% or the Series A management fee of the same Fund, whichever is less. Where there are no Series A securities of a Fund, the Series I annual management fee of that Fund will not exceed 1%.

Series O investors pay a management fee, based on the NAV of Series O securities of the applicable Fund, plus any applicable taxes, to us directly. This fee is paid, after subtracting any management fee reductions, as further described below, by a redemption of Series O securities held in the investor's account. The rate of the fee, excluding HST and any other applicable taxes, is set out below. The fee is calculated daily and paid monthly.

Fund	Series O management fee (until December 31, 2017)	Series O management fee (effective January 1, 2018)
Sun Life Granite Conservative Portfolio	0.75%	0.75%
Sun Life Granite Moderate Portfolio	0.75%	0.75%
Sun Life Granite Balanced Portfolio	0.80%	0.80%
Sun Life Granite Balanced Growth Portfolio	0.85%	0.85%
Sun Life Granite Growth Portfolio	0.90%	0.90%
Sun Life Granite Income Portfolio	0.75%	0.75%
Sun Life Granite Enhanced Income Portfolio	0.80%	0.80%
Sun Life Sentry Value Fund	0.95%	0.80%
Sun Life Infrastructure Fund	1.00%	1.00%
Sun Life Schroder Global Mid Cap Fund	1.00%	1.00%
Sun Life Dynamic*American Fund	1.00%	1.00%

Sun Life Templeton Global Bond Fund	0.75%	0.75%
Sun Life Dynamic Equity Income Fund*	0.75%	0.75%
Sun Life Dynamic Strategic Yield Fund*	0.85%	0.85%
Sun Life NWQ Flexible Income Fund	0.85%	0.85%
Sun Life BlackRock Canadian Equity Fund	0.55%	0.50%
Sun Life BlackRock Canadian Balanced Fund	0.55%	0.50%
Sun Life MFS Canadian Bond Fund	0.75%	0.55%
Sun Life MFS Canadian Equity Growth Fund	1.00%	0.80%
Sun Life MFS Canadian Equity Fund	1.00%	0.80%
Sun Life MFS Canadian Equity Value Fund	1.00%	0.80%
Sun Life MFS Dividend Income Fund	0.75%	0.70%
Sun Life MFS U.S. Equity Fund	1.00%	0.85%
Sun Life Franklin Bissett Canadian Equity Class	1.00%	1.00%
Sun Life Trimark Canadian Class	1.00%	1.00%
Sun Life Sionna Canadian Small Cap Equity Class	1.10%	1.10%
Sun Life MFS Low Volatility International Equity Fund	1.00%	0.80%
Sun Life MFS Low Volatility Global Equity Fund	1.00%	0.80%

\* Dynamic, Dynamic Funds, Dynamic American Fund, Dynamic Equity Income Fund and Dynamic Strategic Yield Fund are registered and proprietary trademarks of Scotiabank, an affiliate of 1832 Asset Management L.P., used under license by the Manager

For Series O securities, you are eligible for management fee reductions if your account is linked to a Household Group or if the market value of the Eligible Securities held in your account exceeds \$100,000. A different rate of management fee reduction applies to the dollar value indicated in each tier and a particular rate is applied to the assets within a particular tier only, as set out in the tables below. The thresholds indicated below apply to the market value of Eligible Securities in an account or, if an account is linked to a Household Group, the aggregate market value of Eligible Securities in all accounts in the



Household Group. If the market value of the Eligible Securities in your account falls below \$100,000, the account will no longer qualify for the management fee reductions set out below. If the aggregate market value of the Eligible Securities in all accounts in your Household Group falls below \$250,000, only those accounts with \$100,000 or more will still qualify for the management fee reduction.

**Series O Management Fee Reductions**

The thresholds indicated below apply to an account or Household Group, that entered the Private Client Program, on or after March 28, 2018. Subject to the grandfathered fee reductions described below, the thresholds indicated below also apply to an account or Household Group, that began participating in the Private Client Program prior to March 28, 2018 if, as of March 27, 2018, the market value of Eligible Securities in such account exceeded \$100,000 but was less than \$500,000 or the market value of Eligible Securities in such Household Group exceeded \$250,000 but was less than \$500,000.

<b>Balance in Eligible Securities (Individual Account or Household Group)</b>	<b>Series O Management Fee Reduction (within tier)</b>
Tier 1 – Less than or equal to \$250,000, provided that AUM exceeds \$100,000	0.050%
Tier 2 – Greater than \$250,000 to \$500,000	0.100%
Tier 3 – Greater than \$500,000 to \$1million	0.150%
Tier 4 – Greater than \$1million to \$3million	0.175%
Tier 5 – Greater than \$3million	0.200%

**Grandfathered fee reductions**

The thresholds indicated below apply to an account or Household Group that entered the Private Client Program on or after February 5, 2016 and prior to March 28, 2018. The thresholds indicated below will also apply to an account or Household Group that began participating in the Private Client Program prior to February 5, 2016, if, as of April 1, 2016, the market value of Eligible Securities in such account exceeded \$100,000 but was less than \$1 million or the market value of Eligible Securities in such Household Group exceeded \$250,000 but was less than \$1,000,000::

<b>Balance in Eligible Securities (Individual Account or Household Group)</b>	<b>Series O Management Fee Reduction (within tier)</b>
Tier 1 – Less than or equal to \$250,000 (provided that the market value exceeds \$100,000)	0.05%

Tier 2 – Greater than \$250,000 to \$500,000	0.10%
Tier 3 – Greater than \$500,000 to \$1million	0.20%
Tier 4 – Greater than \$1million to \$3million	0.25%
Tier 5 – Greater than \$3million	0.30%

For those accounts or Household Groups that qualified for the Private Client Program prior to February 5, 2016 and as of April 1, 2016, had a market value of Eligible Securities in excess of \$1 million, the thresholds indicated below apply:

<b>Balance in Eligible Securities (Individual Account or Household Group)</b>	<b>Series O Management Fee Reduction (within tier)</b>
Tier 1 – Less than or equal to \$250,000 (provided that the market value exceeds \$100,000)	0.05%
Tier 2 - Greater than \$250,000 to \$500,000	0.10%
Tier 3 - Greater than \$500,000 to \$1 million	0.20%
Tier 4 - Greater than \$1 million to \$3 million	0.30%
Tier 5 - Greater than \$3 million to \$5 million	0.35%
Tier 6 - Greater than \$5 million	0.40%

The availability of management fee reductions on Series O securities is in our sole and absolute discretion. Such management fee reductions may be changed or cancelled by us at any time. At all times, we are entitled to charge a Series O investor a management fee on Series O securities at the rates set out above. We will provide investors in Series O securities with at least 90 days' prior written notice before we reduce the rate of management fee reductions on Series O securities or cancel the management fee reduction program.

#### **Sales charges**

Under the Front End Sales Charge option, you may have to pay up to 5% of the purchase price of the Series A, Series AT5, Series T5, Series T8 or Series O securities you buy. You negotiate the sales charges with your advisor.

**Switch fees**

Dealers may charge you a switch fee of up to 2% of the value of the securities switched to cover the time and processing costs involved in a switch. Generally, dealers may charge you a switch fee for a switch to or from Series A, Series AH, Series AT5, Series T5, Series AT8, Series T8 and Series O securities. You and your advisor negotiate the fee. See *Switch fees* on page 30 for details.

**Redemption fees**

Deferred Sales Charge option      You pay up to 5.5% of the original cost of the Series A, Series AT5, Series T5 or Series T8 securities if you redeem them within seven years, as follows:

<u>If redeemed during:</u>	<u>you pay:</u>
Year 1	5.5%
Year 2	5.0%
Year 3	5.0%
Year 4	4.0%
Year 5	4.0%
Year 6	3.0%
Year 7	2.0%
After year 7	Nil

Low Load Sales Charge option

You pay up to 3.0% of the original cost of the Series A, Series AT5, Series T5 or Series T8 securities if you redeem them within three years, as follows:

<u>If redeemed during:</u>	<u>you pay:</u>
Year 1	3.0%
Year 2	2.5%
Year 3	2.0%
After year 3	Nil

**Series F, F5, F8 and FT5 service fees** If you invest in Series F, F5, F8 and FT5 securities, you may have to pay your dealer a fee for investment advice and other services. Investors in Series F, F5, F8 and FT5 securities do not pay sales charges and we do not pay any commissions to dealers in respect of Series F, F5, F8 and FT5 securities.

**Series O service fees** If you invest in Series O securities, you may have to pay your dealer a Series O service fee of up to 1.00% based on the value of the Series O securities held in your account. The Series O service fee rate is negotiated between you and your advisor and agreed to by way of a signed agreement. If we do not receive an agreement evidencing a negotiated Series O service fee, the default Series O service fee will be 0%. Any negotiated Series O service fee will be subject to applicable taxes.

The Series O service fee, plus applicable taxes, is payable by you, calculated daily and paid monthly, by a redemption of Series O securities held in your account. By purchasing Series O securities and completing a Series O service fee agreement, you expressly authorize us to automatically redeem such securities from your account for the purposes of remitting payment of the Series O service fee to your dealer.

**Short-term trading fee** You may pay 2% of the current value of the securities if you redeem or switch them within 30 days of purchase. No short-term trading fees are charged (i) for a redemption of securities when an investor fails to meet the minimum investment amount for the Funds; (ii) for a redemption of securities acquired through automatic reinvestment of all distributions by a Fund; (iii) for a redemption of securities in connection with a failed settlement of a purchase of securities; (iv) for a switch or a redemption from Sun Life Money Market Fund or Sun Life Money Market Class; (v) for a switch under the Systematic Transfer Plan; (vi) for a switch as a result of a rebalancing transaction under the Private Client account rebalancing service; (vii) for a change of securities from one series to another; (viii) for a redemption of securities by another investment fund or investment product approved by us; or (ix) in the absolute discretion of the Manager.

See *Short-term trading fees* on page 27 for details.

**Registered plan fees** None.

**Other fees and expenses** We will charge you an NSF fee (\$30.00 for each returned item) should any cheque or purchase order be returned because of insufficient funds in your account.

If you request that redemption proceeds be forwarded to you by courier or wire transfer, we may charge you for any cost incurred by us in connection with such delivery method.

## Impact of sales charges

The following table shows the maximum sales charge or redemption fee you would pay under the different purchase options if you made an investment of \$1,000.00 in a Fund, held that investment for one, three, five or ten years and redeemed immediately before the end of the period.

The table assumes you are paying the maximum possible sales charge under the Front End Sales Charge option, although you may negotiate a lower sales charge with your advisor.

For Series A, Series AT5, Series T5 and Series T8 securities purchased under the Deferred Sales Charge option or the Low Load Sales Charge option, redemption fees apply only if you redeem such Series A, Series AT5, Series T5 or Series T8 securities in a particular year and if those securities do not qualify for free redemption. The following table does not take into account the free redemption amounts.

Option	At purchase	1 year	3 years	5 years	10 years
Front End Sales Charge <sup>1</sup>	\$50.00	None	None	None	None
Deferred Sales Charge <sup>2</sup>	None	\$55.00	\$50.00	\$40.00	None
Low Load Sales Charge <sup>3</sup>	None	\$30.00	\$20.00	None	None

1 There are no sales charges for Series D, Series F, Series F5, Series F8, Series FT5 and Series I securities. However, Series F, Series F5, Series F8 and Series FT5 investors pay a separate fee to their dealer.

2 Series D, Series F, Series F5, Series F8, Series FT5, Series I and Series O securities are not available under the Deferred Sales Charge option.

3 Series D, Series F, Series F5, Series F8, Series FT5, Series I and Series O securities are not available under the Low Load Sales Charge option.

## Dealer compensation

### Commissions we pay to your Dealer

We pay your dealer a sales commission when you buy Series A, Series AT5, Series T5 and Series T8 securities of the Funds under the Deferred Sales Charge or the Low Load Sales Charge purchase options. In addition, we pay your dealer (including your discount broker when you purchase securities through a discount brokerage account) an ongoing trailing commission when you hold Series A, Series AT5, Series T5, Series T8 or Series D securities of the Funds.

We do not pay your dealer a sales commission if you buy Series D, Series F, Series F5, Series F8, Series FT5, Series I or Series O securities. Series F, Series F5, Series F8 and Series FT5 investors pay a fee to their dealer directly. Series O investors may pay a Series O service fee to their dealer. The Series O service fee is based on the value of the Series O securities held in the investor's account and is paid by a redemption of Series O securities held in such account.

### Sales commission

If you buy Series A, Series AT5, Series T5, Series T8 or Series O securities of the Funds under the Front End Sales Charge option, the commission you negotiate (up to 5% of your purchase amount) is deducted from your purchase amount and paid by you to your dealer.

If you buy Series A, Series AT5, Series T5 or Series T8 securities under the Deferred Sales charge option, we will pay your dealer up to 5% of your purchase amount.

If you buy Series A, Series AT5, Series T5 or Series T8 securities under the Low Load Sales Charge option, we will pay your dealer up to 2.5% of your purchase amount. For Series A, Series AT5, Series T5 or Series T8 securities purchased under the Low Load Sales Charge option prior to January 1, 2015, we paid your dealer up to 2% of your purchase amount.

### Trailing commission

We may pay a trailing commission to your dealer (including your discount broker when you purchase securities through a discount brokerage account) monthly based upon a percentage of the value of the Series A, Series AT5, Series T5, Series T8 or Series D securities of the Funds you hold. No trailing commission is paid on Series F, Series F5, Series F8, Series FT5, Series I or Series O securities of the Funds. We may change the terms of the trailing commission program at any time.

The tables below show the sales and trailing commissions payable for each Fund, which depend on the purchase option you choose.

**Series A, Series AT5, Series T5 and Series T8 Trailing Commissions**

Fund	Front End Sales Charge Option		Deferred Sales Charge Option		Low Load Sales Charge Option	
	Sales commission (%)	Annual trailing commission (%)	Sales commission (%)	Annual trailing commission <sup>1</sup> (%)	Sales commission (%) <sup>2</sup>	Annual trailing commission <sup>1</sup> (%)
Sun Life Granite Conservative Portfolio	Up to 5.0	Up to 0.75	Up to 5.0	Up to 0.375	Up to 2.5	Up to 0.375
Sun Life Granite Moderate Portfolio	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life Granite Balanced Portfolio	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life Granite Balanced Growth Portfolio	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life Granite Growth Portfolio	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life Granite Income Portfolio	Up to 5.0	Up to 0.75	Up to 5.0	Up to 0.375	Up to 2.5	Up to 0.375
Sun Life Granite Enhanced Income Portfolio	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life Sentry Value Fund	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life Infrastructure Fund	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life Schroder Global Mid Cap Fund	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life Dynamic American Fund*	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5

Fund	Front End Sales Charge Option		Deferred Sales Charge Option		Low Load Sales Charge Option	
	Sales commission (%)	Annual trailing commission (%)	Sales commission (%)	Annual trailing commission <sup>1</sup> (%)	Sales commission (%) <sup>2</sup>	Annual trailing commission <sup>1</sup> (%)
Sun Life Templeton Global Bond Fund	Up to 5.0	Up to 0.5	Up to 5.0	Up to 0.25	Up to 2.5	Up to 0.25
Sun Life Dynamic Equity Income Fund*	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life Dynamic Strategic Yield Fund*	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life NWQ Flexible Income Fund	Up to 5.0	Up to 0.5	Up to 5.0	Up to 0.25	Up to 2.5	Up to 0.25
Sun Life BlackRock Canadian Equity Fund	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life BlackRock Canadian Balanced Fund	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life MFS Canadian Bond Fund	Up to 5.0	Up to 0.5	Up to 5.0	Up to 0.25	Up to 2.5	Up to 0.25
Sun Life MFS Canadian Equity Growth Fund	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life MFS Canadian Equity Fund	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life MFS Canadian Equity Value Fund	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life MFS Dividend Income Fund	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life MFS U.S. Equity Fund	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5

Fund	Front End Sales Charge Option		Deferred Sales Charge Option		Low Load Sales Charge Option	
	Sales commission (%)	Annual trailing commission (%)	Sales commission (%)	Annual trailing commission <sup>1</sup> (%)	Sales commission (%) <sup>2</sup>	Annual trailing commission <sup>1</sup> (%)
Sun Life Franklin Bissett Canadian Equity Class	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life Trimark Canadian Class	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life Sionna Canadian Small Cap Equity Class	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life MFS Low Volatility International Equity Fund	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5
Sun Life MFS Low Volatility Global Equity Fund	Up to 5.0	Up to 1.0	Up to 5.0	Up to 0.5	Up to 2.5	Up to 0.5

<sup>1</sup> We automatically change securities purchased under the Deferred Sales Charge option or the Low Load Sales Charge option as Front End Sales Charge option securities upon the completion of the redemption fee schedule of those securities. This change is not a disposition of the securities for tax purposes. This will result in an increase in the trailing commissions being paid to your dealer (or discount broker) and there will be no incremental charges to you.

<sup>2</sup> For low load securities purchased prior to January 1, 2015, we paid your dealer up to 2% of the purchase amount.

\* Dynamic, Dynamic Funds, Dynamic American Fund, Dynamic Equity Income Fund and Dynamic Strategic Yield Fund are registered and proprietary trademarks of Scotiabank, an affiliate of 1832 Asset Management L.P., used under license by the Manager.

### Series D Trailing Commissions

Fund	Annual trailing commission (%)
Sun Life Granite Balanced Portfolio	0.25
Sun Life MFS Canadian Bond Fund	0.10
Sun Life MFS Canadian Equity Growth Fund	0.25
Sun Life MFS Canadian Equity Fund	0.25
Sun Life MFS Canadian Equity Value Fund	0.25
Sun Life MFS Dividend Income Fund	0.25
Sun Life MFS U.S. Equity Fund	0.25



## Series O Service Fees

You may have to pay your dealer a Series O service fee of up to 1.00% based on the value of the Series O securities held in your account. The Series O service fee rate is negotiated between you and your advisor and agreed to by way of a signed agreement. If we do not receive the signed agreement evidencing a negotiated Series O service fee, the default Series O service fee will be 0%. Any negotiated Series O service fee will be subject to any applicable taxes.

The Series O service fee, plus applicable taxes, is payable by you, calculated daily and paid monthly, by a redemption of Series O securities held in your account.

## Other sales incentives

We may from time to time pay the permitted marketing expenses of participating dealers on a co-operative basis. We may also hold educational conferences that sales representatives of participating dealers may attend and may pay certain of the expenses incurred by participating dealers in holding such educational conferences for sales representatives. In addition, we may provide promotional items of minimal value to representatives of participating dealers.

These activities are in compliance with applicable laws and regulations and any costs incurred by them will be paid by us and not the Funds.

## Equity interest

Each of Sun Life Global Investments (Canada) Inc. and Sun Life Financial Investment Services (Canada) Inc. are indirect wholly-owned subsidiaries of Sun Life Financial Inc. Sun Life Financial Investment Services (Canada) Inc. is a participating dealer of the Funds.

# Dealer compensation from management fees

During the financial year ended December 31, 2016, we paid dealers compensation of approximately 38% of the total management fees we received from the Sun Life Global Investments Mutual Funds. This includes amounts we paid to dealers for commissions, trailer fees, and marketing support programs.

# Income tax considerations for investors

**This information is a general summary of Canadian federal income tax rules applicable to a natural individual who is a Canadian resident who holds securities in the Funds as capital property either directly or in his or her registered plan. It is not intended to be legal or tax advice.**

**We do not describe the tax rules in detail or cover all the tax consequences that may apply. We recommend you consult your tax advisor for advice about your individual situation.**

## Mutual fund earnings

Mutual funds may earn income and capital gains in a number of ways. For example, a mutual fund is generally required to include in income for tax purposes, interest as it accrues, dividends when received, trust income in the year that it is received or receivable, and capital gains and losses when realized. A mutual fund is required to include in income for tax purposes an amount as notional interest on zero-coupon securities. Gains and losses from cash-settled

options, futures and other derivatives are generally treated as income and losses rather than capital gains and capital losses, though in certain situations, gains and losses on derivatives used by a mutual fund as a hedge to limit gains and losses on a specific capital asset or group of capital assets held by the mutual fund may be a capital gain or capital loss. Gains and losses from the disposition of commodities such as gold, silver and other metals, are treated as income and loss rather than capital gains and capital losses. A mutual fund realizes a capital gain (or loss) if it sells an investment for more (or less) than the adjusted cost base (“ACB”) of the investment. However, a capital loss realized on a security will be suspended if the mutual fund purchases an identical security within a certain period of time. There are other loss restriction rules that may prevent a mutual fund from deducting losses.

Each Trust Fund will distribute enough of its income and capital gains so that it does not have to pay normal income tax.

Sun Life Global Investments Corporate Class Inc. will typically pay enough ordinary dividends and capital gains dividends so that the corporation will not pay Part IV tax on its Canadian source dividend income or normal income tax on its net realized capital gains. Generally, the Corporate Classes flow their Canadian source dividend income through to investors in the form of an ordinary dividend and their net realized capital gains in the form of a capital gains dividend. Sun Life Global Investments Corporate Class Inc. will pay tax on other types of income if that income is more than the corporation’s deductible expenses and investment losses. Other types of income include interest, foreign source dividends, income distributions from a trust and income gains from short sales and derivatives.

We keep track of the assets and liabilities of each Corporate Class separately, but for tax purposes the corporation must calculate its net income, net realized capital gains, tax credits, tax refunds and tax liability as a single corporation. As a result, the ordinary dividends and capital gains dividends paid to you on your securities of a Corporate Class can be expected to be different than the amount you would have received if that Corporate Class was a stand-alone mutual fund. To explain, if the expenses or investment losses of a Corporate Class in a year are more than its income for that year, it may be necessary to deduct those expenses against the income or capital gains of another Corporate Class. In this way, the expenses or losses from one Corporate Class may reduce the income or capital gains of another Corporate Class, thus reducing the tax liability that would otherwise be attributed to that other Corporate Class or reducing the capital gains dividends that the other Corporate Class would be required to pay to eliminate its tax liability. Also, the total amount of capital gains dividends that Sun Life Global Investments Corporate Class Inc. would need to pay to eliminate its tax liability on all of its net realized capital gains will be affected by a number of things, including the level of redemptions of all securities of all Corporate Classes, the net accrued capital gains on the assets of all Corporate Classes, earlier recognition of gains and losses on the asset of a Corporate Class because of switching between the Corporate Classes.

## **How your investment is taxed**

The tax you pay on your mutual fund investment depends on whether the securities are held in a non-registered account or registered plan.

