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# SUN LIFE GLOBAL INVESTMENTS (CANADA) INC

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## ANNUAL FINANCIAL STATEMENTS

for the period ended December 31, 2019

Sun Life BlackRock Canadian Balanced Class

Sun Life BlackRock Canadian Composite Equity Class

Sun Life BlackRock Canadian Equity Class

Sun Life Dynamic Equity Income Class

Sun Life Dynamic Strategic Yield Class

Sun Life Franklin Bissett Canadian Equity Class

Sun Life Granite Balanced Class

Sun Life Granite Balanced Growth Class

Sun Life Granite Conservative Class

Sun Life Granite Growth Class

Sun Life Granite Moderate Class

Sun Life Invesco Canadian Class (formerly Sun Life Trimark Canadian Class)

Sun Life MFS Canadian Equity Growth Class

Sun Life MFS Dividend Income Class

Sun Life MFS Global Growth Class

Sun Life MFS International Growth Class

Sun Life MFS U.S. Growth Class

Sun Life Money Market Class

Sun Life Sentry Value Class





# Table of Contents

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Independent Auditors' Report	2
Sun Life BlackRock Canadian Balanced Class	4
Sun Life BlackRock Canadian Composite Equity Class	9
Sun Life BlackRock Canadian Equity Class	14
Sun Life Dynamic Equity Income Class	20
Sun Life Dynamic Strategic Yield Class	25
Sun Life Franklin Bissett Canadian Equity Class	31
Sun Life Granite Balanced Class	36
Sun Life Granite Balanced Growth Class	41
Sun Life Granite Conservative Class	46
Sun Life Granite Growth Class	51
Sun Life Granite Moderate Class	56
Sun Life Invesco Canadian Class <i>(formerly Sun Life Trimark Canadian Class)</i>	60
Sun Life MFS Canadian Equity Growth Class	65
Sun Life MFS Dividend Income Class	70
Sun Life MFS Global Growth Class	76
Sun Life MFS International Growth Class	81
Sun Life MFS U.S. Growth Class	86
Sun Life Money Market Class	91
Sun Life Sentry Value Class	95
Notes to the Financial Statements	101

# Independent Auditors' Report

## INDEPENDENT AUDITOR'S REPORT

### To the Shareholders of:

Sun Life BlackRock Canadian Balanced Class  
Sun Life BlackRock Canadian Composite Equity Class  
Sun Life BlackRock Canadian Equity Class  
Sun Life Dynamic Equity Income Class  
Sun Life Dynamic Strategic Yield Class  
Sun Life Franklin Bissett Canadian Equity Class  
Sun Life Granite Balanced Class  
Sun Life Granite Balanced Growth Class  
Sun Life Granite Conservative Class  
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Sun Life Invesco Canadian Class (formerly Sun Life Trimark Canadian Class)  
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Sun Life MFS Dividend Income Class  
Sun Life MFS Global Growth Class  
Sun Life MFS International Growth Class  
Sun Life MFS U.S. Growth Class  
Sun Life Money Market Class  
Sun Life Sentry Value Class

(collectively, the "Funds")

### Opinion

We have audited the financial statements of the Funds, which comprise the statements of financial position as at December 31, 2019 and 2018, and the statements of comprehensive income (loss), statements of changes in net assets attributable to holders of redeemable shares and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2019 and 2018, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

### Basis for Opinion

We conducted our audit in accordance with Canadian generally accepted auditing standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Statements* section of our report. We are independent of the Funds in accordance with the ethical requirements that are relevant to our audit of the financial statements in Canada, and we have fulfilled our other ethical responsibilities in accordance with these requirements. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

### Other Information

Management is responsible for the other information. The other information comprises the Management Report of Fund Performance of the Funds. Our opinion on the financial statements does not cover the other information and we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information, and in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit or otherwise appears to be materially misstated.

We obtained the Management Report of Fund Performance of the Funds prior to the date of this auditor's report. If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact in this auditor's report. We have nothing to report in this regard.

### Responsibilities of Management and Those Charged with Governance for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with IFRSs, and for such internal control as management determines is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is responsible for assessing the Funds' ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless management either intends to liquidate the Funds or to cease operations, or has no realistic alternative but to do so.

Those charged with governance are responsible for overseeing the Funds' financial reporting process.

## Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Canadian generally accepted auditing standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

As part of an audit in accordance with Canadian generally accepted auditing standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Conclude on the appropriateness of management's use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Funds' ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Funds to cease to continue as a going concern.
- Evaluate the overall presentation, structure, and content of the financial statements, including the disclosures, and whether the financial statements represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Waterloo, Canada  
March 30, 2020

The logo for Ernst & Young LLP, featuring the company name in a stylized, handwritten-style script.

Chartered Professional Accountants  
Licensed Public Accountants

# Sun Life BlackRock Canadian Balanced Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>1,855,569</b>	1,796,831
Cash	-	9,264
Due from investment dealers	<b>14,218</b>	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	-	-
	<b>1,869,787</b>	1,806,095
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	<b>1,471</b>	-
Accrued expenses	<b>32</b>	31
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	-	803
Management fees payable	<b>670</b>	567
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>2,173</b>	1,401
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>1,867,614</b>	1,804,694
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>1,097,331</b>	1,009,752
Series AT5	<b>58,203</b>	53,159
Series F	<b>121,194</b>	182,661
Series FT5	<b>11,604</b>	50,030
Series O	<b>579,282</b>	509,092
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>12.76</b>	11.38
Series AT5	<b>13.96</b>	13.04
Series F	<b>13.72</b>	12.11
Series FT5	<b>15.08</b>	13.93
Series O	<b>12.84</b>	11.27

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott  
President

“signed” Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>100</b>	35
Distributions from underlying funds	<b>44,556</b>	42,476
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	<b>44,577</b>	28,140
Change in unrealized appreciation (depreciation) in value of investments	<b>187,553</b>	(146,122)
<b>Net gains (losses) on investments</b>	<b>276,786</b>	(75,471)
<b>Total income (loss)</b>	<b>276,786</b>	(75,471)
<b>Expenses (note 5)</b>		
Management fees	<b>18,765</b>	20,476
Fixed annual administration fees	<b>990</b>	1,059
Independent review committee fees	<b>18</b>	34
Total operating expenses	<b>19,773</b>	21,569
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>257,013</b>	(97,040)
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>257,013</b>	(97,040)
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>		
	<b>257,013</b>	(97,040)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>138,946</b>	(60,243)
Series AT5	<b>7,796</b>	(3,510)
Series F	<b>17,570</b>	(8,576)
Series FT5	<b>6,233</b>	(2,415)
Series O	<b>86,468</b>	(22,296)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>82,500</b>	87,649
Series AT5	<b>4,051</b>	4,503
Series F	<b>6,605</b>	14,890
Series FT5	<b>2,060</b>	5,237
Series O	<b>46,034</b>	41,532
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>1.68</b>	(0.69)
Series AT5	<b>1.92</b>	(0.78)
Series F	<b>2.66</b>	(0.58)
Series FT5	<b>3.03</b>	(0.46)
Series O	<b>1.88</b>	(0.54)

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

# Sun Life BlackRock Canadian Balanced Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series F	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 1,009,752	1,081,937	53,159	65,910	182,661	191,693
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 138,946	(60,243)	7,796	(3,510)	17,570	(8,576)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	\$ 200,114	341,169	-	3	182,715	16
Redemption of redeemable shares	\$ (252,450)	(353,111)	(2,797)	(9,244)	(261,879)	(472)
Reinvestment of distributions to holders of redeemable shares	\$ 27,062	22,695	4,100	4,600	3,076	4,084
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (25,274)	10,753	1,303	(4,641)	(76,088)	3,628
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	\$ (11,859)	(10,258)	(667)	(629)	(1,377)	(1,834)
From net investment income	\$ (14,234)	(12,437)	(755)	(655)	(1,572)	(2,250)
Return of capital	\$ -	-	(2,633)	(3,316)	-	-
	\$ (26,093)	(22,695)	(4,055)	(4,600)	(2,949)	(4,084)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 87,579	(72,185)	5,044	(12,751)	(61,467)	(9,032)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>1,097,331</b>	<b>1,009,752</b>	<b>58,203</b>	<b>53,159</b>	<b>121,194</b>	<b>182,661</b>
<b>Redeemable Share Transactions</b>						
Balance - beginning of period	88,739	87,742	4,075	4,427	15,089	14,781
Shares issued	16,135	28,755	-	2	13,759	13
Shares issued on reinvestment of distributions	2,100	1,949	295	328	222	331
Shares redeemed	(20,982)	(29,707)	(201)	(682)	(20,238)	(36)
Balance - end of period	<b>85,992</b>	<b>88,739</b>	<b>4,169</b>	<b>4,075</b>	<b>8,832</b>	<b>15,089</b>

  

	Series FT5		Series O		Total	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 50,030	-	509,092	417,930	<b>1,804,694</b>	<b>1,757,470</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 6,233	(2,415)	86,468	(22,296)	<b>257,013</b>	<b>(97,040)</b>
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	\$ -	145,626	40,444	216,376	423,273	703,190
Redemption of redeemable shares	\$ (43,371)	(90,000)	(56,723)	(102,918)	(617,220)	(555,745)
Reinvestment of distributions to holders of redeemable shares	\$ 829	1,301	13,916	10,258	48,983	42,938
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (42,542)	56,927	(2,363)	123,716	<b>(144,964)</b>	<b>190,383</b>
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	\$ (627)	(100)	(6,395)	(3,983)	(20,925)	(16,804)
From net investment income	\$ (151)	(624)	(7,520)	(6,275)	(24,232)	(22,241)
Return of capital	\$ (1,339)	(3,758)	-	-	(3,972)	(7,074)
	\$ (2,117)	(4,482)	(13,915)	(10,258)	<b>(49,129)</b>	<b>(46,119)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (38,426)	50,030	70,190	91,162	<b>62,920</b>	<b>47,224</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>11,604</b>	<b>50,030</b>	<b>579,282</b>	<b>509,092</b>	<b>1,867,614</b>	<b>1,804,694</b>
<b>Redeemable Share Transactions</b>						
Balance - beginning of period	3,592	-	45,190	34,820	<b>156,685</b>	<b>141,770</b>
Shares issued	-	9,532	3,267	18,265	33,161	56,567
Shares issued on reinvestment of distributions	56	87	1,120	898	3,793	3,593
Shares redeemed	(2,878)	(6,027)	(4,472)	(8,793)	(48,771)	(45,245)
Balance - end of period	<b>770</b>	<b>3,592</b>	<b>45,105</b>	<b>45,190</b>	<b>144,868</b>	<b>156,685</b>

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

# Sun Life BlackRock Canadian Balanced Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>257,013</b>	(97,040)
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(44,577)</b>	(28,140)
Change in unrealized (appreciation) depreciation in value of investments	<b>(187,553)</b>	146,122
Non-cash income distributions from underlying funds	<b>(44,556)</b>	(42,476)
Purchases of investments	<b>(300,739)</b>	(491,542)
Proceeds from sale of investments	<b>503,666</b>	377,802
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>103</b>	45
Change in other payables and accrued expenses	<b>1</b>	1
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>183,358</b>	(135,228)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(146)</b>	(3,181)
Proceeds from redeemable shares issued	<b>423,273</b>	703,190
Redemption of redeemable shares	<b>(617,220)</b>	(555,745)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(194,093)</b>	144,264
Net increase (decrease) in cash	<b>(10,735)</b>	9,036
Cash (bank indebtedness) at beginning of period	<b>9,264</b>	228
<b>Cash (bank indebtedness) at end of period</b>	<b>(1,471)</b>	9,264
Interest received	<b>100</b>	35
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life BlackRock Canadian Balanced Fund, Series I	130,375	1,645,738	1,855,569	
		<b>1,645,738</b>	<b>1,855,569</b>	<b>99.36</b>
<b>Total Investments</b>		<b>1,645,738</b>	<b>1,855,569</b>	<b>99.36</b>
<b>Other Assets less Liabilities</b>			<b>12,045</b>	<b>0.64</b>
<b>Total Net Assets</b>			<b>1,867,614</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life BlackRock Canadian Balanced Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life BlackRock Canadian Balanced Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

### (a) Credit risk

As at December 31, 2019 and December 31, 2018, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund is exposed indirectly to credit risk to the extent the Underlying Fund invests in underlying funds holding interest-bearing securities.

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
AAA/Aaa	0.34	-
<b>Total</b>	<b>0.34</b>	<b>-</b>

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

# Sun Life BlackRock Canadian Balanced Class (continued)

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

## (b) Market risk

### (i) Currency risk

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

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2019 and December 31, 2018. Amounts shown are based on the fair value of monetary and non-monetary assets.

	December 31, 2019		December 31, 2018	
	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
United States Dollar	213,097	11.41	151,328	8.39
<b>Total</b>	<b>213,097</b>	<b>11.41</b>	<b>151,328</b>	<b>8.39</b>

As at December 31, 2019, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$10,655 (\$7,566 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Fund.

### (iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in the Underlying Fund.

## (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Exchange-Traded Funds</b>		
Foreign Bonds	15.4	16.8
Information Technology	5.7	4.9
Health Care	4.7	4.6
Consumer Discretionary	2.8	2.6
Consumer Staples	2.4	2.3
Communication Services	1.9	1.8
Industrials	1.4	1.3
Real Estate	0.1	0.2
Utilities	-	0.1
<b>Mutual Funds</b>		
Canadian Equities	41.0	41.5
Canadian Fixed Income	23.5	23.4
<b>Derivative Assets (Liabilities)</b>	<b>0.3</b>	<b>(0.3)</b>
<b>Other Assets less Liabilities</b>	<b>0.8</b>	<b>0.8</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	1,855,569	-	-	1,855,569

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	1,796,831	-	-	1,796,831

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

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

# Sun Life BlackRock Canadian Balanced Class (continued)

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the “Manager”) is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series A	14,520	185,287
Series AT5	1,022	14,270
Series F	2,054	28,184
Series FT5	770	11,605

  

	December 31, 2018	
	Shares	Market Value (\$)
Series A	14,124	160,717
Series AT5	949	12,378
Series F	1,998	24,186
Series FT5	715	9,956

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	447	-	4,419
Series AT5	34	-	980
Series F	68	-	669
Series FT5	28	-	790

  

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	413	-	3,602
Series AT5	32	-	953
Series F	62	-	540
Series FT5	10,016	-	695

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Fund’s net assets. The Fund does not provide additional financial or other support to the Underlying Fund. The Underlying Fund was established in and carries out its operations in Canada. The Fund’s interest in the Underlying Fund is reported at fair value in “investments” in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund’s maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Fund.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life BlackRock Canadian Composite Equity Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>15,918,677</b>	12,296,783
Cash	<b>116,142</b>	8,757
Due from investment dealers	<b>16,287</b>	-
Accrued interest	-	72
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>400</b>	6,237
	<b>16,051,506</b>	12,311,849
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>44</b>	28
Redemptions payable	<b>16,992</b>	-
Distributions payable	-	-
Due to investment dealers	-	6,495
Management fees payable	<b>420</b>	270
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>17,456</b>	6,793
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>16,034,050</b>	12,305,056
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>937,955</b>	749,125
Series AT5	<b>15,317</b>	12,612
Series F	<b>261,615</b>	50,466
Series FT5	<b>110,278</b>	90,700
Series I	<b>14,574,970</b>	11,285,781
Series O	<b>133,915</b>	116,372
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>11.91</b>	10.18
Series AT5	<b>12.99</b>	11.61
Series F	<b>12.36</b>	10.49
Series FT5	<b>14.86</b>	13.19
Series I	<b>10.97</b>	9.26
Series O	<b>11.30</b>	9.54

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott President	"signed" Kari Holdsworth Chief Financial Officer
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## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>411</b>	90
Distributions from underlying funds	<b>583,927</b>	311,310
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	<b>131,888</b>	88,224
Change in unrealized appreciation (depreciation) in value of investments	<b>2,164,656</b>	(1,562,080)
<b>Net gains (losses) on investments</b>	<b>2,880,882</b>	(1,162,456)
<b>Total income (loss)</b>	<b>2,880,882</b>	(1,162,456)
<b>Expenses (note 5)</b>		
Management fees	<b>11,443</b>	10,271
Fixed annual administration fees	<b>1,220</b>	1,098
Independent review committee fees	<b>16</b>	22
Total operating expenses	<b>12,679</b>	11,391
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>2,868,203</b>	(1,173,847)
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>2,868,203</b>	(1,173,847)
Income taxes	-	228
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>2,868,203</b>	<b>(1,174,075)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>162,089</b>	(84,006)
Series AT5	<b>2,664</b>	(1,359)
Series F	<b>23,579</b>	(4,467)
Series FT5	<b>19,798</b>	241
Series I	<b>2,634,186</b>	(1,073,213)
Series O	<b>25,887</b>	(11,271)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>75,438</b>	76,949
Series AT5	<b>1,117</b>	1,026
Series F	<b>14,684</b>	3,823
Series FT5	<b>7,040</b>	925
Series I	<b>1,283,823</b>	1,203,468
Series O	<b>12,106</b>	11,666
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>2.15</b>	(1.09)
Series AT5	<b>2.38</b>	(1.32)
Series F	<b>1.61</b>	(1.17)
Series FT5	<b>2.81</b>	0.26
Series I	<b>2.05</b>	(0.89)
Series O	<b>2.14</b>	(0.97)

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

# Sun Life BlackRock Canadian Composite Equity Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series F		Series FT5	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 749,125	962,321	12,612	13,968	50,466	29,958	90,700	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 162,089	(84,006)	2,664	(1,359)	23,579	(4,467)	19,798	241
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 227,826	215,376	-	3	394,750	25,045	-	90,459
Redemption of redeemable shares	\$ (201,804)	(344,566)	-	-	(207,342)	(70)	(315)	-
Reinvestment of distributions to holders of redeemable shares	\$ 31,883	47,042	1,201	1,449	7,681	1,989	8,423	3,009
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 57,905	(82,148)	1,201	1,452	195,089	26,964	8,108	93,468
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (5,542)	(32,210)	(93)	(461)	(373)	(990)	(668)	(355)
From net investment income	\$ (25,622)	(14,832)	(418)	(249)	(7,146)	(999)	(3,012)	(1,796)
Return of capital	\$ -	-	(649)	(739)	-	-	(4,648)	(858)
	\$ (31,164)	(47,042)	(1,160)	(1,449)	(7,519)	(1,989)	(8,328)	(3,009)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 188,830	(213,196)	2,705	(1,356)	211,149	20,508	19,578	90,700
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>937,955</b>	<b>749,125</b>	<b>15,317</b>	<b>12,612</b>	<b>261,615</b>	<b>50,466</b>	<b>110,278</b>	<b>90,700</b>
Redeemable Share Transactions								
Balance - beginning of period	73,614	80,580	1,086	970	4,810	2,448	6,874	-
Shares issued	19,828	18,606	-	3	32,658	2,185	-	6,651
Shares issued on reinvestment of distributions	2,639	4,386	93	113	610	183	568	223
Shares redeemed	(17,340)	(29,958)	-	-	(16,907)	(6)	(22)	-
Balance - end of period	<b>78,741</b>	<b>73,614</b>	<b>1,179</b>	<b>1,086</b>	<b>21,171</b>	<b>4,810</b>	<b>7,420</b>	<b>6,874</b>

  

	Series I		Series O		Total	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 11,285,781	12,194,800	116,372	128,939	<b>12,305,056</b>	<b>13,329,986</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 2,634,186	(1,073,213)	25,887	(11,271)	<b>2,868,203</b>	<b>(1,174,075)</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 2,479,626	2,823,578	3,750	7,113	3,105,952	3,161,574
Redemption of redeemable shares	\$ (1,824,624)	(2,659,384)	(12,094)	(8,409)	(2,246,179)	(3,012,429)
Reinvestment of distributions to holders of redeemable shares	\$ 482,223	657,302	4,526	6,371	535,937	717,162
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,137,225	821,496	(3,818)	5,075	<b>1,395,710</b>	<b>866,307</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (83,729)	(433,905)	(865)	(4,064)	(91,270)	(471,985)
From net investment income	\$ (398,493)	(223,397)	(3,661)	(2,307)	(438,352)	(243,580)
Return of capital	\$ -	-	-	-	(5,297)	(1,597)
	\$ (482,222)	(657,302)	(4,526)	(6,371)	<b>(534,919)</b>	<b>(717,162)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 3,289,189	(909,019)	17,543	(12,567)	<b>3,728,994</b>	<b>(1,024,930)</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>14,574,970</b>	<b>11,285,781</b>	<b>133,915</b>	<b>116,372</b>	<b>16,034,050</b>	<b>12,305,056</b>
Redeemable Share Transactions						
Balance - beginning of period	1,218,717	1,136,098	12,196	11,650	<b>1,317,297</b>	<b>1,231,746</b>
Shares issued	235,146	273,431	351	676	287,983	301,552
Shares issued on reinvestment of distributions	44,403	67,917	405	640	48,718	73,462
Shares redeemed	(169,975)	(258,729)	(1,101)	(770)	(205,345)	(289,463)
Balance - end of period	<b>1,328,291</b>	<b>1,218,717</b>	<b>11,851</b>	<b>12,196</b>	<b>1,448,653</b>	<b>1,317,297</b>

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

# Sun Life BlackRock Canadian Composite Equity Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>2,868,203</b>	(1,174,075)
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(131,888)</b>	(88,224)
Change in unrealized (appreciation) depreciation in value of investments	<b>(2,164,656)</b>	1,562,080
Non-cash income distributions from underlying funds	<b>(583,927)</b>	(311,310)
Purchases of investments	<b>(2,655,021)</b>	(3,833,913)
Proceeds from sale of investments	<b>1,890,816</b>	2,841,331
Change in accrued interest	<b>72</b>	(72)
Change in distributions receivable from underlying funds	-	878,902
Change in management fees payable	<b>150</b>	-
Change in other payables and accrued expenses	<b>16</b>	(4)
Change in income tax payable	-	(3,366)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(776,235)</b>	(128,651)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>1,018</b>	-
Proceeds from redeemable shares issued	<b>3,111,789</b>	3,180,596
Redemption of redeemable shares	<b>(2,229,187)</b>	(3,012,429)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>883,620</b>	168,167
Net increase (decrease) in cash	<b>107,385</b>	39,516
Cash (bank indebtedness) at beginning of period	<b>8,757</b>	(30,759)
<b>Cash (bank indebtedness) at end of period</b>	<b>116,142</b>	8,757
Interest received	<b>483</b>	18
Income taxes paid	-	(3,594)
Interest paid	-	-

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life BlackRock Canadian Composite Equity Fund, Series I	1,351,033	14,762,190	15,918,677	
		<b>14,762,190</b>	<b>15,918,677</b>	<b>99.28</b>
<b>Total Investments</b>		<b>14,762,190</b>	<b>15,918,677</b>	<b>99.28</b>
<b>Other Assets less Liabilities</b>			<b>115,373</b>	<b>0.72</b>
<b>Total Net Assets</b>			<b>16,034,050</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life BlackRock Canadian Composite Equity Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life BlackRock Canadian Composite Equity Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

#### (a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in the Underlying Fund.

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

#### (b) Market risk

##### (i) Currency risk

The Fund is exposed indirectly to currency risk as a result of its investment in the Underlying Fund. The Underlying Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

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

# Sun Life BlackRock Canadian Composite Equity Class (continued)

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2019 and December 31, 2018. Amounts shown are based on the fair value of monetary and non-monetary assets.

	December 31, 2019		December 31, 2018	
	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
United States Dollar	8,974	0.06	7,981	0.06
<b>Total</b>	<b>8,974</b>	<b>0.06</b>	<b>7,981</b>	<b>0.06</b>

As at December 31, 2019, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$449 (\$399 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Fund.