### **Non-registered accounts**

#### **Distributions**

If you hold your securities in a non-registered account, you must include in your income for tax purposes the taxable portion of all distributions (including fee distributions) paid to you by a Trust Fund and the taxable portion of all dividends received on securities of a Corporate Class. This is the case whether you receive them in cash or reinvest them in additional securities. The amount of any reinvested distributions or dividends is added to your ACB and thus reduces your capital gain or increases your capital loss when you redeem those securities, so that you do not pay tax twice on the same amount. The Funds will take steps so that capital gains and Canadian dividends will retain their character when paid to you as a distribution by a Trust Fund or a dividend by a Corporate Class. One half of a capital gain distribution or capital gain dividend is included in income as a taxable capital gain. Canadian dividends are subject to the dividend gross up and tax credit rules. The Funds will take steps to pass on to you the benefit of the enhanced dividend tax credit when it is available. A Trust Fund may take steps so that you are able to claim a foreign tax credit in respect of foreign source income distributed to you.

Distributions from the Funds may include payments of capital. A distribution of capital is not included in your income for tax purposes, but will reduce the ACB of your securities on which it was paid. Where the reductions to the ACB of your securities causes the ACB to become negative, the negative amount is treated as a capital gain realized by you and the ACB of your securities will then be nil.

Sales charges paid on the purchase of securities are not deductible in computing your income, but are added to the ACB of your securities. You should include in your income any payment received as a fee reduction in connection with your securities of a Corporate Class. Management fees paid on Series I and Series O securities by an investor are generally not deductible by the investor. We will provide you with tax slips showing the amount and type of distributions or dividends (ordinary income, Canadian dividends other than eligible dividends, Canadian dividends eligible for the enhanced dividend tax credit, foreign income, capital gains and/or returns of capital) you received from each Fund, and showing any related foreign tax credits.

### **Buying securities before a distribution date**

You must include in income the taxable portion of distribution or dividend paid to you by a Fund even though the Fund may have earned the income or realized the capital gains that gave rise to the distribution or dividend before you owned your securities. If you invest in a Fund late in the year, you may have to pay tax on its earnings for the whole year.

### **Portfolio turnover rate**

The portfolio turnover rate is how often the portfolio manager/portfolio management team bought and sold securities for the Fund. The higher a Fund's portfolio turnover rate is, the greater the chance that you will receive a distribution of capital gains or a capital gain dividend. Gains realized by the Fund are generally offset by any losses realized on its portfolio transactions. There is not necessarily a relationship between a high portfolio turnover rate and the performance of a Fund.

### **Switching your securities**

A redesignation of units of a Trust Fund for units of the same Trust Fund is not considered to be a disposition for tax purposes and should not result in a capital gain or loss unless units are redeemed to pay fees. The conversion of shares of a Corporate Class for shares of the same Corporate Class is not a disposition for tax purposes and should not result in a capital gain or loss, unless shares are redeemed to pay fees. The total cost of the securities you receive on a redesignation or conversion is the same as the total ACB of the securities that you redesignated or converted.

Any other switch involves a redemption and purchase of securities. See *Redeeming or disposing of your securities* below.

### **Redeeming or disposing of your securities**

If you redeem or otherwise dispose of securities with a NAV that is greater than the ACB, you realize a capital gain. If you redeem or otherwise dispose of securities with a NAV that is less than the ACB, you realize a capital loss. You may deduct any redemption fees or other expenses of disposition when calculating your capital gains or losses. You must include one-half of a capital gain in your income as a taxable capital gain and, generally, may deduct one-half of your capital losses from your taxable capital gains. In certain circumstances, loss restriction rules will limit or eliminate the amount of a capital loss that you may deduct. For example, a capital loss that you realize on a redemption of securities will be deemed to be nil if, during the period that begins 30 days before and ends 30 days after the day of that redemption, you acquired identical securities (including on the reinvestment of distributions or dividends) and you continue to own these identical securities at the end of that period. The amount of this denied capital loss is added to your ACB.

We will provide you with details of your proceeds of redemption. However, you must keep a record of the price you paid for your securities, any distributions or dividends you receive and the NAV of securities redeemed or switched.

These records will allow you to calculate your ACB and the capital gains or capital losses when you redeem or switch your securities.

### **Adjusted cost base (ACB)**

The total ACB of your securities of a series of a Fund is made up of:

- the amount you paid for all your securities of the series, including sales commissions
- plus any reinvested distributions or dividends
- minus any capital distributions
- in the case of securities redesignated or converted on a tax-deferred basis, plus the ACB of the securities that were changed into securities of the series and minus the ACB of the securities changed out of the series
- in the case of securities switched on a taxable basis, plus the NAV of securities of the series acquired on the switch and minus the ACB of the securities of the series that were redeemed on a switch out of the Fund
- minus the ACB of securities of the series already redeemed.

The ACB of a single security is the average of the ACB of all identical securities. Your tax advisor can help you with these calculations.

### **International Tax Reporting**

Generally, you will be required to provide your advisor or dealer with information related to your citizenship, tax residence and, if applicable, your foreign tax identification number. If you are identified as a U.S. citizen (including a U.S. citizen living in Canada) or foreign tax resident, details about you and your investment in a Fund will generally be reported to the Canada Revenue Agency unless securities are held in your registered plan. The Canada Revenue Agency is expected to provide the information to the relevant foreign tax authority if the relevant foreign country has signed an exchange of financial account information agreement with Canada.

### **Registered plans**

If securities of a Fund are held in your registered plan, generally neither you nor your registered plan is subject to tax on distributions or dividends paid by a Fund on those securities or on capital gains realized on the disposition of those securities unless the securities are a non-qualified investment or a prohibited investment under the *Income Tax Act* (Canada) for your registered plan.

The securities of each Fund are expected to be a qualified investment for registered plans at all times. Securities of a Fund may be a prohibited investment for your RRSP, RRIF or TFSA even if the securities are a qualified investment. If your RRSP, RRIF or TFSA holds a prohibited investment, you become liable to a 50% potentially refundable tax on the value of the prohibited investment and a 100% tax on income and capital gains attributable to, and capital gains realized on the disposition (or deemed disposition) of, the prohibited investment. Under draft legislation to amend the Tax Act released on September 8, 2017, the prohibited investment rules will also apply to RDSPs and RESPs, effective March 22, 2017.

**You should consult your own tax advisor for advice regarding the implications of acquiring, holding and disposing of securities of a Fund in your registered plan, including whether or not securities of a Fund would be a prohibited investment for your registered plans.**

# What are your legal rights?

Securities legislation in some provinces and territories gives you the right to withdraw from an agreement to buy mutual funds within two business days after you receive the Simplified Prospectus or Fund Facts, or to cancel your purchase within 48 hours after you receive confirmation of your order.

Securities legislation in some provinces and territories also allows you to cancel an agreement to buy mutual fund securities and get your money back, or to make a claim for damages, if the Simplified Prospectus, AIF, Fund Facts, MRFP or financial statements misrepresent any facts about the Fund. You must usually exercise these rights within a certain time period.

You can get more information from the securities legislation of your province or territory or from your lawyer.

# Specific information about each of the mutual funds described in this document

You will find detailed descriptions of each of the Funds in this part of the Simplified Prospectus. Here are explanations of what you will find under each heading.

## Fund details

This tells you:

- **Fund type:** the type of mutual fund
- **Securities offered:** the series of securities that the Fund offers
- **Start date:** the date each series of securities could first be bought by the public
- **Registered plan eligibility:** whether the Fund is, or is expected to be, a qualified investment for a registered plan. You should consult your own tax advisor to determine whether securities of a Fund would be a prohibited investment for your registered plan.
- **Portfolio manager:** Sun Life Global Investments Canada is the portfolio manager for each Fund
- **Sub-advisor(s):** the name of any sub-advisor(s) we have retained to manage some or all of the investment portfolio of the Fund

## What does the Fund invest in?

This tells you the Fund's:

- **Investment objectives:** the goals of the Fund, including any specific focus it has, and the kinds of securities it may invest in
- **Investment strategies:** how the portfolio manager and/or sub-advisor tries to meet the Fund's objectives

## What are the risks of investing in the fund?

This tells you the specific risks of investing in the Fund. You'll find details about what each risk means in *What are the specific risks of investing in a mutual fund?* beginning on page 4.

## Fund risk classification

We assign an investment risk rating to each Fund to provide you with further information to help you determine whether the Fund is appropriate for you. Each Fund is assigned an investment risk rating in one of the following categories: low, low-to-medium, medium, medium-to-high, or high risk.

The investment risk level of each Fund is required to be determined in accordance with a standardized risk classification methodology set out in National Instrument 81-102 – Investments Funds. This risk methodology is based on the Fund's historical volatility as measured by the 10-year standard deviation of the returns of the Fund. Standard deviation is used to quantify the historical dispersion of returns around the average returns over a recent 10-year period. In this context, it can provide an indication of the amount of variability of returns that occurred relative to the average return over the 10-year measurement period. The higher the standard deviation of a Fund, the greater the range of returns it experienced in the past. In general, the greater the range of observed or possible returns, the higher the risk.

For those Funds that do not have a 10-year return history, we calculate the investment risk level by using the actual return history of the Fund, and imputing the return history of one or more reference indices for the remainder of the 10-year period. In certain cases where a Fund either, invests substantially all of its assets in an underlying fund that has existed for at least 10 years, or there is another mutual fund with 10 years of performance history that has the same manager, portfolio manager, objectives and strategies, then we use the returns of the underlying fund or other fund to complete a 10-year return history of the Fund for the purpose of estimating its 10-year standard deviation.

The following chart sets out a description of the reference index or other fund used for each Fund that has less than a 10 year return history.

<b>Fund</b>	<b>Reference index or fund</b>
Sun Life Granite Conservative Portfolio	40.5% FTSE TMX Canada Universe Bond index, 10.0% FTSE TMX Canada 91 Day T-Bill Index, 22.5% JPM GBI Global Hdg C\$ Index, 8.0% S&P/TSX Capped Composite Index, 19.0% MSCI World C\$ Index
Sun Life Granite Moderate Portfolio	29.0% FTSE TMX Canada Universe Bond index, 5.0% FTSE TMX Canada 91 Day T-Bill Index, 19.0% JPM GBI Global Hdg C\$ Index, 14.0% S&P/TSX Capped Composite Index, 33.0% MSCI World C\$ Index
Sun Life Granite Balanced Portfolio	2.5% FTSE TMX Canada 91 Day T-Bill Index, 21.5% FTSE TMX Canada Universe Bond index, 16.0% JPM GBI Global Hdg C\$ Index, 17.0% S&P/TSX Capped Composite Index, 43.0% MSCI World C\$ Index
Sun Life Granite Balanced Growth Portfolio	17.5% FTSE TMX Canada Universe Bond index, 12.5% JPM GBI Global Hdg C\$ Index, 19.0% S&P/TSX Capped Composite Index, 51% MSCI World C\$ Index
Sun Life Granite Growth Portfolio	10.0% FTSE TMX Canada Universe Bond Index, 10.0% JPM GBI Global Hdg C\$ Index, 21.0% S&P/TSX Capped Composite Index, 59.0% MSCI World C\$ Index
Sun Life Granite Income Portfolio	25.0% FTSE TMX Canada Universe Bond Index, 35.0% Barclays Multiverse C\$ hedged Index, 10.0% S&P/TSX Capped Composite Index, 30.0% MSCI World C\$ Index
Sun Life Granite Enhanced Income Portfolio	32.5% MSCI World C\$ Index, 17.5% S&P/TSX Capped Composite Index, 50.0% Barclays Multiverse C\$ hedged Index
Sun Life Sentry Value Fund	S&P/TSX Composite Index
Sun Life Infrastructure Fund	S&P Global Infrastructure C\$ Index

Sun Life Schroder Global Mid Cap Fund	MSCI World Small Cap C\$ Index
Sun Life Dynamic American Fund*	Dynamic American Fund
Sun Life Templeton Global Bond Fund	Templeton Global Bond Fund
Sun Life Dynamic Equity Income Fund*	Dynamic Equity Income Fund
Sun Life Dynamic Strategic Yield Fund*	50% S&P/TSX Composite Index, 50% FTSE TMX Canada Universe Bond Index
Sun Life NWQ Flexible Income Fund	Barclay's U.S Aggregate Bond Index Hedged C\$
Sun Life BlackRock Canadian Equity Fund	S&P/TSX Capped Composite Index
Sun Life BlackRock Canadian Balanced Fund	60% S&P/TSX Capped Composite Index, 40% FTSE TMX Canada Universe Bond Index
Sun Life Franklin Bissett Canadian Equity Class	Franklin Bissett Canadian Equity Class
Sun Life Trimark Canadian Class	Trimark Canadian Class
Sun Life Sionna Canadian Small Cap Equity Class	Sionna Canadian Small Cap Equity Class
Sun Life MFS Low Volatility International Equity Fund	MSCI EAFE C\$ Index
Sun Life MFS Low Volatility Global Equity Fund	MSCI AC World C\$ Index

\* Dynamic, Dynamic Funds, Dynamic American Fund, Dynamic Equity Income Fund and Dynamic Strategic Yield Fund are registered and proprietary trademarks of Scotiabank, an affiliate of 1832 Asset Management L.P., used under license by the Manager.

### Benchmark Definitions:

The **Barclays Multiverse Index** provides a broad-based measure of the global fixed-income bond market. The index represents the union of the Global Aggregate Index and the Global High-Yield Index and captures investment grade and high yield securities.

The **Barclay's U.S Aggregate Bond Index** is a market capitalization weighted index of taxable investment-grade, US dollar-denominated, fixed-rate debt issues, including government, corporate, asset-backed, and mortgage backed securities, with maturities of one year or more.



The **FTSE TMX Canada 91 Day T-Bill Index** measures the performance of the 91 day Treasury Bill market.

The **FTSE TMX Canada Universe Bond Index** is a market capitalization weighted index composed of investment grade, fixed coupon, government and corporate bonds, issued in Canada and denominated in Canadian dollars, with a remaining term to maturity of at least one year.

The **J.P. Morgan Government Bond Index Global (GBI Global)** is a market capitalization weighted bond index representative of the fixed-rate government securities across 13 developed government bond markets. The index notably excludes bonds with less than one year to maturity, floating rate notes and perpetuals.

The **MSCI All Country (“AC”) World Index** is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in global developed and emerging markets.

The **MSCI Europe, Australia, Far East (“EAFE”) Index** is a free float-adjusted market capitalization weighted index that is designed to measure equity market performance in 21 developed market countries within Europe, Australia and the Far East.

The **MSCI World Index** is a free float adjusted market capitalization index that is designed to measure global developed market equity performance.

The **MSCI World Small Cap Index** is a free float adjusted market capitalization index that captures small cap representation across 23 Developed Markets countries.

The **S&P Global Infrastructure Index** is designed to track 75 companies from around the world chosen to represent the listed infrastructure industry while maintaining liquidity and tradability. To create diversified exposure, the index includes three distinct infrastructure clusters: energy, transportation, and utilities.

The **S&P/TSX Capped Composite Index** imposes capped weights of 10% on all of the constituents included in the S&P/TSX Composite. The S&P/TSX Composite covers approximately 95% of the Canadian equities market, and has been the primary gauge for Canadian-based, Toronto Stock Exchange-listed companies since 1977.

The **S&P/TSX Composite Index** is a broad economic sector index comprising approximately 95% of the market capitalization for Canadian-based, Toronto Stock Exchange listed companies.

We assign a risk rating category that is at, or higher than, the applicable rating indicated by the standard deviation ranges in the standardized risk classification methodology, as outlined in the table below.

Standard deviation range	Risk rating
0 to less than 6	Low
6 to less than 11	Low-to-medium
11 to less than 16	Medium
16 to less than 20	Medium-to-high
20 or greater	High

It is important to note that other types of risks, both measurable and non-measurable, may exist. It is also important to note that a Fund’s historical volatility may not be indicative of future volatility. We may exercise our discretion and assign a Fund a higher risk classification than indicated by the 10-year annualized standard deviation and the prescribed ranges if we believe that the Fund may be subject to other foreseeable risks that the 10-year annualized standard deviation does not reflect.

The risk rating assigned to each Fund is approved by our fund risk classification committee. The committee also reviews the risk rating for each Fund at least annually, as well as if there is a material change in a Fund’s risk profile that may affect its classification, or a change in the Fund’s investment objective or investment strategy.

You can request a copy of our policy that describes the standardized risk classification methodology we use to determine the investment risk level of each Fund, at no cost to you, by calling us at 1 877 344 1434, by writing to us at 1 York Street, Suite 3300, Toronto Ontario M5J 0B6 or by emailing us at [info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com).”

### **Who should invest in this fund?**

This section will help you decide whether a Fund is right for you. This information is only a guide. When you are choosing investments, you should, together with your investment and tax adviser, consider your whole portfolio, your investment objectives and your risk tolerance level.

### **Distribution policy**

This tells you how often you will receive a distribution and how it is paid. Each Fund makes distributions if and when it has amounts to distribute.

### **Fund expenses indirectly borne by investors**

Each Fund pays us a management fee and an administration fee. In addition, each Fund also pays certain operating expenses directly. These amounts are paid for out of the assets of the Fund, which means that you indirectly pay for these amounts through lower returns.

The chart in this section lets you compare the cost of investing in each series of securities of the Fund with the cost of investing in other mutual funds. The chart shows the cumulative fees and expenses you would have paid if:

- you invested \$1,000.00 for the period shown (without any sales charges);
- the Fund’s return was 5% each year;
- you did not use the 10% free redemption entitlement; and
- the Fund paid the same management expense ratio (**MER**) in each period shown as it did in its last completed financial year.

The information in the chart is for those series of the Fund that have been issued to investors and which have completed a financial year. No information is included under this section for new series or new Funds because the expenses for such series or Funds are not yet known.

See *Fees and expenses* on page 35 for more information about the cost of investing in the Funds.

# Sun Life Granite Conservative Portfolio

## Fund details

Fund type	Asset Allocation Portfolio
Securities offered	Series A, Series T5, Series F, Series F5, Series I and Series O units of a mutual fund trust
Start date	Series A: January 17, 2012 Series T5: January 17, 2012 Series F: January 17, 2012 Series F5: February 9, 2018 Series I: January 17, 2012 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada  Toronto, Ontario

## What does the fund invest in?

### Investment objectives

The Fund's investment objective is to seek income and capital appreciation, with a bias towards income, by investing primarily in fixed income mutual funds and, to a lesser extent, equity mutual funds.

The investment objective of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

## Investment strategies

In pursuing the Fund's investment objective, the portfolio manager:

- invests primarily in fixed income mutual funds and, to a lesser extent, equity mutual funds and typically invests between 63% and 83% of the Fund's assets in fixed income mutual funds and between 17% and 37% of the Fund's assets in equity mutual funds;
- uses an asset allocation strategy to determine the balance between the portion of the Portfolio invested in equity mutual funds and the portion of the Fund invested in fixed income mutual funds;
- may review and adjust the asset allocation strategy, in its sole discretion, depending on economic conditions and relative value of equity and fixed income securities;
- may invest up to 100% of the Fund's assets in underlying mutual funds (including exchange-traded funds or other investment funds) which may be managed by the Manager, its affiliates and/or other investment fund managers, and/or directly in equity and/or fixed income securities;
- typically selects equity mutual funds with exposure to Canadian equity securities, U.S. equity securities and international equity securities;
- typically selects fixed income mutual funds with exposure to Canadian debt instruments and global debt instruments;
- monitors and periodically rebalances the Fund's assets based on the portfolio manager's assessment of market conditions in light of the Fund's investment objective; and
- may, in its sole discretion, change the Fund's allocation to each asset class in order to meet the investment objective of the Fund and change the underlying mutual funds in which the Fund invests from time to time.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

The Fund's portfolio turnover rate may exceed 70%. This may increase portfolio trading costs and may affect returns. Please see *Portfolio turnover rate* on page 39 for a discussion on the tax consequences to unitholders.

### **What are the risks of investing in the fund?**

The Fund invests in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds. The Fund will be exposed to the following risks:

- Asset-backed and mortgage-backed securities risk
- Capital depletion risk (for Series T5 and Series F5 investors only)
- Concentration risk
- Credit risk
- Currency risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk

- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Specialization risk
- Tracking risk
- Transaction costs risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 33.81%, 31.14%, 16.09% and 12.60% of the net asset value of the Fund was invested in units of Sun Life BlackRock Canadian Universe Bond Fund, PH&N Bond Fund, Sun Life Money Market Class and Sun Life Granite Tactical Completion Fund, respectively. Please see *Concentration risk* on page 5 for details of the risk associated with these holdings.

As at January 31, 2017, Sun Life Assurance Company of Canada, Sun Life Granite Conservative Class and Sun Life Granite Conservative, owned 29.36%, 14.24% and 12.80%, respectively, of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the risk associated with a possible redemption of units of the Fund by these investors.

We have classified this Fund's risk level as low. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

### **Who should invest in this fund?**

This Fund may be suitable for investors who:

- seek income and capital appreciation, with a bias towards income;
- seek diversification through a broad range of asset classes, geographies and investment styles;
- are medium to long term investors; and

- are comfortable with low investment risk.

Series T5 and Series F5 units may be suitable for investors holding units outside of a registered plan and wishing to receive monthly distributions.

**Distribution policy**

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series T5 and Series F5 units, the Fund will make monthly distributions based on a target annualized rate of 5% of the NAV per unit of the relevant series at the end of the prior year. The target monthly distributions on Series T5 and F5 units may be comprised of income, capital gains or capital.

The monthly distributions on Series T5 and Series F5 units are not intended to reflect the Fund’s investment performance and should not be confused with “yield” or “income”. A portion of the monthly distribution for Series T5 and Series F5 units is likely to include a return of capital. **The distribution rate on these series may be greater than the return on the Fund’s investments. If the cash distributions to you are**

**greater than the net increase in value of your investment, the distributions will erode the value of your investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series T5 and Series F5 units will make any distributions in any particular month.

**Fund expenses indirectly borne by investors**

**Expenses payable over:**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$19.79	\$62.39	\$109.35	\$248.91
Series T5	\$19.55	\$61.62	\$108.01	\$245.86
Series F	\$11.19	\$35.27	\$61.82	\$140.73
Series I*	\$0.57	\$1.81	\$3.17	\$7.23
Series O	\$2.49	\$7.86	\$13.78	\$31.36

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

This information is not available for Series F5 because that series is new and therefore the expenses are not yet known.

# Sun Life Granite Moderate Portfolio

## Fund details

Fund type	Asset Allocation Portfolio
Securities offered	Series A, Series T5, Series F, Series F5, Series I and Series O units of a mutual fund trust
Start date	Series A: January 17, 2012 Series T5: January 17, 2012 Series F: January 17, 2012 Series F5: February 9, 2018 Series I: January 17, 2012 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada  Toronto, Ontario

## What does the fund invest in?

### Investment objectives

The Fund's investment objective is to seek income and capital appreciation by investing primarily in a mix of fixed income and equity mutual funds.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

## Investment strategies

In pursuing the Fund's investment objective, the portfolio manager:

- invests primarily in a mix of fixed income and equity mutual funds and typically invests between 43% and 63% of the Fund's assets in fixed income mutual funds and between 37% and 57% of the Fund's assets in equity mutual funds;
- uses an asset allocation strategy to determine the balance between the portion of the Fund invested in equity mutual funds and the portion of the Fund invested in fixed income mutual funds;
- may review and adjust the asset allocation strategy, in its sole discretion, depending on economic conditions and relative value of equity and fixed income securities;
- may invest up to 100% of the Fund's assets in underlying mutual funds (including exchange-traded funds or other investments funds) which may be managed by the Manager, its affiliates and/or other investment fund managers, and/or directly in equity and/or fixed income securities;
- typically selects equity mutual funds with exposure to Canadian equity securities, U.S. equity securities and international equity securities;
- typically selects fixed income mutual funds with exposure to Canadian debt instruments and global debt instruments;
- monitors and periodically rebalances the Fund's assets based on the portfolio manager's assessment of market conditions in light of the Fund's investment objective; and
- may, in its sole discretion, change the Fund's allocation to each asset class in order to meet the investment objective of the Fund and change the underlying mutual funds in which the Fund invests from time to time.