## (iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in equities.

As at December 31, 2019, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$791,343 (\$605,357 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Equities</b>		
Financials	31.6	32.6
Energy	16.8	17.3
Materials	11.2	11.0
Industrials	10.8	9.9
Information Technology	5.6	3.9
Communication Services	5.4	5.8
Utilities	4.7	4.0
Consumer Discretionary	4.1	4.2
Consumer Staples	3.8	3.9
Real Estate	3.4	3.1
Health Care	1.3	1.5
<b>Other Assets less Liabilities</b>	<b>1.3</b>	<b>2.8</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	15,918,677	-	-	15,918,677

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	12,296,783	-	-	12,296,783

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

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

# Sun Life BlackRock Canadian Composite Equity Class (continued)

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the “Manager”) is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series A	17,840	212,504
Series AT5	1,179	15,317
Series F	-	-
Series FT5	802	11,921
Series I	-	-

	December 31, 2018	
	Shares	Market Value (\$)
Series A	17,191	174,940
Series AT5	1,086	12,612
Series F	2,282	23,947
Series FT5	739	9,754
Series I	1,133	10,496

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	507	-	7,093
Series AT5	37	-	1,160
Series F	63	29,432	177
Series FT5	28	-	899
Series I	-	12,265	77

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	466	-	9,858
Series AT5	34	-	1,449
Series F	64	-	1,345
Series FT5	10,017	-	1,032
Series I	-	-	589

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Fund’s net assets. The Fund does not provide additional financial or other support to the Underlying Fund. The Underlying Fund was established in and carries out its operations in Canada. The Fund’s interest in the Underlying Fund is reported at fair value in “investments” in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund’s maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Fund.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series I Shares	May 01, 2015	May 01, 2015
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life BlackRock Canadian Equity Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>8,167,147</b>	6,112,119
Cash	<b>45,187</b>	7,409
Due from investment dealers	<b>255</b>	-
Accrued interest	-	12
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>16,035</b>	55,455
	<b>8,228,624</b>	6,174,995
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>30</b>	20
Redemptions payable	<b>300</b>	2,937
Distributions payable	-	733
Due to investment dealers	<b>16,035</b>	55,570
Management fees payable	<b>468</b>	349
Income tax payable	<b>4,853</b>	3,675
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>21,686</b>	63,284
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>8,206,938</b>	6,111,711
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>714,623</b>	601,720
Series AT5	<b>37,101</b>	35,218
Series AT8	<b>44,171</b>	38,982
Series F	<b>93,720</b>	57,937
Series FT5	<b>12,157</b>	9,872
Series FT8	<b>12,157</b>	9,872
Series I	<b>6,874,972</b>	5,107,636
Series O	<b>418,037</b>	250,474
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>13.21</b>	11.27
Series AT5	<b>14.45</b>	12.90
Series AT8	<b>11.85</b>	10.88
Series F	<b>14.24</b>	11.99
Series FT5	<b>15.38</b>	13.57
Series FT8	<b>14.54</b>	13.20
Series I	<b>11.90</b>	9.98
Series O	<b>13.01</b>	10.92

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott  
President

"signed" Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>153</b>	28
Distributions from underlying funds	<b>192,340</b>	228,950
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	<b>83,557</b>	39,805
Change in unrealized appreciation (depreciation) in value of investments	<b>1,201,311</b>	(700,652)
<b>Net gains (losses) on investments</b>	<b>1,477,361</b>	(431,869)
<b>Total income (loss)</b>	<b>1,477,361</b>	(431,869)
<b>Expenses (note 5)</b>		
Management fees	<b>13,350</b>	13,378
Fixed annual administration fees	<b>873</b>	797
Independent review committee fees	<b>12</b>	14
Total operating expenses	<b>14,235</b>	14,189
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>1,463,126</b>	(446,058)
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>1,463,126</b>	(446,058)
Income taxes	<b>3,115</b>	2,500
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>1,460,011</b>	(448,558)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>128,082</b>	(51,963)
Series AT5	<b>7,093</b>	(2,552)
Series AT8	<b>8,173</b>	(3,430)
Series F	<b>15,208</b>	(6,921)
Series FT5	<b>2,253</b>	(128)
Series FT8	<b>2,253</b>	(128)
Series I	<b>1,222,256</b>	(365,326)
Series O	<b>74,693</b>	(18,110)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>53,131</b>	55,820
Series AT5	<b>2,538</b>	2,288
Series AT8	<b>3,644</b>	2,981
Series F	<b>5,967</b>	3,630
Series FT5	<b>754</b>	696
Series FT8	<b>785</b>	705
Series I	<b>546,752</b>	425,697
Series O	<b>31,213</b>	22,451
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>2.41</b>	(0.93)
Series AT5	<b>2.79</b>	(1.12)
Series AT8	<b>2.24</b>	(1.15)
Series F	<b>2.55</b>	(1.91)
Series FT5	<b>2.99</b>	(0.18)
Series FT8	<b>2.87</b>	(0.18)
Series I	<b>2.24</b>	(0.86)
Series O	<b>2.39</b>	(0.81)

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

# Sun Life BlackRock Canadian Equity Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series F	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 601,720	704,891	35,218	14,689	38,982	37,682	57,937	52,748
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 128,082	(51,963)	7,093	(2,552)	8,173	(3,430)	15,208	(6,921)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 99,551	173,093	-	24,804	-	7,168	57,732	36,462
Redemption of redeemable shares	\$ (115,434)	(224,301)	(4,620)	(1,000)	-	-	(37,241)	(24,352)
Reinvestment of distributions to holders of redeemable shares	\$ 25,092	26,729	2,307	2,206	1,734	2,272	2,903	2,130
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 9,209	(24,479)	(2,313)	26,010	1,734	9,440	23,394	14,240
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (10,508)	(16,885)	(545)	(549)	(670)	(841)	(999)	(1,182)
From net investment income	\$ (13,880)	(9,844)	(725)	(579)	(872)	(649)	(1,820)	(948)
Return of capital	\$ -	-	(1,627)	(1,801)	(3,176)	(3,220)	-	-
	\$ (24,388)	(26,729)	(2,897)	(2,929)	(4,718)	(4,710)	(2,819)	(2,130)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 112,903	(103,171)	1,883	20,529	5,189	1,300	35,783	5,189
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>714,623</b>	<b>601,720</b>	<b>37,101</b>	<b>35,218</b>	<b>44,171</b>	<b>38,982</b>	<b>93,720</b>	<b>57,937</b>
Redeemable Share Transactions								
Balance - beginning of period	53,374	55,191	2,729	953	3,582	2,803	4,833	3,929
Shares issued	7,934	13,881	-	1,692	-	598	4,279	2,672
Shares issued on reinvestment of distributions	1,905	2,260	163	154	147	181	204	171
Shares redeemed	(9,120)	(17,958)	(324)	(70)	-	-	(2,733)	(1,939)
Balance - end of period	<b>54,093</b>	<b>53,374</b>	<b>2,568</b>	<b>2,729</b>	<b>3,729</b>	<b>3,582</b>	<b>6,583</b>	<b>4,833</b>

  

	Series FT5		Series FT8		Series I		Series O	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 9,872	-	9,872	-	5,107,636	3,726,701	250,474	269,830
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 2,253	(128)	2,253	(128)	1,222,256	(365,326)	74,693	(18,110)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ -	10,000	-	10,000	2,312,221	2,270,612	103,925	26,063
Redemption of redeemable shares	\$ -	-	-	-	(1,767,144)	(524,351)	(11,054)	(27,309)
Reinvestment of distributions to holders of redeemable shares	\$ 951	878	1,269	1,174	223,242	176,191	14,015	10,040
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 951	10,878	1,269	11,174	768,319	1,922,452	106,886	8,794
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (171)	(238)	(171)	(238)	(90,011)	(93,530)	(5,891)	(5,940)
From net investment income	\$ (236)	(162)	(236)	(161)	(133,228)	(82,661)	(8,125)	(4,100)
Return of capital	\$ (512)	(478)	(830)	(775)	-	-	-	-
	\$ (919)	(878)	(1,237)	(1,174)	(223,239)	(176,191)	(14,016)	(10,040)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,285	9,872	2,285	9,872	1,767,336	1,380,935	167,563	(19,356)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>12,157</b>	<b>9,872</b>	<b>12,157</b>	<b>9,872</b>	<b>6,874,972</b>	<b>5,107,636</b>	<b>418,037</b>	<b>250,474</b>
Redeemable Share Transactions								
Balance - beginning of period	727	-	748	-	511,874	335,584	22,945	22,197
Shares issued	-	667	-	667	205,252	207,282	8,939	2,103
Shares issued on reinvestment of distributions	63	60	88	81	19,438	17,096	1,118	887
Shares redeemed	-	-	-	-	(158,962)	(48,088)	(880)	(2,242)
Balance - end of period	<b>790</b>	<b>727</b>	<b>836</b>	<b>748</b>	<b>577,602</b>	<b>511,874</b>	<b>32,122</b>	<b>22,945</b>

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

# Sun Life BlackRock Canadian Equity Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares (continued)

For the periods ended December 31

	Total	
	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 6,111,711	4,806,541
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 1,460,011	(448,558)
Redeemable Share Transactions		
Proceeds from redeemable shares issued	\$ 2,573,429	2,558,202
Redemption of redeemable shares	\$ (1,935,493)	(801,313)
Reinvestment of distributions to holders of redeemable shares	\$ 271,513	221,620
Capitalized distributions	\$ -	-
	\$ 909,449	1,978,509
Distributions to Holders of Redeemable Shares		
From capital gains	\$ (108,966)	(119,403)
From net investment income	\$ (159,122)	(99,104)
Return of capital	\$ (6,145)	(6,274)
	\$ (274,233)	(224,781)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,095,227	1,305,170
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 8,206,938	6,111,711
Redeemable Share Transactions		
Balance - beginning of period	600,812	420,657
Shares issued	226,404	229,562
Shares issued on reinvestment of distributions	23,126	20,890
Shares redeemed	(172,019)	(70,297)
Balance - end of period	678,323	600,812

## Statements of Cash Flows

For the periods ended December 31

	2019	2018		2019	2018
	(\$)	(\$)		(\$)	(\$)
Cash Flows from Operating Activities			Cash (bank indebtedness) at end of period	45,187	7,409
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	1,460,011	(448,558)	Interest received	165	16
Adjustments for:			Income taxes paid	(1,937)	(2,172)
Net realized (gain) loss on sale of investments	(83,557)	(39,805)	Interest paid	-	-
Change in unrealized (appreciation) depreciation in value of investments	(1,201,311)	700,652			
Non-cash income distributions from underlying funds	(192,340)	(228,950)			
Purchases of investments	(2,486,008)	(2,490,087)			
Proceeds from sale of investments	1,868,398	809,444			
Change in accrued interest	12	(12)			
Change in distributions receivable from underlying funds	-	-			
Change in management fees payable	119	14			
Change in other payables and accrued expenses	10	(2)			
Change in income tax payable	1,178	328			
Net Cash Provided by (Used in) Operating Activities	(633,488)	(1,696,976)			
Cash Flows from Financing Activities					
Distributions paid to holders of redeemable shares, net of reinvested distributions	(3,453)	(2,428)			
Proceeds from redeemable shares issued	2,612,849	2,515,247			
Redemption of redeemable shares	(1,938,130)	(802,337)			
Net Cash Provided by (Used in) Financing Activities	671,266	1,710,482			
Net increase (decrease) in cash	37,778	13,506			
Cash (bank indebtedness) at beginning of period	7,409	(6,097)			

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

# Sun Life BlackRock Canadian Equity Class (continued)

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life BlackRock Canadian Equity Fund, Series I	538,538	7,383,547	8,167,147	
		<b>7,383,547</b>	<b>8,167,147</b>	<b>99.52</b>
<b>Total Investments</b>		<b>7,383,547</b>	<b>8,167,147</b>	<b>99.52</b>
<b>Other Assets less Liabilities</b>			<b>39,791</b>	<b>0.48</b>
<b>Total Net Assets</b>			<b>8,206,938</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life BlackRock Canadian Equity Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life BlackRock Canadian Equity Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

#### (a) Credit risk

As at December 31, 2019 and December 31, 2018, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund is exposed indirectly to credit risk to the extent the Underlying Fund invests in underlying funds holding interest-bearing securities.

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
AAA/Aaa	0.11	-
<b>Total</b>	<b>0.11</b>	<b>-</b>

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

#### (b) Market risk

##### (i) Currency risk

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

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2019 and December 31, 2018. Amounts shown are based on the fair value of monetary and non-monetary assets.

	December 31, 2019		December 31, 2018	
	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
United States Dollar	1,431,274	17.44	1,109,471	18.15
<b>Total</b>	<b>1,431,274</b>	<b>17.44</b>	<b>1,109,471</b>	<b>18.15</b>

As at December 31, 2019, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$71,564 (\$55,474 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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

# Sun Life BlackRock Canadian Equity Class (continued)

## (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Fund.

## (iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in equities.

As at December 31, 2019, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$277,055 (\$204,813 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Exchange-Traded Funds</b>		
Information Technology	9.1	8.6
Health Care	7.8	8.3
Consumer Discretionary	4.8	4.6
Consumer Staples	4.0	4.2
Communication Services	3.1	3.1
Industrials	2.2	2.4
Real Estate	0.4	0.3
Utilities	-	0.6
<b>Equities</b>		
Financials	21.6	22.2
Energy	11.5	11.8
Materials	7.7	7.5
Industrials	7.4	6.7
Information Technology	3.8	2.7
Communication Services	3.7	4.0
Utilities	3.2	2.7
Consumer Discretionary	2.8	2.8
Consumer Staples	2.6	2.6
Real Estate	2.3	2.1
Health Care	0.9	1.0
<b>Other Assets less Liabilities</b>	1.1	1.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	8,167,147	-	-	8,167,147

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	6,112,119	-	-	6,112,119

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series A	16,036	211,855
Series AT5	1,140	16,470
Series AT8	1,389	16,451
Series F	2,226	31,687
Series FT5	790	12,157
Series FT8	836	12,157
Series I	1,161	13,824

  

	December 31, 2018	
	Shares	Market Value (\$)
Series A	15,436	174,023
Series AT5	1,048	13,529
Series AT8	1,242	13,515
Series F	2,142	25,681
Series FT5	727	9,872
Series FT8	748	9,872
Series I	1,121	11,187

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

# Sun Life BlackRock Canadian Equity Class (continued)

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	500	-	7,116
Series AT5	39	-	1,256
Series AT8	39	-	1,690
Series F	74	-	1,059
Series FT5	29	-	919
Series FT8	29	-	1,237
Series I	-	-	462

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	462	-	7,075
Series AT5	36	-	1,318
Series AT8	36	-	1,796
Series F	68	-	1,038
Series FT5	10,017	-	877
Series FT8	10,017	-	1,174
Series I	-	-	451

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Fund's net assets. The Fund does not provide additional financial or other support to the Underlying Fund. The Underlying Fund was established in and carries out its operations in Canada. The Fund's interest in the Underlying Fund is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Fund.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series AT8 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series FT8 Shares	February 09, 2018	February 09, 2018
Series I Shares	May 01, 2015	May 01, 2015
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life Dynamic Equity Income Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	46,607,417	23,869,993
Cash	321,674	5,790
Due from investment dealers	-	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	142,766	39,170
	<b>47,071,857</b>	<b>23,914,953</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	600	362
Redemptions payable	-	-
Distributions payable	947	8,853
Due to investment dealers	168,896	42,471
Management fees payable	5,310	3,250
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	175,753	54,936
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>46,896,104</b>	<b>23,860,017</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	5,594,911	3,382,468
Series AT5	1,368,982	1,362,289
Series F	2,632,099	1,872,626
Series FT5	200,998	10,227
Series I	36,064,171	16,637,686
Series O	1,034,943	594,721
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	12.77	10.78
Series AT5	13.94	12.32
Series F	13.67	11.42
Series FT5	15.81	13.81
Series I	12.44	10.29
Series O	13.12	10.87

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott President	"signed" Kari Holdsworth Chief Financial Officer
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## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	1,183	347
Distributions from underlying funds	2,139,887	1,251,690
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	44,007	(80,003)
Change in unrealized appreciation (depreciation) in value of investments	4,497,614	(1,832,592)
<b>Net gains (losses) on investments</b>	<b>6,682,691</b>	<b>(660,558)</b>
<b>Total income (loss)</b>	<b>6,682,691</b>	<b>(660,558)</b>
<b>Expenses (note 5)</b>		
Management fees	130,176	106,174
Fixed annual administration fees	14,859	11,549
Independent review committee fees	100	128
Total operating expenses	145,135	117,851
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>6,537,556</b>	<b>(778,409)</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>6,537,556</b>	<b>(778,409)</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>6,537,556</b>	<b>(778,409)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	741,914	(177,497)
Series AT5	254,279	(69,084)
Series F	419,500	(73,903)
Series FT5	25,453	227
Series I	4,931,045	(435,584)
Series O	165,365	(22,568)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	350,885	275,797
Series AT5	94,850	102,383
Series F	169,248	116,334
Series FT5	10,921	684
Series I	2,254,842	1,294,553
Series O	70,038	52,135
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	2.11	(0.64)
Series AT5	2.68	(0.67)
Series F	2.48	(0.64)
Series FT5	2.33	0.33
Series I	2.19	(0.34)
Series O	2.36	(0.43)

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

# Sun Life Dynamic Equity Income Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series F		Series FT5	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 3,382,468	3,089,253	1,362,289	1,298,663	1,872,626	859,127	10,227	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 741,914	(177,497)	254,279	(69,084)	419,500	(73,903)	25,453	227
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 2,915,789	1,707,406	201,567	291,014	1,113,932	1,311,547	165,040	10,000
Redemption of redeemable shares	\$ (1,444,630)	(1,236,694)	(424,626)	(130,486)	(773,034)	(224,145)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 92,933	192,784	57,981	125,010	43,623	103,433	11,524	1,055
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,564,092	663,496	(165,078)	285,538	384,521	1,190,835	176,564	11,055
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (7,061)	(15,125)	(2,853)	(6,327)	(3,857)	(5,122)	(346)	(48)
From net investment income	\$ (86,502)	(177,659)	(21,296)	(72,352)	(40,691)	(98,311)	(3,104)	(537)
Return of capital	\$ -	-	(58,359)	(74,149)	-	-	(7,796)	(470)
	\$ (93,563)	(192,784)	(82,508)	(152,828)	(44,548)	(103,433)	(11,246)	(1,055)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,212,443	293,215	6,693	63,626	759,473	1,013,499	190,771	10,227
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>5,594,911</b>	<b>3,382,468</b>	<b>1,368,982</b>	<b>1,362,289</b>	<b>2,632,099</b>	<b>1,872,626</b>	<b>200,998</b>	<b>10,227</b>
Redeemable Share Transactions								
Balance - beginning of period	313,677	256,798	110,555	89,625	163,973	68,200	740	-
Shares issued	235,495	143,518	14,730	20,947	84,360	104,316	11,234	666
Shares issued on reinvestment of distributions	7,200	17,705	4,128	9,440	3,224	9,020	741	74
Shares redeemed	(118,080)	(104,344)	(31,177)	(9,457)	(59,012)	(17,563)	-	-
Balance - end of period	<b>438,292</b>	<b>313,677</b>	<b>98,236</b>	<b>110,555</b>	<b>192,545</b>	<b>163,973</b>	<b>12,715</b>	<b>740</b>

  

	Series I		Series O		Total	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 16,637,686	11,669,396	594,721	671,956	<b>23,860,017</b>	<b>17,588,395</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 4,931,045	(435,584)	165,365	(22,568)	<b>6,537,556</b>	<b>(778,409)</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 16,506,941	7,568,044	313,399	62,493	21,216,668	10,950,504
Redemption of redeemable shares	\$ (2,011,501)	(2,164,170)	(38,542)	(117,160)	(4,692,333)	(3,872,655)
Reinvestment of distributions to holders of redeemable shares	\$ 593,351	931,586	17,479	34,178	816,891	1,388,046
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 15,088,791	6,335,460	292,336	(20,489)	<b>17,341,226</b>	<b>8,465,895</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (38,088)	(60,007)	(1,475)	(2,926)	(53,680)	(89,555)
From net investment income	\$ (555,263)	(871,579)	(16,004)	(31,252)	(722,860)	(1,251,690)
Return of capital	\$ -	-	-	-	(66,155)	(74,619)
	\$ (593,351)	(931,586)	(17,479)	(34,178)	<b>(842,695)</b>	<b>(1,415,864)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 19,426,485	4,968,290	440,222	(77,235)	<b>23,036,087</b>	<b>6,271,622</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>36,064,171</b>	<b>16,637,686</b>	<b>1,034,943</b>	<b>594,721</b>	<b>46,896,104</b>	<b>23,860,017</b>
Redeemable Share Transactions						
Balance - beginning of period	1,617,099	1,038,663	54,731	56,535	<b>2,260,775</b>	<b>1,509,821</b>
Shares issued	1,404,100	679,348	25,901	5,107	1,775,820	953,902
Shares issued on reinvestment of distributions	48,025	90,224	1,344	3,130	64,662	129,593
Shares redeemed	(170,156)	(191,136)	(3,114)	(10,041)	(381,539)	(332,541)
Balance - end of period	<b>2,899,068</b>	<b>1,617,099</b>	<b>78,862</b>	<b>54,731</b>	<b>3,719,718</b>	<b>2,260,775</b>

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

# Sun Life Dynamic Equity Income Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>6,537,556</b>	(778,409)
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(44,007)</b>	80,003
Change in unrealized (appreciation) depreciation in value of investments	<b>(4,497,614)</b>	1,832,592
Non-cash income distributions from underlying funds	<b>(2,139,887)</b>	(1,251,690)
Purchases of investments	<b>(18,653,455)</b>	(9,768,927)
Proceeds from sale of investments	<b>2,723,964</b>	2,637,719
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>2,060</b>	948
Change in other payables and accrued expenses	<b>238</b>	103
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(16,071,145)</b>	(7,247,661)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(33,710)</b>	(21,739)
Proceeds from redeemable shares issued	<b>21,113,072</b>	11,164,809
Redemption of redeemable shares	<b>(4,692,333)</b>	(3,872,655)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>16,387,029</b>	7,270,415
Net increase (decrease) in cash	<b>315,884</b>	22,754
Cash (bank indebtedness) at beginning of period	<b>5,790</b>	(16,964)
<b>Cash (bank indebtedness) at end of period</b>	<b>321,674</b>	5,790
Interest received	<b>1,183</b>	347
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Dynamic Equity Income Fund, Series I	3,806,365	44,484,581	46,607,417	
		<b>44,484,581</b>	<b>46,607,417</b>	<b>99.38</b>
<b>Total Investments</b>		<b>44,484,581</b>	<b>46,607,417</b>	<b>99.38</b>
<b>Other Assets less Liabilities</b>			<b>288,687</b>	<b>0.62</b>
<b>Total Net Assets</b>			<b>46,896,104</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life Dynamic Equity Income Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life Dynamic Equity Income Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

#### (a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in the Underlying Fund.

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

#### (b) Market risk

##### (i) Currency risk

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

##### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Fund.

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

# Sun Life Dynamic Equity Income Class (continued)

## (iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in the Underlying Fund.

## (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Equities</b>		
Financials	20.3	19.6
Industrials	8.8	8.6
Health Care	7.8	9.5
Information Technology	8.2	8.5
Energy Infrastructure	8.9	7.2
Communication Services	6.3	7.3
Utilities	5.9	6.8
Consumer Staples	5.1	6.9
Energy	5.8	4.5
Consumer Discretionary	3.9	3.6
Materials	4.0	3.3
Real Estate	2.7	3.5
Private Equity - Real Estate	0.7	1.9
<b>Other Assets less Liabilities</b>	11.6	8.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	46,607,417	-	-	46,607,417

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	23,869,993	-	-	23,869,993

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series FT5	790	12,492
Series I	1,249	15,534

	December 31, 2018	
	Shares	Market Value (\$)
Series FT5	740	10,227
Series I	1,227	12,625

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	29	-	739
Series I	-	-	266

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	10,017	-	1,055
Series I	-	-	722

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Fund's net assets. The Fund does not provide additional financial or other support to the Underlying Fund. The Underlying Fund was established in and carries out its operations in Canada. The Fund's interest in the Underlying Fund is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

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

# Sun Life Dynamic Equity Income Class (continued)

As at December 31, 2019 and December 31, 2018, the Fund had significant interests in the Underlying Fund as noted in the following tables:

Underlying Fund	As at December 31, 2019	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life Dynamic Equity Income Fund, Series I	99	35

Underlying Fund	As at December 31, 2018	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life Dynamic Equity Income Fund, Series I	100	30

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series I Shares	May 01, 2015	May 01, 2015
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life Dynamic Strategic Yield Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	29,991,479	25,938,792
Cash	57,105	49,600
Due from investment dealers	-	3,762
Accrued interest	-	527
Distributions receivable from underlying funds	-	-
Subscriptions receivable	837	372,901
	<b>30,049,421</b>	<b>26,365,582</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	-	-
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	730	17,083
Management fees payable	5,099	4,046
Income tax payable	107,362	89,399
Total liabilities (excluding net assets attributable to holders of redeemable shares)	113,191	110,528
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>29,936,230</b>	<b>26,255,054</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	5,545,319	5,395,651
Series AT5	643,295	431,753
Series F	2,408,448	1,292,028
Series FT5	145,837	137,273
Series I	11,697,151	8,978,348
Series O	9,496,180	10,020,001
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	11.29	10.42
Series AT5	12.24	11.85
Series F	12.13	11.07
Series FT5	14.84	14.20
Series I	11.14	10.05
Series O	11.58	10.47

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott President	"signed" Kari Holdsworth Chief Financial Officer
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## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	943	1,127
Distributions from underlying funds	2,156,009	1,795,427
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	7,210	(22,081)
Change in unrealized appreciation (depreciation) in value of investments	1,579,641	(1,970,010)
<b>Net gains (losses) on investments</b>	<b>3,743,803</b>	<b>(195,537)</b>
<b>Total income (loss)</b>	<b>3,743,803</b>	<b>(195,537)</b>
<b>Expenses (note 5)</b>		
Management fees	147,527	152,231
Fixed annual administration fees	31,023	30,336
Independent review committee fees	228	338
Total operating expenses	178,778	182,905
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>3,565,025</b>	<b>(378,442)</b>
<b>Finance Cost</b>		
Interest expense	(3)	-
<b>Net income (loss) before income taxes</b>	<b>3,565,022</b>	<b>(378,442)</b>
Income taxes	107,362	93,066
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>3,457,660</b>	<b>(471,508)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	578,467	(200,957)
Series AT5	49,351	(15,868)
Series F	211,301	(23,251)
Series FT5	16,656	(4,040)
Series I	1,312,484	(82,759)
Series O	1,289,401	(144,633)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	499,910	581,273
Series AT5	43,244	35,321
Series F	170,782	76,002
Series FT5	9,754	2,901
Series I	987,738	838,201
Series O	900,096	931,932
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	1.16	(0.35)
Series AT5	1.14	(0.45)
Series F	1.24	(0.31)
Series FT5	1.71	(1.39)
Series I	1.33	(0.10)
Series O	1.43	(0.16)

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

# Sun Life Dynamic Strategic Yield Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series F		Series FT5	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 5,395,651	7,157,060	431,753	495,821	1,292,028	424,362	137,273	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 578,467	(200,957)	49,351	(15,868)	211,301	(23,251)	16,656	(4,040)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 856,006	1,125,690	264,512	51,054	938,009	1,006,586	-	143,288
Redemption of redeemable shares	\$ (1,300,509)	(2,686,142)	(77,051)	(75,974)	(35,347)	(115,669)	(8,199)	(1,975)
Reinvestment of distributions to holders of redeemable shares	\$ 150,286	150,243	12,213	12,103	45,970	34,318	10,537	5,684
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (294,217)	(1,410,209)	199,674	(12,817)	948,632	925,235	2,338	146,997
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (89,409)	(8,998)	(6,656)	(621)	(23,897)	(680)	(2,329)	(13)
From net investment income	\$ (45,173)	(141,245)	(5,290)	(11,469)	(19,616)	(33,638)	(1,188)	(3,574)
Return of capital	\$ -	-	(25,537)	(23,293)	-	-	(6,913)	(2,097)
	\$ (134,582)	(150,243)	(37,483)	(35,383)	(43,513)	(34,318)	(10,430)	(5,684)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 149,668	(1,761,409)	211,542	(64,068)	1,116,420	867,666	8,564	137,273
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 5,545,319</b>	<b>5,395,651</b>	<b>643,295</b>	<b>431,753</b>	<b>2,408,448</b>	<b>1,292,028</b>	<b>145,837</b>	<b>137,273</b>
Redeemable Share Transactions								
Balance - beginning of period	517,877	646,825	36,420	37,387	116,687	36,519	9,664	-
Shares issued	77,589	102,100	21,437	3,981	80,823	87,151	-	9,401
Shares issued on reinvestment of distributions	13,561	15,449	998	960	3,930	3,097	715	396
Shares redeemed	(117,861)	(246,497)	(6,304)	(5,908)	(2,949)	(10,080)	(550)	(133)
Balance - end of period	<b>491,166</b>	<b>517,877</b>	<b>52,551</b>	<b>36,420</b>	<b>198,491</b>	<b>116,687</b>	<b>9,829</b>	<b>9,664</b>

  

	Series I		Series O		Total	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 8,978,348	8,013,450	10,020,001	11,651,340	<b>26,255,054</b>	<b>27,742,033</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 1,312,484	(82,759)	1,289,401	(144,633)	<b>3,457,660</b>	<b>(471,508)</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 2,901,716	1,937,773	1,606,125	1,902,257	6,566,368	6,166,648
Redemption of redeemable shares	\$ (1,495,397)	(890,116)	(3,419,347)	(3,388,963)	(6,335,850)	(7,158,839)
Reinvestment of distributions to holders of redeemable shares	\$ 259,507	244,349	249,537	264,865	728,050	711,562
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,665,826	1,292,006	(1,563,685)	(1,221,841)	<b>958,568</b>	<b>(280,629)</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (164,212)	(10,627)	(172,068)	(13,425)	(458,571)	(34,364)
From net investment income	\$ (95,295)	(233,722)	(77,469)	(251,440)	(244,031)	(675,088)
Return of capital	\$ -	-	-	-	(32,450)	(25,390)
	\$ (259,507)	(244,349)	(249,537)	(264,865)	<b>(735,052)</b>	<b>(734,842)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,718,803	964,898	(523,821)	(1,631,339)	<b>3,681,176</b>	<b>(1,486,979)</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 11,697,151</b>	<b>8,978,348</b>	<b>9,496,180</b>	<b>10,020,001</b>	<b>29,936,230</b>	<b>26,255,054</b>
Redeemable Share Transactions						
Balance - beginning of period	892,935	767,720	957,469	1,070,625	<b>2,531,052</b>	<b>2,559,076</b>
Shares issued	271,423	186,040	145,973	175,521	597,245	564,194
Shares issued on reinvestment of distributions	24,460	24,275	22,711	25,275	66,375	69,452
Shares redeemed	(139,150)	(85,100)	(306,026)	(313,952)	(572,840)	(661,670)
Balance - end of period	<b>1,049,668</b>	<b>892,935</b>	<b>820,127</b>	<b>957,469</b>	<b>2,621,832</b>	<b>2,531,052</b>

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

# Sun Life Dynamic Strategic Yield Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>3,457,660</b>	(471,508)
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(7,210)</b>	22,081
Change in unrealized (appreciation) depreciation in value of investments	<b>(1,579,641)</b>	1,970,010
Non-cash income distributions from underlying funds	<b>(2,156,009)</b>	(1,795,427)
Purchases of investments	<b>(4,595,737)</b>	(3,539,742)
Proceeds from sale of investments	<b>4,273,319</b>	5,186,450
Change in accrued interest	<b>527</b>	(527)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>1,053</b>	(24)
Change in other payables and accrued expenses	-	(87)
Change in income tax payable	<b>17,963</b>	56,592
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(588,075)</b>	1,427,818
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(7,002)</b>	(23,280)
Proceeds from redeemable shares issued	<b>6,938,432</b>	5,826,273
Redemption of redeemable shares	<b>(6,335,850)</b>	(7,164,920)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>595,580</b>	(1,361,927)
Net increase (decrease) in cash	<b>7,505</b>	65,891
Cash (bank indebtedness) at beginning of period	<b>49,600</b>	(16,291)
<b>Cash (bank indebtedness) at end of period</b>	<b>57,105</b>	49,600
Interest received	<b>1,470</b>	600
Income taxes paid	<b>(89,399)</b>	(36,474)
Interest paid	<b>(3)</b>	-

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Dynamic Strategic Yield Fund, Series I	2,722,266	29,760,295	29,991,479	
		<b>29,760,295</b>	<b>29,991,479</b>	<b>100.18</b>
<b>Total Investments</b>		<b>29,760,295</b>	<b>29,991,479</b>	<b>100.18</b>
<b>Other Assets less Liabilities</b>			<b>(55,249)</b>	<b>(0.18)</b>
<b>Total Net Assets</b>			<b>29,936,230</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life Dynamic Strategic Yield Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life Dynamic Strategic Yield Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

### (a) Credit risk

The Fund is exposed indirectly to credit risk to the extent the Underlying Fund invests in underlying funds holding interest-bearing securities.