The Fund has received exemptive relief from Canadian securities regulatory authorities to invest in securities of a sub-fund of ABSL Umbrella UCITS Fund PLC that has adopted an investment policy of obtaining exposure to the Indian market (an “**Indian Underlying Fund**”), subject to certain conditions, including that the Fund may not invest more than 10% of its net asset value in securities of Indian Underlying Funds.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, to generate income, or to provide protection for the Fund’s portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

The Fund’s portfolio turnover rate may exceed 70%. This may increase portfolio trading costs and may affect returns. Please see *Portfolio turnover rate* on page 39 for a discussion on the tax consequences to unitholders.

### **What are the risks of investing in the fund?**

The Fund invests in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds. The Fund will be exposed to the following risks:

- Asset-backed and mortgage-backed securities risk

- Capital depletion risk (for Series T5 and Series F5 investors only)
- Concentration risk
- Credit risk
- Currency risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Specialization risk
- Tracking risk
- Transaction costs risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 24.53%, 22.71%, 12.60%, 11.68%, 11.67% and 11.14% of the net asset value of the Fund was invested in units of Sun Life BlackRock Canadian Universe Bond Fund, PH&N Bond Fund, Sun Life Granite Tactical Completion Fund, Sun Life Money Market Class, iShares Core S&P 500 ETF and Sun Life MFS International Value Fund, respectively. Please see *Concentration risk* on page 5 for details of the risk associated with these holdings.

As at January 31, 2017, Sun Life Assurance Company of Canada owned 46.85% of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the risk associated with a possible redemption of units of the Fund by this investor.

We have classified this Fund’s risk level as low to medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund’s risk level.

**Who should invest in this fund?**

This Fund may be suitable for investors who:

- seek income and capital appreciation;
- seek diversification through a broad range of asset classes, geographies and investment styles;
- are medium to long term investors; and
- are comfortable with low to medium investment risk.

Series T5 and Series F5 units may be suitable for investors holding units outside of a registered plan and wishing to receive monthly distributions.

**Distribution policy**

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series T5 and Series F5 units, the Fund will make monthly distributions based on a target annualized rate of 5% of the NAV per unit of the relevant series at the end of the prior year. The target monthly distributions on Series T5 and Series F5 units may be comprised of income, capital gains or capital.

The monthly distributions on Series T5 and Series F5 units are not intended to reflect the Fund’s investment performance and should not be confused with “yield” or “income”. A portion of the monthly distribution for Series T5 and Series F5 units is likely to include a return of capital. **The distribution rate on these series may be greater than the return on the Fund’s investments. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series

T5 and Series F5 units will make any distributions in any particular month.

**Fund expenses indirectly borne by investors**

**Expenses payable over:**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$22.64	\$71.37	\$125.09	\$284.74
Series T5	\$22.33	\$70.38	\$123.37	\$280.82
Series F	\$10.66	\$33.62	\$58.93	\$134.14
Series I*	\$0.65	\$2.06	\$3.62	\$8.23
Series O	\$2.56	\$8.08	\$14.16	\$32.24

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

This information is not available for Series F5 because that series is new and therefore the expenses are not yet known.



# Sun Life Granite Balanced Portfolio

## Fund details

Fund type	Asset Allocation Portfolio
Securities offered	Series A, Series T5, Series D, Series F, Series F5, Series I and Series O units of a mutual fund trust
Start date	Series A: January 17, 2012 Series T5: January 17, 2012 Series D: July 29, 2016 Series F: January 17, 2012 Series F5: February 9, 2018 Series I: January 17, 2012 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada  Toronto, Ontario

## What does the fund invest in?

### Investment objectives

The Fund's investment objective is to seek capital appreciation and income, with a small bias towards capital appreciation, by investing primarily in a mix of equity and fixed income mutual funds.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objective, the portfolio manager:

- invests primarily in a mix of equity and fixed income mutual funds and typically invests between 50% and 70% of the Fund's assets in equity mutual funds and between 30% and 50% of the Fund's assets in fixed income mutual funds;
- uses an asset allocation strategy to determine the balance between the portion of the Fund invested in equity mutual funds and the portion of the Fund invested in fixed income mutual funds;
- may review and adjust the asset allocation strategy, in its sole discretion, depending on economic conditions and relative value of equity and fixed income securities;
- may invest up to 100% of the Fund's assets in underlying mutual funds (including exchange-traded funds or other investment funds) which may be managed by the Manager, its affiliates and/or other investment fund managers, and/or directly in equity and/or fixed income securities;
- typically selects equity mutual funds with exposure to Canadian equity securities, U.S. equity securities and international equity securities;
- typically selects fixed income mutual funds with exposure to Canadian debt instruments and global debt instruments;
- monitors and periodically rebalances the Fund's assets based on the portfolio manager's assessment of market conditions in light of the Fund's investment objective; and
- may, in its sole discretion, change the Fund's allocation to each asset class in order to meet

the investment objective of the Fund and change the underlying mutual funds in which the Fund invests from time to time.

The Fund has received exemptive relief from Canadian securities regulatory authorities to invest in securities of a sub-fund of ABSL Umbrella UCITS Fund PLC that has adopted an investment policy of obtaining exposure to the Indian market (an “**Indian Underlying Fund**”), subject to certain conditions, including that the Fund may not invest more than 10% of its net asset value in securities of Indian Underlying Funds.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, to generate income, or to provide protection for the Fund’s portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

### **What are the risks of investing in the fund?**

The Fund invests in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds. The Fund will be exposed to the following risks:

- Asset-backed and mortgage-backed securities risk
- Capital depletion risk (for Series T5 and Series F5 investors only)
- Concentration risk
- Credit risk

- Currency risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Specialization risk
- Tracking risk
- Transaction costs risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 17.72%, 16.93%, 13.30%, 12.92%, 12.55% and 10.18% of the net asset value of the Fund was invested in units of Sun Life BlackRock Canadian Universe Bond Fund, PH&N Bond Fund, Sun Life MFS International Value Fund, iShares Core S&P 500 ETF, Sun Life Granite Tactical Completion Fund and Sun Life Money Market Class, respectively. Please see *Concentration risk* on page 5 for details of the risk associated with these holdings.

As at January 31, 2017, Sun Life Assurance Company of Canada owned 59.22% of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the risk associated with a possible redemption of units of the Fund by this investor.

We have classified this Fund’s risk level as low to medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund’s risk level.

### **Who should invest in this fund?**

This Fund may be suitable for investors who:

- seek capital appreciation and income, with a small bias towards capital appreciation;

- seek diversification through a broad range of asset classes, geographies and investment styles;
- are medium to long term investors; and
- are comfortable with low to medium investment risk.

Series T5 and Series F5 units may be suitable for investors holding units outside of a registered plan and wishing to receive monthly distributions.

#### Distribution policy

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series T5 and Series F5 units, the Fund will make monthly distributions based on a target annualized rate of 5% of the NAV per unit of the relevant series at the end of the prior year. The target monthly distributions on Series T5 and Series F5 units may be comprised of income, capital gains or capital.

The monthly distributions on Series T5 and Series F5 units are not intended to reflect the Fund’s investment performance and should not be confused with “yield” or “income”. A portion of the monthly distribution for Series T5 and Series F5 units is likely to include a return of capital. **The distribution rate on these series may be greater than the return on the Fund’s investments. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series T5 and Series F5 units will make any distributions in any particular month.

#### Fund expenses indirectly borne by investors

##### Expenses payable over:

	1 year	3 years	5 years	10 years
Series A	\$23.13	\$72.92	\$127.81	\$290.93
Series T5	\$23.49	\$74.06	\$129.82	\$295.50
Series F	\$11.53	\$36.34	\$63.70	\$145.00
Series I*	\$0.71	\$2.22	\$3.90	\$8.87
Series O	\$2.59	\$8.18	\$14.33	\$32.62

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

This information is not available for Series D and Series F5 because those series are new and therefore the expenses are not yet known.

# Sun Life Granite Balanced Growth Portfolio

## Fund details

Fund type	Asset Allocation Portfolio
Securities offered	Series A, Series T5, Series T8, Series F, Series F5, Series F8 Series I and Series O units of a mutual fund trust
Start date	Series A: January 17, 2012 Series T5: January 17, 2012 Series T8: January 17, 2012 Series F: January 17, 2012 Series F5: February 9, 2018 Series F8: February 9, 2018 Series I: January 17, 2012 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario

## What does the fund invest in?

### Investment objectives

The Fund's investment objective is to seek capital appreciation and income, with a bias towards capital appreciation, by investing primarily in equity mutual funds and, to a lesser extent, fixed income mutual funds.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objective, the portfolio manager:

- invests primarily in equity mutual funds and, to a lesser extent, fixed income mutual funds and typically invests between 60% and 80% of the Fund's assets in equity mutual funds and between 20% and 40% of the Fund's assets in fixed income mutual funds;
- uses an asset allocation strategy to determine the balance between the portion of the Fund invested in equity mutual funds and the portion of the Fund invested in fixed income mutual funds;
- may review and adjust the asset allocation strategy, in its sole discretion, depending on economic conditions and relative value of equity and fixed income securities;
- may invest up to 100% of the Fund's assets in underlying mutual funds (including exchange-traded funds or other investment funds) which may be managed by the Manager, its affiliates and/or other investment fund managers, and/or directly in equity and/or fixed income securities;
- typically selects equity mutual funds with exposure to Canadian equity securities, U.S.

equity securities and international equity securities;

- typically selects fixed income mutual funds with exposure to Canadian debt instruments and global debt instruments;
- monitors and periodically rebalances the Fund's assets based on the portfolio manager's assessment of market conditions in light of the Fund's investment objective; and
- may, in its sole discretion, change the Fund's allocation to each asset class in order to meet the investment objective of the Fund and change the underlying mutual funds in which the Fund invests from time to time.

The Fund has received exemptive relief from Canadian securities regulatory authorities to invest in securities of a sub-fund of ABSL Umbrella UCITS Fund PLC that has adopted an investment policy of obtaining exposure to the Indian market (an "**Indian Underlying Fund**"), subject to certain conditions, including that the Fund may not invest more than 10% of its net asset value in securities of Indian Underlying Funds.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

### What are the risks of investing in the fund?

The Fund invests in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds. The Fund will be exposed to the following risks:

- Asset-backed and mortgage-backed securities risk
- Capital depletion risk (for Series T5, Series T8, Series F5 and Series F8 investors only)
- Concentration risk
- Credit risk
- Currency risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Specialization risk
- Tracking risk
- Transaction costs risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 15.07%, 14.77%, 14.08%, 13.41% and 12.59% of the net asset value of the Fund was invested in units of Sun Life MFS International Value Fund, Sun Life BlackRock Canadian Universe Bond Fund, PH&N Bond Fund, iShares Core S&P 500 ETF and Sun Life Granite Tactical Completion Fund, respectively. Please see *Concentration risk* on page 5 for details of the risk associated with these holdings.

As at January 31, 2017, Sun Life Assurance Company of Canada owned 58.33% of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the risk

associated with a possible redemption of units of the Fund by this investor.

We have classified this Fund’s risk level as low to medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund’s risk level.

**Who should invest in this fund?**

This Fund may be suitable for investors who:

- seek capital appreciation and income, with a bias towards capital appreciation;
- seek diversification through a broad range of asset classes, geographies and investment styles;
- are medium to long term investors; and
- are comfortable with low to medium investment risk.

Series T5, Series T8, Series F5 and Series F8 units may be suitable for investors holding units outside of a registered plan and wishing to receive monthly distributions.

**Distribution policy**

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series T5, Series T8, Series F5 and Series F8 units, the Fund will make monthly distributions based on a target annualized rate of 5% or 8% of the NAV per unit, respectively, at the end of the prior year. The target monthly distributions on Series T5 Series T8, Series F5 and Series F8 units may be comprised of income, capital gains or capital.

The monthly distributions on Series T5, Series T8, Series F5 and Series F8 units are not intended to reflect the Fund’s investment performance and should not be confused with “yield” or “income”. A portion of the monthly distribution for Series T5, Series T8, Series F5 and Series F8 units is likely to include a return of capital. **The distribution rate on these series may**

**be greater than the return on the Fund’s investments. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series T5, Series T8, Series F5 and Series F8 units will make any distributions in any particular month.

**Fund expenses indirectly borne by investors**

**Expenses payable over:**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$23.59	\$74.37	\$130.36	\$296.73
Series T5	\$23.55	\$74.23	\$130.10	\$296.15
Series T8	\$24.10	\$75.98	\$133.17	\$303.14
Series F	\$12.50	\$39.41	\$69.07	\$157.23
Series I*	\$0.74	\$2.33	\$4.09	\$9.31
Series O	\$2.70	\$8.50	\$14.90	\$33.92

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

This information is not available for Series F5 and Series F8 because those series are new and therefore the expenses are not yet known.

# Sun Life Granite Growth Portfolio

## Fund details

Fund type	Asset Allocation Portfolio
Securities offered	Series A, Series T5, Series T8, Series F, Series F5, Series F8, Series I and Series O units of a mutual fund trust
Start date	Series A: January 17, 2012 Series T5: January 17, 2012 Series T8: January 17, 2012 Series F: January 17, 2012 Series F5: February 9, 2018 Series F8: February 9, 2018 Series I: January 17, 2012 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada  Toronto, Ontario

## What does the fund invest in?

### Investment objectives

The Fund's investment objective is to seek capital appreciation by investing primarily in equity mutual

funds and, to a lesser extent, fixed income mutual funds.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objective, the portfolio manager:

- invests primarily in equity mutual funds and, to a lesser extent, fixed income mutual funds and typically invests between 70% and 90% of the Fund's assets in equity mutual funds and between 10% and 30% of the Fund's assets in fixed income mutual funds;
- uses an asset allocation strategy to determine the balance between the portion of the Fund invested in equity mutual funds and the portion of the Fund invested in fixed income mutual funds;
- may review and adjust the asset allocation strategy, in its sole discretion, depending on economic conditions and relative value of equity and fixed income securities;
- may invest up to 100% of the Fund's assets in underlying mutual funds (including exchange-traded funds or other investment funds) which may be managed by the Manager, its affiliates and/or other investment fund managers, and/or directly in equity and/or fixed income securities;
- typically selects equity mutual funds with exposure to Canadian equity securities, U.S. equity securities and international equity securities;
- typically selects fixed income mutual funds with exposure to Canadian debt instruments and global debt instruments;
- monitors and periodically rebalances the Fund's assets based on the portfolio manager's assessment of market conditions in light of the Fund's investment objective; and

- may, in its sole discretion, change the Fund's allocation to each asset class in order to meet the investment objective of the Fund and change the underlying mutual funds in which the Fund invests from time to time.

The Fund has received exemptive relief from Canadian securities regulatory authorities to invest in securities of in securities of a sub-fund of ABSL Umbrella UCITS Fund PLC that has adopted an investment policy of obtaining exposure to the Indian market (an “**Indian Underlying Fund**”), subject to certain conditions, including that the Fund may not invest more than 10% of its net asset value in securities of Indian Underlying Funds.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

#### **What are the risks of investing in the fund?**

The Fund invests in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds. The Fund will be exposed to the following risks:

- Asset-backed and mortgage-backed securities risk

- Capital depletion risk (for Series T5, Series T8, Series F5 and Series F8 investors only)
- Concentration risk
- Credit risk
- Currency risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Specialization risk
- Tracking risk
- Transaction costs risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 16.47%, 14.33%, 12.59% and 10.58% of the net asset value of the Fund was invested in units of Sun Life MFS International Value Fund, iShares Core S&P 500 ETF, Sun Life Granite Tactical Completion Fund and Beutel Goodman Canadian Equity Fund, respectively. Please see *Concentration risk* on page 5 for details of the risk associated with these holdings.

As at January 31, 2017, Sun Life Assurance Company of Canada owned 54.35% of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the risk associated with a possible redemption of units of the Fund by this investor.

We have classified this Fund's risk level as low to medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.



**Who should invest in this fund?**

This Fund may be suitable for investors who:

- seek capital appreciation;
- seek diversification through a broad range of asset classes, geographies and investment styles;
- are long term investors; and
- are comfortable with low to medium investment risk.

Series T5, Series T8, Series F5 and Series F8 units may be suitable for investors holding units outside of a registered plan and wishing to receive monthly distributions.

**Distribution policy**

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series T5, Series T8, Series F5 and Series F8 units, the Fund will make monthly distributions based on a target annualized rate of 5% or 8% of the NAV per unit, respectively, at the end of the prior year. The target monthly distributions on Series T5, Series T8, Series F5 and Series F8 units may be comprised of income, capital gains or capital.

The monthly distributions on Series T5, Series T8, Series F5 and Series F8 units are not intended to reflect the Fund’s investment performance and should not be confused with “yield” or “income”. A portion of the monthly distribution for Series T5, Series T8, Series F5 and Series F8 units is likely to include a return of capital. **The distribution rate on these series may be greater than the return on the Fund’s investments. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate,

without notice. There can be no assurance that Series T5, Series T8, Series F5 and Series F8 units will make any distributions in any particular month.

**Fund expenses indirectly borne by investors**

**Expenses payable over:**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$24.15	\$76.12	\$133.42	\$303.70
Series T5	\$23.71	\$74.74	\$131.01	\$298.21
Series T8	\$24.44	\$77.04	\$135.04	\$307.38
Series F	\$12.80	\$40.34	\$70.71	\$160.96
Series I*	\$0.77	\$2.44	\$4.27	\$9.72
Series O	\$2.66	\$8.38	\$14.68	\$33.42

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

This information is not available for Series F5 and Series F8 because those series are new and therefore the expenses are not yet known.

# Sun Life Granite Income Portfolio

## Fund details

Fund type	Diversified Income Portfolio
Securities offered	Series A, Series T5, Series F, F5, Series I and Series O units of a mutual fund trust
Start date	Series A: January 17, 2013 Series T5: October 27, 2017 Series F: January 17, 2013 Series F5: February 9, 2018 Series I: January 17, 2013 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario

## What does the fund invest in?

### Investment objectives

The Fund's investment objective is to seek to generate a consistent level of income by investing primarily in a mix of income-focused fixed income and equity mutual funds (including exchange-traded funds).

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

## Investment strategies

In pursuing the Fund's investment objectives, the portfolio manager:

- seeks to generate a consistent level of income in the Fund's portfolio through strategic asset allocation, selection of underlying funds and tactical management;
- invests primarily in income generating mutual funds that focus on dividend paying equities, REITs, high yield debt, investment grade corporate debt, government debt and emerging market debt;
- selects securities in or that give exposure to both domestic and global markets;
- uses an asset allocation strategy to determine the weighting within the Fund's portfolio of fixed income investments versus equity investments;
- may invest up to 90% of the Fund's assets in either fixed income mutual funds (including money market funds) or equity mutual funds;
- may review and adjust the asset allocation strategy, in its sole discretion, depending on economic conditions and relative value of the securities;
- may invest up to 100% of the Fund's assets in underlying mutual funds (including exchange-traded funds or other investment funds) which may be managed by the Manager, its affiliates and/or other investment fund managers, and/or directly in equity and/or fixed income securities;
- typically selects equity mutual funds with exposure to Canadian and global dividend income, including income trusts;
- typically selects fixed income mutual funds with exposure to Canadian debt instruments and global debt instruments;
- monitors and periodically rebalances the Fund's assets based on the portfolio manager's

assessment of market conditions in light of the Fund's investment objective; and

- may, in its sole discretion, change the Fund's asset allocation in order to meet the investment objective of the Fund and change the underlying mutual funds in which the Fund invests from time to time.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

The Fund's portfolio turnover rate may exceed 70%. This may increase portfolio trading costs and may affect returns. Please see *Portfolio turnover rate* on page 39 for a discussion on the tax consequences to unitholders.

#### **What are the risks of investing in the fund?**

The Fund invests in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds. The Fund will be exposed to the following risks:

- Asset-backed and mortgage-backed securities risk
- Capital depletion risk
- Credit risk
- Currency risk

- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Real estate risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Short selling risk
- Small company risk
- Specialization risk
- Tracking risk
- Transaction costs risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 28.78%, 15.68%, 12.67%, 10.89%, 10.43%, 10.31%, and 10.27% of the net asset value of the Fund was invested in units of Sun Life MFS Canadian Bond Fund, Guardian Global Dividend Growth Equity Fund, Sun Life Sentry Infrastructure Fund, Sun Life BlackRock Canadian Universe Bond Fund, Sun Life NWQ Flexible Income Fund, RBC Global High Yield Bond Fund, and Sentry REIT Fund, respectively. Please see *Concentration risk* on page 5 for details of the risk associated with these holdings.

As at January 31, 2017, Sun Life Assurance Company of Canada and Sun Life Granite Income, owned 22.85% and 12.01%, respectively, of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the risk associated with a possible redemption of units of the Fund by these investors.

We have classified this Fund's risk level as low to medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

**Who should invest in this fund?**

This Fund may be suitable for investors who:

- seek regular income through monthly distributions;
- seek diversified sources of income in a single fund;
- seek diversification through exposure to a broad range of asset classes and geographies;
- are medium to long term investors; and
- are comfortable with low to medium investment risk.

Series T5 and Series F5 units may be suitable for investors holding units outside of a registered plan and wishing to receive monthly distributions.

**Distribution policy**

The Fund intends to make monthly distributions at a fixed rate, which may be comprised of income, capital gains or capital. For Series T5 and Series F5 units, the Fund will make monthly distributions based on a target annualized rate of 5% of the NAV per unit at the end of the prior year. The monthly distributions are not intended to reflect the Fund’s investment performance and should not be confused with “yield” or “income”. If necessary, the Fund will make an additional distribution of income and capital gains in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate.

**Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

A portion of the monthly distribution on your units is likely to include a return of capital. **The distribution rate on your units may be greater than the return on the Fund’s investments. If the cash distributions to you are greater than the net increase in the value of your investment, the distribution will erode the value of your original investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that the

Fund will make any distributions in any particular month.

**Fund expenses indirectly borne by investors**

**Expenses payable over:**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$20.49	\$64.58	\$113.20	\$257.68
Series F	\$11.58	\$36.49	\$63.96	\$145.59
Series I*	\$1.36	\$4.28	\$7.51	\$17.09
Series O	\$3.26	\$10.29	\$18.03	\$41.04

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

This information is not available for Series T5 and Series F5 because those series are new and therefore the expenses are not yet known.

# Sun Life Granite Enhanced Income Portfolio

## Fund details

Fund type	Diversified Income Portfolio
Securities offered	Series A, Series F, Series I and Series O units of a mutual fund trust
Start date	Series A: January 17, 2013 Series F: January 17, 2013 Series I: January 17, 2013 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada  Toronto, Ontario

## What does the fund invest in?

### Investment objectives

The Fund's investment objective is to seek to generate a consistent level of income by investing primarily in a mix of income-focused fixed income and equity mutual funds (including exchange-traded funds), with an emphasis towards higher yielding investments.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

## Investment strategies

In pursuing the Fund's investment objectives, the portfolio manager:

- seeks to generate a consistent level of income in the Fund's portfolio through strategic asset allocation, selection of underlying funds and tactical management;
- seeks to select higher yielding investments;
- invests primarily in income generating mutual funds that focus on dividend paying equities, REITs, high yield debt, investment grade corporate debt, government debt and emerging market debt;
- selects securities in or that give exposure to both domestic and global markets;
- uses an asset allocation strategy to determine the weighting within the Fund's portfolio of fixed income investments versus equity investments;
- may invest up to 90% of the Fund's assets in either fixed income mutual funds (including money market funds) or equity mutual funds;
- may review and adjust the asset allocation strategy, in its sole discretion, depending on economic conditions and relative value of the securities;
- may invest up to 100% of the Fund's assets in underlying mutual funds (including exchange-traded funds or other investment funds) which may be managed by the Manager, its affiliates and/or other investment fund managers, and/or directly in equity and/or fixed income securities;
- typically selects equity mutual funds with exposure to Canadian and global dividend income, including income trusts;
- typically selects fixed income mutual funds with exposure to Canadian debt instruments and global debt instruments;

- monitors and periodically rebalances the Fund's assets based on the portfolio manager's assessment of market conditions in light of the Fund's investment objective; and
- may, in its sole discretion, change the Fund's asset allocation in order to meet the investment objective of the Fund and change the underlying mutual funds in which the Fund invests from time to time.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

#### **What are the risks of investing in the fund?**

The Fund invests in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds. The Fund will be exposed to the following risks:

- Asset-backed and mortgage-backed securities risk
- Capital depletion risk
- Concentration risk

- Credit risk
- Currency risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Real estate risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Short selling risk
- Small company risk
- Specialization risk
- Tracking risk
- Transaction costs risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 20.24%, 17.99%, 14.36%, 13.65%, 12.07%, 10.65% and 10.16% of the net asset value of the fund was invested in units of RBC Global High Yield Bond Fund, Guardian Global Dividend Growth Equity Fund, Sun Life BlackRock Canadian Universe Bond Fund, Sun Life MFS Canadian Bond Fund, Sun Life NWQ Flexible Income Fund, Sun Life Sentry Infrastructure Fund and Sentry REIT Fund, respectively. Please see *Concentration risk* on page 5 for details of the risk associated with these holdings.

As at January 31, 2017, Sun Life Granite Enhanced Income owned 20.88% of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the risk associated with a possible redemption of units of the Fund by this investor.

We have classified this Fund’s risk level as low to medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund’s risk level.

**Who should invest in this fund?**

This Fund may be suitable for investors who:

- seek regular income through monthly distributions;
- seek diversified sources of income in a single fund;
- seek diversification through exposure to a broad range of asset classes and geographies;
- are medium to long term investors; and
- are comfortable with low to medium investment risk.

**Distribution policy**

The Fund intends to make monthly distributions at a fixed rate, which may be comprised of income, capital gains or capital. If necessary, the Fund will make an additional distribution of income and capital gains in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate.

**Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

A portion of the monthly distribution on your units is likely to include a return of capital. **The distribution rate on your units may be greater than the return on the Fund’s investments. If the cash distributions to you are greater than the net increase in the value of your investment, the distribution will erode the value of your original investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that the

Fund will make any distributions in any particular month.

**Fund expenses indirectly borne by investors**

**Expenses payable over:**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$23.94	\$75.47	\$132.28	\$301.10
Series F	\$12.37	\$39.01	\$68.37	\$155.64
Series I*	\$1.51	\$4.76	\$8.34	\$18.98
Series O	\$3.46	\$10.90	\$19.10	\$43.49

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

# Sun Life Sentry Value Fund

## Fund details

Fund type	Canadian Focused Equity
Securities offered	Series A, Series F, Series I and Series O units of a mutual fund trust
Start date	Series A: January 17, 2013 Series F: January 17, 2013 Series I: January 17, 2013 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub-advisor	Sentry Investments Inc. Toronto, Ontario

## What does the fund invest in?

### Investment objectives

The Fund's investment objective is to seek to achieve long-term capital appreciation by investing primarily in the equity securities of Canadian and U.S. companies. The Fund may invest in securities of other mutual funds (including exchange-traded funds).

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objectives, the sub-advisor:

- invests primarily in the equity securities of Canadian and U.S. companies that are considered to be undervalued compared to their perceived worth;
- may invest in debt or other fixed income instruments;
- may invest in U.S. and other foreign securities in an amount not exceeding 49% of the assets of the Fund;
- may invest, in aggregate, up to 10% of the Fund's net asset value in the following types of exchange-traded funds:
  - those that seek to provide daily results that replicate the daily performance of a specified widely-quoted market index (the "**Underlying Index**") by a multiple of 200%, by an inverse multiple of 200% or an inverse multiple of 100% ("**Inverse or Leveraged ETFs**");
  - those that seek to provide daily results that replicate the daily performance of their Underlying Index, provided that the securities of which are "index participation units" as defined in applicable securities legislation;
  - those that hold or seek to replicate the performance of gold, permitted gold certificates or specified derivatives of which the underlying interest is gold or permitted gold certificates on an unlevered basis ("**Gold ETFs**");
  - those that hold or seek to replicate the performance of silver, permitted silver certificates or specified derivatives of which the underlying interest is silver or



- permitted silver certificates on an unlevered basis (“**Silver ETFs**”);
  - o Gold ETFs that are also Inverse or Leveraged ETFs, by a multiple of up to 200% (“**Leveraged Gold ETFs**”); and
  - o Silver ETFs that are also Inverse or Leveraged ETFs, by a multiple of up to 200% (“**Leveraged Silver ETFs**”)
- (Inverse or Leveraged ETFs, Gold ETFs, Silver ETFs, Leveraged Gold ETFs and Leveraged Silver ETFs are collectively referred to as the “**Underlying ETFs**”);
- may invest in private placements or other illiquid equity or debt securities of public or private companies as permitted by Canadian securities regulatory authorities; and
  - may invest up to 10% of the Fund’s assets in securities of other mutual funds (including exchange-traded funds), including mutual funds that may be managed by the Manager and/or an affiliate of the Manager and, in selecting these underlying funds, uses the same criteria as it uses for selecting individual securities as described above.

The Fund may hold a portion of its assets in cash or short term money market securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund obtained exemptive relief from Canadian securities regulatory authorities to invest in securities of the Underlying ETFs, subject to certain conditions, including that the Fund may not invest more than 10% of its net asset value in securities of Underlying ETFs, no more than 20% of the net asset value of the Fund would consist of securities sold short by the Fund and securities of Underlying ETFs that track the inverse of its Underlying Index and, to the extent that the Fund invests in Gold ETFs, Silver ETFs, Leveraged Gold ETFs and/or Leveraged Silver ETFs (together with gold and silver, “**Gold and Silver Products**”), the Fund may not invest more than 10% of its net asset value in Gold and Silver Products and the Fund’s market value exposure to gold and silver through the Gold and Silver Products may not exceed 10% of its net asset value.

The Fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against

potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities without investing directly in such securities, to generate income, or to provide protection for the Fund’s portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages risk associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

The Fund also may engage in short selling. In determining whether securities of a particular issuer should be sold short, the sub-advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces, in the sub-advisor’s view, a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces, in the sub-advisor’s view, an unfavourable outlook, the issuer is a candidate for a short sale. The Fund will engage in short selling as a complement to the Fund’s current primary discipline of buying securities with the expectation that they will appreciate in market value.

The Fund’s portfolio turnover rate may exceed 70%. This may increase portfolio trading costs and may affect returns. Please see *Portfolio turnover rate* on page 39 for a discussion on the tax consequences to unitholders.

#### **What are the risks of investing in the fund?**

The following are risks associated with investment in the Fund:

- Commodity risk
- Concentration risk
- Credit risk
- Currency risk
- Derivative risk
- Equity risk
- Foreign investment risk
- Interest rate risk

- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Real estate risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Short selling risk
- Tracking risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* on page 4.

As at January 31, 2017, Sun Life Sentry Value Class, Sun Life Assurance Company of Canada and Sun Life Granite Enhanced Income Portfolio, owned 20.43%, 15.60% and 10.38%, respectively, of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the possible redemption of units and of the risk associated with a possible redemption of units of the Fund by these investors.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

**Who should invest in this fund?**

This Fund may be suitable for investors who:

- seek long term capital appreciation;
- are long term investors; and
- are comfortable with medium investment risk.

**Distribution policy**

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate.

**Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund unless you provide us**

**a written request that you wish to receive them in cash.**

**Fund expenses indirectly borne by investors**

**Expenses payable over:**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$24.64	\$77.67	\$136.15	\$309.91
Series F	\$13.25	\$41.76	\$73.19	\$166.61
Series I*	\$0.58	\$1.83	\$3.21	\$7.30
Series O	\$2.29	\$7.22	\$12.66	\$28.81

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

# Sun Life Infrastructure Fund

## Fund details

Fund type	Global Equity
Securities offered	Series A, Series T5, Series T8, Series F, Series F5, Series F8, Series I and Series O units of a mutual fund trust
Start date	Series A: February 2, 2015 Series T5: February 2, 2015 Series T8: February 2, 2015 Series F: February 2, 2015 Series F5: February 9, 2018 Series F8: February 9, 2018 Series I: February 2, 2015 Series O: February 2, 2015
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub-advisor	Lazard Asset Management (Canada), Inc. New York, New York, U.S.A.
Sub-advisor to Lazard Canada	Lazard Asset Management LLC New York, New York, U.S.A.

## What does the Fund invest in?

### Investment objectives

The Fund's investment objective is to seek to provide regular current income primarily by investing directly in securities of global companies with direct or indirect exposure to infrastructure or indirectly by investing in mutual funds (including exchange-traded funds) that invest in such securities.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objectives, the sub-advisor:

- primarily invests in a diversified portfolio of publicly listed global infrastructure companies;
- Infrastructure can be defined as the physical assets that a society requires to facilitate its orderly operation, which include, but are not limited to:
  - Transport (toll roads, airports, seaports, rail);
  - Energy (oil pipelines, gas and electricity transmission, distribution and generation);
  - Water (distribution and treatment);
  - Communications (broadcast, satellite and cable); and
  - Social (hospitals, schools, prisons);
- may invest in fixed income securities of companies with either direct or indirect exposure to infrastructure;

- may invest all of the Fund's assets in foreign securities;
- may invest in structured products, either public or private, that hold infrastructure-related securities;
- may invest in private placements or other illiquid equity or debt securities of public or private companies as permitted by Canadian securities regulatory authorities; and
- may invest up to 10% of the Fund's assets in securities of other mutual funds (including exchange-traded funds), including mutual funds that may be managed by the Manager and/or an affiliate of the Manager and, in selecting these underlying funds, uses the same criteria as it uses for selecting individual securities as described above.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities without investing directly in such securities, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages risk associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

The Fund also may engage in short selling. In determining whether securities of a particular issuer should be sold short, the sub-advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces, in the sub-advisor's view, a

favourable outlook, the issuer is a candidate for purchase. Where the analysis produces, in the sub-advisor's view, an unfavourable outlook, the issuer is a candidate for a short sale. The Fund will engage in short selling as a complement to the Fund's current primary discipline of buying securities with the expectation that they will appreciate in market value.

#### **What are the risks of investing in the Fund?**

The following are the risks associated with an investment in the Fund:

- Capital depletion risk
- Concentration risk
- Credit risk
- Currency risk
- Derivatives risk
- Equity risk
- Foreign investment risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Short selling risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

As at January 31, 2017, Sun Life Granite Balanced Portfolio, Sun Life Granite Growth Portfolio, Sun Life Granite Balanced Growth Portfolio and Sun Life Granite Moderate Portfolio owned 27.18%, 14.65%, 12.66% and 11.33%, respectively, of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the possible redemption of units and of the risk associated with a possible redemption of units of the Fund by these investors.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

**Who should invest in this Fund?**

This Fund may be suitable for investors who:

- seek a balance of current income and the potential for long-term capital appreciation;
- seek to add global hard asset diversification;
- are long term investors; and
- are comfortable with medium investment risk.

Series T5, Series T8, Series F5 and Series F8 units may be suitable for investors holding units outside of a registered plan and wishing to receive monthly distributions.

**Distribution policy**

The Fund intends to make monthly distributions, which may be comprised of income, capital gains or capital. If necessary, the Fund will make an additional distribution of income and capital gains in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund unless you provide us a written request that you wish to receive them in cash.**

For Series T5, Series T8, Series F5 and Series F8 units, the Fund will make monthly distributions based on a target annualized rate of 5% or 8% of the NAV per unit, respectively, at the end of the prior year. The target monthly distributions on Series T5, Series T8, Series F5 and Series F8 units may be comprised of income, capital gains or capital.

The monthly distributions on Series T5, Series T8, Series F5 and Series F8 units are not intended to reflect the Fund's investment performance and should not be confused with "yield" or "income". A portion of the monthly distribution for Series T5, Series T8, Series F5 and Series F8 units is likely to include a return of capital. **The distribution rate on these series may be greater than the return on the Fund's investments. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series T5, Series T8, Series F5 and Series F8 units will make any distributions in any particular month

**Fund expenses indirectly borne by investors**

	Expenses payable over:			
	1 year	3 years	5 years	10 years
Series A	\$25.18	\$79.37	\$139.12	\$316.67
Series T5	\$25.65	\$80.87	\$141.75	\$322.66
Series T8	\$24.73	\$77.96	\$136.65	\$311.05
Series F	\$14.09	\$44.40	\$77.83	\$177.17
Series I*	\$0.58	\$1.83	\$3.20	\$7.28
Series O	\$2.30	\$7.26	\$12.72	\$28.96

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

This information is not available for Series F5 and Series F8 because those series are new and therefore the expenses are not yet known.

# Sun Life Schroder Global Mid Cap Fund

<b>Fund details</b>		Sub-advisor to Schroders	Schroder Investment Management North America Ltd.  London, U.K.
Fund type	Global Equity		
Securities offered	Series A, Series T5, Series T8, Series F, Series F5, Series F8, Series I and Series O units of a mutual fund trust		
Start date	Series A: February 2, 2015  Series T5: February 2, 2015  Series T8: February 2, 2015  Series F: February 2, 2015  Series F5: February 9, 2018  Series F8: February 9, 2018  Series I: February 2, 2015  Series O: February 2, 2015		
Registered plan eligibility	Qualified investment for registered plans		
Portfolio manager	Sun Life Global Investments Canada  Toronto, Ontario		
Sub-advisor	Schroder Investment Management North America Inc.  New York, New York, U.S.A.		

## What does the Fund invest in?

### Investment objectives

The Fund's investment objective is to seek to achieve long-term capital appreciation primarily by investing directly in a diversified portfolio of medium capitalization global companies or indirectly by investing in mutual funds (including exchange-traded funds) that invest in such securities.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objectives, the sub-advisor:

- invests primarily in the equity securities of medium capitalization global companies and, to a lesser extent, equity securities of small and large capitalization global companies;
- focuses on identifying companies with superior growth prospects, while remaining cognizant of valuations;
- uses a combination of quantitative and fundamental models, seeking to add value from country decisions and stock selection;
- may invest a relatively large percentage of the Fund's assets in securities of issuers in a single country, a small number of countries, or a particular geographic region;
- may invest all of the Fund's assets in foreign securities, including those in emerging markets;

- may invest in fixed-income securities and hybrid securities;
- may invest in private placements or other illiquid equity or debt securities of public or private companies as permitted by Canadian securities regulatory authorities; and
- may invest up to 10% of the Fund's assets in securities of other mutual funds (including exchange-traded funds), including mutual funds that may be managed by the Manager and/or an affiliate of the Manager and, in selecting these underlying funds, uses the same criteria as it uses for selecting individual securities as described above. This excludes exchange-traded funds the securities of which meet the definition of index participation units, in which case the Fund may invest up to 100% of its assets in such exchange-traded funds.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities without investing directly in such securities, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages risk associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

The Fund also may engage in short selling. In determining whether securities of a particular issuer should be sold short, the sub-advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis

generally produces, in the sub-advisor's view, a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces, in the sub-advisor's view, an unfavourable outlook, the issuer is a candidate for a short sale. The Fund will engage in short selling as a complement to the Fund's current primary discipline of buying securities with the expectation that they will appreciate in market value.

### **What are the risks of investing in the Fund?**

The following are the risks associated with an investment in the Fund:

- Capital depletion risk (for Series T5, Series T8, Series F5 and Series F8 investors only)
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Short selling risk
- Small company risk
- Specialization risk
- Transaction costs risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

As at January 31, 2017, Sun Life Assurance Company of Canada, Sun Life Granite Balanced Portfolio and Sun Life Granite Balanced Growth Portfolio owned 26.78%, 25.97% and 16.13%, respectively, of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the possible redemption of units and of the risk associated with a possible redemption of units of the Fund by these investors.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 58 for a

description of the methodology we use to classify this Fund's risk level.

**Who should invest in this Fund?**

This Fund may be suitable for investors who:

- seek to add exposure to global mid cap equities;
- are long term investors; and
- are comfortable with medium investment risk.

Series T5, Series T8, Series F5 and Series F8 units may be suitable for investors holding units outside of a registered plan and wishing to receive monthly distributions.

**Distribution policy**

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series T5, Series T8, Series F5 and Series F8 units, the Fund will make monthly distributions based on a target annualized rate of 5% or 8% of the NAV per unit, respectively, at the end of the prior year. The target monthly distributions on Series T5, Series T8, Series F5 and Series F8 units may be comprised of income, capital gains or capital.

The monthly distributions on Series T5, Series T8, Series F5 and Series F8 units are not intended to reflect the Fund's investment performance and should not be confused with "yield" or "income". A portion of the monthly distribution for Series T5, Series T8, Series F5 and Series F8 units is likely to include a return of capital. **The distribution rate on these series may be greater than the return on the Fund's investments. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series T5, Series T8, Series F5 and Series F8 units will make any distributions in any particular month.

**Fund expenses indirectly borne by investors**

	Expenses payable over:			
	1 year	3 years	5 years	10 years
Series A	\$24.50	\$77.24	\$135.38	\$308.17
Series T5	\$25.71	\$81.04	\$142.05	\$323.34
Series T8	\$25.71	\$81.04	\$142.05	\$323.35
Series F	\$13.43	\$42.32	\$74.18	\$168.86
Series I*	\$0.58	\$1.83	\$3.20	\$7.28
Series O	\$2.18	\$6.86	\$12.02	\$27.36

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

This information is not available for Series F5 and Series F8 because those series are new and therefore the expenses are not yet known.



# Sun Life Dynamic American Fund\*

## Fund details

Fund type	U.S. Equity
Securities offered	Series A, Series T5, Series T8, Series F, Series F5, Series F8, Series I and Series O units of a mutual fund trust
Start date	Series A: February 2, 2015 Series T5: February 2, 2015 Series T8: February 2, 2015 Series F: February 2, 2015 Series F5: February 9, 2018 Series F8: February 9, 2018 Series I: February 2, 2015 Series O: February 2, 2015
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub-advisor	1832 Asset Management L.P. (manager of the Dynamic* Funds) Toronto, Ontario

## What does the Fund invest in?

### Investment objectives

The Fund's investment objective is to seek to achieve long-term capital appreciation primarily by investing directly in equity securities of United States based businesses deemed to be undervalued relative to their perceived worth or indirectly by investing in mutual funds (including exchange-traded funds) that invest in such securities.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

### Investment strategies

The sub-advisor currently intends to achieve the Fund's investment objectives by investing all, or substantially all, of the assets of the Fund in units of the Dynamic American Fund\* (the "**underlying fund**"), a mutual fund that is managed and advised by the sub-advisor.

In pursuing the underlying fund's investment objectives, the sub-advisor:

- primarily invests in United States based companies and may from time to time and to a lesser extent, invest in companies in other countries in the Americas;
- using a value investment approach, invests in companies that represent good value based on current stock price relative to the company's intrinsic value;
- uses a bottom-up investment approach which emphasizes careful company-specific analysis;
- uses techniques such as fundamental analysis to assess growth and value potential. This involves the evaluation of the financial condition and management of each company, its industry and the overall economy. As part of this analysis, the sub-advisor may conduct management interviews with companies, where possible, to determine the corporate strategy and business plan, as well as to evaluate management capability;

\* Dynamic, Dynamic Funds and Dynamic American Fund are registered and proprietary trademarks of Scotiabank, an affiliate of 1832 Asset Management L.P., used under license by the Manager.

- may invest up to 100% of the underlying fund's assets in foreign securities; and
- may use warrants and derivatives such as options, forward contracts, futures contracts and swaps.

The portfolio manager will determine whether to invest the Fund's assets in the underlying fund or to invest the Fund's assets directly in securities similar to those held by the underlying fund based upon its view of which investment approach will result in the greatest overall economic benefit for the Fund. In making such determination, the portfolio manager will consider market conditions, the availability and costs associated with the strategy and the size and scale of the Fund. Once the portfolio manager makes this determination, the sub-advisor will implement the strategy by either investing the Fund in the underlying fund or by selecting the securities to be held by the Fund.

The Fund and the underlying fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The underlying fund may invest up to 10% of its net asset value in securities of other mutual funds (including mutual funds managed by the sub-advisor or an affiliate or associate of the sub-advisor) ("investee funds"). The proportions and types of investee funds held by the underlying fund will be selected with consideration for the investee funds' investment objectives and strategies, past performance and volatility, among other factors.

The Fund and the underlying fund may invest in precious metals when deemed appropriate by the portfolio sub-advisor. The Fund may invest in gold and silver when deemed appropriate by the sub-advisor. The Fund obtained exemptive relief from the Canadian securities regulatory authorities to permit it to invest in silver or permitted silver certificates. The Fund is permitted to invest up to 10% of its net asset value in gold (including Gold ETFs), permitted gold certificates, silver, permitted silver certificates and specified derivatives of which the underlying interest is gold or silver. In addition, the underlying fund is permitted to invest up to 5% of its net assets, taken at the market value thereof at the time of investment, in each of silver and platinum (or the equivalent in permitted silver certificates or permitted platinum

certificates and specified derivatives of which the underlying interest is silver or platinum).