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
AAA/Aaa	2.23	11.23
AA/Aa	3.63	4.41
A/A	4.72	2.79
BBB/Bbb	5.81	4.30
BB/Ba	0.31	0.12
Not Rated	0.31	0.77
<b>Total</b>	<b>17.01</b>	<b>23.62</b>

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

# Sun Life Dynamic Strategic Yield Class (continued)

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

## (b) Market risk

### (i) Currency risk

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

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2019 and December 31, 2018. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)		Holdings Exposed to Currency Risk (\$CAD)	
	December 31, 2019	Percentage of Net Assets (%)	December 31, 2018	Percentage of Net Assets (%)
United States Dollar	12,548,296	41.92	6,930,076	26.40
British Pound	1,043	-	3,392	0.01
<b>Total</b>	<b>12,549,339</b>	<b>41.92</b>	<b>6,933,468</b>	<b>26.41</b>

As at December 31, 2019, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$627,467 (\$346,673 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of the Underlying Fund's investment in interest-bearing securities.

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

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
December 31, 2019	248,596	1,514,705	2,971,525	4,734,826
December 31, 2018	2,690,060	670,269	2,225,010	5,585,339

As at December 31, 2019, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$455,478 (\$242,282 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in equities.

As at December 31, 2019, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$800,679 (\$514,930 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

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

# Sun Life Dynamic Strategic Yield Class (continued)

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Short-Term Investments</b>		
Treasury Bills	0.8	5.8
Bankers' Acceptances	-	4.2
<b>Bonds</b>		
Federal Bonds	0.3	1.1
Provincial Bonds	0.5	-
Municipal Bonds	0.2	-
Corporate Bonds	13.7	9.9
Mortgage-Backed Securities	0.3	0.2
<b>Equities</b>		
Energy	4.1	3.9
Materials	2.5	1.4
Industrials	4.1	2.1
Consumer Discretionary	3.0	2.6
Consumer Staples	1.7	2.6
Health Care	4.4	5.2
Financials	12.7	7.4
Real Estate	4.0	4.1
Information Technology	5.7	1.5
Communication Services	5.8	4.8
Utilities	5.3	3.7
<b>Mutual Funds</b>		
Canadian Fixed Income	15.1	14.9
U.S. Corporate Bond	2.3	-
Income and Real Property	1.0	1.2
High Yield Fixed Income	5.9	5.2
<b>Derivative Assets (Liabilities)</b>	-	(1.1)
<b>Other Assets less Liabilities</b>	6.6	19.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	29,991,479	-	-	29,991,479

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	25,938,792	-	-	25,938,792

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series FT5	775	11,496
Series I	1,179	13,136

	December 31, 2018	
	Shares	Market Value (\$)
Series FT5	718	10,205
Series I	1,150	11,562

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series F	-	-	-
Series FT5	28	-	799
Series I	-	-	305

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series F	25	11,092	14
Series FT5	10,016	-	748
Series I	-	-	316

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

# Sun Life Dynamic Strategic Yield Class (continued)

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Fund's net assets. The Fund does not provide additional financial or other support to the Underlying Fund. The Underlying Fund was established in and carries out its operations in Canada. The Fund's interest in the Underlying Fund is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Fund.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series I Shares	May 01, 2015	May 01, 2015
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life Franklin Bissett Canadian Equity Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	11,140,472	8,315,097
Cash	71,948	12,295
Due from investment dealers	4,062	180
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	300	205
	<b>11,216,782</b>	<b>8,327,777</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	280	197
Redemptions payable	4,167	285
Distributions payable	-	-
Due to investment dealers	361	5,397
Management fees payable	653	505
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	5,461	6,384
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>11,211,321</b>	<b>8,321,393</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	745,989	677,356
Series AT5	12,098	10,171
Series F	224,396	130,474
Series FT5	11,657	9,690
Series I	9,900,459	7,161,031
Series O	316,722	332,671
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	10.51	9.17
Series AT5	12.33	11.25
Series F	11.05	9.54
Series FT5	14.65	13.22
Series I	11.75	10.01
Series O	11.66	9.94

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott President	"signed" Kari Holdsworth Chief Financial Officer
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## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	292	244
Distributions from underlying funds	344,973	198,414
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	83,358	22,350
Change in unrealized appreciation (depreciation) in value of investments	1,422,327	(1,049,930)
<b>Net gains (losses) on investments</b>	<b>1,850,950</b>	<b>(828,922)</b>
<b>Total income (loss)</b>	<b>1,850,950</b>	<b>(828,922)</b>
<b>Expenses (note 5)</b>		
Management fees	19,650	24,047
Fixed annual administration fees	7,676	7,582
Independent review committee fees	13	31
Total operating expenses	27,339	31,660
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>1,823,611</b>	<b>(860,582)</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>1,823,611</b>	<b>(860,582)</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>		
	<b>1,823,611</b>	<b>(860,582)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	128,428	(101,383)
Series AT5	1,893	(1,367)
Series F	27,861	(28,732)
Series FT5	1,936	(329)
Series I	1,597,580	(691,752)
Series O	65,913	(37,019)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	74,586	86,797
Series AT5	926	988
Series F	15,568	28,534
Series FT5	751	696
Series I	744,363	641,150
Series O	28,584	33,209
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	1.72	(1.17)
Series AT5	2.04	(1.38)
Series F	1.79	(1.01)
Series FT5	2.58	(0.47)
Series I	2.15	(1.08)
Series O	2.31	(1.11)

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

# Sun Life Franklin Bissett Canadian Equity Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series F		Series FT5	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 677,356	1,052,327	10,171	13,723	130,474	372,089	9,690	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 128,428	(101,383)	1,893	(1,367)	27,861	(28,732)	1,936	(329)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 202,867	323,290	-	281	70,119	190,300	-	10,019
Redemption of redeemable shares	\$ (262,847)	(596,208)	-	(2,466)	(3,891)	(397,194)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 25,479	36,146	960	1,231	7,172	4,327	918	941
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (34,501)	(236,772)	960	(954)	73,400	(202,567)	918	10,960
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (2,341)	(20,683)	(33)	(296)	(425)	(7,200)	(31)	(232)
From net investment income	\$ (22,953)	(16,133)	(372)	(242)	(6,914)	(3,116)	(359)	(231)
Return of capital	\$ -	-	(521)	(693)	-	-	(497)	(478)
	\$ (25,294)	(36,816)	(926)	(1,231)	(7,339)	(10,316)	(887)	(941)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 68,633	(374,971)	1,927	(3,552)	93,922	(241,615)	1,967	9,690
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>745,989</b>	<b>677,356</b>	<b>12,098</b>	<b>10,171</b>	<b>224,396</b>	<b>130,474</b>	<b>11,657</b>	<b>9,690</b>
Redeemable Share Transactions								
Balance - beginning of period	73,871	97,341	904	975	13,683	33,321	733	-
Shares issued	20,160	31,417	-	21	6,343	18,228	-	667
Shares issued on reinvestment of distributions	2,413	3,825	79	98	631	438	63	66
Shares redeemed	(25,470)	(58,712)	-	(190)	(358)	(38,304)	-	-
Balance - end of period	<b>70,974</b>	<b>73,871</b>	<b>983</b>	<b>904</b>	<b>20,299</b>	<b>13,683</b>	<b>796</b>	<b>733</b>

  

	Series I		Series O		Total	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 7,161,031	5,929,386	332,671	350,952	<b>8,321,393</b>	<b>7,718,477</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 1,597,580	(691,752)	65,913	(37,019)	<b>1,823,611</b>	<b>(860,582)</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 2,317,744	2,768,926	3,792	72,996	2,594,522	3,365,812
Redemption of redeemable shares	\$ (1,175,895)	(845,529)	(85,653)	(54,258)	(1,528,286)	(1,895,655)
Reinvestment of distributions to holders of redeemable shares	\$ 328,098	319,200	10,832	16,640	373,459	378,485
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,469,947	2,242,597	(71,029)	35,378	<b>1,439,695</b>	<b>1,848,642</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (23,486)	(148,450)	(1,071)	(8,698)	(27,387)	(185,559)
From net investment income	\$ (304,613)	(170,750)	(9,762)	(7,942)	(344,973)	(198,414)
Return of capital	\$ -	-	-	-	(1,018)	(1,171)
	\$ (328,099)	(319,200)	(10,833)	(16,640)	<b>(373,378)</b>	<b>(385,144)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,739,428	1,231,645	(15,949)	(18,281)	<b>2,889,928</b>	<b>602,916</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>9,900,459</b>	<b>7,161,031</b>	<b>316,722</b>	<b>332,671</b>	<b>11,211,321</b>	<b>8,321,393</b>
Redeemable Share Transactions						
Balance - beginning of period	715,508	512,669	33,461	30,493	<b>838,160</b>	<b>674,799</b>
Shares issued	200,968	248,791	338	6,407	227,809	305,531
Shares issued on reinvestment of distributions	28,012	30,861	934	1,612	32,132	36,900
Shares redeemed	(102,225)	(76,813)	(7,562)	(5,051)	(135,615)	(179,070)
Balance - end of period	<b>842,263</b>	<b>715,508</b>	<b>27,171</b>	<b>33,461</b>	<b>962,486</b>	<b>838,160</b>

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

# Sun Life Franklin Bissett Canadian Equity Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>1,823,611</b>	(860,582)
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(83,358)</b>	(22,350)
Change in unrealized (appreciation) depreciation in value of investments	<b>(1,422,327)</b>	1,049,930
Non-cash income distributions from underlying funds	<b>(344,973)</b>	(198,414)
Purchases of investments	<b>(2,425,085)</b>	(3,049,559)
Proceeds from sale of investments	<b>1,441,450</b>	1,644,403
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>148</b>	(191)
Change in other payables and accrued expenses	<b>83</b>	13
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(1,010,451)</b>	(1,436,750)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>81</b>	(6,659)
Proceeds from redeemable shares issued	<b>2,594,427</b>	3,366,470
Redemption of redeemable shares	<b>(1,524,404)</b>	(1,895,370)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>1,070,104</b>	1,464,441
Net increase (decrease) in cash	<b>59,653</b>	27,691
Cash (bank indebtedness) at beginning of period	<b>12,295</b>	(15,396)
<b>Cash (bank indebtedness) at end of period</b>	<b>71,948</b>	12,295
Interest received	<b>292</b>	244
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Franklin Bissett Canadian Equity Fund, Series O	68,550	10,379,264	11,140,472	
		<b>10,379,264</b>	<b>11,140,472</b>	<b>99.37</b>
<b>Total Investments</b>		<b>10,379,264</b>	<b>11,140,472</b>	<b>99.37</b>
<b>Other Assets less Liabilities</b>			<b>70,849</b>	<b>0.63</b>
<b>Total Net Assets</b>			<b>11,211,321</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life Franklin Bissett Canadian Equity Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Franklin Bissett Canadian Equity Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

#### (a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in the Underlying Fund.

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

#### (b) Market risk

##### (i) Currency risk

The Fund is exposed indirectly to currency risk as a result of its investment in the Underlying Fund. The Underlying Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

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

# Sun Life Franklin Bissett Canadian Equity Class (continued)

## (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Fund.

## (iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in the Underlying Fund.

## (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Equities</b>		
Financials	33.9	34.5
Energy	13.4	13.7
Industrials	12.8	14.3
Consumer Staples	9.0	8.8
Information Technology	6.2	4.4
Materials	5.1	5.1
Communication Services	4.7	3.8
Utilities	4.3	4.0
Real Estate	2.5	0.5
Consumer Discretionary	3.1	7.6
<b>Other Assets less Liabilities</b>	5.0	3.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	11,140,472	-	-	11,140,472

  

	December 31, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	8,315,097	-	-	8,315,097

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series AT5	981	12,098
Series FT5	796	11,657
Series I	29,725	349,401

	December 31, 2018	
	Shares	Market Value (\$)
Series AT5	904	10,171
Series FT5	733	9,690
Series I	28,726	287,503

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	-	-	-
Series AT5	29	-	927
Series FT5	28	-	887
Series I	-	-	11,686

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	27	-	-
Series AT5	-	-	1,088
Series FT5	10,016	-	941
Series I	-	-	13,687

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

# Sun Life Franklin Bissett Canadian Equity Class (continued)

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Fund's net assets. The Fund does not provide additional financial or other support to the Underlying Fund. The Underlying Fund was established in and carries out its operations in Canada. The Fund's interest in the Underlying Fund is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Fund.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	March 25, 2015	March 27, 2015
Series AT5 Shares	March 25, 2015	March 27, 2015
Series F Shares	March 25, 2015	March 27, 2015
Series FT5 Shares	February 09, 2018	February 09, 2018
Series I Shares	March 25, 2015	March 27, 2015
Series O Shares	March 25, 2015	March 27, 2015

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

# Sun Life Granite Balanced Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>214,703,525</b>	168,460,735
Cash	<b>883,323</b>	171,483
Due from investment dealers	<b>228,020</b>	80,293
Accrued interest	<b>109</b>	5,640
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>85,484</b>	352,874
	<b>215,900,461</b>	169,071,025
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>12,472</b>	8,770
Redemptions payable	<b>265,095</b>	18,786
Distributions payable	<b>373</b>	301
Due to investment dealers	<b>41,256</b>	336,712
Management fees payable	<b>77,795</b>	52,457
Income tax payable	<b>277,567</b>	384,761
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>674,558</b>	801,787
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>215,225,903</b>	168,269,238
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>79,387,902</b>	62,849,271
Series AT5	<b>13,439,131</b>	10,876,153
Series F	<b>55,064,758</b>	34,474,669
Series FT5	<b>2,218,911</b>	243,210
Series O	<b>65,115,201</b>	59,825,935
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>12.86</b>	11.84
Series AT5	<b>13.94</b>	13.47
Series F	<b>13.78</b>	12.55
Series FT5	<b>14.75</b>	14.09
Series O	<b>13.04</b>	11.77

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott President	"signed" Kari Holdsworth Chief Financial Officer
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## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>17,418</b>	10,972
Distributions from underlying funds	<b>7,478,987</b>	10,948,390
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	<b>221,453</b>	494,807
Change in unrealized appreciation (depreciation) in value of investments	<b>19,045,107</b>	(13,634,765)
<b>Net gains (losses) on investments</b>	<b>26,762,965</b>	(2,180,596)
<b>Total income (loss)</b>	<b>26,762,965</b>	(2,180,596)
<b>Expenses (note 5)</b>		
Management fees	<b>2,080,464</b>	1,654,101
Fixed annual administration fees	<b>336,956</b>	275,506
Independent review committee fees	<b>2,215</b>	2,879
Total operating expenses	<b>2,419,635</b>	1,932,486
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>24,343,330</b>	(4,113,082)
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>24,343,330</b>	(4,113,082)
Income taxes	<b>59,351</b>	434,591
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>24,283,979</b>	(4,547,673)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>8,400,815</b>	(2,336,001)
Series AT5	<b>1,503,394</b>	(405,510)
Series F	<b>5,543,320</b>	(911,898)
Series FT5	<b>118,799</b>	(290)
Series O	<b>8,717,651</b>	(893,974)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>5,717,478</b>	4,847,337
Series AT5	<b>920,482</b>	707,416
Series F	<b>3,380,018</b>	2,191,276
Series FT5	<b>86,719</b>	3,854
Series O	<b>4,938,812</b>	4,719,784
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>1.47</b>	(0.48)
Series AT5	<b>1.63</b>	(0.57)
Series F	<b>1.64</b>	(0.42)
Series FT5	<b>1.37</b>	(0.08)
Series O	<b>1.77</b>	(0.19)

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

# Sun Life Granite Balanced Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series F	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 62,849,271	53,415,505	10,876,153	9,372,394	34,474,669	20,611,919
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 8,400,815	(2,336,001)	1,503,394	(405,510)	5,543,320	(911,898)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	\$ 27,322,401	28,789,148	4,358,867	4,004,992	26,355,560	25,109,002
Redemption of redeemable shares	\$ (19,206,860)	(17,019,381)	(2,475,733)	(1,515,783)	(11,211,639)	(10,321,664)
Reinvestment of distributions to holders of redeemable shares	\$ 2,649,096	1,346,497	276,254	190,448	1,463,392	582,396
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 10,764,637	13,116,264	2,159,388	2,679,657	16,607,313	15,369,734
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	\$ (2,117,457)	(1,070,681)	(390,439)	(184,761)	(1,206,998)	(443,799)
From net investment income	\$ (509,364)	(275,816)	(86,996)	(48,047)	(353,546)	(151,287)
Return of capital	\$ -	-	(622,369)	(537,580)	-	-
	\$ (2,626,821)	(1,346,497)	(1,099,804)	(770,388)	(1,560,544)	(595,086)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 16,538,631	9,433,766	2,562,978	1,503,759	20,590,089	13,862,750
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>79,387,902</b>	<b>62,849,271</b>	<b>13,439,131</b>	<b>10,876,153</b>	<b>55,064,758</b>	<b>34,474,669</b>
<b>Redeemable Share Transactions</b>						
Balance - beginning of period	5,309,370	4,255,379	807,196	622,260	2,747,392	1,566,684
Shares issued	2,189,837	2,322,881	315,557	277,528	1,977,217	1,930,457
Shares issued on reinvestment of distributions	213,751	110,202	19,605	13,025	109,626	43,811
Shares redeemed	(1,539,009)	(1,379,092)	(178,226)	(105,617)	(839,367)	(793,560)
Balance - end of period	<b>6,173,949</b>	<b>5,309,370</b>	<b>964,132</b>	<b>807,196</b>	<b>3,994,868</b>	<b>2,747,392</b>

	Series FT5		Series O		Total	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 243,210	-	59,825,935	48,523,500	<b>168,269,238</b>	<b>131,923,318</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 118,799	(290)	8,717,651	(893,974)	<b>24,283,979</b>	<b>(4,547,673)</b>
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	\$ 2,014,286	247,355	13,584,534	24,782,757	73,635,648	82,933,254
Redemption of redeemable shares	\$ (115,711)	(59)	(16,973,211)	(12,576,705)	(49,983,154)	(41,433,592)
Reinvestment of distributions to holders of redeemable shares	\$ 49,129	832	2,282,231	1,244,325	6,720,102	3,364,498
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,947,704	248,128	(1,106,446)	13,450,377	<b>30,372,596</b>	<b>44,864,160</b>
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	\$ (11,318)	(200)	(1,903,327)	(991,313)	(5,629,539)	(2,690,754)
From net investment income	\$ (14,309)	(1,076)	(418,612)	(262,655)	(1,382,827)	(738,881)
Return of capital	\$ (65,175)	(3,352)	-	-	(687,544)	(540,932)
	\$ (90,802)	(4,628)	(2,321,939)	(1,253,968)	<b>(7,699,910)</b>	<b>(3,970,567)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,975,701	243,210	5,289,266	11,302,435	<b>46,956,665</b>	<b>36,345,920</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>2,218,911</b>	<b>243,210</b>	<b>65,115,201</b>	<b>59,825,935</b>	<b>215,225,903</b>	<b>168,269,238</b>
<b>Redeemable Share Transactions</b>						
Balance - beginning of period	17,259	-	5,084,802	3,968,359	<b>13,966,019</b>	<b>10,412,682</b>
Shares issued	137,770	17,207	1,086,650	2,042,405	5,707,031	6,590,478
Shares issued on reinvestment of distributions	3,350	56	186,734	104,059	533,066	271,153
Shares redeemed	(7,945)	(4)	(1,364,176)	(1,030,021)	(3,928,723)	(3,308,294)
Balance - end of period	<b>150,434</b>	<b>17,259</b>	<b>4,994,010</b>	<b>5,084,802</b>	<b>16,277,393</b>	<b>13,966,019</b>

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

# Sun Life Granite Balanced Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>24,283,979</b>	(4,547,673)
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(221,453)</b>	(494,807)
Change in unrealized (appreciation) depreciation in value of investments	<b>(19,045,107)</b>	13,634,765
Non-cash income distributions from underlying funds	<b>(7,478,987)</b>	(10,948,390)
Purchases of investments	<b>(34,488,799)</b>	(54,157,026)
Proceeds from sale of investments	<b>14,548,373</b>	15,606,042
Change in accrued interest	<b>5,531</b>	(5,640)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>25,338</b>	17,280
Change in other payables and accrued expenses	<b>3,702</b>	2,319
Change in income tax payable	<b>(107,194)</b>	55,005
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(22,474,617)</b>	(40,838,125)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(979,736)</b>	(605,820)
Proceeds from redeemable shares issued	<b>73,903,038</b>	82,712,616
Redemption of redeemable shares	<b>(49,736,845)</b>	(41,421,561)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>23,186,457</b>	40,685,235
Net increase (decrease) in cash	<b>711,840</b>	(152,890)
Cash (bank indebtedness) at beginning of period	<b>171,483</b>	324,373
<b>Cash (bank indebtedness) at end of period</b>	<b>883,323</b>	171,483
Interest received	<b>22,949</b>	5,332
Income taxes paid	<b>(166,545)</b>	(379,586)
Interest paid	-	-

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Balanced Portfolio, Series I	15,354,282	206,306,541	214,703,525	
		<b>206,306,541</b>	<b>214,703,525</b>	<b>99.76</b>
<b>Total Investments</b>		<b>206,306,541</b>	<b>214,703,525</b>	<b>99.76</b>
<b>Other Assets less Liabilities</b>			<b>522,378</b>	<b>0.24</b>
<b>Total Net Assets</b>			<b>215,225,903</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life Granite Balanced Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life Granite Balanced Portfolio (the "Underlying Portfolio"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

#### (a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in the Underlying Portfolio.

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

#### (b) Market risk

##### (i) Currency risk

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

##### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Portfolio.

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

# Sun Life Granite Balanced Class (continued)

## (iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in the Underlying Portfolio.

## (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Exchange-Traded Funds</b>		
U.S. Equities	10.3	9.6
<b>Mutual Funds</b>		
Canadian Fixed Income	20.5	19.4
International Equities	12.8	11.4
Canadian Equities	10.9	14.0
Tactical Balanced	10.8	9.2
U.S. Equities	5.4	8.0
High Yield Fixed Income	1.0	3.5
U.S. Fixed Income	4.4	5.6
Canadian Focused Equities	3.8	4.2
Emerging Markets Equities	3.4	3.9
Global Fixed Income	1.1	2.5
Emerging Markets Bonds	4.7	-
Global Small/Mid Cap Equities	5.6	3.4
Real Estate Equities	-	1.2
Canadian Money Market	-	2.0
Global Equities	4.9	2.1
<b>Other Assets less Liabilities</b>	0.4	-
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	214,703,525	-	-	214,703,525

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	168,460,735	-	-	168,460,735

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series FT5	-	-

  

	December 31, 2018	
	Shares	Market Value (\$)
Series FT5	716	10,094

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	11	11,137	554

  

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	10,016	-	721

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Portfolio to gain exposure to the investment objectives and strategies of the Underlying Portfolio. The Underlying Portfolio is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Portfolio's net assets. The Fund does not provide additional financial or other support to the Underlying Portfolio. The Underlying Portfolio was established in and carries out its operations in Canada. The Fund's interest in the Underlying Portfolio is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Portfolio.

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

# Sun Life Granite Balanced Class (continued)

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life Granite Balanced Growth Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>77,979,432</b>	66,925,073
Cash	<b>327,491</b>	140,566
Due from investment dealers	-	-
Accrued interest	<b>9,414</b>	12,405
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>22,162</b>	380,468
	<b>78,338,499</b>	67,458,512
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>4,558</b>	3,495
Redemptions payable	<b>17,982</b>	4,475
Distributions payable	<b>1,269</b>	1,149
Due to investment dealers	<b>18,586</b>	81,444
Management fees payable	<b>31,509</b>	23,187
Income tax payable	<b>70,129</b>	108,448
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>144,033</b>	222,198
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>78,194,466</b>	67,236,314
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>34,198,288</b>	28,761,806
Series AT5	<b>1,449,203</b>	1,058,733
Series AT8	<b>3,506,894</b>	3,160,820
Series F	<b>16,388,168</b>	11,940,485
Series FT5	<b>580,158</b>	363,910
Series FT8	<b>347,434</b>	65,022
Series O	<b>21,724,321</b>	21,885,538
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>13.14</b>	12.05
Series AT5	<b>14.29</b>	13.76
Series AT8	<b>11.69</b>	11.60
Series F	<b>14.04</b>	12.74
Series FT5	<b>14.78</b>	14.07
Series FT8	<b>13.94</b>	13.68
Series O	<b>13.22</b>	11.89

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott President	"signed" Kari Holdsworth Chief Financial Officer
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## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>14,924</b>	2,507
Distributions from underlying funds	<b>2,672,317</b>	4,917,754
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	<b>487,576</b>	523,725
Change in unrealized appreciation (depreciation) in value of investments	<b>8,390,258</b>	(6,474,095)
<b>Net gains (losses) on investments</b>	<b>11,565,075</b>	(1,030,109)
<b>Total income (loss)</b>	<b>11,565,075</b>	(1,030,109)
<b>Expenses (note 5)</b>		
Management fees	<b>899,225</b>	768,495
Fixed annual administration fees	<b>132,029</b>	123,449
Independent review committee fees	<b>886</b>	1,292
Total operating expenses	<b>1,032,140</b>	893,236
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>10,532,935</b>	(1,923,345)
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>10,532,935</b>	(1,923,345)
Income taxes	<b>366</b>	107,863
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>10,532,569</b>	(2,031,208)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>4,253,861</b>	(1,160,049)
Series AT5	<b>176,056</b>	(43,063)
Series AT8	<b>467,908</b>	(110,209)
Series F	<b>2,061,428</b>	(393,572)
Series FT5	<b>57,009</b>	(8,914)
Series FT8	<b>28,176</b>	(3,463)
Series O	<b>3,488,131</b>	(311,938)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>2,565,045</b>	2,241,041
Series AT5	<b>90,886</b>	79,560
Series AT8	<b>301,938</b>	256,051
Series F	<b>1,079,425</b>	779,460
Series FT5	<b>28,274</b>	19,464
Series FT8	<b>19,300</b>	2,520
Series O	<b>1,770,254</b>	2,134,401
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>1.66</b>	(0.52)
Series AT5	<b>1.94</b>	(0.54)
Series AT8	<b>1.55</b>	(0.43)
Series F	<b>1.91</b>	(0.50)
Series FT5	<b>2.02</b>	(0.46)
Series FT8	<b>1.46</b>	(1.37)
Series O	<b>1.97</b>	(0.15)

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

# Sun Life Granite Balanced Growth Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series F	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 28,761,806	24,410,316	1,058,733	1,366,352	3,160,820	3,069,015	11,940,485	7,582,108
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 4,253,861	(1,160,049)	176,056	(43,063)	467,908	(110,209)	2,061,428	(393,572)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 8,916,904	16,298,813	941,200	163,846	470,145	976,765	7,127,912	9,677,525
Redemption of redeemable shares	\$ (7,749,460)	(10,787,274)	(643,747)	(375,886)	(197,666)	(496,475)	(4,744,225)	(4,923,851)
Reinvestment of distributions to holders of redeemable shares	\$ 1,522,512	724,597	50,509	42,492	63,257	90,029	664,668	256,543
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 2,689,956	6,236,136	347,962	(169,548)	335,736	570,319	3,048,355	5,010,217
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (1,244,309)	(569,828)	(59,109)	(28,828)	(148,392)	(72,849)	(536,568)	(194,411)
From net investment income	\$ (263,026)	(154,769)	(11,206)	(5,716)	(27,306)	(17,146)	(125,532)	(63,857)
Return of capital	\$ -	-	(63,233)	(60,464)	(281,872)	(278,310)	-	-
	\$ (1,507,335)	(724,597)	(133,548)	(95,008)	(457,570)	(368,305)	(662,100)	(258,268)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 5,436,482	4,351,490	390,470	(307,619)	346,074	91,805	4,447,683	4,358,377
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>34,198,288</b>	<b>28,761,806</b>	<b>1,449,203</b>	<b>1,058,733</b>	<b>3,506,894</b>	<b>3,160,820</b>	<b>16,388,168</b>	<b>11,940,485</b>
Redeemable Share Transactions								
Balance - beginning of period	2,386,651	1,900,759	76,929	88,418	272,476	228,036	937,471	563,449
Shares issued	703,864	1,279,104	66,176	10,868	39,237	78,457	528,651	725,833
Shares issued on reinvestment of distributions	121,035	58,085	3,558	2,860	5,388	6,812	49,418	18,894
Shares redeemed	(608,684)	(851,297)	(45,269)	(25,217)	(17,038)	(40,829)	(348,436)	(370,705)
Balance - end of period	<b>2,602,866</b>	<b>2,386,651</b>	<b>101,394</b>	<b>76,929</b>	<b>300,063</b>	<b>272,476</b>	<b>1,167,104</b>	<b>937,471</b>

  

	Series FT5		Series FT8		Series O		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 363,910	-	65,022	-	21,885,538	27,727,637	<b>67,236,314</b>	<b>64,155,428</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 57,009	(8,914)	28,176	(3,463)	3,488,131	(311,938)	<b>10,532,569</b>	<b>(2,031,208)</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 166,868	373,557	298,700	70,000	3,628,587	8,517,980	21,550,316	36,078,486
Redemption of redeemable shares	\$ (2,105)	(733)	(34,877)	(443)	(7,277,935)	(14,048,141)	(20,650,015)	(30,632,803)
Reinvestment of distributions to holders of redeemable shares	\$ 34,711	16,544	17,159	2,272	1,085,319	713,948	3,438,135	1,846,425
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 199,474	389,368	280,982	71,829	(2,564,029)	(4,816,213)	<b>4,338,436</b>	<b>7,292,108</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (15,218)	(219)	(2,697)	(219)	(918,037)	(598,425)	(2,924,330)	(1,464,779)
From net investment income	\$ (4,484)	(1,952)	(2,686)	(353)	(167,282)	(115,523)	(601,522)	(359,316)
Return of capital	\$ (20,533)	(14,373)	(21,363)	(2,772)	-	-	(387,001)	(355,919)
	\$ (40,235)	(16,544)	(26,746)	(3,344)	(1,085,319)	(713,948)	<b>(3,912,853)</b>	<b>(2,180,014)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 216,248	363,910	282,412	65,022	(161,217)	(5,842,099)	<b>10,958,152</b>	<b>3,080,886</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>580,158</b>	<b>363,910</b>	<b>347,434</b>	<b>65,022</b>	<b>21,724,321</b>	<b>21,885,538</b>	<b>78,194,466</b>	<b>67,236,314</b>
Redeemable Share Transactions								
Balance - beginning of period	25,860	-	4,754	-	1,841,346	2,234,508	<b>5,545,487</b>	<b>5,015,170</b>
Shares issued	11,128	24,781	21,448	4,630	291,563	687,749	1,662,067	2,811,422
Shares issued on reinvestment of distributions	2,399	1,128	1,232	154	88,199	58,889	271,229	146,822
Shares redeemed	(144)	(49)	(2,504)	(30)	(578,377)	(1,139,800)	(1,600,452)	(2,427,927)
Balance - end of period	<b>39,243</b>	<b>25,860</b>	<b>24,930</b>	<b>4,754</b>	<b>1,642,731</b>	<b>1,841,346</b>	<b>5,878,331</b>	<b>5,545,487</b>

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

# Sun Life Granite Balanced Growth Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>10,532,569</b>	(2,031,208)
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(487,576)</b>	(523,725)
Change in unrealized (appreciation) depreciation in value of investments	<b>(8,390,258)</b>	6,474,095
Non-cash income distributions from underlying funds	<b>(2,672,317)</b>	(4,917,754)
Purchases of investments	<b>(12,439,040)</b>	(18,806,304)
Proceeds from sale of investments	<b>12,871,974</b>	15,256,917
Change in accrued interest	<b>2,991</b>	(12,405)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>8,322</b>	6,910
Change in other payables and accrued expenses	<b>1,063</b>	338
Change in income tax payable	<b>(38,319)</b>	(34,176)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(610,591)</b>	(4,587,312)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(474,598)</b>	(333,550)
Proceeds from redeemable shares issued	<b>21,908,622</b>	35,721,192
Redemption of redeemable shares	<b>(20,636,508)</b>	(30,628,328)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>797,516</b>	4,759,314
Net increase (decrease) in cash	<b>186,925</b>	172,002
Cash (bank indebtedness) at beginning of period	<b>140,566</b>	(31,436)
<b>Cash (bank indebtedness) at end of period</b>	<b>327,491</b>	140,566
Interest received	<b>17,915</b>	-
Income taxes paid	<b>(38,685)</b>	(142,039)
Interest paid	-	(9,898)

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Balanced Growth Portfolio, Series I	5,232,571	73,951,366	77,979,432	
		<b>73,951,366</b>	<b>77,979,432</b>	<b>99.73</b>
<b>Total Investments</b>		<b>73,951,366</b>	<b>77,979,432</b>	<b>99.73</b>
<b>Other Assets less Liabilities</b>			<b>215,034</b>	<b>0.27</b>
<b>Total Net Assets</b>			<b>78,194,466</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life Granite Balanced Growth Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life Granite Balanced Growth Portfolio (the "Underlying Portfolio"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

#### (a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in the Underlying Portfolio.

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

#### (b) Market risk

##### (i) Currency risk

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

##### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Portfolio.

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

# Sun Life Granite Balanced Growth Class (continued)

## (iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in the Underlying Portfolio.

## (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Exchange-Traded Funds</b>		
U.S. Equities	12.1	11.4
<b>Mutual Funds</b>		
Canadian Fixed Income	14.1	12.9
International Equities	15.0	13.8
Tactical Balanced	10.2	9.2
Canadian Equities	12.8	16.0
U.S. Equities	6.3	9.4
Global Equities	5.8	2.3
High Yield Fixed Income	0.8	3.1
Canadian Focused Equities	4.5	4.8
Global Fixed Income	0.6	2.1
Emerging Markets Equities	3.8	4.4
Emerging Markets Bonds	4.5	-
U.S. Fixed Income	2.4	3.7
Real Estate Equities	-	1.3
Global Small/Mid Cap Equities	6.5	3.8
Canadian Money Market	-	1.0
<b>Other Assets less Liabilities</b>	0.6	0.8
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	77,979,432	-	-	77,979,432

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	66,925,073	-	-	66,925,073

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series FT5	793	11,718
Series FT8	-	-

	December 31, 2018	
	Shares	Market Value (\$)
Series FT5	718	10,105
Series FT8	739	10,106

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	28	-	1,049
Series FT8	25	11,806	1,218

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	10,016	-	750
Series FT8	10,016	-	1,047

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

# Sun Life Granite Balanced Growth Class (continued)

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Portfolio to gain exposure to the investment objectives and strategies of the Underlying Portfolio. The Underlying Portfolio is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Portfolio's net assets. The Fund does not provide additional financial or other support to the Underlying Portfolio. The Underlying Portfolio was established in and carries out its operations in Canada. The Fund's interest in the Underlying Portfolio is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Portfolio.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series AT8 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series FT8 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life Granite Conservative Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>215,024,213</b>	170,501,109
Cash	<b>551,173</b>	1,261,196
Due from investment dealers	-	3,684
Accrued interest	<b>1,892</b>	38,554
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>308,933</b>	232,311
	<b>215,886,211</b>	172,036,854
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>11,803</b>	7,819
Redemptions payable	<b>13,368</b>	5,506
Distributions payable	-	-
Due to investment dealers	<b>329,574</b>	94,344
Management fees payable	<b>71,588</b>	47,692
Income tax payable	<b>616,088</b>	662,706
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>1,042,421</b>	818,067
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>214,843,790</b>	171,218,787
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>90,343,250</b>	73,395,733
Series AT5	<b>10,808,615</b>	8,419,825
Series F	<b>55,025,937</b>	26,340,728
Series FT5	<b>2,441,061</b>	847,408
Series O	<b>56,224,927</b>	62,215,093
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>11.82</b>	11.13
Series AT5	<b>12.89</b>	12.75
Series F	<b>12.46</b>	11.64
Series FT5	<b>14.51</b>	14.22
Series O	<b>12.24</b>	11.34

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott President	"signed" Kari Holdsworth Chief Financial Officer
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## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>17,909</b>	48,158
Distributions from underlying funds	<b>6,245,012</b>	8,638,060
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	<b>171,422</b>	(206,075)
Change in unrealized appreciation (depreciation) in value of investments	<b>12,232,555</b>	(8,766,718)
<b>Net gains (losses) on investments</b>	<b>18,666,898</b>	(286,575)
<b>Total income (loss)</b>	<b>18,666,898</b>	(286,575)
<b>Expenses (note 5)</b>		
Management fees	<b>1,847,843</b>	1,623,398
Fixed annual administration fees	<b>339,586</b>	333,405
Independent review committee fees	<b>2,230</b>	3,496
Total operating expenses	<b>2,189,659</b>	1,960,299
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>16,477,239</b>	(2,246,874)
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>16,477,239</b>	(2,246,874)
Income taxes	<b>414,416</b>	691,790
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>16,062,823</b>	(2,938,664)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>6,252,900</b>	(1,871,840)
Series AT5	<b>721,518</b>	(170,550)
Series F	<b>2,780,548</b>	(426,377)
Series FT5	<b>172,757</b>	(5,061)
Series O	<b>6,135,100</b>	(464,836)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>6,970,661</b>	6,708,091
Series AT5	<b>756,017</b>	526,581
Series F	<b>2,952,845</b>	2,128,569
Series FT5	<b>151,707</b>	37,348
Series O	<b>5,194,201</b>	6,854,874
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>0.90</b>	(0.28)
Series AT5	<b>0.95</b>	(0.32)
Series F	<b>0.94</b>	(0.20)
Series FT5	<b>1.14</b>	(0.14)
Series O	<b>1.18</b>	(0.07)

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

# Sun Life Granite Conservative Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series F	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 73,395,733	74,129,411	8,419,825	7,017,836	26,340,728	20,406,251
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 6,252,900	(1,871,840)	721,518	(170,550)	2,780,548	(426,377)
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 33,732,462	35,268,309	3,142,569	3,760,359	34,516,081	16,119,821
Redemption of redeemable shares	\$ (23,075,393)	(34,130,147)	(1,006,522)	(1,813,855)	(8,545,529)	(9,746,778)
Reinvestment of distributions to holders of redeemable shares	\$ 1,628,907	1,193,194	197,242	208,209	584,616	348,499
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 12,285,976	2,331,356	2,333,289	2,154,713	26,555,168	6,721,542
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (1,317,615)	(1,018,067)	(147,838)	(87,830)	(483,734)	(297,626)
From net investment income	\$ (273,744)	(175,127)	(32,939)	(20,256)	(166,773)	(63,062)
Return of capital	\$ -	-	(485,240)	(474,088)	-	-
	\$ (1,591,359)	(1,193,194)	(666,017)	(582,174)	(650,507)	(360,688)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 16,947,517	(733,678)	2,388,790	1,401,989	28,685,209	5,934,477
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>90,343,250</b>	<b>73,395,733</b>	<b>10,808,615</b>	<b>8,419,825</b>	<b>55,025,937</b>	<b>26,340,728</b>
Redeemable Share Transactions						
Balance - beginning of period	6,593,237	6,398,727	660,353	504,946	2,263,358	1,699,309
Shares issued	2,898,556	3,090,833	240,197	275,970	2,805,198	1,355,924
Shares issued on reinvestment of distributions	138,750	104,426	15,542	14,997	47,067	28,547
Shares redeemed	(1,987,861)	(3,000,749)	(77,501)	(135,560)	(700,615)	(820,422)
Balance - end of period	<b>7,642,682</b>	<b>6,593,237</b>	<b>838,591</b>	<b>660,353</b>	<b>4,415,008</b>	<b>2,263,358</b>

  

	Series FT5		Series O		Total	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 847,408	-	62,215,093	90,814,480	<b>171,218,787</b>	<b>192,367,978</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 172,757	(5,061)	6,135,100	(464,836)	<b>16,062,823</b>	<b>(2,938,664)</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 1,545,357	942,962	11,607,399	20,406,857	84,543,868	76,498,308
Redemption of redeemable shares	\$ (69,788)	(65,000)	(23,732,652)	(48,537,743)	(56,429,884)	(94,293,523)
Reinvestment of distributions to holders of redeemable shares	\$ 103,148	2,735	1,277,480	1,276,299	3,791,393	3,028,936
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,578,717	880,697	(10,847,773)	(26,854,587)	<b>31,905,377</b>	<b>(14,766,279)</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (40,113)	(1,408)	(1,106,973)	(1,130,875)	(3,096,273)	(2,535,806)
From net investment income	\$ (7,412)	(1,650)	(170,520)	(149,089)	(651,388)	(409,184)
Return of capital	\$ (110,296)	(25,170)	-	-	(595,536)	(499,258)
	\$ (157,821)	(28,228)	(1,277,493)	(1,279,964)	<b>(4,343,197)</b>	<b>(3,444,248)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,593,653	847,408	(5,990,166)	(28,599,387)	<b>43,625,003</b>	<b>(21,149,191)</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>2,441,061</b>	<b>847,408</b>	<b>56,224,927</b>	<b>62,215,093</b>	<b>214,843,790</b>	<b>171,218,787</b>
Redeemable Share Transactions						
Balance - beginning of period	59,603	-	5,487,803	7,829,826	<b>15,064,354</b>	<b>16,432,808</b>
Shares issued	106,292	63,764	972,853	1,770,815	7,023,096	6,557,306
Shares issued on reinvestment of distributions	7,102	183	109,767	111,839	318,228	259,992
Shares redeemed	(4,788)	(4,344)	(1,978,659)	(4,224,677)	(4,749,424)	(8,185,752)
Balance - end of period	<b>168,209</b>	<b>59,603</b>	<b>4,591,764</b>	<b>5,487,803</b>	<b>17,656,254</b>	<b>15,064,354</b>

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

# Sun Life Granite Conservative Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>16,062,823</b>	(2,938,664)
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(171,422)</b>	206,075
Change in unrealized (appreciation) depreciation in value of investments	<b>(12,232,555)</b>	8,766,718
Non-cash income distributions from underlying funds	<b>(6,245,012)</b>	(8,638,060)
Purchases of investments	<b>(46,341,188)</b>	(40,531,826)
Proceeds from sale of investments	<b>20,705,987</b>	62,377,208
Change in accrued interest	<b>36,662</b>	(38,554)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>23,896</b>	9,971
Change in other payables and accrued expenses	<b>3,984</b>	(1,587)
Change in income tax payable	<b>(46,618)</b>	(249,860)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(28,203,443)</b>	18,961,421
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(551,804)</b>	(417,551)
Proceeds from redeemable shares issued	<b>84,467,246</b>	76,865,169
Redemption of redeemable shares	<b>(56,422,022)</b>	(94,319,083)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>27,493,420</b>	(17,871,465)
Net increase (decrease) in cash	<b>(710,023)</b>	1,089,956
Cash (bank indebtedness) at beginning of period	<b>1,261,196</b>	171,240
<b>Cash (bank indebtedness) at end of period</b>	<b>551,173</b>	1,261,196
Interest received	<b>54,571</b>	9,604
Income taxes paid	<b>(461,034)</b>	(941,650)
Interest paid	-	-

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Conservative Portfolio, Series I	17,822,148	212,824,889	215,024,213	
		<b>212,824,889</b>	<b>215,024,213</b>	<b>100.08</b>
<b>Total Investments</b>		<b>212,824,889</b>	<b>215,024,213</b>	<b>100.08</b>
<b>Other Assets less Liabilities</b>			<b>(180,423)</b>	<b>(0.08)</b>
<b>Total Net Assets</b>			<b>214,843,790</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life Granite Conservative Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life Granite Conservative Portfolio (the "Underlying Portfolio"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

#### (a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in the Underlying Portfolio.

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

#### (b) Market risk

##### (i) Currency risk

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

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

# Sun Life Granite Conservative Class (continued)

## (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Portfolio.

## (iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in the Underlying Portfolio.

## (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Exchange-Traded Funds</b>		
U.S. Equities	5.2	3.0
<b>Mutual Funds</b>		
Canadian Fixed Income	41.8	40.9
Tactical Balanced	11.9	9.9
U.S. Fixed Income	7.9	9.5
High Yield Fixed Income	1.3	4.7
International Equities	7.2	5.5
Canadian Equities	4.8	7.0
Global Fixed Income	2.2	3.7
U.S. Equities	2.8	3.7
Canadian Focused Equities	1.8	2.1
Emerging Markets Equities	1.5	1.2
Real Estate Equities	-	0.7
Global Equities	2.0	1.1
Emerging Markets Bonds	5.0	-
Global Small/Mid Cap Equities	2.9	1.4
Canadian Money Market	1.3	5.4
<b>Other Assets less Liabilities</b>	0.4	0.2
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	215,024,213	-	-	215,024,213
	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	170,501,109	-	-	170,501,109

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series FT5	-	-
	December 31, 2018	
	Shares	Market Value (\$)
Series FT5	710	10,098

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	11	10,862	394
	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	10,016	-	627

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

# Sun Life Granite Conservative Class (continued)

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Portfolio to gain exposure to the investment objectives and strategies of the Underlying Portfolio. The Underlying Portfolio is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Portfolio's net assets. The Fund does not provide additional financial or other support to the Underlying Portfolio. The Underlying Portfolio was established in and carries out its operations in Canada. The Fund's interest in the Underlying Portfolio is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Portfolio.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life Granite Growth Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	62,160,375	48,060,237
Cash	307,774	324,493
Due from investment dealers	-	-
Accrued interest	-	3,539
Distributions receivable from underlying funds	-	-
Subscriptions receivable	13,420	17,514
	<b>62,481,569</b>	<b>48,405,783</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	3,584	2,469
Redemptions payable	7,995	2,000
Distributions payable	3,753	4,443
Due to investment dealers	33,668	74,763
Management fees payable	21,597	14,126
Income tax payable	38,756	49,146
Total liabilities (excluding net assets attributable to holders of redeemable shares)	109,353	146,947
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>62,372,216</b>	<b>48,258,836</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	23,069,962	18,060,592
Series AT5	490,709	127,884
Series AT8	678,005	791,629
Series F	15,099,107	9,132,546
Series FT5	11,838	10,093
Series FT8	11,838	10,092
Series O	23,010,757	20,126,000
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	13.48	12.24
Series AT5	14.68	14.00
Series AT8	11.96	11.75
Series F	14.45	12.98
Series FT5	14.93	14.07
Series FT8	14.09	13.68
Series O	13.42	11.93

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott  
President

"signed" Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	7,326	3,893
Distributions from underlying funds	2,102,397	3,496,475
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	309,518	230,333
Change in unrealized appreciation (depreciation) in value of investments	6,920,052	(4,645,406)
<b>Net gains (losses) on investments</b>	<b>9,339,293</b>	<b>(914,705)</b>
<b>Total income (loss)</b>	<b>9,339,293</b>	<b>(914,705)</b>
<b>Expenses (note 5)</b>		
Management fees	586,424	470,834
Fixed annual administration fees	99,269	80,666
Independent review committee fees	661	847
Total operating expenses	686,354	552,347
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>8,652,939</b>	<b>(1,467,052)</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>8,652,939</b>	<b>(1,467,052)</b>
Income taxes	(3,554)	47,596
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>8,656,493</b>	<b>(1,514,648)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	3,007,737	(783,921)
Series AT5	38,221	(5,230)
Series AT8	118,797	(49,295)
Series F	1,782,228	(291,868)
Series FT5	1,713	93
Series FT8	1,713	92
Series O	3,706,084	(384,519)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	1,646,735	1,419,613
Series AT5	18,228	9,117
Series AT8	65,325	62,024
Series F	873,429	501,972
Series FT5	759	694
Series FT8	792	703
Series O	1,756,507	1,590,066
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	1.83	(0.55)
Series AT5	2.10	(0.57)
Series AT8	1.82	(0.79)
Series F	2.04	(0.58)
Series FT5	2.26	0.13
Series FT8	2.16	0.13
Series O	2.11	(0.24)

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

# Sun Life Granite Growth Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series F	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 18,060,592	17,195,639	127,884	143,436	791,629	504,230	9,132,546	5,606,379
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 3,007,737	(783,921)	38,221	(5,230)	118,797	(49,295)	1,782,228	(291,868)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 10,078,174	8,787,649	353,240	18	204,771	815,573	6,574,993	5,166,279
Redemption of redeemable shares	\$ (8,085,876)	(7,138,775)	(22,366)	(5,400)	(346,953)	(399,075)	(2,389,905)	(1,339,977)
Reinvestment of distributions to holders of redeemable shares	\$ 1,024,245	455,468	17,648	5,821	10,433	9,502	550,490	171,984
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 3,016,543	2,104,342	348,522	439	(131,749)	426,000	4,735,578	3,998,286
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (774,232)	(338,899)	(5,184)	(2,745)	(32,251)	(14,579)	(393,714)	(121,261)
From net investment income	\$ (240,678)	(116,569)	(5,129)	(830)	(7,172)	(5,184)	(157,531)	(58,990)
Return of capital	\$ -	-	(13,605)	(7,186)	(61,249)	(69,543)	-	-
	\$ (1,014,910)	(455,468)	(23,918)	(10,761)	(100,672)	(89,306)	(551,245)	(180,251)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 5,009,370	864,953	362,825	(15,552)	(113,624)	287,399	5,966,561	3,526,167
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 23,069,962</b>	<b>18,060,592</b>	<b>490,709</b>	<b>127,884</b>	<b>678,005</b>	<b>791,629</b>	<b>15,099,107</b>	<b>9,132,546</b>
Redeemable Share Transactions								
Balance - beginning of period	1,475,085	1,315,727	9,135	9,102	67,357	36,894	703,597	408,974
Shares issued	776,382	675,312	24,596	13	17,100	60,294	472,630	378,785
Shares issued on reinvestment of distributions	79,431	35,714	1,194	374	838	693	39,668	12,626
Shares redeemed	(620,041)	(551,668)	(1,502)	(354)	(28,587)	(30,524)	(171,325)	(96,788)
Balance - end of period	<b>1,710,857</b>	<b>1,475,085</b>	<b>33,423</b>	<b>9,135</b>	<b>56,708</b>	<b>67,357</b>	<b>1,044,570</b>	<b>703,597</b>

  

	Series FT5		Series FT8		Series O		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 10,093	-	10,092	-	20,126,000	17,194,556	<b>48,258,836</b>	<b>40,644,240</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 1,713	93	1,713	92	3,706,084	(384,519)	<b>8,656,493</b>	<b>(1,514,648)</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ -	10,000	-	10,000	5,427,695	7,655,554	22,638,873	22,445,073
Redemption of redeemable shares	\$ -	-	-	-	(6,249,022)	(4,339,591)	(17,094,122)	(13,222,818)
Reinvestment of distributions to holders of redeemable shares	\$ 1,104	742	1,438	1,037	1,087,187	504,840	2,692,545	1,149,394
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,104	10,742	1,438	11,037	265,860	3,820,803	<b>8,237,296</b>	<b>10,371,649</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (413)	(200)	(413)	(200)	(846,918)	(374,773)	(2,053,125)	(852,657)
From net investment income	\$ (124)	(65)	(123)	(65)	(240,269)	(130,067)	(651,026)	(311,770)
Return of capital	\$ (535)	(477)	(869)	(772)	-	-	(76,258)	(77,978)
	\$ (1,072)	(742)	(1,405)	(1,037)	(1,087,187)	(504,840)	<b>(2,780,409)</b>	<b>(1,242,405)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,745	10,093	1,746	10,092	2,884,757	2,931,444	<b>14,113,380</b>	<b>7,614,596</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 11,838</b>	<b>10,093</b>	<b>11,838</b>	<b>10,092</b>	<b>23,010,757</b>	<b>20,126,000</b>	<b>62,372,216</b>	<b>48,258,836</b>
Redeemable Share Transactions								
Balance - beginning of period	717	-	738	-	1,686,462	1,377,959	<b>3,943,091</b>	<b>3,148,656</b>
Shares issued	-	666	-	667	423,844	615,318	1,714,552	1,731,055
Shares issued on reinvestment of distributions	76	51	103	71	86,828	41,396	208,138	90,925
Shares redeemed	-	-	-	-	(482,545)	(348,211)	(1,304,000)	(1,027,545)
Balance - end of period	<b>793</b>	<b>717</b>	<b>841</b>	<b>738</b>	<b>1,714,589</b>	<b>1,686,462</b>	<b>4,561,781</b>	<b>3,943,091</b>

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

# Sun Life Granite Growth Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>8,656,493</b>	(1,514,648)
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(309,518)</b>	(230,333)
Change in unrealized (appreciation) depreciation in value of investments	<b>(6,920,052)</b>	4,645,406
Non-cash income distributions from underlying funds	<b>(2,102,397)</b>	(3,496,475)
Purchases of investments	<b>(11,633,770)</b>	(15,606,774)
Proceeds from sale of investments	<b>6,824,504</b>	6,683,524
Change in accrued interest	<b>3,539</b>	(3,539)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>7,471</b>	3,702
Change in other payables and accrued expenses	<b>1,115</b>	513
Change in income tax payable	<b>(10,390)</b>	(27,901)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(5,483,005)</b>	(9,546,525)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(88,554)</b>	(88,994)
Proceeds from redeemable shares issued	<b>22,642,967</b>	22,642,150
Redemption of redeemable shares	<b>(17,088,127)</b>	(13,221,818)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>5,466,286</b>	9,331,338
Net increase (decrease) in cash	<b>(16,719)</b>	(215,187)
Cash (bank indebtedness) at beginning of period	<b>324,493</b>	539,680
<b>Cash (bank indebtedness) at end of period</b>	<b>307,774</b>	324,493
Interest received	<b>10,865</b>	354
Income taxes paid	<b>(6,836)</b>	(75,497)
Interest paid	-	-

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Growth Portfolio, Series I	4,079,970	58,675,102	62,160,375	
		<b>58,675,102</b>	<b>62,160,375</b>	<b>99.66</b>
<b>Total Investments</b>		<b>58,675,102</b>	<b>62,160,375</b>	<b>99.66</b>
<b>Other Assets less Liabilities</b>			<b>211,841</b>	<b>0.34</b>
<b>Total Net Assets</b>			<b>62,372,216</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life Granite Growth Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life Granite Growth Portfolio (the "Underlying Portfolio"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

#### (a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in the Underlying Portfolio.

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

#### (b) Market risk

##### (i) Currency risk

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

##### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Portfolio.