Each of the Fund and the underlying fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. Each of the Fund and the underlying fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities, to generate income, or to hold cash or fixed income securities for strategic reasons. The Fund and the underlying fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* on page 6.

The Fund and the underlying fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages risk associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

The Fund and the underlying fund also may engage in short selling. In determining whether securities of a particular issuer should be sold short, the sub-advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces, in the sub-advisor's view, a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces, in the sub-advisor's view, an unfavourable outlook, the issuer is a candidate for a short sale. The Fund and the underlying fund will engage in short selling as a complement to the Fund's, or the underlying funds, as applicable, current primary discipline of buying securities with the expectation that they will appreciate in market value.

#### **What are the risks of investing in the Fund?**

The following are the risks associated with an investment in the Fund:

- Capital depletion risk (for Series T5, Series T8, Series F5 and Series F8 investors only)
- Concentration risk

- Commodity risk
- Credit risk
- Currency risk
- Derivatives risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Interest rate risk
- Large transaction risk
- Market risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Short selling risk
- Specialization risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 100.90% of the net asset value of the Fund was invested in units of Dynamic American Fund. Please see *Concentration risk* on page 5 for details of the risk associated with this holding.

As at January 31, 2017, Sun Dynamic American Value and Sun Life Assurance Company of Canada owned 39.40% and 16.12%, respectively, of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the possible redemption of units and of the risk associated with a possible redemption of units of the Fund by these investors.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

#### Who should invest in this Fund?

This Fund may be suitable for investors who:

- seek to add exposure to the capital growth potential of the equities of U.S. based businesses;
- are long term investors; and
- are comfortable with medium investment risk.

Series T5, Series T8, Series F5 and Series F8 units may be suitable for investors holding units outside of a registered plan and wishing to receive monthly distributions.

#### Distribution policy

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series T5, Series T8, Series F5 and Series F8 units, the Fund will make monthly distributions based on a target annualized rate of 5% or 8% of the NAV per unit, respectively, at the end of the prior year. The target monthly distributions on Series T5, Series T8, Series F5 and Series F8 units may be comprised of income, capital gains or capital.

The monthly distributions on Series T5, Series T8, Series F5 and Series F8 units are not intended to reflect the Fund's investment performance and should not be confused with "yield" or "income". A portion of the monthly distribution for Series T5, Series T8, Series F5 and Series F8 units is likely to include a return of capital. **The distribution rate on these series may be greater than the return on the Fund's investments. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series T5, Series T8, Series F5 and Series F8 units will make any distributions in any particular month.

**Fund expenses indirectly borne by investors**

**Expenses payable over:**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$25.53	\$80.49	\$141.09	\$321.16
Series T5	\$26.13	\$82.36	\$144.36	\$328.60
Series T8	\$25.97	\$81.86	\$143.47	\$326.59
Series F	\$14.60	\$46.01	\$80.65	\$183.59
Series I*	\$1.10	\$3.47	\$6.09	\$13.86
Series O	\$2.83	\$8.92	\$15.64	\$35.61

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

This information is not available for Series F5 and Series F8 because those series are new and therefore the expenses are not yet known.

# Sun Life Templeton Global Bond Fund

## Fund details

Fund type	Global Bond
Securities offered	Series A, Series F, Series I and Series O units of a mutual fund trust
Start date	Series A: February 2, 2015 Series F: February 11, 2016 Series I: February 2, 2015 Series O: February 2, 2015
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub-advisor	Franklin Templeton Investments Corp., Toronto, Ontario
Sub-Sub-advisor to FTIC	Franklin Advisers, Inc., San Mateo, California, U.S.A.

## What does the Fund invest in?

### Investment objectives

The Fund's investment objective is to seek to achieve high current income and capital appreciation primarily by investing directly in fixed-income securities and preferred shares issued around the world or indirectly by investing in mutual funds (including exchange-traded funds) that invest in such securities.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

### Investment strategies

The sub-advisor currently intends to achieve the Fund's investment objectives by investing all, or substantially all, of the assets of the Fund in units of Templeton Global Bond Fund (the "**underlying fund**"), a mutual fund that is managed and advised by the sub-advisor.

In pursuing the underlying fund's investment objectives, the sub-advisor:

- uses a fundamental research driven investment approach that focuses on identifying potential sources of high current income worldwide;
- may invest up to 25% of the total value of the underlying fund's assets (excluding cash) within a particular industry;
- may engage in currency management strategies to hedge the risk of changes in currency exchange rates;
  - these currency management strategies may include investing in currency forward contracts and the use of proxy hedges where the underlying fund attempts to hold a net long position of a particular currency versus a second currency that is expected to perform similarly to the first currency (by selling forward contracts) even if the underlying

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fund does not hold securities denominated in the second currency;

- may invest in interest rate swaps and credit default swaps and, if the transaction is for hedging purposes, currency swaps and forwards that, in each case, have a remaining term to maturity of greater than 3 years; and
- may invest in debt securities that are rated below investment grade, commonly referred to as “high yield securities”.

The portfolio manager will determine whether to invest the Fund's assets in the underlying fund or to invest the Fund's assets directly in securities similar to those held by the underlying fund based upon its view of which investment approach will result in the greatest overall economic benefit for the Fund. In making such determination, the portfolio manager will consider market conditions, the availability and costs associated with the strategy and the size and scale of the Fund. Once the portfolio manager makes this determination, the sub-advisor will implement the strategy by either investing the Fund in the underlying fund or by selecting the securities to be held by the Fund.

The Fund and the underlying fund may each hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund intends to apply for, and the underlying fund has obtained, exemptive relief from the Canadian securities regulatory authorities to invest more than 10% of its assets in securities issued or guaranteed by various governments or permitted international agencies that are traded on mature and liquid markets and provided that the acquisition of these securities is consistent with the Fund's investment objective.

The underlying fund may invest up to 10% of its net asset value in securities of other mutual funds (including mutual funds managed by the sub-advisor or an affiliate or associate of the sub-advisor) (“**investee funds**”). The proportions and types of investee funds held by the underlying fund will be selected with consideration for the investee funds' investment objectives and strategies, past performance and volatility, among other factors.

The Fund intends to apply for, and the underlying fund has obtained, exemptive relief from the Canadian

securities regulatory authorities for an exemption from certain of the derivatives restrictions set out in applicable Canadian securities legislation. If approved, this exemption will permit the Fund to:

- enter into interest rate swaps, credit default swaps or, if the transaction is for hedging purposes, currency swaps and forwards that, in each case, have a remaining term to maturity of greater than three years;
- use as cover for derivatives transactions (i) bonds, debentures, notes or other evidences of indebtedness that are liquid, provided that they have a remaining term to maturity of 365 days or less and have an approved credit rating; (ii) floating rate evidences of indebtedness that meet certain specified requirements; or (iii) securities of any money market fund managed by us; and
- use as cover, when the Fund holds a long position in a debt-like security that has a component that is a long position in a forward contract or in a standardized future or forward contract or when the Fund is entitled to receive fixed payments under a swap, a right or obligation to sell an equivalent quantity of the underlying interest of the standardized future, forward or swap.

For more details on this exemption, please refer to the AIF.

The underlying fund may use derivatives for currency hedging purposes, as described above. In addition, each of the Fund and the underlying fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. Each of the Fund and the underlying fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities, to generate income, or to provide protection for its portfolio. The Fund and the underlying fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* on page 6.

The Fund and the underlying fund may enter into securities lending, repurchase and reverse repurchase

transactions to earn additional returns. For a description of these transactions and how the Fund manages risk associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

The Fund and the underlying fund also may engage in short selling. In determining whether securities of a particular issuer should be sold short, the sub-advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces, in the sub-advisor's view, a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces, in the sub-advisor's view, an unfavourable outlook, the issuer is a candidate for a short sale. The Fund and the underlying fund may engage in short selling as a complement to the Fund's, or the underlying funds, as applicable, current primary discipline of buying securities with the expectation that they will appreciate in market value.

**What are the risks of investing in the Fund?**

The following are the risks associated with an investment in the Fund:

- Concentration risk
- Credit risk
- Currency risk
- Derivatives risk
- Foreign investment risk
- Government securities risk
- Inflation risk
- Interest rate risk
- Liquidity risk
- Large transaction risk
- Market risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Short selling risk
- Series risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 102.63% of the net asset value of the Fund was invested in units of Templeton Global Bond Fund.

Please see *Concentration risk* on page 5 for details of the risk associated with this holding.

We have classified this Fund's risk level as low to medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

**Who should invest in this Fund?**

This Fund may be suitable for investors who:

- are mainly interested in current income from global issuers;
- are medium to long term investors; and
- are comfortable with low to medium investment risk.

**Distribution policy**

The Fund normally distributes income monthly. If necessary, the Fund will make an additional distribution of income and capital gains in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

**Fund expenses indirectly borne by investors**

	Expenses payable over:			
	1 year	3 years	5 years	10 years
Series A	\$16.39	\$51.68	\$90.58	\$206.19
Series I*	\$0.59	\$1.86	\$3.26	\$7.41
Series O	\$2.29	\$7.23	\$12.66	\$28.83

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

This information is not available for Series F because that series is new and therefore expenses are not yet known.

# Sun Life Dynamic Equity Income Fund\*

## Fund details

Fund type	Equity Income
Securities offered	Series A, Series F, Series I and Series O units of a mutual fund trust
Start date	Series A: January 17, 2013 Series F: January 17, 2013 Series I: January 17, 2013 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub- advisor	1832 Asset Management L.P. (manager of the Dynamic Funds) Toronto, Ontario

## What does the fund invest in?

### Investment objectives

The Fund's investment objective is to seek to achieve income and long-term capital growth primarily by investing directly in equity securities that pay a

dividend or distribution, or indirectly by investing in mutual funds (including exchange-traded funds) that invest in such securities.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

### Investment strategies

The sub-advisor currently intends to achieve the Fund's investment objectives by investing all, or substantially all, of the assets of the Fund in units of Dynamic Equity Income Fund\* (the "**underlying fund**"), a mutual fund that is managed and advised by the sub-advisor.

In pursuing the underlying fund's investment objectives, the sub-advisor:

- seeks to invest primarily in a wide range of equity securities such as dividend or distribution paying equity securities and real estate investment trusts on a global basis, as well as in other types of equity and/or debt securities;
- may invest up to 49% of the underlying fund's assets in foreign securities;
- may use warrants and derivatives such as options, forward contracts, futures contracts and swaps;
- generally follows an investment approach emphasizing a suitably diversified portfolio of different businesses that meet the underlying fund's objectives; and
- may, in its sole discretion, eliminate investments when original attributes, including valuation parameters, are no longer attractive.

The portfolio manager will determine whether to invest the Fund's assets in the underlying fund or to invest the Fund's assets directly in securities similar to those held by the underlying fund based upon its view of which investment approach will result in the

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greatest overall economic benefit for the Fund. In making such determination, the portfolio manager will consider market conditions, the availability and costs associated with the strategy and the size and scale of the Fund. Once the portfolio manager makes this determination, the sub-advisor will implement the strategy by either investing the Fund in the underlying fund or by selecting the securities to be held by the Fund.

The Fund and the underlying fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The underlying fund may invest up to 10% of its net asset value in securities of other mutual funds (including mutual funds managed by the sub-advisor or an affiliate or associate of the sub-advisor) (“**investee funds**”). The proportions and types of investee funds held by the underlying fund will be selected with consideration for the investee funds’ investment objectives and strategies, past performance and volatility, among other factors.

The underlying fund has obtained exemptive relief from the Canadian securities regulatory authorities to invest up to 25% of its net asset value in standardized futures contracts with underlying interests in sweet crude oil or natural gas (“**Oil and Gas Contracts**”) in order to hedge the risks associated with its portfolio investments, in oil and gas securities, subject to certain conditions.

The Fund has obtained exemptive relief from the Canadian securities regulatory authorities to invest up to 20% of its net asset value in Oil and Gas Contracts in order to hedge the risks associated with its portfolio investments in oil and gas securities, subject to certain conditions. These conditions are described in detail in the Fund’s Annual Information Form. Please see *Derivative risk* on page 6 for a discussion of the risks associated with investing in Oil and Gas Contracts.

Because the Fund’s exemptive relief permits only 20% of its net asset value to be invested in Oil and Gas Contracts compared to the underlying fund’s limit of 25%, the Manager will monitor the Fund and (for as long as the Fund invests primarily in units of the underlying fund) the underlying fund and will work with the sub-advisor to ensure that the Fund adheres to the lower 20% limit where the Fund invests directly in such securities.

Each of the Fund and the underlying fund may invest in gold and silver when deemed appropriate by the

sub-advisor. Each of the Fund and the underlying fund obtained exemptive relief from the Canadian securities regulatory authorities to permit it to invest in silver or permitted silver certificates. Each of the Fund and the underlying fund is permitted to invest up to 10% of its net asset value in gold (including Gold ETFs), permitted gold certificates, silver, permitted silver certificates and specified derivatives of which the underlying interest is gold or silver.

Each of the Fund and the underlying fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. Each of the Fund and the underlying fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities, to generate income, or to provide protection for its portfolio. The Fund and the underlying fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* on page 6.

The Fund and the underlying fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages risk associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

The Fund and the underlying fund also may engage in short selling. In determining whether securities of a particular issuer should be sold short, the sub-advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces, in the sub-advisor’s view, a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces, in the sub-advisor’s view, an unfavourable outlook, the issuer is a candidate for a short sale. Each of the Fund and the underlying fund will engage in short selling as a complement to its current primary discipline of buying securities with the expectation that they will appreciate in market value.

#### **What are the risks of investing in the fund?**

The Fund currently invests in the underlying fund and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing

in the underlying fund. The Fund will be exposed to the following risks:

- Capital depletion risk
- Commodity risk
- Credit risk
- Currency risk
- Derivative risk
- Equity risk
- Foreign investment risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Real estate risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Short selling risk
- Specialization risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

As at January 31, 2017, Sun Life Assurance Company of Canada and Sun Life Dynamic Equity Income Class owned 42.81% and 18.51%, respectively, of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the possible redemption of units and of the risk associated with a possible redemption of units of the Fund by these investors.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

### Who should invest in this fund?

This Fund may be suitable for investors who:

- seek income and capital appreciation primarily through equities that pay a dividend or distribution;
- are long term investors; and
- are comfortable with medium investment risk.

### Distribution policy

The Fund intends to make monthly distributions at a fixed rate, which may be comprised of income, capital gains or capital. If necessary, the Fund will make an additional distribution of income and capital gains in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate.

**Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund unless you provide us a written request that you wish to receive them in cash.**

A portion of the monthly distribution on your units is likely to include a return of capital. **The distribution rate on your units may be greater than the return on the Fund's investments. If the cash distributions to you are greater than the net increase in the value of your investment, the distribution will erode the value of your original investment.**

We reserve the right to adjust the amount of monthly distribution if we consider it appropriate, without notice. There can be no assurance that the Fund will make any distributions in any particular month.

### Fund expenses indirectly borne by investors

#### Expenses payable over:

	1 year	3 years	5 years	10 years
Series A	\$22.30	\$70.31	\$123.23	\$280.51
Series F	\$10.83	\$34.13	\$59.82	\$136.16
Series I*	\$0.88	\$2.79	\$4.88	\$11.12
Series O	\$2.14	\$6.74	\$11.82	\$26.91

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

# Sun Life Dynamic Strategic Yield Fund\*

## Fund details

Fund type	Diversified Income
Securities offered	Series A, Series F, Series I and Series O units of a mutual fund trust
Start date	Series A: January 17, 2013 Series F: January 17, 2013 Series I: January 17, 2013 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub-advisor	1832 Asset Management L.P. (manager of the Dynamic Funds) Toronto, Ontario

## What does the fund invest in?

### Investment objectives

The Fund's investment objective is to seek to achieve income and long-term capital growth primarily by investing directly in a diversified portfolio of fixed

income and income-oriented equity securities, or indirectly by investing in mutual funds (including exchange-traded funds) that invest in such securities.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objectives, the sub-advisor:

- seeks to take a flexible approach to investing primarily in debt and income-oriented equity securities with no restrictions on market capitalization, industry sector or geographic mix. The sub-advisor can invest in these securities either directly or indirectly through investment in underlying funds;
- allocates portfolio assets depending on economic and market conditions;
- in respect of fixed income securities:
  - will invest in investment grade debt instruments but may also invest in non-investment grade or unrated debt instruments;
  - may invest in convertible bonds, high-yield debt and government bonds;
  - may invest in mortgage-backed securities; and
  - assesses the condition of credit markets, the yield curve, as well as the outlook on monetary conditions;
- in respect of equity securities:
  - will invest in dividend or income paying securities including preferred shares and convertible preferred shares, investment trust units and other equity securities with free cash flow, and REITs on a global basis;

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- may invest in closed-end funds trading at a discount to their net asset values;
- analyzes the financial and managerial prospects for a particular company and its relevant sector; and
- conducts management interviews with companies to determine the corporate strategy and business plan, as well as to evaluate management capabilities;
- may invest up to 100% of the Fund's assets in foreign securities;
- may use derivatives to hedge against interest rate risk, credit risk and currency fluctuations;
- may generate additional income through covered call writing and other derivative strategies;
- may invest in private placements in equity and/or debt securities of public or private companies; and
- may invest up to 100% of the Fund's assets in securities of other mutual funds (including exchange-traded funds), including mutual funds that may be managed by the Manager or sub-advisor and/or an affiliate of the Manager or sub-advisor and, in selecting these underlying funds, uses the same criteria as it uses for selecting the individual securities as described above.

The portfolio manager will determine whether to invest the Fund's assets in the underlying fund or to invest the Fund's assets directly in securities similar to those held by the underlying fund based upon its view of which investment approach will result in the greatest overall economic benefit for the Fund. In making such determination, the portfolio manager will consider market conditions, the availability and costs associated with the strategy and the size and scale of the Fund. Once the portfolio manager makes this determination, the sub-advisor will implement the strategy by either investing the Fund in the underlying fund or by selecting the securities to be held by the Fund.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may invest in gold and silver when deemed appropriate by the sub-advisor. The Fund obtained exemptive relief from the Canadian securities regulatory authorities to permit it to invest in silver or permitted silver certificates. The Fund is permitted to invest up to 10% of its net asset value in gold (including Gold ETFs), permitted gold certificates, silver, permitted silver certificates and specified derivatives of which the underlying interest is gold or silver.

The Fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities without investing directly in such securities, to generate income, or to provide protection for its portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages risk associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

The Fund also may engage in short selling. In determining whether securities of a particular issuer should be sold short, the sub-advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces, in the sub-advisor's view, a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces, in the sub-advisor's view, an unfavourable outlook, the issuer is a candidate for a short sale. The Fund will engage in short selling as a complement to the Fund's current primary discipline of buying securities with the expectation that they will appreciate in market value.

#### **What are the risks of investing in the fund?**

The following are the risks associated with an investment in the Fund:

- Asset back and mortgage backed securities risk
- Capital depletion risk
- Commodity risk
- Credit risk
- Currency risk
- Derivative risk
- Equity risk

- Foreign investment risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Real estate risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Short selling risk
- Small capitalization risk
- Specialization risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

As at January 31, 2017, Sun Life Assurance Company of Canada and Sun Life Dynamic Strategic Yield Class owned 45.84% and 13.66%, respectively, of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the possible redemption of units and of the risk associated with a possible redemption of units of the Fund by these investors.

We have classified this Fund’s risk level as low to medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund’s risk level.

**Who should invest in this fund?**

This Fund may be suitable for investors who:

- seek income and capital growth potential through investments in both equities and fixed income securities;
- are medium to long term investors; and
- are comfortable with low to medium investment risk.

**Distribution policy**

The Fund intends to make monthly distributions at a fixed rate, which may be comprised of income, capital gains or capital. If necessary, the Fund will make an additional distribution of income and capital gains in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate.

**Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund unless you provide us a written request that you wish to receive them in cash.**

A portion of the monthly distribution on your units is likely to include a return of capital. The distribution rate on your units may be greater than the return on the Fund’s investments. If the cash distributions to you are greater than the net increase in the value of your investment, the distribution will erode the value of your original investment.

We reserve the right to adjust the amount of monthly distribution if we consider it appropriate, without notice. There can be no assurance that the Fund will make any distributions in any particular month.

**Fund expenses indirectly borne by investors**

**Expenses payable over:**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$23.16	\$73.01	\$127.98	\$291.31
Series F	\$11.68	\$36.83	\$64.55	\$146.93
Series I*	\$0.65	\$2.06	\$3.60	\$8.21
Series O	\$1.88	\$5.92	\$10.37	\$23.61

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

# Sun Life NWQ Flexible Income Fund

## Fund details

Fund type	Tactical Balanced
Securities offered	Series A, Series F, Series I and Series O units of a mutual fund trust
Start date	Series A: February 3, 2014 Series F: February 3, 2014 Series I: February 3, 2014 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub-advisor	NWQ Investment Management Company, LLC Los Angeles, California

## What does the fund invest in?

### Investment objectives

The Fund's investment objective is to seek to achieve income and capital appreciation by investing primarily in a diversified portfolio of income producing securities.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objectives, the sub-advisor:

- invests in a wide range of income producing securities of issuers, including but not limited to: preferred securities, corporate debt, mortgage-backed securities, taxable municipals and government and agency debt securities;
- given the investment process, may invest anywhere in the world but may have a tendency to have a high geographic concentration to the U.S.;
- will primarily invest in non-Canadian securities and may invest greater than 50% of the Fund's assets outside of Canada;
- may also invest in income-oriented equity securities such as common stocks, convertible securities, depositary receipts and other types of securities with equity characteristics;
- seeks to employ a rigorous, bottom-up research concentrated investment process that focuses on financial statement and absolute valuation analysis to identify undervalued companies that offer favourable risk/reward characteristics and capital preservation;
- focuses on the relative attractiveness of a particular security within a company's capital structure and sustainability of its income level;
- may invest a significant portion of the portfolio in below investment grade securities, commonly referred to as "high yield securities";
- may generate additional income through covered call writing and other derivative strategies; and

- may invest up to 20% of the Fund's assets in securities of other mutual funds (including exchange-traded funds), including mutual funds that may be managed by the Manager and/or an affiliate of the Manager and, in selecting these underlying funds, uses the same criteria as it uses for selecting individual securities as described above.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities without investing directly in such securities, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages risk associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

The Fund also may engage in short selling. In determining whether securities of a particular issuer should be sold short, the sub-advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces, in the sub-advisor's view, a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces, in the sub-advisor's view, an unfavourable outlook, the issuer is a candidate for a short sale. The Fund will engage in short selling as a complement to the Fund's current primary discipline of buying securities with the expectation that they will appreciate in market value.