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

# Sun Life Granite Growth Class (continued)

## (iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in the Underlying Portfolio.

## (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Exchange-Traded Funds</b>		
U.S. Equities	14.0	13.6
<b>Mutual Funds</b>		
International Equities	17.1	16.2
Canadian Equities	15.0	18.1
Tactical Balanced	9.5	8.7
Canadian Fixed Income	7.6	6.8
Global Equities	6.8	2.6
U.S. Equities	7.2	10.7
Real Estate Equities	-	1.4
Canadian Focused Equities	5.1	5.6
High Yield Fixed Income	0.5	2.4
Emerging Markets Equities	4.2	4.8
Emerging Markets Bonds	4.2	-
U.S. Fixed Income	0.4	1.7
Global Fixed Income	0.1	1.6
Global Small/Mid Cap Equities	7.6	4.3
Canadian Money Market	-	1.0
<b>Other Assets less Liabilities</b>	0.7	0.5
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	62,160,375	-	-	62,160,375

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	48,060,237	-	-	48,060,237

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series AT5	-	-
Series FT5	793	11,838
Series FT8	840	11,838

	December 31, 2018	
	Shares	Market Value (\$)
Series AT5	1,036	14,506
Series FT5	717	10,093
Series FT8	738	10,093

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	37	16,966	1,297
Series FT5	28	-	1,072
Series FT8	28	-	1,406

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	37	-	1,170
Series FT5	10,017	-	742
Series FT8	10,017	-	1,038

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

# Sun Life Granite Growth Class (continued)

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Portfolio to gain exposure to the investment objectives and strategies of the Underlying Portfolio. The Underlying Portfolio is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Portfolio's net assets. The Fund does not provide additional financial or other support to the Underlying Portfolio. The Underlying Portfolio was established in and carries out its operations in Canada. The Fund's interest in the Underlying Portfolio is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Portfolio.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series AT8 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series FT8 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life Granite Moderate Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>140,480,949</b>	113,901,049
Cash	<b>100,655</b>	574,280
Due from investment dealers	<b>6,745</b>	536,184
Accrued interest	<b>153</b>	5,608
Distributions receivable from underlying funds	-	2,373
Subscriptions receivable	<b>213,248</b>	65,601
	<b>140,801,750</b>	115,085,095
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>8,171</b>	-
Redemptions payable	<b>77,500</b>	43,300
Distributions payable	<b>1,197</b>	-
Due to investment dealers	<b>206,159</b>	31,010
Management fees payable	<b>48,339</b>	34,651
Income tax payable	<b>338,603</b>	317,468
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>679,969</b>	426,429
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>140,121,781</b>	114,658,666
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>52,918,693</b>	45,310,048
Series AT5	<b>8,671,992</b>	7,723,105
Series F	<b>24,102,366</b>	15,458,182
Series FT5	<b>7,390,313</b>	1,980,358
Series O	<b>47,038,417</b>	44,186,973
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>12.59</b>	11.68
Series AT5	<b>13.68</b>	13.33
Series F	<b>13.49</b>	12.38
Series FT5	<b>14.68</b>	14.14
Series O	<b>12.91</b>	11.75

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott President	"signed" Kari Holdsworth Chief Financial Officer
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## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>6,874</b>	3,697
Distributions from underlying funds	<b>4,254,265</b>	6,841,904
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	<b>371,591</b>	318,411
Change in unrealized appreciation (depreciation) in value of investments	<b>11,525,630</b>	(8,312,963)
<b>Net gains (losses) on investments</b>	<b>16,158,360</b>	(1,148,951)
<b>Total income (loss)</b>	<b>16,158,360</b>	(1,148,951)
<b>Expenses (note 5)</b>		
Management fees	<b>1,347,713</b>	1,137,386
Fixed annual administration fees	<b>230,015</b>	195,288
Independent review committee fees	<b>1,534</b>	2,033
Total operating expenses	<b>1,579,262</b>	1,334,707
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>14,579,098</b>	(2,483,658)
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>14,579,098</b>	(2,483,658)
Income taxes	<b>295,655</b>	304,674
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>14,283,443</b>	(2,788,332)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>5,059,445</b>	(1,507,784)
Series AT5	<b>852,348</b>	(272,113)
Series F	<b>2,103,279</b>	(355,399)
Series FT5	<b>573,115</b>	(30,543)
Series O	<b>5,695,256</b>	(622,493)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>4,055,185</b>	3,751,045
Series AT5	<b>616,855</b>	525,098
Series F	<b>1,483,857</b>	910,981
Series FT5	<b>435,026</b>	80,897
Series O	<b>3,732,169</b>	3,680,199
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>1.25</b>	(0.40)
Series AT5	<b>1.38</b>	(0.52)
Series F	<b>1.42</b>	(0.39)
Series FT5	<b>1.32</b>	(0.38)
Series O	<b>1.53</b>	(0.17)

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

# Sun Life Granite Moderate Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series F	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 45,310,048	42,756,718	7,723,105	7,026,318	15,458,182	6,507,862
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 5,059,445	(1,507,784)	852,348	(272,113)	2,103,279	(355,399)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	\$ 16,627,171	17,237,846	2,076,684	3,339,354	13,979,072	13,310,361
Redemption of redeemable shares	\$ (14,102,645)	(13,176,732)	(1,554,355)	(1,980,140)	(7,429,485)	(4,004,642)
Reinvestment of distributions to holders of redeemable shares	\$ 1,444,309	940,847	223,423	176,067	511,339	196,230
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 3,968,835	5,001,961	745,752	1,535,281	7,060,926	9,501,949
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	\$ (1,233,196)	(760,063)	(204,780)	(128,765)	(435,226)	(134,693)
From net investment income	\$ (186,439)	(180,784)	(31,645)	(31,049)	(84,795)	(61,537)
Return of capital	\$ -	-	(412,788)	(406,567)	-	-
	\$ (1,419,635)	(940,847)	(649,213)	(566,381)	(520,021)	(196,230)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 7,608,645	2,553,330	948,887	696,787	8,644,184	8,950,320
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>52,918,693</b>	<b>45,310,048</b>	<b>8,671,992</b>	<b>7,723,105</b>	<b>24,102,366</b>	<b>15,458,182</b>
<b>Redeemable Share Transactions</b>						
Balance - beginning of period	3,878,549	3,470,513	579,263	474,747	1,248,797	504,166
Shares issued	1,356,969	1,417,228	151,471	231,217	1,066,452	1,046,082
Shares issued on reinvestment of distributions	117,762	79,844	16,399	11,862	38,873	15,057
Shares redeemed	(1,148,679)	(1,089,036)	(113,076)	(138,563)	(566,884)	(316,508)
Balance - end of period	<b>4,204,601</b>	<b>3,878,549</b>	<b>634,057</b>	<b>579,263</b>	<b>1,787,238</b>	<b>1,248,797</b>

  

	Series FT5		Series O		Total	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 1,980,358	-	44,186,973	42,258,953	<b>114,658,666</b>	<b>98,549,851</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 573,115	(30,543)	5,695,256	(622,493)	<b>14,283,443</b>	<b>(2,788,332)</b>
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	\$ 6,225,504	2,085,270	6,469,450	11,191,523	45,377,881	47,164,354
Redemption of redeemable shares	\$ (1,106,692)	(61,080)	(9,287,356)	(8,641,010)	(33,480,533)	(27,863,604)
Reinvestment of distributions to holders of redeemable shares	\$ 120,761	55,311	1,319,188	906,360	3,619,020	2,274,815
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 5,239,573	2,079,501	(1,498,718)	3,456,873	<b>15,516,368</b>	<b>21,575,565</b>
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	\$ (52,946)	(687)	(1,179,438)	(729,956)	(3,105,586)	(1,754,164)
From net investment income	\$ (25,217)	(7,924)	(165,656)	(176,404)	(493,752)	(457,698)
Return of capital	\$ (324,570)	(59,989)	-	-	(737,358)	(466,556)
	\$ (402,733)	(68,600)	(1,345,094)	(906,360)	<b>(4,336,696)</b>	<b>(2,678,418)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 5,409,955	1,980,358	2,851,444	1,928,020	<b>25,463,115</b>	<b>16,108,815</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>7,390,313</b>	<b>1,980,358</b>	<b>47,038,417</b>	<b>44,186,973</b>	<b>140,121,781</b>	<b>114,658,666</b>
<b>Redeemable Share Transactions</b>						
Balance - beginning of period	140,056	-	3,761,714	3,479,109	<b>9,608,379</b>	<b>7,928,535</b>
Shares issued	430,541	140,350	518,828	925,749	3,524,261	3,760,626
Shares issued on reinvestment of distributions	8,349	3,751	108,880	76,372	290,263	186,886
Shares redeemed	(75,474)	(4,045)	(744,570)	(719,516)	(2,648,683)	(2,267,668)
Balance - end of period	<b>503,472</b>	<b>140,056</b>	<b>3,644,852</b>	<b>3,761,714</b>	<b>10,774,220</b>	<b>9,608,379</b>

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

# Sun Life Granite Moderate Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>14,283,443</b>	(2,788,332)
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(371,591)</b>	(318,411)
Change in unrealized (appreciation) depreciation in value of investments	<b>(11,525,630)</b>	8,312,963
Non-cash income distributions from underlying funds	<b>(4,254,265)</b>	(6,841,904)
Purchases of investments	<b>(23,531,949)</b>	(30,446,832)
Proceeds from sale of investments	<b>13,808,123</b>	13,337,402
Change in accrued interest	<b>5,455</b>	(5,608)
Change in distributions receivable from underlying funds	<b>2,373</b>	(2,373)
Change in management fees payable	<b>13,688</b>	9,696
Change in other payables and accrued expenses	<b>8,171</b>	(4,795)
Change in income tax payable	<b>21,135</b>	(33,686)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(11,541,047)</b>	(18,781,880)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(716,479)</b>	(403,630)
Proceeds from redeemable shares issued	<b>45,230,234</b>	47,510,033
Redemption of redeemable shares	<b>(33,446,333)</b>	(27,820,396)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>11,067,422</b>	19,286,007
Net increase (decrease) in cash	<b>(473,625)</b>	504,127
Cash (bank indebtedness) at beginning of period	<b>574,280</b>	70,153
<b>Cash (bank indebtedness) at end of period</b>	<b>100,655</b>	574,280
Interest received	<b>12,329</b>	-
Income taxes paid	<b>(274,520)</b>	(338,360)
Interest paid	-	(1,911)

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Moderate Portfolio, Series I	10,206,478	134,809,411	140,480,949	
		<b>134,809,411</b>	<b>140,480,949</b>	<b>100.26</b>
<b>Total Investments</b>		<b>134,809,411</b>	<b>140,480,949</b>	<b>100.26</b>
<b>Other Assets less Liabilities</b>			<b>(359,168)</b>	<b>(0.26)</b>
<b>Total Net Assets</b>			<b>140,121,781</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life Granite Moderate Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life Granite Moderate Portfolio (the "Underlying Portfolio"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

#### (a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in the Underlying Portfolio.

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

#### (b) Market risk

##### (i) Currency risk

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

##### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Portfolio.

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

# Sun Life Granite Moderate Class (continued)

## (iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in the Underlying Portfolio.

## (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Exchange-Traded Funds</b>		
U.S. Equities	9.0	6.7
<b>Mutual Funds</b>		
Canadian Fixed Income	26.3	25.2
Tactical Balanced	11.1	9.4
Canadian Equities	8.9	11.4
International Equities	11.3	9.5
High Yield Fixed Income	1.0	4.0
Global Fixed Income	1.4	2.9
U.S. Equities	4.6	6.6
Global Equities	3.7	1.7
Canadian Focused Equities	3.2	3.5
Real Estate Equities	-	1.2
Emerging Markets Bonds	4.7	-
U.S. Fixed Income	6.0	7.3
Emerging Markets Equities	2.8	2.6
Canadian Money Market	1.2	4.7
Global Small/Mid Cap Equities	4.6	2.7
<b>Other Assets less Liabilities</b>	0.2	0.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	140,480,949	-	-	140,480,949

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	113,901,049	-	-	113,901,049

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held no seed positions in the Fund.

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	-	-	-

  

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	10,001	10,586	345

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Portfolio to gain exposure to the investment objectives and strategies of the Underlying Portfolio. The Underlying Portfolio is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Portfolio's net assets. The Fund does not provide additional financial or other support to the Underlying Portfolio. The Underlying Portfolio was established in and carries out its operations in Canada. The Fund's interest in the Underlying Portfolio is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Portfolio.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life Invesco Canadian Class

(formerly Sun Life Trimark Canadian Class)

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	659,316	1,912,036
Cash	6,713	-
Due from investment dealers	2,253	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	-	50
	<b>668,282</b>	<b>1,912,086</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	364
Accrued expenses	31	46
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	-	50
Management fees payable	257	180
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	288	640
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>667,994</b>	<b>1,911,446</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	326,479	259,162
Series AT5	10,324	8,768
Series F	10,895	9,150
Series FT5	11,212	9,417
Series I	298,182	1,615,793
Series O	10,902	9,156
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	8.89	7.80
Series AT5	10.40	9.56
Series F	9.37	8.13
Series FT5	14.21	12.92
Series I	9.97	8.54
Series O	9.89	8.49

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott  
President

“signed” Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	26	147
Distributions from underlying funds	15,198	40,495
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	53,192	19,665
Change in unrealized appreciation (depreciation) in value of investments	189,271	(267,763)
<b>Net gains (losses) on investments</b>	<b>257,687</b>	<b>(207,456)</b>
<b>Total income (loss)</b>	<b>257,687</b>	<b>(207,456)</b>
<b>Expenses (note 5)</b>		
Management fees	7,075	7,003
Fixed annual administration fees	1,248	1,634
Independent review committee fees	2	33
Total operating expenses	8,325	8,670
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>249,362</b>	<b>(216,126)</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>249,362</b>	<b>(216,126)</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>249,362</b>	<b>(216,126)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	46,594	(36,327)
Series AT5	1,528	(1,271)
Series F	1,717	(1,207)
Series FT5	1,766	(601)
Series I	195,924	(175,363)
Series O	1,833	(1,357)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	34,593	33,122
Series AT5	944	867
Series F	1,133	1,096
Series FT5	750	694
Series I	92,839	161,441
Series O	1,081	1,875
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	1.35	(1.10)
Series AT5	1.62	(1.47)
Series F	1.52	(1.10)
Series FT5	2.35	(0.87)
Series I	2.11	(1.09)
Series O	1.70	(0.72)

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

# Sun Life Invesco Canadian Class (continued)

(formerly Sun Life Trimark Canadian Class)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series F		Series FT5	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 259,162	248,357	8,768	10,012	9,150	10,329	9,417	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 46,594	(36,327)	1,528	(1,271)	1,717	(1,207)	1,766	(601)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 34,307	140,922	-	27	-	28	-	10,018
Redemption of redeemable shares	\$ (13,916)	(93,790)	-	-	-	-	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 9,768	11,277	781	892	347	385	842	872
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 30,159	58,409	781	919	347	413	842	10,890
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (2,009)	(5,786)	(67)	(184)	(71)	(191)	(73)	(196)
From net investment income	\$ (7,427)	(5,491)	(235)	(186)	(248)	(194)	(255)	(199)
Return of capital	\$ -	-	(451)	(522)	-	-	(485)	(477)
	\$ (9,436)	(11,277)	(753)	(892)	(319)	(385)	(813)	(872)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 67,317	10,805	1,556	(1,244)	1,745	(1,179)	1,795	9,417
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>326,479</b>	<b>259,162</b>	<b>10,324</b>	<b>8,768</b>	<b>10,895</b>	<b>9,150</b>	<b>11,212</b>	<b>9,417</b>
Redeemable Share Transactions								
Balance - beginning of period	33,239	26,715	917	831	1,125	1,077	729	-
Shares issued	4,038	16,341	-	3	-	3	-	667
Shares issued on reinvestment of distributions	1,075	1,365	76	83	37	45	60	62
Shares redeemed	(1,610)	(11,182)	-	-	-	-	-	-
Balance - end of period	<b>36,742</b>	<b>33,239</b>	<b>993</b>	<b>917</b>	<b>1,162</b>	<b>1,125</b>	<b>789</b>	<b>729</b>

  

	Series I		Series O		Total	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 1,615,793	1,493,098	9,156	29,065	<b>1,911,446</b>	<b>1,790,861</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 195,924	(175,363)	1,833	(1,357)	<b>249,362</b>	<b>(216,126)</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 107,346	651,431	-	-	141,653	802,426
Redemption of redeemable shares	\$ (1,620,881)	(353,373)	(87)	(18,552)	(1,634,884)	(465,715)
Reinvestment of distributions to holders of redeemable shares	\$ 19,109	62,286	319	730	31,166	76,442
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (1,494,426)	360,344	232	(17,822)	<b>(1,462,065)</b>	<b>413,153</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (12,324)	(28,055)	(71)	(536)	(14,615)	(34,948)
From net investment income	\$ (6,785)	(34,231)	(248)	(194)	(15,198)	(40,495)
Return of capital	\$ -	-	-	-	(936)	(999)
	\$ (19,109)	(62,286)	(319)	(730)	<b>(30,749)</b>	<b>(76,442)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (1,317,611)	122,695	1,746	(19,909)	<b>(1,243,452)</b>	<b>120,585</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>298,182</b>	<b>1,615,793</b>	<b>10,902</b>	<b>9,156</b>	<b>667,994</b>	<b>1,911,446</b>
Redeemable Share Transactions						
Balance - beginning of period	189,114	150,153	1,079	2,938	<b>226,203</b>	<b>181,714</b>
Shares issued	11,337	69,410	-	-	15,375	86,424
Shares issued on reinvestment of distributions	2,011	6,989	33	80	3,292	8,624
Shares redeemed	(172,563)	(37,438)	(9)	(1,939)	(174,182)	(50,559)
Balance - end of period	<b>29,899</b>	<b>189,114</b>	<b>1,103</b>	<b>1,079</b>	<b>70,688</b>	<b>226,203</b>

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

# Sun Life Invesco Canadian Class (continued)

(formerly Sun Life Trimark Canadian Class)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	249,362	(216,126)
Adjustments for:		
Net realized (gain) loss on sale of investments	(53,192)	(19,665)
Change in unrealized (appreciation) depreciation in value of investments	(189,271)	267,763
Non-cash income distributions from underlying funds	(15,198)	(40,495)
Purchases of investments	(134,767)	(773,692)
Proceeds from sale of investments	1,642,845	446,091
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	77	31
Change in other payables and accrued expenses	(15)	8
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>1,499,841</b>	<b>(336,085)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	417	-
Proceeds from redeemable shares issued	141,703	803,537
Redemption of redeemable shares	(1,634,884)	(465,715)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(1,492,764)</b>	<b>337,822</b>
Net increase (decrease) in cash	7,077	1,737
Cash (bank indebtedness) at beginning of period	(364)	(2,101)
<b>Cash (bank indebtedness) at end of period</b>	<b>6,713</b>	<b>(364)</b>
Interest received	26	147
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Invesco Canadian Fund, Series I	44,276	587,146	659,316	
		<b>587,146</b>	<b>659,316</b>	<b>98.70</b>
<b>Total Investments</b>		<b>587,146</b>	<b>659,316</b>	<b>98.70</b>
<b>Other Assets less Liabilities</b>			<b>8,678</b>	<b>1.30</b>
<b>Total Net Assets</b>			<b>667,994</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life Invesco Canadian Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Invesco Canadian Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

#### (a) Credit risk

The Fund is exposed indirectly to credit risk as a result of its investment in the Underlying Fund.

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

#### (b) Market risk

##### (i) Currency risk

The Fund is exposed indirectly to currency risk as a result of its investment in the Underlying Fund. The Underlying Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

##### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Fund.

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

# Sun Life Invesco Canadian Class (continued)

(formerly Sun Life Trimark Canadian Class)

## (iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in the Underlying Fund.

## (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Equities</b>		
Consumer Discretionary	7.9	6.3
Communication Services	2.1	-
Consumer Staples	1.9	4.0
Energy	8.0	7.4
Financials	46.6	50.3
Health Care	2.1	2.8
Industrials	13.2	12.8
Information Technology	9.6	10.4
Materials	5.1	5.0
Other Assets less Liabilities	3.5	1.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	659,316	-	-	659,316

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	1,912,036	-	-	1,912,036

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series A	12,788	113,634
Series AT5	993	10,324
Series F	1,163	10,895
Series FT5	789	11,212
Series I	29,899	298,181
Series O	1,103	10,902

	December 31, 2018	
	Shares	Market Value (\$)
Series A	12,374	96,483
Series AT5	917	8,768
Series F	1,125	9,150
Series FT5	729	9,417
Series I	29,012	247,880
Series O	1,079	9,156

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	270	-	3,327
Series AT5	25	-	753
Series F	26	-	318
Series FT5	26	-	812
Series I	-	-	8,699
Series O	-	87	319

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	24	-	4,072
Series AT5	261	-	892
Series F	25	-	384
Series FT5	10,016	-	872
Series I	-	-	10,370
Series O	-	86	385

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

# Sun Life Invesco Canadian Class (continued)

(formerly Sun Life Trimark Canadian Class)

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Fund's net assets. The Fund does not provide additional financial or other support to the Underlying Fund. The Underlying Fund was established in and carries out its operations in Canada. The Fund's interest in the Underlying Fund is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Fund.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	March 25, 2015	March 27, 2015
Series AT5 Shares	March 25, 2015	March 27, 2015
Series F Shares	March 25, 2015	March 27, 2015
Series FT5 Shares	February 09, 2018	February 09, 2018
Series I Shares	March 25, 2015	March 27, 2015
Series O Shares	March 25, 2015	March 27, 2015

## Fund Name Change

Effective February 22, 2019, the Fund changed its name from the Sun Life Trimark Canadian Class to the Sun Life Invesco Canadian Class.