#### **What are the risks of investing in the fund?**

The following are risks associated with investment in the Fund:

- Asset-backed and mortgage-backed securities risk
- Capital depletion risk
- Concentration risk
- Credit risk
- Currency risk
- Derivative risk
- Equity risk
- Foreign investment risk
- Government securities risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Short selling risk
- Specialization risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* on page 4.

As at January 31, 2017, Sun Life Granite Balanced Portfolio, Sun Life Granite Conservative Portfolio, Sun Life Granite Moderate Portfolio, Sun Life Granite Enhanced Income Portfolio and Sun Life Granite Income Portfolio, owned 27.67%, 17.03%, 15.97%, 12.14% and 10.55%, respectively, of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the possible redemption of units and of the risk associated with a possible redemption of units of the Fund by these investors.

We have classified this Fund's risk level as low to medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

#### **Who should invest in this fund?**

This Fund may be suitable for investors who:

- seek regular monthly income and capital appreciation;
- seek diversified sources of income in a single fund;
- are long term investors; and

- are comfortable with low to medium investment risk.

**Distribution policy**

The Fund intends to make monthly distributions at a fixed rate, which may be comprised of income, capital gains or capital. If necessary, the Fund will make an additional distribution of income and capital gains in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate.

**Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund unless you provide us a written request that you wish to receive them in cash.**

A portion of the monthly distribution on your units is likely to include a return of capital. The distribution rate on your units may be greater than the return on the Fund’s investments. If the cash distributions to you are greater than the net increase in the value of your

investment, the distribution will erode the value of your original investment.

We reserve the right to adjust the amount of monthly distribution if we consider it appropriate, without notice. There can be no assurance that the Fund will make any distributions in any particular month.

**Fund expenses indirectly borne by investors**

**Expenses payable over:**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$17.66	\$55.67	\$97.57	\$222.10
Series F	\$12.17	\$38.38	\$67.26	\$153.11
Series I*	\$0.58	\$1.82	\$3.19	\$7.26
Series O	\$2.26	\$7.12	\$12.47	\$28.39

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.



# Sun Life BlackRock Canadian Equity Fund

<b>Fund details</b>	
Fund type	Canadian Equity
Securities offered	Series A, Series T5, Series T8, Series F, Series F5, Series F8, Series I and Series O securities of a mutual fund trust
Start date	<p>Series A: April 15, 2011</p> <p>Series T5: September 1, 2011</p> <p>Series T8: September 1, 2011</p> <p>Series F: April 15, 2011</p> <p>Series F5: February 9, 2018</p> <p>Series F8: February 9, 2018</p> <p>Series I: April 15, 2011</p> <p>Series O: April 1, 2014</p>
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	<p>Sun Life Global Investments Canada</p> <p>Toronto, Ontario</p>
	<p>Sub-advisor</p> <p>BlackRock Asset Management Canada Limited</p> <p>Toronto, Ontario.</p>
	<p>Sub-advisor to BlackRock</p> <p>BlackRock Institutional Trust Company, N.A.</p> <p>San Francisco, California</p>

## What does the Fund invest in?

### Investment objectives

The Fund's investment objective is to seek capital appreciation by investing primarily in Canadian equity securities directly or indirectly through mutual funds and exchange-traded funds that invest in such securities.

The investment objective of the Fund can only be changed with the approval of a majority of the securityholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objective, the sub-advisor:

- typically invests between 55% and 80% of the Fund's assets in securities that have exposure to Canadian equities;
- typically invests between 20% and 45% of the Fund's assets in securities that have exposure to foreign equities;
- uses a strategic asset allocation strategy to determine the balance between the portion of the Fund's portfolio exposed to Canadian equities and the portion exposed to foreign equities;

- may invest up to 100% of the Fund's assets in underlying mutual funds which may be managed by the Manager and/or exchange-traded funds which are managed by third parties, including the sub-advisor;
- typically seeks Canadian equity exposure by investing in units of Sun Life BlackRock Canadian Composite Equity Fund, which attempts to replicate the performance of a broad and recognized Canadian equity market index;
- seeks foreign equity exposure by investing in exchange-traded funds which have exposure to equity sectors that are under represented on the Canadian index that Sun Life BlackRock Canadian Composite Equity Fund attempts to replicate;
- monitors and periodically rebalances the Fund's portfolio according to strategic target allocations; and
- may change the strategic allocation of the Fund in order to meet the investment objective of the Fund.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests or for defensive or other purposes.

If the Fund invests in exchange-traded funds which are not currency hedged, the Fund will have exposure to foreign currency fluctuations. The Fund may or may not hedge some or all of this foreign currency exposure. To the extent it does seek to do so, the portfolio manager will be responsible for this portion of the Fund's investment strategy.

In addition to using derivatives to hedge the exposure to foreign currencies, the Fund may use derivatives to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities. The sub-advisor does not currently intend to use derivatives.

For a description of some of the types of derivatives and the risks that may be associated with the use of

derivatives, please see the discussion under *Derivative risk* beginning on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

#### **What are the risks of investing in the Fund?**

The Fund invests in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds. The Fund will be exposed to the following risks:

- Capital depletion risk (for Series T5, Series T8, Series F5 and Series F8 investors only)
- Concentration risk
- Currency risk
- Derivative risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Tracking risk
- Transaction costs risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 71.62% of the net asset value of the Fund was invested in units of Sun Life BlackRock Canadian Composite Equity Fund. Please see *Concentration risk* on page 5 for details of the risk associated with this holding.

As at January 31, 2017, Sun Life Assurance Company of Canada owned 90.07% of the issued and outstanding securities of the Fund. Please see *Large transaction risk* on page 9 for details of the risk

associated with a possible redemption of units of the Fund by this investor.

We have classified this Fund’s risk level as medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund’s risk level.

**Who should invest in this Fund?**

This Fund may be suitable for investors who:

- seek a Canadian focused equity fund with broad sector diversification;
- are long term investors; and
- are comfortable with medium investment risk.

Series T5, Series T8, Series F5 and Series F8 securities may be suitable for investors holding securities outside of a registered plan and wishing to receive monthly distributions.

**Distribution policy**

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on securities held in a registered plan are automatically reinvested in additional securities of the Fund. Distributions on securities held outside a registered plan are automatically reinvested in additional securities of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series T5, Series T8, Series F5 and Series F8 securities, the Fund will make monthly distributions based on a target annualized rate of 5% or 8% of the NAV per security, respectively, at the end of the prior year. The target monthly distributions on Series T5, Series T8, Series F5 and Series F8 securities may be comprised of income, capital gains or capital.

The monthly distributions on Series T5, Series T8, Series F5 and Series F8 securities are not intended to reflect the Fund’s investment performance and should not be confused with “yield” or “income”. A portion of the monthly distribution for Series T5, Series T8, Series F5 and Series F8 securities is likely to include a return of capital. **The distribution rate on these series may be greater than the return on the Fund’s investments. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series T5, Series T8, Series F5 and Series F8 securities will make any distributions in any particular month.

**Fund expenses indirectly borne by investors**

	<b>Expenses payable over:</b>			
	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$20.36	\$64.20	\$112.52	\$256.13
Series T5	\$20.81	\$65.61	\$114.99	\$261.76
Series T8	\$20.82	\$65.62	\$115.02	\$261.81
Series F	\$9.14	\$28.82	\$50.51	\$114.97
Series I*	\$1.90	\$5.98	\$10.49	\$23.87
Series O	\$1.32	\$1.32	\$1.32	\$1.32

\* Series I securities are not charged a management fee. Instead, investors in Series I securities negotiate and pay a management fee directly to us.

This information is not available for Series F5 and Series F8 because those series are new and therefore the expenses are not yet known.

# Sun Life BlackRock Canadian Balanced Fund

<b>Fund details</b>		Sub-advisor to BlackRock	
Fund type	Canadian Balanced	BlackRock Institutional Trust Company, N.A.	San Francisco, California
Securities offered	Series A, Series T5, Series F, Series F5, Series I and Series O securities of a mutual fund trust		
Start date	<p>Series A: April 15, 2011</p> <p>Series T5: September 1, 2011</p> <p>Series F: April 15, 2011</p> <p>Series F5: February 9, 2018</p> <p>Series I: April 15, 2011</p> <p>Series O: April 1, 2014</p>		
Registered plan eligibility	Qualified investment for registered plans		
Portfolio manager	<p>Sun Life Global Investments Canada</p> <p>Toronto, Ontario</p>		
Sub-advisor	<p>BlackRock Asset Management Canada Limited</p> <p>Toronto, Ontario.</p>		

## What does the Fund invest in?

### Investment objectives

The Fund's investment objective is to seek a combination of income and growth by investing primarily in Canadian equity securities and Canadian debt instruments directly or indirectly through mutual funds and exchange-traded funds that invest in such securities.

The investment objective of the Fund can only be changed with the approval of a majority of the securityholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objective, the sub-advisor:

- uses a strategic asset allocation strategy to determine the balance between the portion of the Fund's portfolio exposed to equity securities and the portion exposed to debt instruments;
- typically invests between 50% and 80% of the Fund's assets in securities that have exposure to equities and between 20% and 50% in securities that have exposure to debt instruments;
- for the equity portion of the portfolio:
  - typically invests between 55% and 80% of the Fund's equity portfolio in securities that have exposure to Canadian equities;
  - typically invests between 20% and 45% of the Fund's equity portfolio in

- securities that have exposure to foreign equities;
- may invest up to 100% of the Fund's equity portfolio in underlying mutual funds which may be managed by the Manager and/or exchange-traded funds which are managed by third parties, including the sub-advisor;
- typically seeks Canadian equity exposure by investing in units of Sun Life BlackRock Canadian Composite Equity Fund, which attempts to replicate the performance of a broad and recognized Canadian equity market index;
- seeks foreign equity exposure by investing in exchange-traded funds which have exposure to equity sectors that are under represented on the Canadian index that Sun Life BlackRock Canadian Composite Equity Fund attempts to replicate;
- for the fixed income portion of the portfolio:
  - typically invests between 55% and 80% of the Fund's fixed income portfolio in securities that have exposure to Canadian debt instruments;
  - typically invests between 20% and 45% of the Fund's fixed income portfolio in securities that have exposure to foreign debt instruments;
  - may invest up to 100% of the Fund's fixed income portfolio in underlying mutual funds which may be managed by the Manager and/or exchange-traded funds which are managed by third parties, including the sub-advisor;
  - seeks to achieve the Fund's Canadian debt instrument exposure by investing in units of Sun Life BlackRock Canadian Universe Bond Fund, which attempts to replicate the performance of a broad and recognized Canadian bond market index;
  - seeks to achieve the Fund's foreign debt instrument exposure by investing in exchange-traded funds;

- monitors and periodically rebalances the Fund's portfolio according to strategic target allocations; and
- may change the strategic allocation of the Fund in order to meet the investment objective of the Fund.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests or for defensive or other purposes.

If the Fund invests in exchange-traded funds which are not currency hedged, the Fund will have exposure to foreign currency fluctuations. The Fund may or may not hedge some or all of this foreign currency exposure. To the extent it does seek to do so, the portfolio manager will be responsible for this portion of the Fund's investment strategy.

In addition to using derivatives to hedge the exposure to foreign currencies, the Fund may use derivatives to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities or asset classes, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities. The sub-advisor does not currently intend to use derivatives.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

#### **What are the risks of investing in the Fund?**

The Fund invests in underlying funds and so the risks of investing in the Fund include both the risks of investing in the Fund and the risks of investing in the underlying funds. The Fund will be exposed to the following risks:

- Capital depletion risk (for Series T5 and F5 investors only)

- Concentration risk
- Currency risk
- Credit risk
- Derivative risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Passive management risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Tracking risk
- Transaction costs risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 43.39% and 24.09% of the net asset value of the Fund was invested in securities of Sun Life BlackRock Canadian Composite Equity Fund and Sun Life BlackRock Canadian Universe Bond Fund, respectively. Please see *Concentration risk* on page 5 for details of the risk associated with these holdings.

As at January 31, 2017, Sun Life Assurance Company of Canada owned 65.08% of the issued and outstanding securities of the Fund. Please see *Large transaction risk* on page 9 for details of the risk associated with a possible redemption of units of the Fund by this investor.

We have classified this Fund's risk level as low to medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

#### Who should invest in this Fund?

This Fund may be suitable for investors who:

- seek a Canadian focused balanced fund with broad diversification;
- seek a moderate degree of growth and income;

- are medium to long-term investors; and
- are comfortable with low to medium investment risk.

Series T5 and Series F5 securities may be suitable for investors holding securities outside of a registered plan and wishing to receive monthly distributions.

#### Distribution policy

The Fund normally distributes income quarterly. If necessary, the Fund will make an additional distribution of income and capital gains in December of each year. The Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on securities held in a registered plan are automatically reinvested in additional securities of the Fund. Distributions on securities held outside a registered plan are automatically reinvested in additional securities of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series T5 and Series F5 securities, the Fund will make monthly distributions based on a target annualized rate of 5% of the NAV per security of the series at the end of the prior year. The target monthly distributions on Series T5 and Series F5 securities may be comprised of income, capital gains or capital.

The monthly distributions on Series T5 and Series F5 securities are not intended to reflect the Fund's investment performance and should not be confused with "yield" or "income". A portion of the monthly distribution for Series T5 and Series F5 securities is likely to include a return of capital. **The distribution rate on these series may be greater than the return on the Fund's investments. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series T5 and Series F5 securities will make any distributions in any particular month.

**Fund expenses indirectly borne by investors**

**Expenses payable over:**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$20.24	\$63.81	\$111.84	\$254.57
Series T5	\$19.89	\$62.71	\$109.91	\$250.19
Series F	\$8.99	\$28.33	\$49.65	\$113.03
Series I*	\$1.93	\$6.07	\$10.64	\$24.22
Series O	\$2.46	\$7.75	\$13.58	\$30.90

\* Series I securities are not charged a management fee. Instead, investors in Series I securities negotiate and pay a management fee directly to us.

This information is not available for Series F5 because that series is new and therefore the expenses are not yet known.

# Sun Life MFS Canadian Bond Fund

## Fund details

Fund type	Canadian Bond
Securities offered	Series A, Series D, Series F, Series I and Series O securities of a mutual fund trust
Start date	Series A: March 31, 2009 Series D: July 15, 1988 Series F: March 30, 2012 Series I: November 28, 2008 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada  Toronto, Ontario
Sub-advisor	MFS Investment Management Canada Limited  Toronto, Ontario
Sub-advisor to MFS IMC	MFS Institutional Advisors, Inc.  Boston, Massachusetts, U.S.A.

## What does the Fund invest in?

### Investment objectives

The Fund aims to provide investors with high investment returns primarily through income, with reasonable safety of capital.

The investment objectives of the Fund can only be changed with the approval of a majority of the securityholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objective, the sub-advisor:

- normally invests at least 85% of the Fund's assets in debt instruments;
- invests mainly in debt instruments rated investment grade but may also invest in non-investment grade debt instruments;
- may invest up to 30% of the Fund's assets in foreign debt instruments;
- uses a combination of bottom-up credit research and top-down macro analysis in constructing a diversified portfolio;
- actively manages the Fund to add value through a variety of strategies including interest rate anticipation, yield curve positioning, dynamic trading, sector and currency management;
- conducts monetary and fiscal policy analysis, macroeconomic analysis, inflationary outlook, valuation modeling, financial statement analysis, market and pricing analysis;
- seeks to actively control risk in the Fund by investing at least 70% of the Fund's assets in debt instruments rated BBB and above; and
- using the same bottom-up and top-down investment process as described above, may



invest up to 100% of its assets in underlying mutual funds which may be managed the Manager or sub-advisor and/or in exchange-traded funds which are managed by third parties.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests or for defensive or other purposes.

The Fund may engage in active trading and may have a portfolio turnover rate that exceeds 70%. The higher a Fund's portfolio turnover rate is in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance that you will receive a distribution of capital gains in the year. Please see *Portfolio turnover rate* on page 39 for a discussion on the tax consequences to unitholders. There is not necessarily a relationship between a high turnover rate and the Fund's performance.

The Fund may use derivatives to hedge against some or all of its foreign currency exposure or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities without investing directly in such securities, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

### **What are the risks of investing in the Fund?**

The following are the risks associated with an investment in the Fund:

- Asset-backed and mortgage-backed securities risk
- Concentration Risk

- Credit risk
- Currency risk
- Derivative risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

As at January 31, 2017, Sun Life Granite Income Portfolio owned 30.11% of the issued and outstanding securities of the Fund. Please see *Large transaction risk* on page 9 for details of the risk associated with a possible redemption of units of the Fund by this investor.

We have classified this Fund's risk level as low. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

### **Who should invest in this Fund?**

This Fund may be suitable for investors who:

- seek a moderate degree of income and potential for capital gains;
- are medium to long-term investors; and

- are comfortable with low investment risk

**Distribution policy**

The Fund normally distributes income monthly. If necessary, the Fund will make an additional distribution of income and capital gains in December of each year. The Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on securities held in a registered plan are automatically reinvested in additional securities of the Fund. Distributions on securities held outside a registered plan are automatically reinvested in additional securities of the Fund, unless you provide us a written request that you wish to receive them in cash.**

**Fund expenses indirectly borne by investors**

	Expenses payable over:			
	1 year	3 years	5 years	10 years
Series A	\$15.98	\$50.39	\$88.32	\$201.03
Series D	\$9.12	\$28.75	\$50.38	\$114.69
Series F	\$10.28	\$32.40	\$56.79	\$129.27
Series I*	\$0.58	\$1.82	\$3.19	\$7.27
Series O	\$1.73	\$5.44	\$9.53	\$21.70

\* Series I securities are not charged a management fee. Instead, investors in Series I securities negotiate and pay a management fee directly to us.

# Sun Life MFS Canadian Equity Growth Fund

## Fund details

Fund type	Canadian Equity
Securities offered	Series A, Series D, Series F, Series I and Series O securities of a mutual fund trust
Start date	Series A: March 31, 2009 Series D: July 15, 1988 Series F: February 13, 2008 Series I: March 24, 2005 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub-advisor	MFS Investment Management Canada Limited Toronto, Ontario
Sub-advisor to MFS IMC	MFS Institutional Advisors, Inc. Boston, Massachusetts, U.S.A.

## What does the Fund invest in?

### Investment objectives

The Fund aims for long-term capital growth primarily by investing in Canadian growth equity securities. The Fund may invest in global equity securities or other mutual funds.

The investment objectives of the Fund can only be changed with the approval of a majority of the securityholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objective, the sub-advisor:

- seeks to invest in equity securities of companies it believes to have above-average earnings growth potential compared to other companies;
- may invest in companies of any size;
- seeks to invest primarily in securities of issuers located in Canada;
- may invest in equities around the world, including those in emerging markets;
- may invest a relatively large percentage of the Fund's assets in securities of issuers in a single country, a small number of countries, or a particular geographic region;
- may invest up to 40% of the Fund's assets in non-Canadian securities;
- uses a bottom-up investment approach – investments are selected primarily based on fundamental analysis of issuers and their potential in light of their current financial condition and industry position, as well as market, economic, political and regulatory conditions; considers factors such as earnings, cash flows, competitive position and management ability of issuers;

- may also consider quantitative models that systematically evaluate these and other factors; and
- may invest up to 50% of the Fund's assets in securities of other mutual funds, including mutual funds that may be managed by the Manager and/or an affiliate of the Manager and, in selecting these underlying funds, uses the same criteria as it uses for selecting individual securities as described above.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests or for defensive or other purposes.

The Fund may engage in active trading and may have a portfolio turnover rate that exceeds 70%. The higher a Fund's portfolio turnover rate is in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance that you will receive a distribution of capital gains in the year. Please see *Portfolio turnover rate* on page 39 for a discussion on the tax consequences to unitholders. There is not necessarily a relationship between a high turnover rate and the Fund's performance.

The Fund may use derivatives to hedge against some or all of its foreign currency exposure or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities without investing directly in such securities, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

#### **What are the risks of investing in the Fund?**

The following are the risks associated with an investment in the Fund:

- Credit risk
- Currency risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Specialization risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

As at January 31, 2017, Sun Life Granite Balanced Portfolio, Sun Life Granite Balanced Growth Portfolio, Sun Life Granite Moderate Portfolio and Sun Life Granite Growth Portfolio owned 34.72%, 16.96%, 13.26% and 11.30%, respectively, of the issued and outstanding securities of the Fund. Please see *Large transaction risk* on page 9 for details of the risk associated with a possible redemption of units of the Fund by these investors.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

#### **Who should invest in this Fund?**

This Fund may be suitable for investors who:

- seek to add exposure to Canadian equities with growth characteristics to their investment portfolio;
- are long term investors; and
- are comfortable with medium investment risk.

**Distribution policy**

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on securities held in a registered plan are automatically reinvested in additional securities of the Fund. Distributions on securities held outside a registered plan are automatically reinvested in additional securities of the Fund, unless you provide us a written request that you wish to receive them in cash.**

**Fund expenses indirectly borne by investors**

**Expenses payable over:**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$24.20	\$76.30	\$133.74	\$304.43
Series D	\$16.58	\$52.26	\$91.59	\$208.49
Series F	\$13.85	\$43.67	\$76.54	\$174.23
Series I*	\$0.58	\$1.82	\$3.19	\$7.26
Series O	\$2.37	\$7.47	\$13.09	\$29.81

\* Series I securities are not charged a management fee. Instead, investors in Series I securities negotiate and pay a management fee directly to us.

# Sun Life MFS Canadian Equity Fund

## Fund details

Fund type	Canadian Equity
Securities offered	Series A, Series D, Series F, Series I and Series O securities of a mutual fund trust
Start date	Series A: March 31, 2009 Series D: March 26, 2004 Series F: February 13, 2008 Series I: November 28, 2008 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub-advisor	MFS Investment Management Canada Limited Toronto, Ontario
Sub-advisor to MFS IMC	MFS Institutional Advisors, Inc. Boston, Massachusetts, U.S.A.

## What does the Fund invest in?

### Investment objectives

The Fund aims for long-term capital growth by investing primarily in a diversified portfolio of Canadian equities.

The investment objectives of the Fund can only be changed with the approval of a majority of the securityholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objective, the sub-advisor:

- seeks to invest in equity securities of companies it believes to have above-average earnings growth potential compared to other companies or seeks to invest in equity securities of companies that it believes are undervalued compared to their perceived worth;
- may invest in companies of any size;
- seeks to invest primarily in securities of issuers located in Canada;
- may invest in equities around the world, including those in emerging markets;
- may invest a relatively large percentage of the Fund's assets in securities of issuers in a single country, a small number of countries, or a particular geographic region;
- may invest up to 40% of the Fund's assets in non-Canadian securities;
- uses a bottom-up investment approach – investments are selected primarily based on fundamental analysis of issuers and their potential in light of their current financial condition and industry position, as well as market, economic, political and regulatory conditions; considers factors such as earnings, cash flows, competitive position and management ability of issuers;

- may also consider quantitative models that systematically evaluate these and other factors; and
- may invest up to 10% of the Fund's assets in securities of other mutual funds, including mutual funds that may be managed by the Manager and/or an affiliate of the Manager and, in selecting these underlying funds, uses the same criteria as it uses for selecting individual securities as described above.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests or for defensive or other purposes.