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

# Sun Life MFS Canadian Equity Growth Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>1,178,362</b>	893,827
Cash	<b>6,207</b>	3,877
Due from investment dealers	-	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	-	-
	<b>1,184,569</b>	897,704
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>67</b>	45
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	<b>209</b>	178
Management fees payable	<b>605</b>	402
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>881</b>	625
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>1,183,688</b>	897,079
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>757,034</b>	579,206
Series AT5	<b>54,493</b>	88,298
Series F	<b>199,665</b>	30,794
Series FT5	<b>12,111</b>	9,955
Series O	<b>160,385</b>	188,826
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>11.57</b>	10.30
Series AT5	<b>12.55</b>	11.72
Series F	<b>12.39</b>	10.91
Series FT5	<b>14.90</b>	13.75
Series O	<b>11.51</b>	10.05

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott President	"signed" Kari Holdsworth Chief Financial Officer
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## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>87</b>	32
Distributions from underlying funds	<b>26,310</b>	48,031
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	<b>28,231</b>	27,370
Change in unrealized appreciation (depreciation) in value of investments	<b>153,501</b>	(138,918)
<b>Net gains (losses) on investments</b>	<b>208,129</b>	(63,485)
<b>Total income (loss)</b>	<b>208,129</b>	(63,485)
<b>Expenses (note 5)</b>		
Management fees	<b>16,031</b>	13,870
Fixed annual administration fees	<b>1,786</b>	1,419
Independent review committee fees	<b>10</b>	14
Total operating expenses	<b>17,827</b>	15,303
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>190,302</b>	(78,788)
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>190,302</b>	(78,788)
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>		
	<b>190,302</b>	(78,788)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>119,906</b>	(51,557)
Series AT5	<b>16,125</b>	(7,087)
Series F	<b>8,914</b>	(2,382)
Series FT5	<b>2,123</b>	(64)
Series O	<b>43,234</b>	(17,698)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>60,893</b>	48,897
Series AT5	<b>6,301</b>	8,818
Series F	<b>5,479</b>	2,376
Series FT5	<b>769</b>	691
Series O	<b>20,077</b>	12,160
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>1.97</b>	(1.05)
Series AT5	<b>2.56</b>	(0.80)
Series F	<b>1.63</b>	(1.00)
Series FT5	<b>2.76</b>	(0.09)
Series O	<b>2.15</b>	(1.46)

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

# Sun Life MFS Canadian Equity Growth Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series F	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 579,206	582,644	88,298	227,746	30,794	26,072
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 119,906	(51,557)	16,125	(7,087)	8,914	(2,382)
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	\$ 172,927	236,921	-	9	189,557	7,104
Redemption of redeemable shares	\$ (115,697)	(188,802)	(50,000)	(132,370)	(29,710)	-
Reinvestment of distributions to holders of redeemable shares	\$ 45,474	20,045	8,966	9,313	6,031	1,007
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 102,704	68,164	(41,034)	(123,048)	165,878	8,111
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	\$ (27,955)	(8,476)	(4,147)	(1,814)	(1,484)	(392)
From net investment income	\$ (16,827)	(11,569)	(1,211)	(1,764)	(4,437)	(615)
Return of capital	\$ -	-	(3,538)	(5,735)	-	-
	\$ (44,782)	(20,045)	(8,896)	(9,313)	(5,921)	(1,007)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 177,828	(3,438)	(33,805)	(139,448)	168,871	4,722
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>757,034</b>	<b>579,206</b>	<b>54,493</b>	<b>88,298</b>	<b>199,665</b>	<b>30,794</b>
<b>Redeemable Share Transactions</b>						
Balance - beginning of period	56,231	49,984	7,537	16,280	2,822	2,135
Shares issued	15,383	21,088	-	7	15,129	597
Shares issued on reinvestment of distributions	4,033	1,886	723	725	487	90
Shares redeemed	(10,223)	(16,727)	(3,919)	(9,475)	(2,324)	-
Balance - end of period	<b>65,424</b>	<b>56,231</b>	<b>4,341</b>	<b>7,537</b>	<b>16,114</b>	<b>2,822</b>

  

	Series FT5		Series O		Total	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 9,955	-	188,826	94,379	<b>897,079</b>	<b>930,841</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 2,123	(64)	43,234	(17,698)	<b>190,302</b>	<b>(78,788)</b>
<b>Redeemable Share Transactions</b>						
Proceeds from redeemable shares issued	\$ -	10,019	29,786	135,059	392,270	389,112
Redemption of redeemable shares	\$ -	-	(101,462)	(22,914)	(296,869)	(344,086)
Reinvestment of distributions to holders of redeemable shares	\$ 1,300	835	12,755	5,127	74,526	36,327
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,300	10,854	(58,921)	117,272	<b>169,927</b>	<b>81,353</b>
<b>Distributions to Holders of Redeemable Shares</b>						
From capital gains	\$ (468)	(161)	(9,187)	(1,352)	(43,241)	(12,195)
From net investment income	\$ (269)	(199)	(3,567)	(3,775)	(26,311)	(17,922)
Return of capital	\$ (530)	(475)	-	-	(4,068)	(6,210)
	\$ (1,267)	(835)	(12,754)	(5,127)	<b>(73,620)</b>	<b>(36,327)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,156	9,955	(28,441)	94,447	<b>286,609</b>	<b>(33,762)</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>12,111</b>	<b>9,955</b>	<b>160,385</b>	<b>188,826</b>	<b>1,183,688</b>	<b>897,079</b>
<b>Redeemable Share Transactions</b>						
Balance - beginning of period	724	-	18,797	8,471	<b>86,111</b>	<b>76,870</b>
Shares issued	-	667	2,645	11,933	33,157	34,292
Shares issued on reinvestment of distributions	89	57	1,176	504	6,508	3,262
Shares redeemed	-	-	(8,686)	(2,111)	(25,152)	(28,313)
Balance - end of period	<b>813</b>	<b>724</b>	<b>13,932</b>	<b>18,797</b>	<b>100,624</b>	<b>86,111</b>

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

# Sun Life MFS Canadian Equity Growth Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	190,302	(78,788)
Adjustments for:		
Net realized (gain) loss on sale of investments	(28,231)	(27,370)
Change in unrealized (appreciation) depreciation in value of investments	(153,501)	138,918
Non-cash income distributions from underlying funds	(26,310)	(48,031)
Purchases of investments	(353,723)	(310,320)
Proceeds from sale of investments	277,261	297,911
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	203	(47)
Change in other payables and accrued expenses	22	4
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(93,977)</b>	<b>(27,723)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	906	-
Proceeds from redeemable shares issued	392,270	389,195
Redemption of redeemable shares	(296,869)	(344,086)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>96,307</b>	<b>45,109</b>
Net increase (decrease) in cash	2,330	17,386
Cash (bank indebtedness) at beginning of period	3,877	(13,509)
<b>Cash (bank indebtedness) at end of period</b>	<b>6,207</b>	<b>3,877</b>
Interest received	87	32
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS Canadian Equity Growth Fund, Series I	20,303	1,061,681	1,178,362	
		<b>1,061,681</b>	<b>1,178,362</b>	<b>99.55</b>
<b>Total Investments</b>		<b>1,061,681</b>	<b>1,178,362</b>	<b>99.55</b>
<b>Other Assets less Liabilities</b>			<b>5,326</b>	<b>0.45</b>
<b>Total Net Assets</b>			<b>1,183,688</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life MFS Canadian Equity Growth Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life MFS Canadian Equity Growth Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

### (a) Credit risk

The Fund is exposed indirectly to credit risk to the extent the Underlying Fund invests in underlying funds holding interest-bearing securities.

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
AAA/Aaa	1.05	1.20
AA/Aa	0.30	0.77
<b>Total</b>	<b>1.35</b>	<b>1.97</b>

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

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

# Sun Life MFS Canadian Equity Growth Class (continued)

## (b) Market risk

### (i) Currency risk

The Fund is exposed indirectly to currency risk as a result of its investment in the Underlying Fund. The Underlying Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2019 and December 31, 2018. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)		Holdings Exposed to Currency Risk (\$CAD)	
	December 31, 2019	Percentage of Net Assets (%)	December 31, 2018	Percentage of Net Assets (%)
United States Dollar	166,853	14.10	125,977	14.04
Euro	62,394	5.27	45,204	5.04
Swiss Franc	23,904	2.02	18,606	2.07
British Pound	19,893	1.68	16,879	1.88
Japanese Yen	15,245	1.29	11,810	1.32
Hong Kong Dollar	7,879	0.67	6,067	0.68
Australian Dollar	2,507	0.21	3,001	0.33
Singapore Dollar	2,495	0.21	1,969	0.22
Korean Won	2,291	0.19	1,055	0.12
Mexican Peso	2,012	0.17	1,796	0.20
Indian Rupee	1,893	0.16	(7)	-
Danish Krone	1,668	0.14	1,164	0.13
Czech Koruna	441	0.04	404	0.05
New Taiwan Dollar	502	0.04	591	0.07
<b>Total</b>	<b>309,977</b>	<b>26.19</b>	<b>234,516</b>	<b>26.15</b>

As at December 31, 2019, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$15,499 (\$11,726 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of the Underlying Fund's investment in interest-bearing securities.

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

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
December 31, 2019	16,060	-	-	16,060
December 31, 2018	17,638	-	-	17,638

As at December 31, 2019, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$19 (\$10 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in equities.

As at December 31, 2019, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$58,115 (\$43,857 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Short-Term Investments</b>		
Treasury Bills	1.0	0.5
Promissory Note	0.1	1.5
<b>Equities</b>		
Communication Services	6.1	6.5
Consumer Discretionary	5.1	4.9
Consumer Staples	8.4	8.2
Energy	12.5	13.5
Financials	23.6	24.4
Health Care	4.1	4.1
Industrials	14.0	14.4
Information Technology	12.3	10.6
Materials	10.2	10.2
Real Estate	1.4	0.8
Utilities	0.8	0.1
<b>Other Assets less Liabilities</b>	<b>0.4</b>	<b>0.3</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

# Sun Life MFS Canadian Equity Growth Class (continued)

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	1,178,362	-	-	1,178,362

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	893,827	-	-	893,827

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series A	18,683	216,176
Series AT5	1,241	15,583
Series F	-	-
Series FT5	813	12,111

  

	December 31, 2018	
	Shares	Market Value (\$)
Series A	17,439	179,624
Series AT5	1,106	12,955
Series F	2,219	24,215
Series FT5	724	9,955

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	516	-	13,241
Series AT5	37	-	1,645
Series F	63	29,710	1,139
Series FT5	29	-	1,268
Series O	-	-	-

  

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	34	-	6,526
Series AT5	63	-	1,204
Series F	473	-	876
Series FT5	10,017	-	835
Series O	-	11,944	188

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Fund's net assets. The Fund does not provide additional financial or other support to the Underlying Fund. The Underlying Fund was established in and carries out its operations in Canada. The Fund's interest in the Underlying Fund is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Fund.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life MFS Dividend Income Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>29,905,322</b>	23,310,995
Cash	<b>216,789</b>	15,917
Due from investment dealers	<b>1,377</b>	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>195</b>	4,880
	<b>30,123,683</b>	23,331,792
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>166</b>	120
Redemptions payable	<b>377</b>	-
Distributions payable	-	-
Due to investment dealers	<b>220</b>	4,129
Management fees payable	<b>1,181</b>	950
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>1,944</b>	5,199
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>30,121,739</b>	23,326,593
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>1,726,426</b>	1,611,345
Series AT5	<b>25,897</b>	16,426
Series F	<b>337,216</b>	189,663
Series FT5	<b>11,960</b>	9,917
Series I	<b>27,072,554</b>	20,874,355
Series O	<b>947,686</b>	624,887
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>12.08</b>	10.66
Series AT5	<b>13.15</b>	12.15
Series F	<b>12.94</b>	11.29
Series FT5	<b>14.95</b>	13.65
Series I	<b>10.99</b>	9.50
Series O	<b>11.65</b>	10.08

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott President	"signed" Kari Holdsworth Chief Financial Officer
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## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>1,483</b>	140
Distributions from underlying funds	<b>1,379,807</b>	1,047,436
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	<b>135,200</b>	95,994
Change in unrealized appreciation (depreciation) in value of investments	<b>3,569,551</b>	(2,652,315)
<b>Net gains (losses) on investments</b>	<b>5,086,041</b>	(1,508,745)
<b>Total income (loss)</b>	<b>5,086,041</b>	(1,508,745)
<b>Expenses (note 5)</b>		
Management fees	<b>34,032</b>	37,056
Fixed annual administration fees	<b>4,559</b>	4,952
Independent review committee fees	<b>34</b>	57
Total operating expenses	<b>38,625</b>	42,065
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>5,047,416</b>	(1,550,810)
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>5,047,416</b>	(1,550,810)
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>5,047,416</b>	(1,550,810)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>292,880</b>	(135,382)
Series AT5	<b>3,424</b>	(2,382)
Series F	<b>41,793</b>	(13,222)
Series FT5	<b>2,011</b>	(101)
Series I	<b>4,566,760</b>	(1,345,558)
Series O	<b>140,548</b>	(54,165)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>140,874</b>	156,307
Series AT5	<b>1,628</b>	1,832
Series F	<b>18,380</b>	18,042
Series FT5	<b>751</b>	686
Series I	<b>2,320,414</b>	1,752,526
Series O	<b>70,840</b>	81,304
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>2.08</b>	(0.87)
Series AT5	<b>2.10</b>	(1.30)
Series F	<b>2.27</b>	(0.73)
Series FT5	<b>2.68</b>	(0.15)
Series I	<b>1.97</b>	(0.77)
Series O	<b>1.98</b>	(0.67)

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

# Sun Life MFS Dividend Income Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series F		Series FT5	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 1,611,345	1,862,308	16,426	46,834	189,663	148,132	9,917	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 292,880	(135,382)	3,424	(2,382)	41,793	(13,222)	2,011	(101)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 352,609	337,795	6,000	6,045	125,898	106,978	-	10,018
Redemption of redeemable shares	\$ (530,880)	(453,122)	-	(34,071)	(20,262)	(52,225)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 82,945	62,643	2,201	2,060	14,633	7,606	1,104	853
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (95,326)	(52,684)	8,201	(25,966)	120,269	62,359	1,104	10,871
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (21,264)	(12,983)	(236)	(335)	(2,569)	(1,731)	(135)	(75)
From net investment income	\$ (61,209)	(49,914)	(918)	(508)	(11,940)	(5,875)	(424)	(307)
Return of capital	\$ -	-	(1,000)	(1,217)	-	-	(513)	(471)
	\$ (82,473)	(62,897)	(2,154)	(2,060)	(14,509)	(7,606)	(1,072)	(853)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 115,081	(250,963)	9,471	(30,408)	147,553	41,531	2,043	9,917
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 1,726,426</b>	<b>1,611,345</b>	<b>25,897</b>	<b>16,426</b>	<b>337,216</b>	<b>189,663</b>	<b>11,960</b>	<b>9,917</b>
Redeemable Share Transactions								
Balance - beginning of period	151,155	154,652	1,352	3,234	16,796	11,740	726	-
Shares issued	29,380	29,130	454	440	9,740	8,624	-	667
Shares issued on reinvestment of distributions	6,874	5,753	163	155	1,129	664	74	59
Shares redeemed	(44,520)	(38,380)	-	(2,477)	(1,603)	(4,232)	-	-
Balance - end of period	<b>142,889</b>	<b>151,155</b>	<b>1,969</b>	<b>1,352</b>	<b>26,062</b>	<b>16,796</b>	<b>800</b>	<b>726</b>

  

	Series I		Series O		Total	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 20,874,355	13,300,051	624,887	1,198,152	<b>23,326,593</b>	<b>16,555,477</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 4,566,760	(1,345,558)	140,548	(54,165)	<b>5,047,416</b>	<b>(1,550,810)</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 4,138,833	10,804,737	355,194	82,541	4,978,534	11,348,114
Redemption of redeemable shares	\$ (2,507,394)	(1,884,875)	(172,942)	(601,641)	(3,231,478)	(3,025,934)
Reinvestment of distributions to holders of redeemable shares	\$ 1,243,030	747,465	41,965	27,360	1,385,878	847,987
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 2,874,469	9,667,327	224,217	(491,740)	<b>3,132,934</b>	<b>9,170,167</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (283,234)	(100,987)	(8,279)	(7,988)	(315,717)	(124,099)
From net investment income	\$ (959,796)	(646,478)	(33,687)	(19,372)	(1,067,974)	(722,454)
Return of capital	\$ -	-	-	-	(1,513)	(1,688)
	\$ (1,243,030)	(747,465)	(41,966)	(27,360)	<b>(1,385,204)</b>	<b>(848,241)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 6,198,199	7,574,304	322,799	(573,265)	<b>6,795,146</b>	<b>6,771,116</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 27,072,554</b>	<b>20,874,355</b>	<b>947,686</b>	<b>624,887</b>	<b>30,121,739</b>	<b>23,326,593</b>
Redeemable Share Transactions						
Balance - beginning of period	2,197,413	1,265,273	61,964	107,194	<b>2,429,406</b>	<b>1,542,093</b>
Shares issued	386,376	1,035,543	31,031	7,437	456,981	1,081,841
Shares issued on reinvestment of distributions	114,275	78,097	3,634	2,668	126,149	87,396
Shares redeemed	(234,715)	(181,500)	(15,269)	(55,335)	(296,107)	(281,924)
Balance - end of period	<b>2,463,349</b>	<b>2,197,413</b>	<b>81,360</b>	<b>61,964</b>	<b>2,716,429</b>	<b>2,429,406</b>

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

# Sun Life MFS Dividend Income Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>5,047,416</b>	(1,550,810)
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(135,200)</b>	(95,994)
Change in unrealized (appreciation) depreciation in value of investments	<b>(3,569,551)</b>	2,652,315
Non-cash income distributions from underlying funds	<b>(1,379,807)</b>	(1,047,436)
Purchases of investments	<b>(4,371,257)</b>	(10,834,349)
Proceeds from sale of investments	<b>2,856,202</b>	2,481,357
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>231</b>	1
Change in other payables and accrued expenses	<b>46</b>	(21)
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(1,551,920)</b>	(8,394,937)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>674</b>	(254)
Proceeds from redeemable shares issued	<b>4,983,219</b>	11,466,133
Redemption of redeemable shares	<b>(3,231,101)</b>	(3,028,434)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>1,752,792</b>	8,437,445
Net increase (decrease) in cash	<b>200,872</b>	42,508
Cash (bank indebtedness) at beginning of period	<b>15,917</b>	(26,591)
<b>Cash (bank indebtedness) at end of period</b>	<b>216,789</b>	15,917
Interest received	<b>1,483</b>	140
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS Dividend Income Fund, Series I	2,126,177	27,714,791	29,905,322	
		<b>27,714,791</b>	<b>29,905,322</b>	<b>99.28</b>
<b>Total Investments</b>		<b>27,714,791</b>	<b>29,905,322</b>	<b>99.28</b>
<b>Other Assets less Liabilities</b>			<b>216,417</b>	<b>0.72</b>
<b>Total Net Assets</b>			<b>30,121,739</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life MFS Dividend Income Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life MFS Dividend Income Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

### (a) Credit risk

The Fund is exposed indirectly to credit risk to the extent the Underlying Fund invests in underlying funds holding interest-bearing securities.

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
AAA/Aaa	1.13	1.37
Not Rated	0.26	-
<b>Total</b>	<b>1.39</b>	<b>1.37</b>

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

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

# Sun Life MFS Dividend Income Class (continued)

## (b) Market risk

### (i) Currency risk

The Fund is exposed indirectly to currency risk as a result of its investment in the Underlying Fund. The Underlying Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2019 and December 31, 2018. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)		Holdings Exposed to Currency Risk (\$CAD)	
	December 31, 2019	Percentage of Net Assets (%)	December 31, 2018	Percentage of Net Assets (%)
United States Dollar	3,041,830	10.10	2,946,778	12.63
Euro	917,206	3.04	1,126,569	4.83
Swiss Franc	859,427	2.85	536,454	2.30
Japanese Yen	787,961	2.62	-	-
British Pound	501,787	1.67	537,367	2.30
Danish Krone	2,035	0.01	-	-
South African Rand	-	-	134,769	0.58
Norwegian Krone	-	-	-	-
Hong Kong Dollar	-	-	-	-
<b>Total</b>	<b>6,110,246</b>	<b>20.29</b>	<b>5,281,937</b>	<b>22.64</b>

As at December 31, 2019, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$305,512 (\$264,097 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of the Underlying Fund's investment in interest-bearing securities.

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

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
December 31, 2019	336,919	-	-	336,919
December 31, 2018	319,721	-	-	319,721

As at December 31, 2019, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$514 (\$111 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in equities.

As at December 31, 2019, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$1,467,809 (\$1,142,366 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Short-Term Investments</b>		
Treasury Bills	1.1	1.4
<b>Equities</b>		
Energy	19.4	18.7
Materials	6.7	9.9
Industrials	9.1	11.0
Consumer Discretionary	5.2	5.4
Consumer Staples	2.2	5.2
Health Care	3.8	-
Financials	33.6	29.7
Real Estate	4.0	4.0
Information Technology	3.0	1.6
Communication Services	4.1	5.5
Utilities	7.0	7.0
<b>Other Assets less Liabilities</b>	<b>0.8</b>	<b>0.6</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

# Sun Life MFS Dividend Income Class (continued)

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	29,905,322	-	-	29,905,322

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	23,310,995	-	-	23,310,995

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series AT5	1,149	15,115
Series FT5	800	11,959
Series I	1,187	13,048

  

	December 31, 2018	
	Shares	Market Value (\$)
Series AT5	1,043	12,675
Series FT5	726	9,917
Series I	1,131	10,746

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	36	-	1,363
Series F	-	-	-
Series FT5	28	-	1,072
Series I	-	-	609

  

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	33	-	1,197
Series F	11	11,892	82
Series FT5	10,016	-	853
Series I	-	-	413

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Fund's net assets. The Fund does not provide additional financial or other support to the Underlying Fund. The Underlying Fund was established in and carries out its operations in Canada. The Fund's interest in the Underlying Fund is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, the Fund had significant interests in the Underlying Fund as noted in the following tables:

Underlying Fund	As at December 31, 2019	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life MFS Dividend Income Fund, Series I	99	56

  

Underlying Fund	As at December 31, 2018	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life MFS Dividend Income Fund, Series I	100	53

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

# Sun Life MFS Dividend Income Class (continued)

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series I Shares	May 01, 2015	May 01, 2015
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life MFS Global Growth Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>33,085,320</b>	20,250,777
Cash	<b>147,139</b>	48,029
Due from investment dealers	-	6,381
Accrued interest	<b>709</b>	1,484
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>1,862</b>	8,263
	<b>33,235,030</b>	20,314,934
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>1,837</b>	1,002
Redemptions payable	<b>2,246</b>	1,000
Distributions payable	<b>420</b>	-
Due to investment dealers	<b>71,575</b>	3,104
Management fees payable	<b>13,295</b>	7,112
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>89,373</b>	12,218
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>33,145,657</b>	20,302,716
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>12,951,606</b>	8,792,797
Series AT5	<b>1,713,665</b>	815,624
Series AT8	<b>699,446</b>	538,916
Series F	<b>8,086,321</b>	3,330,919
Series FT5	<b>666,780</b>	10,506
Series FT8	<b>355,252</b>	148,277
Series O	<b>8,672,587</b>	6,665,677
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>20.52</b>	16.57
Series AT5	<b>22.54</b>	19.05
Series AT8	<b>18.57</b>	16.15
Series F	<b>21.74</b>	17.36
Series FT5	<b>17.75</b>	14.83
Series FT8	<b>16.80</b>	14.43
Series O	<b>19.80</b>	15.67

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott President	"signed" Kari Holdsworth Chief Financial Officer
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## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>5,123</b>	2,125
Distributions from underlying funds	<b>563,787</b>	658,065
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	<b>389,486</b>	386,788
Change in unrealized appreciation (depreciation) in value of investments	<b>5,911,683</b>	(601,943)
<b>Net gains (losses) on investments</b>	<b>6,870,079</b>	445,035
<b>Total income (loss)</b>	<b>6,870,079</b>	445,035
<b>Expenses (note 5)</b>		
Management fees	<b>324,251</b>	206,490
Fixed annual administration fees	<b>44,891</b>	29,845
Independent review committee fees	<b>299</b>	330
Total operating expenses	<b>369,441</b>	236,665
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>6,500,638</b>	208,370
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>6,500,638</b>	208,370
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>6,500,638</b>	208,370
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>2,595,084</b>	14,915
Series AT5	<b>271,842</b>	7,032
Series AT8	<b>165,708</b>	4,906
Series F	<b>1,280,367</b>	(21,859)
Series FT5	<b>108,733</b>	487
Series FT8	<b>67,577</b>	(6,373)
Series O	<b>2,011,327</b>	209,262
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>588,879</b>	436,089
Series AT5	<b>59,037</b>	38,071
Series AT8	<b>39,588</b>	30,097
Series F	<b>266,203</b>	138,709
Series FT5	<b>31,635</b>	690
Series FT8	<b>16,717</b>	4,872
Series O	<b>436,064</b>	397,302
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>4.41</b>	0.03
Series AT5	<b>4.60</b>	0.18
Series AT8	<b>4.19</b>	0.16
Series F	<b>4.81</b>	(0.16)
Series FT5	<b>3.44</b>	0.71
Series FT8	<b>4.04</b>	(1.31)
Series O	<b>4.61</b>	0.53

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

# Sun Life MFS Global Growth Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series F	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 8,792,797	5,566,097	815,624	692,603	538,916	397,343	3,330,919	1,449,702
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 2,595,084	14,915	271,842	7,032	165,708	4,906	1,280,367	(21,859)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 4,324,611	5,173,388	889,006	175,050	290,928	265,664	4,429,043	2,130,858
Redemption of redeemable shares	\$ (2,762,256)	(1,961,603)	(224,880)	(46,691)	(230,395)	(81,595)	(949,535)	(224,547)
Reinvestment of distributions to holders of redeemable shares	\$ 274,342	92,780	43,104	36,402	5,959	2,332	109,816	21,642
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,836,697	3,304,565	707,230	164,761	66,492	186,401	3,589,324	1,927,953
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (272,777)	(92,587)	(24,218)	(10,573)	(20,035)	(6,983)	(114,167)	(24,804)
From net investment income	\$ (195)	(193)	(26)	(18)	(11)	(11)	(122)	(73)
Return of capital	\$ -	-	(56,787)	(38,181)	(51,624)	(42,740)	-	-
	\$ (272,972)	(92,780)	(81,031)	(48,772)	(71,670)	(49,734)	(114,289)	(24,877)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 4,158,809	3,226,700	898,041	123,021	160,530	141,573	4,755,402	1,881,217
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 12,951,606</b>	<b>8,792,797</b>	<b>1,713,665</b>	<b>815,624</b>	<b>699,446</b>	<b>538,916</b>	<b>8,086,321</b>	<b>3,330,919</b>
Redeemable Share Transactions								
Balance - beginning of period	530,625	338,085	42,809	34,824	33,367	22,853	191,838	84,977
Shares issued	232,281	301,845	41,596	8,509	16,996	15,207	223,710	118,053
Shares issued on reinvestment of distributions	15,526	5,459	2,039	1,768	336	123	5,792	1,131
Shares redeemed	(147,156)	(114,764)	(10,406)	(2,292)	(13,036)	(4,816)	(49,327)	(12,323)
Balance - end of period	<b>631,276</b>	<b>530,625</b>	<b>76,038</b>	<b>42,809</b>	<b>37,663</b>	<b>33,367</b>	<b>372,013</b>	<b>191,838</b>

  

	Series FT5		Series FT8		Series O		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 10,506	-	148,277	-	6,665,677	5,678,622	<b>20,302,716</b>	<b>13,784,367</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 108,733	487	67,577	(6,373)	2,011,327	209,262	<b>6,500,638</b>	<b>208,370</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 576,142	10,019	198,272	170,382	1,313,729	2,132,428	12,021,731	10,057,789
Redemption of redeemable shares	\$ (9,165)	-	(32,741)	(10,668)	(1,318,145)	(1,354,628)	(5,527,117)	(3,679,732)
Reinvestment of distributions to holders of redeemable shares	\$ 6,398	630	122	891	200,208	81,938	639,949	236,615
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 573,375	10,649	165,653	160,605	195,792	859,738	<b>7,134,563</b>	<b>6,614,672</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (315)	(156)	(6,454)	(156)	(200,078)	(81,799)	(638,044)	(217,058)
From net investment income	\$ (10)	-	(5)	(3)	(131)	(146)	(500)	(444)
Return of capital	\$ (25,509)	(474)	(19,796)	(5,796)	-	-	(153,716)	(87,191)
	\$ (25,834)	(630)	(26,255)	(5,955)	(200,209)	(81,945)	<b>(792,260)</b>	<b>(304,693)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 656,274	10,506	206,975	148,277	2,006,910	987,055	<b>12,842,941</b>	<b>6,518,349</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 666,780</b>	<b>10,506</b>	<b>355,252</b>	<b>148,277</b>	<b>8,672,587</b>	<b>6,665,677</b>	<b>33,145,657</b>	<b>20,302,716</b>
Redeemable Share Transactions								
Balance - beginning of period	708	-	10,273	-	425,345	373,628	<b>1,234,965</b>	<b>854,367</b>
Shares issued	36,982	667	13,105	10,938	75,214	132,051	639,884	587,270
Shares issued on reinvestment of distributions	401	41	8	58	12,113	5,239	36,215	13,819
Shares redeemed	(523)	-	(2,235)	(723)	(74,675)	(85,573)	(297,358)	(220,491)
Balance - end of period	<b>37,568</b>	<b>708</b>	<b>21,151</b>	<b>10,273</b>	<b>437,997</b>	<b>425,345</b>	<b>1,613,706</b>	<b>1,234,965</b>

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

# Sun Life MFS Global Growth Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>6,500,638</b>	208,370
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(389,486)</b>	(386,788)
Change in unrealized (appreciation) depreciation in value of investments	<b>(5,911,683)</b>	601,943
Non-cash income distributions from underlying funds	<b>(563,787)</b>	(658,065)
Purchases of investments	<b>(7,914,210)</b>	(8,352,475)
Proceeds from sale of investments	<b>2,019,475</b>	2,271,973
Change in accrued interest	<b>775</b>	(1,484)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>6,183</b>	3,006
Change in other payables and accrued expenses	<b>835</b>	390
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(6,251,260)</b>	(6,313,130)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(151,891)</b>	(68,078)
Proceeds from redeemable shares issued	<b>12,028,132</b>	10,114,565
Redemption of redeemable shares	<b>(5,525,871)</b>	(3,679,962)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>6,350,370</b>	6,366,525
Net increase (decrease) in cash	<b>99,110</b>	53,395
Cash (bank indebtedness) at beginning of period	<b>48,029</b>	(5,366)
<b>Cash (bank indebtedness) at end of period</b>	<b>147,139</b>	48,029
Interest received	<b>5,898</b>	641
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS Global Growth Fund, Series I	1,229,672	25,422,477	33,085,320	
		<b>25,422,477</b>	<b>33,085,320</b>	<b>99.82</b>
<b>Total Investments</b>		<b>25,422,477</b>	<b>33,085,320</b>	<b>99.82</b>
<b>Other Assets less Liabilities</b>			<b>60,337</b>	<b>0.18</b>
<b>Total Net Assets</b>			<b>33,145,657</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life MFS Global Growth Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life MFS Global Growth Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

### (a) Credit risk

The Fund is exposed indirectly to credit risk to the extent the Underlying Fund invests in underlying funds holding interest-bearing securities.

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
AAA/Aaa	1.21	0.82
<b>Total</b>	<b>1.21</b>	<b>0.82</b>

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

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

# Sun Life MFS Global Growth Class (continued)

## (b) Market risk

### (i) Currency risk

The Fund is exposed indirectly to currency risk as a result of its investment in the Underlying Fund. The Underlying Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2019 and December 31, 2018. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)		Holdings Exposed to Currency Risk (\$CAD)	
	December 31, 2019	Percentage of Net Assets (%)	December 31, 2018	Percentage of Net Assets (%)
United States Dollar	22,952,287	69.25	13,191,190	64.97
Euro	2,755,201	8.31	2,147,767	10.58
British Pound	2,136,242	6.45	1,878,580	9.25
Swiss Franc	1,952,429	5.89	1,057,166	5.21
Japanese Yen	1,027,817	3.10	835,771	4.12
Korean Won	900,871	2.72	356,731	1.76
Chinese Renminbi	319,067	0.96	-	-
Indian Rupee	138,514	0.42	57,061	0.28
Danish Krone	12,888	0.04	14,765	0.07
Brazilian Real	247	-	129,231	0.64
<b>Total</b>	<b>32,195,563</b>	<b>97.14</b>	<b>19,668,262</b>	<b>96.88</b>

As at December 31, 2019, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$1,609,777 (\$983,413 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of the Underlying Fund's investment in interest-bearing securities.

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

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
December 31, 2019	400,420	-	-	400,420
December 31, 2018	165,672	-	-	165,672

As at December 31, 2019, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$646 (\$17 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in equities.

As at December 31, 2019, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$1,633,149 (\$996,253 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Short-Term Investments</b>		
Treasury Bills	0.8	0.8
Promissory Notes	0.4	-
<b>Equities</b>		
Energy	-	0.4
Materials	6.4	7.4
Industrials	12.3	13.1
Consumer Discretionary	15.2	14.6
Consumer Staples	12.4	13.2
Health Care	12.4	10.3
Financials	9.0	8.6
Information Technology	21.5	21.4
Communication Services	9.5	9.2
<b>Other Assets less Liabilities</b>	0.1	1.0
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

# Sun Life MFS Global Growth Class (continued)

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

December 31, 2019				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	33,085,320	-	-	33,085,320

  

December 31, 2018				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	20,250,777	-	-	20,250,777

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

December 31, 2019		
	Shares	Market Value (\$)
Series FT5	764	13,561

  

December 31, 2018		
	Shares	Market Value (\$)
Series FT5	708	10,506

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

December 31, 2019			
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	31	-	867
Series FT8	-	-	-

  

December 31, 2018			
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	10,017	-	630
Series FT8	10,015	10,668	852

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Fund's net assets. The Fund does not provide additional financial or other support to the Underlying Fund. The Underlying Fund was established in and carries out its operations in Canada. The Fund's interest in the Underlying Fund is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Fund.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series AT8 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series FT8 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life MFS International Growth Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	17,729,592	11,085,888
Cash	235,390	266,175
Due from investment dealers	-	-
Accrued interest	1,443	1,807
Distributions receivable from underlying funds	-	-
Subscriptions receivable	450	2,675
	<b>17,966,875</b>	<b>11,356,545</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	982	548
Redemptions payable	-	-
Distributions payable	297	391
Due to investment dealers	5,504	55,389
Management fees payable	7,118	4,202
Income tax payable	29,603	17,068
Total liabilities (excluding net assets attributable to holders of redeemable shares)	43,504	77,598
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>17,923,371</b>	<b>11,278,947</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	5,829,378	4,554,056
Series AT5	226,021	247,352
Series AT8	511,310	493,882
Series F	8,523,975	3,673,159
Series FT5	12,149	10,101
Series FT8	69,003	96,385
Series O	2,751,535	2,204,012
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	15.50	14.10
Series AT5	16.87	16.12
Series AT8	13.86	13.67
Series F	16.62	14.95
Series FT5	15.11	14.29
Series FT8	14.25	13.89
Series O	15.71	14.00

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott  
President

"signed" Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	2,417	1,167
Distributions from underlying funds	300,082	1,270,383
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	60,108	156,655
Change in unrealized appreciation (depreciation) in value of investments	2,296,614	(1,636,393)
<b>Net gains (losses) on investments</b>	<b>2,659,221</b>	<b>(208,188)</b>
<b>Total income (loss)</b>	<b>2,659,221</b>	<b>(208,188)</b>
<b>Expenses (note 5)</b>		
Management fees	172,241	114,966
Fixed annual administration fees	22,763	14,103
Independent review committee fees	144	155
Total operating expenses	195,148	129,224
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>2,464,073</b>	<b>(337,412)</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>2,464,073</b>	<b>(337,412)</b>
Income taxes	28,396	16,174
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>2,435,677</b>	<b>(353,586)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	894,749	(154,587)
Series AT5	42,232	(12,830)
Series AT8	92,107	(15,663)
Series F	897,217	(103,430)
Series FT5	2,016	83
Series FT8	15,080	(6,406)
Series O	492,276	(60,753)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	363,495	278,665
Series AT5	14,784	11,881
Series AT8	37,473	30,548
Series F	323,166	106,206
Series FT5	773	689
Series FT8	6,244	3,357
Series O	173,017	132,028
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	2.46	(0.55)
Series AT5	2.86	(1.08)
Series AT8	2.46	(0.51)
Series F	2.78	(0.97)
Series FT5	2.61	0.12
Series FT8	2.42	(1.91)
Series O	2.85	(0.46)

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

# Sun Life MFS International Growth Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series F	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 4,554,056	3,490,412	247,352	155,207	493,882	358,718	3,673,159	203,266
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 894,749	(154,587)	42,232	(12,830)	92,107	(15,663)	897,217	(103,430)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 2,287,994	3,559,668	3,000	179,774	95,581	184,900	5,267,470	4,323,884
Redemption of redeemable shares	\$ (1,899,591)	(2,341,437)	(66,758)	(74,459)	(117,122)	(8,373)	(1,216,943)	(750,561)
Reinvestment of distributions to holders of redeemable shares	\$ 357,172	43,268	31,212	12,329	29,141	17,930	201,506	10,594
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 745,575	1,261,499	(32,546)	117,644	7,600	194,457	4,252,033	3,583,917
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (363,893)	(42,318)	(19,169)	(1,862)	(41,233)	(5,105)	(296,813)	(9,827)
From net investment income	\$ (1,109)	(950)	(43)	(51)	(97)	(104)	(1,621)	(767)
Return of capital	\$ -	-	(11,805)	(10,756)	(40,949)	(38,421)	-	-
	\$ (365,002)	(43,268)	(31,017)	(12,669)	(82,279)	(43,630)	(298,434)	(10,594)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,275,322	1,063,644	(21,331)	92,145	17,428	135,164	4,850,816	3,469,893
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>5,829,378</b>	<b>4,554,056</b>	<b>226,021</b>	<b>247,352</b>	<b>511,310</b>	<b>493,882</b>	<b>8,523,975</b>	<b>3,673,159</b>
Redeemable Share Transactions								
Balance - beginning of period	323,011	238,317	15,345	8,804	36,136	23,258	245,711	13,234
Shares issued	158,010	238,834	189	10,124	6,949	12,251	331,903	278,903
Shares issued on reinvestment of distributions	25,649	2,830	1,949	704	2,152	1,187	13,538	655
Shares redeemed	(130,549)	(156,970)	(4,083)	(4,287)	(8,345)	(560)	(78,246)	(47,081)
Balance - end of period	<b>376,121</b>	<b>323,011</b>	<b>13,400</b>	<b>15,345</b>	<b>36,892</b>	<b>36,136</b>	<b>512,906</b>	<b>245,711</b>

  

	Series FT5		Series FT8		Series O		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 10,101	-	96,385	-	2,204,012	1,395,496	<b>11,278,947</b>	<b>5,603,099</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 2,016	83	15,080	(6,406)	492,276	(60,753)	<b>2,435,677</b>	<b>(353,586)</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ -	10,018	-	105,000	877,775	1,344,077	8,531,820	9,707,321
Redemption of redeemable shares	\$ -	-	(29,971)	-	(822,528)	(474,808)	(4,152,913)	(3,649,638)
Reinvestment of distributions to holders of redeemable shares	\$ 1,373	598	1,734	1,794	187,945	18,078	810,083	104,591
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,373	10,616	(28,237)	106,794	243,192	887,347	<b>5,188,990</b>	<b>6,162,274</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (784)	(123)	(7,438)	(123)	(187,421)	(17,617)	(916,751)	(76,975)
From net investment income	\$ (2)	(2)	(13)	(21)	(524)	(461)	(3,409)	(2,356)
Return of capital	\$ (555)	(473)	(6,774)	(3,859)	-	-	(60,083)	(53,509)
	\$ (1,341)	(598)	(14,225)	(4,003)	(187,945)	(18,078)	<b>(980,243)</b>	<b>(132,840)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,048	10,101	(27,382)	96,385	547,523	808,516	<b>6,644,424</b>	<b>5,675,848</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>12,149</b>	<b>10,101</b>	<b>69,003</b>	<b>96,385</b>	<b>2,751,535</b>	<b>2,204,012</b>	<b>17,923,371</b>	<b>11,278,947</b>
Redeemable Share Transactions								
Balance - beginning of period	707	-	6,938	-	157,407	97,917	<b>785,255</b>	<b>381,530</b>
Shares issued	-	667	-	6,818	60,991	90,841	558,042	638,438
Shares issued on reinvestment of distributions	97	40	126	120	13,666	1,254	57,177	6,790
Shares redeemed	-	-	(2,222)	-	(56,932)	(32,605)	(280,377)	(241,503)
Balance - end of period	<b>804</b>	<b>707</b>	<b>4,842</b>	<b>6,938</b>	<b>175,132</b>	<b>157,407</b>	<b>1,120,097</b>	<b>785,255</b>

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

# Sun Life MFS International Growth Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>2,435,677</b>	(353,586)
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(60,108)</b>	(156,655)
Change in unrealized (appreciation) depreciation in value of investments	<b>(2,296,614)</b>	1,636,393
Non-cash income distributions from underlying funds	<b>(300,082)</b>	(1,270,383)
Purchases of investments	<b>(6,507,804)</b>	(7,064,458)
Proceeds from sale of investments	<b>2,471,019</b>	1,429,954
Change in accrued interest	<b>364</b>	(1,807)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>2,916</b>	1,974
Change in other payables and accrued expenses	<b>434</b>	307
Change in income tax payable	<b>12,535</b>	10,513
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(4,241,663)</b>	(5,767,748)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(170,254)</b>	(27,858)
Proceeds from redeemable shares issued	<b>8,534,045</b>	9,729,646
Redemption of redeemable shares	<b>(4,152,913)</b>	(3,658,751)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>4,210,878</b>	6,043,037
Net increase (decrease) in cash	<b>(30,785)</b>	275,289
Cash (bank indebtedness) at beginning of period	<b>266,175</b>	(9,114)
<b>Cash (bank indebtedness) at end of period</b>	<b>235,390</b>	266,175
Interest received	<b>2,781</b>	-
Income taxes paid	<b>(15,861)</b>	(5,661)
Interest paid	-	(640)

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS International Growth Fund, Series I	939,724	16,275,711	17,729,592	
		<b>16,275,711</b>	<b>17,729,592</b>	<b>98.92</b>
<b>Total Investments</b>		<b>16,275,711</b>	<b>17,729,592</b>	<b>98.92</b>
<b>Other Assets less Liabilities</b>			<b>193,779</b>	<b>1.08</b>
<b>Total Net Assets</b>			<b>17,923,371</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life MFS International Growth Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life MFS International Growth Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

#### (a) Credit risk

The Fund is exposed indirectly to credit risk to the extent the Underlying Fund invests in underlying funds holding interest-bearing securities.

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
AAA/Aaa	1.05	0.31
AA/Aa	0.30	0.92
<b>Total</b>	<b>1.35</b>	<b>1.23</b>

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

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

# Sun Life MFS International Growth Class (continued)

## (b) Market risk

### (i) Currency risk

The Fund is exposed indirectly to currency risk as a result of its investment in the Underlying Fund. The Underlying Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2019 and December 31, 2018. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)		Holdings Exposed to Currency Risk (\$CAD)	
	December 31, 2019	Percentage of Net Assets (%)	December 31, 2018	Percentage of Net Assets (%)
Euro	6,311,101	35.21	3,749,001	33.24
United States Dollar	2,874,299	16.04	1,706,584	15.13
Swiss Franc	2,471,524	13.79	1,542,917	13.68
British Pound	2,015,109	11.24	1,365,389	12.11
Japanese Yen	1,597,822	8.91	1,002,303	8.89
Hong Kong Dollar	819,005	4.57	518,116	4.59
Australian Dollar	254,672	1.42	246,922	2.19
Singapore Dollar	242,247	1.35	157,742	1.40
Korean Won	223,593	1.25	83,448	0.74
Mexican Peso	206,298	1.15	151,367	1.34
Indian Rupee	183,718	1.03	131,262	1.16
Danish Krone	149,043	0.83	98,447	0.87
New Taiwan Dollar	61,855	0.35	39,364	0.35
Czech Koruna	44,817	0.25	33,188	0.29
<b>Total</b>	<b>17,455,103</b>	<b>97.39</b>	<b>10,826,050</b>	<b>95.98</b>

As at December 31, 2019, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$872,755 (\$541,302 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of the Underlying Fund's investment in interest-bearing securities.

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

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
December 31, 2019	241,573	-	-	241,573
December 31, 2018	138,930	-	-	138,930

As at December 31, 2019, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$232 (\$111 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in equities.

As at December 31, 2019, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$870,209 (\$543,871 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Short-Term Investments</b>		
Treasury Bills	1.0	0.7
Promissory Note	0.1	0.5
Term Deposit Receipts	0.2	-
<b>Equities</b>		
Communication Services	3.1	4.4
Consumer Discretionary	9.5	8.6
Consumer Staples	21.0	21.8
Energy	0.9	1.8
Financials	9.5	11.8
Health Care	16.6	15.4
Industrials	11.3	10.3
Information Technology	16.2	13.7
Materials	8.8	8.3
Utilities	0.2	0.4
<b>Other Assets less Liabilities</b>	1.6	2.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

# Sun Life MFS International Growth Class (continued)

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	17,729,592	-	-	17,729,592

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	11,085,888	-	-	11,085,888

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series FT5	804	12,149
Series FT8	852	12,150

  

	December 31, 2018	
	Shares	Market Value (\$)
Series FT5	707	10,101
Series FT8	727	10,102

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	-	-	-
Series FT5	28	-	1,341
Series FT8	28	-	1,687

  

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	16	16,781	516
Series FT5	10,017	-	598
Series FT8	10,017	-	891

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Fund's net assets. The Fund does not provide additional financial or other support to the Underlying Fund. The Underlying Fund was established in and carries out its operations in Canada. The Fund's interest in the Underlying Fund is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Fund.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series AT8 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series FT8 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life MFS U.S. Growth Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	50,930,086	26,094,268
Cash	272,864	451,667
Due from investment dealers	-	118,143
Accrued interest	65	3,352
Distributions receivable from underlying funds	-	-
Subscriptions receivable	239,312	62,889
	<b>51,442,327</b>	<b>26,730,319</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	2,816	1,275
Redemptions payable	155,198	1,831
Distributions payable	947	1,783
Due to investment dealers	233,064	28,618
Management fees payable	21,305	10,055
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	413,330	43,562
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>51,028,997</b>	<b>26,686,757</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	19,104,619	13,035,473
Series AT5	1,780,146	616,286
Series AT8	1,054,909	767,983
Series F	20,214,410	6,034,948
Series FT5	310,458	30,604
Series FT8	93,562	52,752
Series O	8,470,893	6,148,711
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	25.61	20.38
Series AT5	28.35	23.57
Series AT8	23.46	20.03
Series F	27.47	21.62
Series FT5	19.08	15.69
Series FT8	18.10	15.29
Series O	23.84	18.59

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott  
President

"signed" Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	4,483	1,170
Distributions from underlying funds	115,712	602,995
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	2,151,608	489,906
Change in unrealized appreciation (depreciation) in value of investments	8,769,734	295,660
<b>Net gains (losses) on investments</b>	<b>11,041,537</b>	<b>1,389,731</b>
<b>Total income (loss)</b>	<b>11,041,537</b>	<b>1,389,731</b>
<b>Expenses (note 5)</b>		
Management fees	544,439	296,503
Fixed annual administration fees	72,967	36,466
Independent review committee fees	500	399
Total operating expenses	617,906	333,368
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>10,423,631</b>	<b>1,056,363</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>10,423,631</b>	<b>1,056,363</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>10,423,631</b>	<b>1,056,363</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	3,870,239	616,678
Series AT5	210,144	(6,842)
Series AT8	244,110	44,221
Series F	4,003,832	(38,930)
Series FT5	35,459	(667)
Series FT8	17,042	(3,989)
Series O	2,042,805	445,892
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	695,190	567,141
Series AT5	38,851	16,750
Series AT8	41,677	30,077
Series F	688,919	131,603
Series FT5	11,688	1,181
Series FT8	3,798	3,106
Series O	353,429	304,322
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	5.57	1.09
Series AT5	5.41	(0.41)
Series AT8	5.86	1.47
Series F	5.81	(0.30)
Series FT5	3.03	(0.56)
Series FT8	4.49	(1.28)
Series O	5.78	1.47

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

# Sun Life MFS U.S. Growth Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series F	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 13,035,473	8,651,583	616,286	197,948	767,983	394,043	6,034,948	1,057,578
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 3,870,239	616,678	210,144	(6,842)	244,110	44,221	4,003,832	(38,930)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 6,984,502	9,282,591	1,055,346	631,252	484,376	536,102	20,835,244	5,612,966
Redemption of redeemable shares	\$ (4,789,943)	(5,515,379)	(70,462)	(194,361)	(365,596)	(156,036)	(10,560,402)	(596,666)
Reinvestment of distributions to holders of redeemable shares	\$ 297,539	122,626	28,542	12,512	11,042	5,527	150,339	16,620
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 2,492,098	3,889,838	1,013,426	449,403	129,822	385,593	10,425,181	5,032,920
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (292,205)	(121,755)	(13,192)	(3,890)	(19,221)	(6,744)	(248,496)	(16,212)
From net investment income	\$ (986)	(871)	(93)	(42)	(55)	(53)	(1,055)	(408)
Return of capital	\$ -	-	(46,425)	(20,291)	(67,730)	(49,077)	-	-
	\$ (293,191)	(122,626)	(59,710)	(24,223)	(87,006)	(55,874)	(249,551)	(16,620)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 6,069,146	4,383,890	1,163,860	418,338	286,926	373,940	14,179,462	4,977,370
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 19,104,619</b>	<b>13,035,473</b>	<b>1,780,146</b>	<b>616,286</b>	<b>1,054,909</b>	<b>767,983</b>	<b>20,214,410</b>	<b>6,034,948</b>
Redeemable Share Transactions								
Balance - beginning of period	639,520	459,064	26,147	8,679	38,348	19,749	279,112	53,479
Shares issued	295,523	438,174	38,242	24,812	22,203	25,695	861,982	251,612
Shares issued on reinvestment of distributions	13,325	6,022	1,044	488	482	242	5,947	776
Shares redeemed	(202,399)	(263,740)	(2,642)	(7,832)	(16,072)	(7,338)	(411,100)	(26,755)
Balance - end of period	<b>745,969</b>	<b>639,520</b>	<b>62,791</b>	<b>26,147</b>	<b>44,961</b>	<b>38,348</b>	<b>735,941</b>	<b>279,112</b>

  

	Series FT5		Series FT8		Series O		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 30,604	-	52,752	-	6,148,711	4,418,660	<b>26,686,757</b>	<b>14,719,812</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 35,459	(667)	17,042	(3,989)	2,042,805	445,892	<b>10,423,631</b>	<b>1,056,363</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 290,411	44,938	39,227	98,400	2,825,713	2,898,296	32,514,819	19,104,545
Redemption of redeemable shares	\$ (37,251)	(13,667)	(10,937)	(40,121)	(2,546,336)	(1,614,137)	(18,380,927)	(8,130,367)
Reinvestment of distributions to holders of redeemable shares	\$ 1,739	947	1,277	1,868	147,313	64,820	637,791	224,920
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 254,899	32,218	29,567	60,147	426,690	1,348,979	<b>14,771,683</b>	<b>11,199,098</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (870)	(136)	(1,133)	(136)	(146,874)	(64,400)	(721,991)	(213,273)
From net investment income	\$ (16)	(2)	(4)	(3)	(439)	(420)	(2,648)	(1,799)
Return of capital	\$ (9,618)	(809)	(4,662)	(3,267)	-	-	(128,435)	(73,444)
	\$ (10,504)	(947)	(5,799)	(3,406)	(147,313)	(64,820)	<b>(853,074)</b>	<b>(288,516)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 279,854	30,604	40,810	52,752	2,322,182	1,730,051	<b>24,342,240</b>	<b>11,966,945</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 310,458</b>	<b>30,604</b>	<b>93,562</b>	<b>52,752</b>	<b>8,470,893</b>	<b>6,148,711</b>	<b>51,028,997</b>	<b>26,686,757</b>
Redeemable Share Transactions								
Balance - beginning of period	1,951	-	3,449	-	330,773	262,457	<b>1,319,300</b>	<b>803,428</b>
Shares issued	16,276	2,729	2,272	5,907	133,293	150,642	1,369,791	899,571
Shares issued on reinvestment of distributions	100	58	75	113	7,377	3,553	28,350	11,252
Shares redeemed	(2,052)	(836)	(625)	(2,571)	(116,107)	(85,879)	(750,997)	(394,951)
Balance - end of period	<b>16,275</b>	<b>1,951</b>	<b>5,171</b>	<b>3,449</b>	<b>355,336</b>	<b>330,773</b>	<b>1,966,444</b>	<b>1,319,300</b>

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

# Sun Life MFS U.S. Growth Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>10,423,631</b>	1,056,363
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(2,151,608)</b>	(489,906)
Change in unrealized (appreciation) depreciation in value of investments	<b>(8,769,734)</b>	(295,660)
Non-cash income distributions from underlying funds	<b>(115,712)</b>	(602,995)
Purchases of investments	<b>(24,405,404)</b>	(12,917,512)
Proceeds from sale of investments	<b>10,929,229</b>	2,718,750
Change in accrued interest	<b>3,287</b>	(3,352)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>11,250</b>	4,736
Change in other payables and accrued expenses	<b>1,541</b>	635
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(14,073,520)</b>	(10,528,941)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(216,119)</b>	(62,482)
Proceeds from redeemable shares issued	<b>32,338,396</b>	19,149,012
Redemption of redeemable shares	<b>(18,227,560)</b>	(8,133,786)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>13,894,717</b>	10,952,744
Net increase (decrease) in cash	<b>(178,803)</b>	423,803
Cash (bank indebtedness) at beginning of period	<b>451,667</b>	27,864
<b>Cash (bank indebtedness) at end of period</b>	<b>272,864</b>	451,667
Interest received	<b>7,770</b>	-
Income taxes paid	-	-
Interest paid	-	(2,182)

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS U.S. Growth Fund, Series I	1,098,969	39,463,458	50,930,086	
		<b>39,463,458</b>	<b>50,930,086</b>	<b>99.81</b>
<b>Total Investments</b>		<b>39,463,458</b>	<b>50,930,086</b>	<b>99.81</b>
<b>Other Assets less Liabilities</b>			<b>98,911</b>	<b>0.19</b>
<b>Total Net Assets</b>			<b>51,028,997</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life MFS U.S. Growth Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life MFS U.S. Growth Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

### (a) Credit risk

As at December 31, 2019 and December 31, 2018, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund is exposed indirectly to credit risk to the extent the Underlying Fund invests in underlying funds holding interest-bearing securities.