The Fund may use derivatives to hedge against some or all of its foreign currency exposure or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities without investing directly in such securities, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

#### **What are the risks of investing in the Fund?**

The following are the risks associated with an investment in the Fund:

- Concentration risk
- Credit risk
- Currency risk
- Derivative risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Interest rate risk
- Large transaction risk

- Liquidity risk
- Market risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Specialization risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

As at January 31, 2017, Sun Life MFS Canadian Equity Class owned 10.22% of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the risk associated with a possible redemption of units of the Fund by this investor.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

#### **Who should invest in this Fund?**

This Fund may be suitable for investors who:

- seek Canadian equity exposure in their investment portfolio;
- are long term investors; and
- are comfortable with medium investment risk.

#### **Distribution policy**

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on securities held in a registered plan are automatically reinvested in additional securities of the Fund. Distributions on securities held outside a registered plan are automatically reinvested in additional securities of the Fund, unless you provide us a written request that you wish to receive them in cash.**

**Fund expenses indirectly borne by investors**

**Expenses payable over:**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$24.53	\$77.34	\$135.56	\$308.58
Series D	\$16.25	\$51.23	\$89.79	\$204.40
Series F	\$13.76	\$43.38	\$76.04	\$173.08
Series I*	\$0.58	\$1.84	\$3.23	\$7.35
Series O	\$2.36	\$7.43	\$13.02	\$29.63

\* Series I securities are not charged a management fee. Instead, investors in Series I securities negotiate and pay a management fee directly to us.



# Sun Life MFS Canadian Equity Value Fund

## Fund details

Fund type	Canadian Equity
Securities offered	Series A, Series D, Series F, Series I and Series O securities of a mutual fund trust
Start date	Series A: March 31, 2009 Series D: July 1, 1999 Series F: February 13, 2008 Series I: March 24, 2005 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada  Toronto, Ontario
Sub-advisor	MFS Investment Management Canada Limited  Toronto, Ontario
Sub-advisor to MFS IMC	MFS Institutional Advisors, Inc.

Boston, Massachusetts,  
U.S.A.

## What does the Fund invest in?

### Investment objectives

The Fund aims for long-term capital growth primarily by investing in Canadian equity securities deemed to be undervalued relative to their industries or the overall market. The Fund may invest in global equity securities or other mutual funds.

The investment objectives of the Fund can only be changed with the approval of a majority of the securityholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objective, the sub-advisor:

- seeks to invest in equity securities of companies that it believes are undervalued compared to their perceived worth
- may invest in companies of any size;
- seeks to invest primarily in securities of issuers located in Canada,
- may invest in equities around the world, including those in emerging markets;
- may invest a relatively large percentage of the Fund's assets in securities of issuers in a single country, a small number of countries, or a particular geographic region;
- may invest up to 40% of the Fund's assets in non-Canadian securities;
- uses a bottom-up investment approach – investments are selected primarily based on fundamental analysis of issuers and their potential in light of their current financial

condition and industry position, as well as market, economic, political and regulatory conditions; considers factors such as earnings, cash flows, competitive position and management ability of issuers;

- may also consider quantitative models that systematically evaluate these and other factors; and
- may invest up to 50% of the Fund's assets in securities of other mutual funds, including mutual funds that may be managed by the Manager and/or an affiliate of the Manager and, in selecting these underlying funds, uses the same criteria as it uses for selecting individual securities as described above.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests or for defensive or other purposes.

The Fund may engage in active trading and may have a high portfolio turnover rate. The higher a Fund's portfolio turnover rate is in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance that you will receive a distribution of capital gains in the year. There is not necessarily a relationship between a high turnover rate and the Fund's performance.

The Fund may use derivatives to hedge against some or all of its foreign currency exposure or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities without investing directly in such securities, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

### **What are the risks of investing in the Fund?**

The following are the risks associated with an investment in the Fund:

- Concentration risk
- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Specialization risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 14.43% and 13.65% of the net asset value of the Fund was invested in securities of Sun Life MFS International Value Fund and Sun Life MFS US Value Fund, respectively. Please see *Concentration risk* on page 5 for details of the risk associated with these holdings.

As at January 31, 2017, Sun MFS Canadian Equity Value and Sun Life Assurance Company of Canada owned 20.98% and 14.18%, respectively, of the issued and outstanding securities of the Fund. Please see *Large transaction risk* on page 9 for details of the risk associated with a possible redemption of units of the Fund by these investors.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

### **Who should invest in this Fund?**

This Fund may be suitable for investors who:

- seek to add exposure to Canadian equities with value characteristics;
- wish to contribute to the value component of a diversified portfolio;
- are long term investors; and
- are comfortable with medium investment risk.

**Distribution policy**

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on securities held in a registered plan are automatically reinvested in additional securities of the Fund. Distributions on securities held outside a registered plan are automatically reinvested in additional securities of the Fund, unless you provide us a written request that you wish to receive them in cash.**

**Fund expenses indirectly borne by investors**

	Expenses payable over:			
	1 year	3 years	5 years	10 years
Series A	\$24.50	\$77.23	\$135.36	\$308.13
Series D	\$16.71	\$52.67	\$92.32	\$210.15
Series F	\$13.82	\$43.57	\$76.38	\$173.85
Series I*	\$0.59	\$1.86	\$3.26	\$7.43
Series O	\$2.46	\$7.76	\$13.59	\$30.94

\* Series I securities are not charged a management fee. Instead, investors in Series I securities negotiate and pay a management fee directly to us.

# Sun Life MFS Dividend Income Fund

## Fund details

Fund type	Dividend Income
Securities offered	Series A, Series D, Series F, Series I and Series O securities of a mutual fund trust
Start date	Series A: March 31, 2009 Series D: March 27, 2006 Series F: February 13, 2008 Series I: November 28, 2008 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub-advisor	MFS Investment Management Canada Limited Toronto, Ontario
Sub-advisor to MFS IMC	MFS Institutional Advisors, Inc. Boston, Massachusetts, U.S.A.

## What does the Fund invest in?

### Investment objective

The Fund aims for income generation and capital appreciation by investing primarily in dividend or income paying securities, including royalty trust securities, real-estate investment trust securities and limited partnership securities and other exchange-listed participating securities. The Fund may also invest in securities of other mutual funds.

The investment objective of the Fund can only be changed with the approval of a majority of the securityholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objective, the sub-advisor:

- normally invests in equity and fixed income securities that generate some form of income;
- may invest in dividend or income paying securities including preferred shares, securities convertible into stocks, real estate investment trust securities, royalty trust securities, limited partnership securities and other exchange-listed participating securities, or warrants on dividend and income paying securities;
- may invest in companies of any size; but may tend to place a focus on companies with large and medium capitalizations;
- seeks to invest primarily in securities of issuers located in Canada;
- may invest in equities around the world, including those in emerging markets;
- may invest a relatively large percentage of the Fund's assets in securities of issuers in a single country, a small number of countries, or a particular geographic region;
- uses a bottom-up approach to buying and selling investments for the Fund – investments are selected based on fundamental and quantitative analysis of individual issuers and

their potential in light of their current financial condition, market, economic, political and regulatory conditions and considers factors such as analysis of an issuer's earnings, cash flows, competitive position and management ability;

- uses quantitative models that systematically evaluate an issuer's valuation, price and earnings, momentum, earnings quality, and other factors; and
- may invest up to 10% of the Fund's assets in securities of other mutual funds, including mutual funds that may be managed by the Manager and/or an affiliate of the Manager and, in selecting these underlying funds, uses the same criteria as it uses for selecting individual securities as described above.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests or for defensive or other purposes.

The Fund may engage in active trading and may have a high portfolio turnover rate. The higher a Fund's portfolio turnover rate is in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance that you will receive a distribution of capital gains in the year. There is not necessarily a relationship between a high turnover rate and the Fund's performance.

The Fund may use derivatives to hedge against some or all of its foreign currency exposure or to hedge against potential loss. In addition, the Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities without investing directly in such securities, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under

*Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

### **What are the risks of investing in the Fund?**

The following are the risks associated with an investment in the Fund:

- Concentration risk
- Credit risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Inflation risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Real estate risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Specialization risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

As at January 31, 2017, Sun Life MFS Dividend Income Class owned 36.13% of the issued and outstanding securities of the Fund. Please see *Large transaction risk* on page 9 for details of the risk associated with a possible redemption of units of the Fund by this investor.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

### **Who should invest in this Fund?**

This Fund may be suitable for investors who:

- seek a moderate degree of growth and income;
- are medium to long term investors; and

- are comfortable with medium investment risk.

**Distribution policy**

The Fund normally distributes income on the last business day of each quarter. If necessary, the Fund will make an additional distribution of income and capital gains in December of each year. The Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate.

**Distributions on securities held in a registered plan are automatically reinvested in additional securities of the Fund. Distributions on securities held outside a registered plan are automatically reinvested in additional securities of the Fund, unless you provide us a written request that you wish to receive them in cash.**

**Fund expenses indirectly borne by investors**

	Expenses payable over:			
	1 year	3 years	5 years	10 years
Series A	\$22.40	\$70.63	\$123.79	\$281.79
Series D	\$16.64	\$52.47	\$91.97	\$209.35
Series F	\$11.00	\$34.67	\$60.76	\$138.31
Series I*	\$0.58	\$1.82	\$3.19	\$7.27
Series O	\$2.26	\$7.12	\$12.47	\$28.39

\* Series I securities are not charged a management fee. Instead, investors in Series I securities negotiate and pay a management fee directly to us.

# Sun Life MFS U.S. Equity Fund

## Fund details

Fund type	U.S. Equity
Securities offered	Series A, Series D, Series F, Series I and Series O securities of a mutual fund trust
Start date	Series A: March 31, 2009 Series D: July 15, 1988 Series F: February 13, 2008 Series I: November 28, 2008 Series O: April 1, 2014
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub-advisor	MFS Investment Management Canada Limited Toronto, Ontario
Sub-advisor to MFS IMC	MFS Institutional Advisors, Inc. Boston, Massachusetts, U.S.A.

## What does the Fund invest in?

### Investment objectives

The Fund aims for long-term capital growth by investing primarily in companies domiciled in the United States or whose primary stock exchange listing is in the United States.

The investment objectives of the Fund can only be changed with the approval of a majority of the securityholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objective, the sub-advisor:

- may invest in companies of any size;
- seeks to invest in equity securities of companies domiciled in the United States, or whose primary listing is in the United States;
- may invest up to 20% of the Fund's assets in non-U.S. securities;
- uses a bottom-up investment approach – investments are selected primarily based on fundamental analysis of issuers and their potential in light of their current financial condition and industry position, as well as market, economic, political and regulatory conditions; considers factors such as earnings, cash flows, competitive position and management ability of issuers; and
- may also consider quantitative models that systematically evaluate these and other factors.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests or for defensive or other purposes.

The Fund may engage in active trading and may have a high portfolio turnover rate. The higher a Fund's portfolio turnover rate is in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance that you will receive a distribution of capital gains in the year. There is not necessarily a

relationship between a high turnover rate and the Fund's performance.

The Fund may use derivatives to hedge against some or all of its foreign currency exposure or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities without investing directly in such securities, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages the risks associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

**What are the risks of investing in the Fund?**

The following are the risks associated with an investment in the Fund:

- Concentration risk
- Currency risk
- Derivatives risk
- Emerging markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Government securities risk
- Interest rate risk
- Large transaction risk
- Liquidity risk
- Market risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Specialization risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

As at January 31, 2017, Sun Life Assurance Company of Canada owned 89.04% of the issued and outstanding securities of the Fund. Please see *Large transaction risk* on page 9 for details of the risk associated with a possible redemption of units of the Fund by this investor.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

**Who should invest in this Fund?**

This Fund may be suitable for investors who:

- want to add U.S. equity exposure to their investment portfolio;
- are long term investors; and
- are comfortable with medium investment risk.

**Distribution policy**

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on securities held in a registered plan are automatically reinvested in additional securities of the Fund. Distributions on securities held outside a registered plan are automatically reinvested in additional securities of the Fund, unless you provide us a written request that you wish to receive them in cash.**

**Fund expenses indirectly borne by investors**

	Expenses payable over:			
	1 year	3 years	5 years	10 years
Series A	\$24.85	\$78.34	\$137.31	\$312.55
Series D	\$16.44	\$51.84	\$90.86	\$206.82
Series F	\$13.74	\$43.30	\$75.90	\$172.77
Series I*	\$0.36	\$1.13	\$1.98	\$4.50
Series O	\$2.36	\$7.45	\$13.05	\$29.72

\* Series I securities are not charged a management fee. Instead, investors in Series I securities negotiate and pay a management fee directly to us.



# Sun Life MFS Low Volatility International Equity Fund

## Fund details

Fund type	International Equity
Securities offered	Series A, Series T5, Series T8, Series F, Series F5, Series F8, Series I and Series O units of a mutual fund trust
Start date	Series A: February 11, 2016 Series T5: February 11, 2016 Series T8: February 11, 2016 Series F: February 11, 2016 Series F5: February 9, 2018 Series F8: February 9, 2018 Series I: February 11, 2016 Series O: February 11, 2016
Registered plan eligibility	Expected to be a qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub-advisor	MFS Investment Management Canada Limited Toronto, Ontario

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Sub-advisor to MFS IMC MFS Institutional Advisors, Inc.  
Boston, Massachusetts, U.S.A.

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## What does the Fund invest in?

### Investment objectives

The Fund's investment objective is to seek long-term capital appreciation with low volatility by investing primarily in a diversified portfolio of equity securities of issuers outside Canada and the United States or indirectly by investing in mutual funds (including exchange-traded funds) that primarily invest in such securities.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objectives, the sub-advisor:

- seeks to outperform the Fund's benchmark (the MSCI EAFE Index C\$) over the long term at less volatility;
- maintains diversification amongst sectors, geographic regions, industry and stock levels; primarily investing in common stocks, preferred stocks, securities convertible into stocks, equity interests in real estate investment trusts (REITs), and depository receipts for such securities;
- uses a blended research approach to buying and selling investments within the Fund - investments are selected based on the blended research score from fundamental and quantitative analysis;
- uses fundamental research analysis in assessing individual issuers and their potential for capital appreciation in light of their current

financial condition, market, economic, political and regulatory conditions and considers factors such as analysis of an issuer's earnings, cash flows, competitive position and management ability;

- uses quantitative analysis in evaluating and ranking stocks using the following factors: valuation, earnings quality, earnings momentum, price momentum, and an indicator model;
- may invest in companies it believes to have above average earnings growth potential compared to other companies (growth companies), in stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies;
- may concentrate the Fund's assets in securities of issuers in a single country, a small number of countries, or a particular geographic region;
- may invest in companies of any size;
- may invest up to 100% of the Fund's assets in foreign securities;
- may invest up to 10% of the Fund's assets in securities of other mutual funds (including exchange-traded funds), including mutual funds that may be managed by the Manager and/or an affiliate of the Manager and, in selecting these underlying funds, uses the same criteria as it uses for selecting individual securities as described above. This excludes exchange-traded funds deemed to be index participation units, in which case the Fund will not be limited.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities without investing directly in such securities, to generate income, or to provide protection for the Fund's portfolio. The Fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages risk associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

The Fund may engage in short selling. In determining whether securities of a particular issuer should be sold short, the sub-advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces, in the sub-advisor's view, a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces, in the sub-advisor's view, an unfavourable outlook, the issuer is a candidate for a short sale. The Fund will engage in short selling as a complement to the Fund's current primary discipline of buying securities with the expectation that they will appreciate in market value.

The Fund's portfolio turnover rate may exceed 70%. This may increase portfolio trading costs and may affect returns. Please see *Portfolio turnover rate* on page 39 for a discussion on the tax consequences to unitholders.

#### **What are the risks of investing in the Fund?**

The following are the risks associated with an investment in the Fund:

- Capital depletion risk (for Series T5, Series T8, Series F5 and Series F8 investors only)
- Currency risk
- Derivatives risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Large transaction risk
- Liquidity risk
- Market risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Short selling risk
- Specialization risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

As at January 31, 2017, Sun Life Granite Balanced Portfolio, Sun Life Granite Balanced Growth Portfolio, Sun Life Granite Moderate Portfolio and Sun Life Granite Growth Portfolio, owned 40.11%, 20.38%, 14.98% and 13.34%, respectively, of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the possible redemption of units and of the risk associated with a possible redemption of units of the Fund by these investors.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

#### **Who should invest in this Fund?**

This Fund may be suitable for investors who:

- seek to add international geographic diversification with a focus towards lowering portfolio volatility;
- are long term investors; and
- are comfortable with medium investment risk.

Series T5, Series T8, Series F5 and Series F8 units may be suitable for investors holding units outside of a registered plan and wishing to receive monthly distributions.

#### **Distribution policy**

If necessary, income and capital gains are paid in

December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series T5, Series T8, Series F5 and Series F8 units, the Fund will make monthly distributions based on a target annualized rate of 5% or 8% of the NAV per unit, respectively, at the end of the prior year. The target monthly distributions on Series T5, Series T8, Series F5 and Series F8 units may be comprised of income, capital gains or capital.

The monthly distributions on Series T5, Series T8, Series F5 and Series F8 units are not intended to reflect the Fund's investment performance and should not be confused with "yield" or "income". A portion of the monthly distribution for Series T5, Series T8, Series F5 and Series F8 units is likely to include a return of capital. **The distribution rate on these series may be greater than the return on the Fund's investments. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series T5, Series T8, Series F5 and Series F8 units will make any distributions in any particular month.

#### **Fund expenses indirectly borne by investors**

This information is not available because the Fund is new and therefore its expenses are not yet known.

# Sun Life MFS Low Volatility Global Equity Fund

## Fund details

Fund type	Global Equity
Securities offered	Series A, Series T5, Series T8, Series F, Series F5, Series F8, Series I and Series O units of a mutual fund trust
Start date	Series A: February 11, 2016 Series T5: February 11, 2016 Series T8: February 11, 2016 Series F: February 11, 2016 Series F5: February 9, 2018 Series F8: February 9, 2018 Series I: February 11, 2016 Series O: February 11, 2016
Registered plan eligibility	Expected to be a qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub-advisor	MFS Investment Management Canada Limited  Toronto, Ontario

Sub-advisor to MFS IMC MFS Institutional Advisors, Inc.  
Boston, Massachusetts, U.S.A.

## What does the Fund invest in?

### Investment objectives

The Fund's investment objective is to achieve long-term capital appreciation with low volatility by investing primarily in a diversified portfolio of equity securities of issuers located anywhere in the world or indirectly by investing in mutual funds (including exchange-traded funds) that invest primarily in such securities.

The investment objectives of the Fund can only be changed with the approval of a majority of the unitholders at a meeting called for such purpose.

### Investment strategies

In pursuing the Fund's investment objectives, the sub-advisor:

- seeks to outperform the Fund's benchmark over the long term at less volatility than the MSCI All Country World Index C\$;
- maintains diversification amongst sectors, geographic regions, industry and stock levels; primarily investing in common stocks, preferred stocks, securities convertible into stocks, equity interests in real estate investment trusts (REITs), and depositary receipts for such securities;
- uses a blended research approach to buying and selling investments within the Fund - investments are selected based on the blended score from fundamental and quantitative analysis;
- uses fundamental research analysis in assessing individual issuers and their potential for capital appreciation in light of their current

## Sun Life MFS Low Volatility Global Equity Fund

financial condition, market, economic, political and regulatory conditions and considers factors such as analysis of an issuer's earnings, cash flows, competitive position and management ability;

- uses quantitative analysis in evaluating and ranking stocks using the following factors: valuation, earnings quality, earnings momentum, price momentum and an indicator model;
- may invest in companies it believes to have above average earnings growth potential compared to other companies (growth companies), in stocks of companies it believes are undervalued compared to their perceived worth (value companies), or in a combination of growth and value companies;
- may concentrate the Fund's assets in securities of issuers in a single country, a small number of countries, or a particular geographic region;
- may invest in companies of any size;
- may invest in equities around the world, including those in emerging markets;
- may invest up to 100% of the Fund's assets in foreign securities;
- may invest up to 10% of the Fund's assets in securities of other mutual funds (including exchange-traded funds), including mutual funds that may be managed by the Manager and/or an affiliate of the Manager and, in selecting these underlying funds, uses the same criteria as it uses for selecting individual securities as described above. This excludes exchange-traded funds deemed to be index participation units, in which case the Fund will not be limited.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests, or for defensive or other purposes.

The Fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. The Fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities without investing directly in such securities, to generate income, or to provide protection for the Fund's portfolio. The Fund

will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 6.

The Fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages risk associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

The Fund may engage in short selling. In determining whether securities of a particular issuer should be sold short, the sub-advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces, in the sub-advisor's view, a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces, in the sub-advisor's view, an unfavourable outlook, the issuer is a candidate for a short sale. The Fund will engage in short selling as a complement to the Fund's current primary discipline of buying securities with the expectation that they will appreciate in market value.

### What are the risks of investing in the Fund?

The following are the risks associated with an investment in the Fund:

- Capital depletion risk (for Series T5, Series T8, Series F5 and Series F8 investors only)
- Currency risk
- Derivatives risk
- Emerging Markets risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Large transaction risk
- Liquidity risk
- Market risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Short selling risk
- Specialization risk

## Sun Life MFS Low Volatility Global Equity Fund

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

As at January 31, 2017, Sun Life Assurance Company of Canada owned 49.39% of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the possible redemption of units and of the risk associated with a possible redemption of units of the Fund by this investor.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

### Who should invest in this Fund?

This Fund may be suitable for investors who:

- seek to add global geographic diversification with a focus towards lowering portfolio volatility;
- are long term investors; and
- are comfortable with medium investment risk.

Series T5, Series T8, Series F5 and Series F8 units may be suitable for investors holding units outside of a registered plan and wishing to receive monthly distributions.

### Distribution policy

If necessary, income and capital gains are paid in December of each year, though the Fund may make distributions of income, capital gains or capital at any other time as we consider appropriate. **Distributions on units held in a registered plan are automatically reinvested in additional units of the Fund. Distributions on units held outside a registered plan are automatically reinvested in additional units of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series T5, Series T8, Series F5 and Series F8 units, the Fund will make monthly distributions based on a target annualized rate of 5% or 8% of the NAV per unit, respectively, at the end of the prior year. The target monthly distributions on Series T5, Series T8, Series F5 and Series F8 units may be comprised of income, capital gains or capital.

The monthly distributions on Series T5, Series T8, Series F5 and Series F8 units are not intended to reflect the Fund's investment performance and should not be confused with "yield" or "income". A portion of the monthly distribution for Series T5, Series T8, Series F5 and Series F8 units is likely to include a return of capital. **The distribution rate on these series may be greater than the return on the Fund's investments. If the cash distributions to you are greater than the net increase in value of your investment, the distributions will erode the value of your original investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series T5, Series T8, Series F5 and Series F8 units will make any distributions in any particular month.

### Fund expenses indirectly borne by investors

This information is not available because the Fund is new and therefore its expenses are not yet known.

# Sun Life Franklin Bissett Canadian Equity Class

## Fund Details

Fund type	Canadian Equity
Securities offered	Series A, Series AT5, Series F, Series FT5, Series I and Series O securities of a mutual fund corporation
Start date	Series A: March 27, 2015  Series AT5: March 27, 2015  Series F: March 27, 2015  Series FT5: February 9, 2018  Series I: March 27, 2015  Series O: March 27, 2015
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada  Toronto, Ontario
Sub-advisor	Franklin Bissett Investment Management (part of Franklin Templeton Investments Corp.)  Calgary, Alberta

## What does the Fund invest in?

### Investment objectives

The Fund's investment objective is to seek to achieve long-term capital appreciation primarily by investing directly in a diversified portfolio of mid to large capitalization Canadian equities or indirectly by investing in mutual funds (including exchange-traded funds) that invest in such securities.

The investment objectives of the Fund can only be changed with the approval of a majority of the securityholders at a meeting called for such purpose.

### Investment strategies

The sub-advisor currently intends to achieve the Fund's investment objectives by investing all, or substantially all, of the assets of the Fund in units of Franklin Bissett Canadian Equity Fund (the "**underlying fund**"), a mutual fund that is managed and advised by the sub-advisor.

In pursuing the underlying fund's investment objectives, the sub-advisor:

- uses a bottom-up investment approach that favours businesses with experienced management, effective capital allocation, financial strength and durable business models;
- primarily invests in Canadian equity securities of high quality growth oriented entities; and
- may invest up to 30% of the underlying fund's assets in foreign securities;

The portfolio manager will determine whether to invest the Fund's assets in the underlying fund or to invest the Fund's assets directly in securities similar to those held by the underlying fund based upon its view of which investment approach will result in the greatest overall economic benefit for the Fund. In making such determination, the portfolio manager will consider market conditions, the availability and costs associated with the strategy and the size and scale of

the Fund. Once the portfolio manager makes this determination, the sub-advisor will implement the strategy by either investing the Fund in the underlying fund or by selecting the securities to be held by the Fund.

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests or for defensive or other purposes.

The underlying fund may invest up to 10% of its net asset value in securities of other mutual funds (including mutual funds managed by the sub-advisor or an affiliate or associate of the sub-advisor) (“investee funds”). The proportions and types of investee funds held by the underlying fund will be selected with consideration for the investee funds’ investment objectives and strategies, past performance and volatility, among other factors.

Each of the Fund and the underlying fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. Each of the Fund and the underlying fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities, to generate income, or to provide protection for its portfolio. The Fund and the underlying fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 6.

The Fund and the underlying fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages risk associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

The Fund and the underlying fund also may engage in short selling. In determining whether securities of a particular issuer should be sold short, the sub-advisor utilizes the same analysis that is described above for deciding whether to purchase the securities. Where the analysis generally produces, in the sub-advisor’s view,

a favourable outlook, the issuer is a candidate for purchase. Where the analysis produces, in the sub-advisor’s view, an unfavourable outlook, the issuer is a candidate for a short sale. The Fund and the underlying fund will engage in short selling as a complement to the Fund’s, or the underlying funds, as applicable, current primary discipline of buying securities with the expectation that they will appreciate in market value.

#### **What are the risks of investing in the Fund?**

The following are the risks associated with an investment in the Fund:

- Capital depletion risk (for Series AT5 and Series FT5 investors only)
- Concentration risk
- Class risk
- Derivatives risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Large transaction risk
- Market risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Short selling risk
- Series risk
- Specialization risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 102.00% of the net asset value of the Fund was invested in units of Franklin Bissett Canadian Equity Fund. Please see *Concentration risk* on page 5 for details of the risk associated with this holding.

As at January 31, 2017, Sun Franklin Bissett Canadian Equity owned 62.77%, of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the possible redemption of units and of the risk associated with a possible redemption of units of the Fund by this investor.

We have classified this Fund’s risk level as medium. Please see *Fund risk classification* on page 58 for a



description of the methodology we use to classify this Fund's risk level.

**Who should invest in this Fund?**

This Fund may be suitable for investors who:

- seek to add exposure to a core Canadian equity fund;
- are medium to long term investors; and
- are comfortable with medium investment risk.

Series AT5 and Series FT5 securities may be suitable for investors holding securities outside of a registered plan and wishing to receive monthly distributions.

**Distribution policy**

The Fund pays any ordinary dividends in December and any capital gains dividends within 60 days after December 31 each year. **Distributions on securities held in a registered plan are automatically reinvested in additional securities of the Fund. Distributions on securities held outside a registered plan are automatically reinvested in additional securities of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series AT5 and Series FT5 securities, the Fund will make monthly distributions based on a target annualized rate of 5% of the NAV per share at the end of the prior year. **The monthly distributions on Series AT5 and Series FT5 securities are comprised of capital.**

The monthly distributions on Series AT5 and Series FT5 securities are not intended to reflect the Fund's investment performance and should not be confused with "yield" or "income". **The distribution rate on this series may be greater than the return on the Fund's investments. If the cash distributions to you are greater than the net increase in the value of your investment, the distributions will erode the value of your original investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series AT5 and Series FT5 securities will make any distributions in any particular month.

**Fund expenses indirectly borne by investors**

	Expenses payable over:			
	1 year	3 years	5 years	10 years
Series A	\$25.74	\$81.16	\$142.26	\$323.82
Series AT5	\$25.60	\$80.71	\$141.47	\$322.02
Series F	\$13.93	\$43.90	\$76.95	\$175.17
Series I*	\$0.58	\$1.84	\$3.23	\$7.35
Series O	\$2.42	\$7.63	\$13.37	\$30.44

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

This information is not available for Series FT5 because that series is new and therefore the expenses are not yet known.

# Sun Life Trimark Canadian Class

## Fund details

Fund type	Canadian Focused Equity
Securities offered	Series A, Series AT5, Series F, Series FT5, Series I and Series O securities of a mutual fund corporation
Start date	Series A: March 27, 2015 Series AT5: March 27, 2015 Series F: March 27, 2015 Series FT5: February 9, 2018 Series I: March 27, 2015 Series O: March 27, 2015
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	Sun Life Global Investments Canada Toronto, Ontario
Sub-advisor	Invesco Canada Ltd. Toronto, Ontario

## What does the Fund invest in?

### Investment objectives

The Fund's investment objective is to seek to achieve consistent long-term capital appreciation primarily by investing directly in common securities of Canadian

companies or indirectly by investing in mutual funds (including exchange-traded funds) that invest in such securities.

The investment objectives of the Fund can only be changed with the approval of a majority of the securityholders at a meeting called for such purpose.

### Investment strategies

The sub-advisor currently intends to achieve the Fund's investment objectives by investing all, or substantially all, of the assets of the Fund in units of Trimark Canadian Fund (the "underlying fund"), a mutual fund that is managed and advised by the sub-advisor.

In pursuing the underlying fund's investment objectives, the sub-advisor:

- seeks to employ a rigorous, bottom-up fundamental investment approach, analyzing the quality and value of individual companies;
- seeks companies whose management have strong entrepreneurial skills or the ability to recognize and exploit opportunities for business expansion;
- seeks companies that have a competitive advantage in their respective industries that is expected to provide opportunities for long-term growth;
- invests in companies that are believed to be undervalued in relation to their intrinsic value based on an assessment of the company's financial information, competitive positioning, future prospects, management interviews and general industry and economic trends; and
- may invest up to 49% of the underlying fund's non-cash assets in foreign securities;

The portfolio manager will determine whether to invest the Fund's assets in the underlying fund or to invest the Fund's assets directly in securities similar to those held by the underlying fund based upon its view of which investment approach will result in the greatest overall economic benefit for the Fund. In

making such determination, the portfolio manager will consider market conditions, the availability and costs associated with the strategy and the size and scale of the Fund. Once the portfolio manager makes this determination, the sub-advisor will implement the strategy by either investing the Fund in the underlying fund or by selecting the securities to be held by the Fund.

Each of the Fund and underlying fund are managed to comply with the investment restrictions set out in Schedule III of the Regulations to the *Pension Benefits Standards Act, 1985* (Canada) applying the provisions as if each of the Fund and the underlying fund were a pension plan.

The underlying fund's cash position will be managed by the sub-advisor responsible for the cash portion of the underlying fund (Invesco Advisers, Inc.) and may, in its discretion, invest some or all of the cash assets directly in money market instruments or other short-term debt securities to meet subscription or redemption requests, or for defensive or other purposes. The underlying fund may invest the cash portion of its assets in securities of money market funds that are managed by the sub-advisor or an affiliate or associate of the sub-advisor.

Other than money market funds, the underlying fund may invest up to 10% of its net asset value in securities of other mutual funds (including mutual funds managed by the sub-advisor or an affiliate or associate of the sub-advisor) ("**investee funds**"). The proportions and types of investee funds held by the underlying fund will be selected with consideration for the investee funds' investment objectives and strategies, past performance and volatility, among other factors.

Each of the Fund and the underlying fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. Each of the Fund and the underlying fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities, to generate income, or to provide protection for its portfolio. The Fund and the underlying fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of

derivatives, please see the discussion under *Derivative risk* beginning on page 6.

The Fund and the underlying fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages risk associated with these transactions, please see the discussion under *Repurchase and reverse repurchase transactions and securities lending risk* on page 11.

#### **What are the risks of investing in the Fund?**

The following are the risks associated with an investment in the Fund:

- Capital depletion risk (for Series AT5 and Series FT5 investors only)
- Class risk
- Commodity risk
- Concentration risk
- Currency risk
- Derivatives risk
- Equity risk
- Foreign investment risk
- Geographic concentration risk
- Large transaction risk
- Market risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 102.59% of the net asset value of the Fund was invested in units of Trimark Canadian Fund. Please see *Concentration risk* on page 5 for details of the risk associated with this holding.

As at January 31, 2017, Sun Trimark Canadian, Investor \*A and Sun Life Global Investments Canada owned 46.49%, 26.36% and 16.34% respectively, of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the possible redemption of units and of the risk associated

with a possible redemption of units of the Fund by these investors.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

**Who should invest in this Fund?**

This Fund may be suitable for investors who:

- seek long term capital appreciation;
- are long term investors; and
- are comfortable with medium investment risk.

Series AT5 and FT5 securities may be suitable for investors holding securities outside of a registered plan and wishing to receive monthly distributions.

**Distribution policy**

The Fund pays any ordinary dividends in December and any capital gains dividends within 60 days after December 31 each year. **Distributions on securities held in a registered plan are automatically reinvested in additional securities of the Fund. Distributions on securities held outside a registered plan are automatically reinvested in additional securities of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series AT5 and FT5 securities, the Fund will make monthly distributions based on a target annualized rate of 5% of the NAV per share at the end of the prior year.

**The monthly distributions on Series AT5 and FT5 securities are comprised of capital.**

The monthly distributions on Series AT5 and FT5 securities are not intended to reflect the Fund's investment performance and should not be confused with "yield" or "income". **The distribution rate on this series may be greater than the return on the Fund's investments. If the cash distributions to you are greater than the net increase in the value of your investment, the distributions will erode the value of your original investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series AT5 and FT5 securities will make any distributions in any particular month.

**Fund expenses indirectly borne by investors**

**Expenses payable over:**

	<b>1 year</b>	<b>3 years</b>	<b>5 years</b>	<b>10 years</b>
Series A	\$25.52	\$80.45	\$141.01	\$320.97
Series AT5	\$25.65	\$80.85	\$141.71	\$322.57
Series F	\$14.11	\$44.47	\$77.94	\$177.42
Series I*	\$0.59	\$1.86	\$3.26	\$7.43
Series O	\$2.46	\$7.76	\$13.59	\$30.94

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

This information is not available for Series FT5 because that series is new and therefore the expenses are not yet known.

# Sun Life Sionna Canadian Small Cap Equity Class

Fund details	
Fund type	Canadian Small Cap Equity
Securities offered	Series A, Series AT5, Series F, Series FT5, Series I and Series O securities of a mutual fund corporation
Start date	<p>Series A: March 27, 2015</p> <p>Series AT5: March 27, 2015</p> <p>Series F: March 27, 2015</p> <p>Series FT5: February 9, 2018</p> <p>Series I: March 27, 2015</p> <p>Series O: March 27, 2015</p>
Registered plan eligibility	Qualified investment for registered plans
Portfolio manager	<p>Sun Life Global Investments Canada</p> <p>Toronto, Ontario</p>
Sub-advisor	<p>Brandes Investment Partners &amp; Co. (operating as Bridgehouse Asset Managers)</p> <p>Toronto, Ontario</p>

Sub-advisor to Brandes Investment Partners & Co. (operating as Bridgehouse Asset Managers)	Sionna Investment Managers Inc. Toronto, Ontario
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## What does the Fund invest in?

### Investment objectives

The Fund's investment objective is to seek to achieve long-term capital appreciation primarily through exposure to equity securities of small to medium capitalization Canadian companies by tracking the performance of the Sionna Canadian Small Cap Equity Fund or its successor fund (the "**underlying fund**").

In seeking to track the performance of the underlying fund, the portfolio manager may invest primarily in units of the underlying fund, or it may invest in securities, which may include securities of other mutual funds (including exchange-traded funds), identical or substantially similar to those in which the underlying fund invests.

The investment objectives of the Fund can only be changed with the approval of a majority of the securityholders at a meeting called for such purpose.

### Investment strategies

The sub-advisor currently intends to achieve the Fund's investment objectives by investing all, or substantially all, of the assets of the Fund in units of the underlying fund, a mutual fund that is managed and advised by the sub-advisor.

In pursuing the underlying fund's investment objectives, the sub-advisor:

- employs a value based strategy that seeks to invest in Companies trading below intrinsic value;
- primarily invests in the equity securities of small Canadian issuers with equity market

capitalizations of 0.15% or less of the S&P/TSX composite market capitalization; and

- may invest up to 30% of the underlying fund's assets in foreign securities;

The Fund may hold all or a portion of its assets in cash, money market instruments, bonds or other debt securities to meet subscription or redemption requests or for defensive or other purposes.

The Fund and the underlying fund may engage in active trading and may have a high portfolio turnover rate. The higher a Fund's portfolio turnover rate is in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance that you will receive a distribution of capital gains in the year. There is not necessarily a relationship between a high turnover rate and the Fund's performance.

The underlying fund may invest up to 10% of its net asset value in securities of other mutual funds (including mutual funds managed by the sub-advisor or an affiliate or associate of the sub-advisor) ("**investee funds**"). The proportions and types of investee funds held by the underlying fund will be selected with consideration for the investee funds' investment objectives and strategies, past performance and volatility, among other factors.

Each of the Fund and the underlying fund may use derivatives to hedge some or all of its foreign currency exposure, or to hedge against potential loss. Each of the Fund and the underlying fund may also use derivatives for other hedging and non-hedging purposes, such as to gain exposure to certain securities or asset classes without investing directly in such securities, to generate income, or to provide protection for its portfolio. The Fund and the underlying fund will only use derivatives as permitted by Canadian securities regulatory authorities.

For a description of some of the types of derivatives and the risks that may be associated with the use of derivatives, please see the discussion under *Derivative risk* beginning on page 6.

The Fund and the underlying fund may enter into securities lending, repurchase and reverse repurchase transactions to earn additional returns. For a description of these transactions and how the Fund manages risk associated with these transactions, please see the discussion under *Repurchase and reverse*

*repurchase transactions and securities lending risk* on page 11.

### **What are the risks of investing in the Fund?**

The following are the risks associated with an investment in the Fund:

- Capital depletion risk (for Series AT5 and FT5 investors only)
- Class risk
- Concentration risk
- Currency risk
- Derivatives risk
- Equity risk
- Geographic concentration risk
- Large transaction risk
- Liquidity risk
- Market risk
- Regulatory risk
- Repurchase and reverse repurchase transactions and securities lending risk
- Series risk
- Small company risk
- Specialization risk
- Transaction costs risk
- Underlying fund risk

For a detailed description of these mutual fund risks, see *What are the specific risks of investing in a mutual fund?* beginning on page 4.

During the 12 months preceding January 31, 2017, up to 103.04% of the net asset value of the Fund was invested in units of Sionna Canadian Small Cap Equity Fund. Please see *Concentration risk* on page 5 for details of the risk associated with this holding.

As at January 31, 2017, Sun Life Assurance Company of Canada, Sun Life Granite Balanced Portfolio, Sun Life Granite Balanced Growth Portfolio and Sun Life Granite Growth Portfolio owned 30.05%, 25.06%, 13.34% and 10.14%, respectively, of the issued and outstanding units of the Fund. Please see *Large transaction risk* on page 9 for details of the possible redemption of units and of the risk associated with a possible redemption of units of the Fund by these investors.

We have classified this Fund's risk level as medium. Please see *Fund risk classification* on page 58 for a description of the methodology we use to classify this Fund's risk level.

### Who should invest in this Fund?

This Fund may be suitable for investors who:

- seek to add the capital appreciation potential of small to medium capitalization Canadian companies;
- are long term investors; and
- are comfortable with medium investment risk.

Series AT5 and FT5 securities may be suitable for investors holding securities outside of a registered plan and wishing to receive monthly distributions.

### Distribution policy

The Fund pays any ordinary dividends in December and any capital gains dividends within 60 days after December 31 each year. **Distributions on securities held in a registered plan are automatically reinvested in additional securities of the Fund. Distributions on securities held outside a registered plan are automatically reinvested in additional securities of the Fund, unless you provide us a written request that you wish to receive them in cash.**

For Series AT5 and FT5 securities, the Fund will make monthly distributions based on a target annualized rate of 5% of the NAV per share at the end of the prior year. **The monthly distributions on Series AT5 and Series FT5 securities are comprised of capital.**

The monthly distributions on Series AT5 and FT5 securities are not intended to reflect the Fund's investment performance and should not be confused with "yield" or "income". **The distribution rate on this series may be greater than the return on the Fund's investments. If the cash distributions to you are greater than the net increase in the value of your investment, the distributions will erode the value of your original investment.**

We reserve the right to adjust the amount of the monthly distribution if we consider it appropriate, without notice. There can be no assurance that Series AT5 and FT5 securities will make any distributions in any particular month.

### Fund expenses indirectly borne by investors

	Expenses payable over:			
	1 year	3 years	5 years	10 years
Series A	\$26.11	\$82.32	\$144.29	\$328.45
Series AT5	\$26.94	\$84.93	\$148.86	\$338.84
Series F	\$15.04	\$47.41	\$83.10	\$189.16
Series I*	\$0.58	\$1.82	\$3.18	\$7.25
Series O	\$2.19	\$6.89	\$12.08	\$27.50

\* Series I units are not charged a management fee. Instead, investors in Series I units negotiate and pay a management fee directly to us.

This information is not available for Series FT5 because that series is new and therefore the expenses are not yet known.

**AMENDED AND RESTATED SIMPLIFIED PROSPECTUS DATED  
DECEMBER 15, 2017**

**AMENDING AND RESTATING THE SIMPLIFIED PROSPECTUS DATED FEBRUARY 10, 2017, AS  
AMENDED BY AMENDMENT NO. 1 DATED JULY 28, 2017, AMENDMENT NO. 2 DATED  
SEPTEMBER 25, 2017 AND AMENDMENT NO. 3 DATED NOVEMBER 10, 2017**

Offering Series A, Series AT5, Series T5, Series T8, Series D, Series F, Series F5<sup>^</sup>, Series F8<sup>^</sup>, Series FT5<sup>^</sup>, Series I and Series O securities as indicated.

**Sun Life Granite Conservative Portfolio** (Series A, T5, F, F5, I, O securities)

**Sun Life Granite Moderate Portfolio** (Series A, T5, F, F5, I, O securities)

**Sun Life Granite Balanced Portfolio** (Series A, T5, D, F, F5, I, O securities)

**Sun Life Granite Balanced Growth Portfolio** (Series A, T5, T8, F, F5, F8, I, O securities)

**Sun Life Granite Growth Portfolio** (Series A, T5, T8, F, F5, F8, I, O securities)

**Sun Life Granite Income Portfolio** (Series A, T5, F, F5, I, O securities)

**Sun Life Granite Enhanced Income Portfolio** (Series A, F, I, O securities)

**Sun Life Sentry Value Fund** (Series A, F, I, O securities)

**Sun Life Infrastructure Fund (formerly Sun Life Sentry Infrastructure Fund)** (Series A, T5, T8, F, F5, F8, I, O securities)

**Sun Life Schroder Global Mid Cap Fund (formerly Sun Life Sentry Global Mid Cap Fund)** (Series A, T5, T8, F, F5, F8, I, O securities)

**Sun Life Dynamic American Fund** (Series A, T5, T8, F, F5, F8, I, O securities)

**Sun Life Templeton Global Bond Fund** (Series A, F, I, O securities)

**Sun Life Dynamic Equity Income Fund** (Series A, F, I, O securities)

**Sun Life Dynamic Strategic Yield Fund** (Series A, F, I, O securities)

**Sun Life NWQ Flexible Income Fund** (Series A, F, I, O securities)

**Sun Life BlackRock Canadian Equity Fund** (Series A, T5, T8, F, F5, F8, I and O securities)

**Sun Life BlackRock Canadian Balanced Fund** (Series A, T5, F, F5, I and O securities)

**Sun Life MFS Canadian Bond Fund** (Series A, D, F, I and O securities)

**Sun Life MFS Canadian Equity Growth Fund** (Series A, D, F, I and O securities)

**Sun Life MFS Canadian Equity Fund** (Series A, D, F, I and O securities)

**Sun Life MFS Canadian Equity Value Fund** (Series A, D, F, I and O securities)

**Sun Life MFS Dividend Income Fund** (Series A, D, F, I and O securities)

**Sun Life MFS U.S. Equity Fund** (Series A, D, F, I and O securities)

**Sun Life MFS Low Volatility International Equity Fund** (Series A, T5, T8, I, F, F5, F8, O securities)

**Sun Life MFS Low Volatility Global Equity Fund** (Series A, T5, T8, I, F, F5, F8, O securities)

**Sun Life Franklin Bissett Canadian Equity Class\*** (Series A, AT5, F, FT5, I and O securities)

**Sun Life Trimark Canadian Class\*** (Series A, AT5, F, FT5, I and O securities)



**Sun Life Sionna Canadian Small Cap Equity Class\*** (Series A, AT5, F, FT5, I and O securities)

\*each a class of shares of Sun Life Global Investments Corporate Class Inc., a mutual fund corporation.

^ Series F5, F8 and FT5 will be available for purchase as of February 9, 2018.

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

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



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