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
AAA/Aaa	1.22	1.67
AA/Aa	0.33	0.63
<b>Total</b>	<b>1.55</b>	<b>2.30</b>

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

# Sun Life MFS U.S. Growth Class (continued)

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

## (b) Market risk

### (i) Currency risk

The Fund is exposed indirectly to currency risk as a result of its investment in the Underlying Fund. The Underlying Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2019 and December 31, 2018. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)		Holdings Exposed to Currency Risk (\$CAD)	
	December 31, 2019	Percentage of Net Assets (%)	December 31, 2018	Percentage of Net Assets (%)
United States Dollar	49,774,814	97.54	25,318,826	94.87
Euro	109,030	0.21	69,438	0.26
<b>Total</b>	<b>49,883,844</b>	<b>97.75</b>	<b>25,388,264</b>	<b>95.13</b>

As at December 31, 2019, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$2,494,192 (\$1,269,413 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of the Underlying Fund's investment in interest-bearing securities.

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

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
December 31, 2019	789,743	-	-	789,743
December 31, 2018	613,349	-	-	613,349

As at December 31, 2019, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$955 (\$503 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in equities.

As at December 31, 2019, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$2,493,006 (\$1,279,201 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Short-Term Investments</b>		
Treasury Bills	0.5	1.4
Promissory Note	0.7	0.9
Bearer Deposit Notes	0.1	-
Term Deposit Receipts	0.3	-
<b>Equities</b>		
Communication Services	14.0	12.8
Consumer Discretionary	12.0	14.3
Consumer Staples	3.4	3.7
Energy	0.3	0.7
Financials	3.8	4.1
Health Care	13.5	15.5
Industrials	7.5	6.8
Information Technology	38.4	33.8
Materials	3.1	2.6
Real Estate	1.6	1.6
<b>Other Assets less Liabilities</b>	<b>0.8</b>	<b>1.8</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

# Sun Life MFS U.S. Growth Class (continued)

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	50,930,086	-	-	50,930,086

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	26,094,268	-	-	26,094,268

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series FT5	-	-
Series FT8	794	14,371

  

	December 31, 2018	
	Shares	Market Value (\$)
Series FT5	705	11,060
Series FT8	723	11,061

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	30	14,541	764
Series FT8	33	-	1,172

  

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	10,018	-	609
Series FT8	10,018	-	902

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Fund's net assets. The Fund does not provide additional financial or other support to the Underlying Fund. The Underlying Fund was established in and carries out its operations in Canada. The Fund's interest in the Underlying Fund is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Fund.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series AT8 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series FT8 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life Money Market Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	12,013,282	10,385,153
Cash	491,512	126,866
Due from investment dealers	-	-
Accrued interest	2,930	7,019
Distributions receivable from underlying funds	1,890	3,483
Subscriptions receivable	-	-
	<b>12,509,614</b>	<b>10,522,521</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	-	2
Redemptions payable	-	4
Distributions payable	-	-
Due to investment dealers	-	-
Management fees payable	1,715	1,354
Income tax payable	31,415	37,330
Total liabilities (excluding net assets attributable to holders of redeemable shares)	33,130	38,690
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>12,476,484</b>	<b>10,483,831</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	8,868,136	6,566,013
Series F	1,860,706	2,741,064
Series O	1,747,642	1,176,754
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	10.25	10.14
Series F	10.43	10.30
Series O	10.56	10.40

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott President	"signed" Kari Holdsworth Chief Financial Officer
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## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	3,941	5,103
Distributions from underlying funds	215,699	139,259
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	-	-
Change in unrealized appreciation (depreciation) in value of investments	-	-
<b>Net gains (losses) on investments</b>	<b>219,640</b>	<b>144,362</b>
<b>Total income (loss)</b>	<b>219,640</b>	<b>144,362</b>
<b>Expenses (note 5)</b>		
Management fees	114,064	80,806
Fixed annual administration fees	6,877	5,064
Independent review committee fees	154	168
Total operating expenses	121,095	86,038
Fees waived/absorbed by the Manager	(68,106)	(48,242)
<b>Operating Profit (Loss)</b>	<b>166,651</b>	<b>106,566</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>166,651</b>	<b>106,566</b>
Income taxes	31,055	37,497
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>135,596</b>	<b>69,069</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	81,927	33,919
Series F	32,907	19,341
Series O	20,762	15,809
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	815,524	563,068
Series F	244,962	211,418
Series O	127,787	127,764
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.10	0.06
Series F	0.13	0.09
Series O	0.16	0.12

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

# Sun Life Money Market Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series F		Series O		Total	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 6,566,013	6,353,370	2,741,064	2,783,228	1,176,754	1,361,332	<b>10,483,831</b>	<b>10,497,930</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 81,927	33,919	32,907	19,341	20,762	15,809	<b>135,596</b>	<b>69,069</b>
<b>Redeemable Share Transactions</b>								
Proceeds from redeemable shares issued	\$ 29,193,219	14,303,530	5,633,984	5,639,811	3,153,979	14,913,853	37,981,182	34,857,194
Redemption of redeemable shares	\$ (26,973,023)	(14,124,806)	(6,547,249)	(5,701,316)	(2,603,853)	(15,114,240)	(36,124,125)	(34,940,362)
Reinvestment of distributions to holders of redeemable shares	\$ -	-	-	-	-	-	-	-
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 2,220,196	178,724	(913,265)	(61,505)	550,126	(200,387)	<b>1,857,057</b>	<b>(83,168)</b>
<b>Distributions to Holders of Redeemable Shares</b>								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ -	-	-	-	-	-	-	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ -	-	-	-	-	-	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period</b>	\$ 2,302,123	212,643	(880,358)	(42,164)	570,888	(184,578)	<b>1,992,653</b>	<b>(14,099)</b>
<b>Net Assets Attributable to Holders of Redeemable Shares at end of period</b>	\$ <b>8,868,136</b>	<b>6,566,013</b>	<b>1,860,706</b>	<b>2,741,064</b>	<b>1,747,642</b>	<b>1,176,754</b>	<b>12,476,484</b>	<b>10,483,831</b>
<b>Redeemable Share Transactions</b>								
<b>Balance - beginning of period</b>	647,243	630,231	266,199	272,788	113,119	132,410	<b>1,026,561</b>	<b>1,035,429</b>
Shares issued	2,861,282	1,414,199	544,148	549,926	300,699	1,439,160	3,706,129	3,403,285
Shares issued on reinvestment of distributions	-	-	-	-	-	-	-	-
Shares redeemed	(2,642,971)	(1,397,187)	(631,918)	(556,515)	(248,392)	(1,458,451)	(3,523,281)	(3,412,153)
<b>Balance - end of period</b>	<b>865,554</b>	<b>647,243</b>	<b>178,429</b>	<b>266,199</b>	<b>165,426</b>	<b>113,119</b>	<b>1,209,409</b>	<b>1,026,561</b>

## Statements of Cash Flows

For the periods ended December 31

	2019	2018		2019	2018
	(\$)	(\$)		(\$)	(\$)
<b>Cash Flows from Operating Activities</b>			<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>1,857,053</b>	(83,164)
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>135,596</b>	69,069	Net increase (decrease) in cash	<b>364,646</b>	162,100
Adjustments for:			Cash (bank indebtedness) at beginning of period	<b>126,866</b>	(35,234)
Net realized (gain) loss on sale of investments	-	-	<b>Cash (bank indebtedness) at end of period</b>	<b>491,512</b>	126,866
Change in unrealized (appreciation) depreciation in value of investments	-	-	Interest received	<b>8,030</b>	-
Non-cash income distributions from underlying funds	<b>(215,699)</b>	(139,259)	Income taxes paid	<b>(36,970)</b>	(10,804)
Purchases of investments	<b>(32,493,073)</b>	(28,358,169)	Interest paid	-	(1,916)
Proceeds from sale of investments	<b>31,080,643</b>	28,645,127			
Change in accrued interest	<b>4,089</b>	(7,019)			
Change in distributions receivable from underlying funds	<b>1,593</b>	8,542			
Change in management fees payable	<b>361</b>	305			
Change in other payables and accrued expenses	<b>(2)</b>	(25)			
Change in income tax payable	<b>(5,915)</b>	26,693			
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(1,492,407)</b>	245,264			
<b>Cash Flows from Financing Activities</b>					
Distributions paid to holders of redeemable shares, net of reinvested distributions	-	-			
Proceeds from redeemable shares issued	<b>37,981,182</b>	34,857,194			
Redemption of redeemable shares	<b>(36,124,129)</b>	(34,940,358)			

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

# Sun Life Money Market Class (continued)

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Money Market Fund, Series I	1,201,328	12,013,282	12,013,282	
		<b>12,013,282</b>	<b>12,013,282</b>	<b>96.29</b>
<b>Total Investments</b>		<b>12,013,282</b>	<b>12,013,282</b>	<b>96.29</b>
<b>Other Assets less Liabilities</b>			<b>463,202</b>	<b>3.71</b>
<b>Total Net Assets</b>			<b>12,476,484</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life Money Market Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life Money Market Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

#### (a) Credit risk

The Fund is exposed indirectly to credit risk to the extent the Underlying Fund invests in underlying funds holding interest-bearing securities.

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
AAA/Aaa	60.43	63.64
AA/Aa	35.52	35.01
<b>Total</b>	<b>95.95</b>	<b>98.65</b>

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

#### (b) Market risk

##### (i) Currency risk

The Fund is not exposed to currency risk as all monetary financial instruments are denominated in Canadian Dollars.

##### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of the Underlying Fund's investment in interest-bearing securities.

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

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
December 31, 2019	11,971,738	-	-	11,971,738
December 31, 2018	10,341,581	-	-	10,341,581

As at December 31, 2019, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$26,422 (\$19,965 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

##### (iii) Other market risk

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

#### (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

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

# Sun Life Money Market Class (continued)

## (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Short-Term Investments</b>		
Treasury Bills	44.2	43.4
Bankers' Acceptances	26.4	19.2
Discount Commercial Paper	13.9	13.1
Promissory Notes	6.4	12.3
Bearer Deposit Notes	5.2	10.7
Other Assets less Liabilities	3.9	1.3
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	12,013,282	-	-	12,013,282

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	10,385,153	-	-	10,385,153

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Fund's net assets. The Fund does not provide additional financial or other support to the Underlying Fund. The Underlying Fund was established in and carries out its operations in Canada. The Fund's interest in the Underlying Fund is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, there were no significant interests in the Underlying Fund.

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series O Shares	April 01, 2014	April 01, 2014

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

# Sun Life Sentry Value Class

## Statements of Financial Position

As at December 31, 2019 and 2018

	December 31, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	25,749,869	27,034,645
Cash	171,641	6,587
Due from investment dealers	11	19,562
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	1,231	10,438
	<b>25,922,752</b>	<b>27,071,232</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	460	467
Redemptions payable	-	943
Distributions payable	1,481	1,913
Due to investment dealers	214	14,574
Management fees payable	2,997	2,971
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	5,152	20,868
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>25,917,600</b>	<b>27,050,364</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	3,846,403	4,299,970
Series AT5	258,472	240,157
Series F	827,104	935,088
Series FT5	11,258	9,804
Series I	17,621,396	17,655,638
Series O	3,352,967	3,909,707
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	11.92	10.98
Series AT5	13.02	12.60
Series F	12.80	11.66
Series FT5	13.52	12.92
Series I	10.70	9.65
Series O	11.76	10.62

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott President	"signed" Kari Holdsworth Chief Financial Officer
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## Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	613	1,441
Distributions from underlying funds	694,472	1,305,001
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	(14,555)	109,239
Change in unrealized appreciation (depreciation) in value of investments	3,274,434	(3,141,099)
<b>Net gains (losses) on investments</b>	<b>3,954,964</b>	<b>(1,725,418)</b>
<b>Total income (loss)</b>	<b>3,954,964</b>	<b>(1,725,418)</b>
<b>Expenses (note 5)</b>		
Management fees	97,052	115,181
Fixed annual administration fees	15,251	17,565
Independent review committee fees	113	198
Total operating expenses	112,416	132,944
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>3,842,548</b>	<b>(1,858,362)</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>3,842,548</b>	<b>(1,858,362)</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>		
	<b>3,842,548</b>	<b>(1,858,362)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	518,840	(373,340)
Series AT5	31,466	(22,428)
Series F	118,526	(60,484)
Series FT5	1,424	(196)
Series I	2,623,884	(1,123,380)
Series O	548,408	(278,534)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	358,770	410,138
Series AT5	19,759	12,282
Series F	68,144	74,751
Series FT5	787	714
Series I	1,756,644	1,672,272
Series O	334,291	356,793
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	1.45	(0.91)
Series AT5	1.59	(1.83)
Series F	1.74	(0.81)
Series FT5	1.81	(0.27)
Series I	1.49	(0.67)
Series O	1.64	(0.78)

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

# Sun Life Sentry Value Class (continued)

## Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares

For the periods ended December 31

	Series A		Series AT5		Series F		Series FT5	
	2019	2018	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 4,299,970	5,883,674	240,157	95,760	935,088	643,555	9,804	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 518,840	(373,340)	31,466	(22,428)	118,526	(60,484)	1,424	(196)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 382,965	1,418,511	19,380	224,597	328,523	905,413	-	10,000
Redemption of redeemable shares	\$ (1,355,533)	(2,626,117)	(17,600)	(44,928)	(554,304)	(551,912)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 171,453	379,449	8,541	10,393	34,662	74,355	999	1,279
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (801,115)	(828,157)	10,321	190,062	(191,119)	427,856	999	11,279
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (68,582)	(251,186)	(3,977)	(5,846)	(13,286)	(47,375)	(160)	(491)
From net investment income	\$ (102,710)	(131,021)	(7,034)	(7,479)	(22,105)	(28,464)	(300)	(298)
Return of capital	\$ -	-	(12,461)	(9,912)	-	-	(509)	(490)
	\$ (171,292)	(382,207)	(23,472)	(23,237)	(35,391)	(75,839)	(969)	(1,279)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (453,567)	(1,583,704)	18,315	144,397	(107,984)	291,533	1,454	9,804
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>3,846,403</b>	<b>4,299,970</b>	<b>258,472</b>	<b>240,157</b>	<b>827,104</b>	<b>935,088</b>	<b>11,258</b>	<b>9,804</b>
Redeemable Share Transactions								
Balance - beginning of period	391,584	455,159	19,060	6,158	80,175	47,417	759	-
Shares issued	33,335	112,433	1,479	15,265	26,757	68,389	-	667
Shares issued on reinvestment of distributions	14,391	32,584	652	749	2,722	6,050	74	92
Shares redeemed	(116,569)	(208,592)	(1,343)	(3,112)	(45,050)	(41,681)	-	-
Balance - end of period	<b>322,741</b>	<b>391,584</b>	<b>19,848</b>	<b>19,060</b>	<b>64,604</b>	<b>80,175</b>	<b>833</b>	<b>759</b>

  

	Series I		Series O		Total	
	2019	2018	2019	2018	2019	2018
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 17,655,638	16,803,650	3,909,707	4,433,840	<b>27,050,364</b>	<b>27,860,479</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 2,623,884	(1,123,380)	548,408	(278,534)	<b>3,842,548</b>	<b>(1,858,362)</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 2,381,875	4,314,195	792,752	1,028,281	3,905,495	7,900,997
Redemption of redeemable shares	\$ (5,040,002)	(2,338,827)	(1,897,919)	(1,273,881)	(8,865,358)	(6,835,665)
Reinvestment of distributions to holders of redeemable shares	\$ 765,280	1,347,515	152,019	317,219	1,132,954	2,130,210
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (1,892,847)	3,322,883	(953,148)	71,619	<b>(3,826,909)</b>	<b>3,195,542</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (294,909)	(810,622)	(62,331)	(198,233)	(443,245)	(1,313,753)
From net investment income	\$ (470,370)	(536,893)	(89,669)	(118,985)	(692,188)	(823,140)
Return of capital	\$ -	-	-	-	(12,970)	(10,402)
	\$ (765,279)	(1,347,515)	(152,000)	(317,218)	<b>(1,148,403)</b>	<b>(2,147,295)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (34,242)	851,988	(556,740)	(524,133)	<b>(1,132,764)</b>	<b>(810,115)</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>17,621,396</b>	<b>17,655,638</b>	<b>3,352,967</b>	<b>3,909,707</b>	<b>25,917,600</b>	<b>27,050,364</b>
Redeemable Share Transactions						
Balance - beginning of period	1,830,476	1,513,084	368,169	362,176	<b>2,690,223</b>	<b>2,383,994</b>
Shares issued	231,751	402,195	69,569	85,283	362,891	684,232
Shares issued on reinvestment of distributions	73,095	134,671	13,221	28,737	104,155	202,883
Shares redeemed	(488,425)	(219,474)	(165,849)	(108,027)	(817,236)	(580,886)
Balance - end of period	<b>1,646,897</b>	<b>1,830,476</b>	<b>285,110</b>	<b>368,169</b>	<b>2,340,033</b>	<b>2,690,223</b>

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

# Sun Life Sentry Value Class (continued)

## Statements of Cash Flows

For the periods ended December 31

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>3,842,548</b>	(1,858,362)
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>14,555</b>	(109,239)
Change in unrealized (appreciation) depreciation in value of investments	<b>(3,274,434)</b>	3,141,099
Non-cash income distributions from underlying funds	<b>(694,472)</b>	(1,305,001)
Purchases of investments	<b>(2,150,531)</b>	(5,412,143)
Proceeds from sale of investments	<b>7,394,849</b>	4,534,329
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>26</b>	(422)
Change in other payables and accrued expenses	<b>(7)</b>	(17)
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>5,132,534</b>	(1,009,756)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(15,881)</b>	(15,239)
Proceeds from redeemable shares issued	<b>3,914,702</b>	7,912,246
Redemption of redeemable shares	<b>(8,866,301)</b>	(6,834,722)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(4,967,480)</b>	1,062,285
Net increase (decrease) in cash	<b>165,054</b>	52,529
Cash (bank indebtedness) at beginning of period	<b>6,587</b>	(45,942)
<b>Cash (bank indebtedness) at end of period</b>	<b>171,641</b>	6,587
Interest received	<b>613</b>	1,441
Interest paid	-	-
Income taxes paid	-	-

## Schedule of Investments

As at December 31, 2019

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Sentry Value Fund, Series I	1,768,827	24,909,035	25,749,869	
		<b>24,909,035</b>	<b>25,749,869</b>	<b>99.35</b>
<b>Total Investments</b>		<b>24,909,035</b>	<b>25,749,869</b>	<b>99.35</b>
<b>Other Assets less Liabilities</b>			<b>167,731</b>	<b>0.65</b>
<b>Total Net Assets</b>			<b>25,917,600</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life Sentry Value Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life Sentry Value Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

### (a) Credit risk

As at December 31, 2019 and December 31, 2018, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Fund is exposed indirectly to credit risk to the extent the Underlying Fund invests in underlying funds holding interest-bearing securities.

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
AAA/Aaa	0.11	-
AA/Aa	0.18	-
Not Rated	-	2.69
<b>Total</b>	<b>0.29</b>	<b>2.69</b>

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

# Sun Life Sentry Value Class (continued)

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

## (b) Market risk

### (i) Currency risk

The Fund is exposed indirectly to currency risk as a result of its investment in the Underlying Fund. The Underlying Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2019 and December 31, 2018. Amounts shown are based on the fair value of monetary and non-monetary assets.

	December 31, 2019		December 31, 2018	
	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
United States Dollar	7,372,040	28.44	2,658,117	9.83
<b>Total</b>	<b>7,372,040</b>	<b>28.44</b>	<b>2,658,117</b>	<b>9.83</b>

As at December 31, 2019, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$368,602 (\$132,906 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of the Underlying Fund's investment in interest-bearing securities.

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

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
December 31, 2019	-	-	-	-
December 31, 2018	-	-	726,586	726,586

As at December 31, 2019, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$nil (\$52,233 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in equities.

As at December 31, 2019, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$1,269,892 (\$1,171,382 as at December 31, 2018). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (c) Liquidity risk

As at December 31, 2019 and December 31, 2018, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

### (d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2019	December 31, 2018
<b>Bonds</b>		
Corporate Bonds	-	2.7
<b>Equities</b>		
Energy	9.3	11.4
Industrials	10.4	13.1
Consumer Discretionary	11.6	3.5
Consumer Staples	6.4	7.1
Health Care	6.5	5.3
Real Estate	4.2	14.8
Financials	22.3	6.5
Information Technology	14.7	5.8
Materials	2.4	4.4
Communication Services	6.3	12.2
Utilities	3.9	2.5
<b>Derivative Assets (Liabilities)</b>	0.3	(0.4)
<b>Other Assets less Liabilities</b>	1.7	11.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

# Sun Life Sentry Value Class (continued)

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2019 and December 31, 2018.

	December 31, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	25,749,869	-	-	25,749,869

  

	December 31, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	27,034,645	-	-	27,034,645

There were no transfers between fair value levels during the periods from January 1 to December 31, 2019 and January 1 to December 31, 2018.

## Mutual funds

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

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2019 and December 31, 2018, the Manager held the following positions in the Fund:

	December 31, 2019	
	Shares	Market Value (\$)
Series FT5	833	11,258
Series I	1,256	13,441

  

	December 31, 2018	
	Shares	Market Value (\$)
Series FT5	759	9,804
Series I	1,204	11,613

The following are transactions in the Fund by the Manager from January 1 to December 31, 2019 and January 1 to December 31, 2018. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2019		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	-	-	-
Series F	-	-	-
Series FT5	27	-	969
Series I	-	-	548

  

	December 31, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	15	15,952	1,055
Series F	10,017	-	-
Series FT5	-	-	1,279
Series I	-	-	931

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles investors to a proportionate share of the Underlying Fund's net assets. The Fund does not provide additional financial or other support to the Underlying Fund. The Underlying Fund was established in and carries out its operations in Canada. The Fund's interest in the Underlying Fund is reported at fair value in "investments" in its Statements of Financial Position and in its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2019 and December 31, 2018, the Fund had significant interests in the Underlying Fund as noted in the following tables:

Underlying Fund	As at December 31, 2019	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life Sentry Value Fund, Series I	99	30

  

Underlying Fund	As at December 31, 2018	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life Sentry Value Fund, Series I	100	30

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

# Sun Life Sentry Value Class (continued)

## Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series I Shares	May 01, 2015	May 01, 2015
Series O Shares	April 01, 2014	April 01, 2014

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

# Notes to the Financial Statements

For the periods ended December 31, 2019 and December 31, 2018

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## 1. Establishment of the Funds

Sun Life Global Investments Corporate Class Inc. (the “Corporation”) is a mutual fund corporation incorporated by articles of incorporation under the laws of the Province of Ontario as of June 17, 2013. Each class of shares of the mutual fund corporation is herein referred to as a “Fund”.

Sun Life Global Investments (Canada) Inc. (the “Manager”) is the Manager of the Funds. The Manager has its registered office at 1 York Street, Toronto, Ontario, Canada, M5J 0B6.

Valuation, accounting and custodial duties of the Funds are provided by RBC Investor Services Trust. Shareholder recordkeeping duties are provided by International Financial Data Services (Canada) Limited.

Each Fund may issue an unlimited number of series of redeemable shares and may issue an unlimited number of redeemable shares of each series. Each individual series of redeemable shares is sold under differing purchasing options and may have lower or higher management fees reflecting the extent of investment advice provided. The management fee rates for each of the Funds and their various series are provided in note 5.

The financial statements of the Funds include the Schedule of Investments for each Fund as at December 31, 2019, the Statements of Financial Position as at December 31, 2019 and December 31, 2018, and the Statements of Comprehensive Income (Loss), Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares and Statements of Cash Flows for the periods ended December 31, 2019 and 2018. For details on each Fund’s date of origin, refer to the Establishment of the Fund disclosure within the Fund Specific Notes to the financial statements of each Fund.

The financial statements of the Funds for the period ended December 31, 2019 were authorized on March 23, 2020 for issue in accordance with the resolution approved by the Board of Directors of the Corporation.

## 2. Significant Accounting Policies

### Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

The financial statements have been prepared on a going concern basis using the historical cost convention. However, each Fund is an investment entity and primarily all financial assets and financial liabilities are measured at fair value in accordance with IFRS. Accordingly, the Funds’ accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value (“NAV”) for transactions with redeemable shareholders.

### Financial instruments

#### (a) Classification and recognition of financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives, cash and other receivables and payables. The Funds classify and measure financial instruments in accordance with IFRS 9, *Financial Instruments* (“IFRS 9”).

All financial assets and financial liabilities are recognized in the Statements of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that a Fund commits to purchase or sell the asset.

In accordance with IFRS 9, financial instruments are classified into one of three categories based on the entity’s business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Those categories are:

- Amortized cost - Assets held within a business model whose objective is to collect cash flows and where the contractual cash flows of the assets are Solely Payments of Principal and Interest (“SPPI criterion”). Items in this category include cash and cash equivalents, receivables, and other financial assets.
- Fair value through other comprehensive income (“FVOCI”) - Financial assets such as debt instruments that meet the SPPI criterion and are held within a business model with objectives that include both collecting the associated contractual cash flows and selling financial assets. Gains and losses are reclassified to profit or loss upon derecognition.
- Fair value through profit or loss (“FVTPL”) - A financial asset is measured at FVTPL unless it is measured at amortized cost or FVOCI. Derivative contracts are measured at FVTPL. For all instruments classified as FVTPL, the gains and losses are recognized in profit or loss.

Financial liabilities are measured at amortized cost, except for the following items:

- Financial liabilities at FVTPL such as derivatives;

# Notes to the Financial Statements

For the periods ended December 31, 2019 and December 31, 2018

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- Financial liabilities arising from the transfer of a financial asset that did not qualify for derecognition;
- Financial guarantee contracts; and
- Commitments to provide a loan at below-market interest rates.

In addition, financial liabilities can be designated as FVTPL upon initial recognition using the fair value option when it results in more relevant information.

The Manager has assessed the business models of the Funds and has determined that the Funds' portfolio of financial assets and financial liabilities are managed and performance is evaluated on a fair value basis in accordance with the Funds' risk management and investment strategies; therefore, classification and measurement of financial assets is FVTPL.

All Funds have contractual obligations to distribute cash to the shareholders. As a result, each Fund's obligation for net assets attributable to holders of redeemable shares represents a financial liability and is presented at the redemption amount.

## (b) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statements of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Funds enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.

## (c) Valuation of financial instruments

Financial assets and financial liabilities at FVTPL are recorded in the Statements of Financial Position at fair value upon initial recognition. All transaction costs such as brokerage commissions, incurred in the purchase and sale of securities for such instruments, are recognized directly in profit or loss. Loans and receivables and other financial liabilities are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue. For financial assets and financial liabilities where the fair value at initial recognition does not equal the transaction price, the Funds recognize the difference in the Statements of Comprehensive Income (Loss), unless specified otherwise.

After initial measurement, the Funds measure financial instruments that are classified as FVTPL at fair value. Subsequent changes in the fair value of those financial instruments (i.e., the excess/shortfall of the sum of the fair value of portfolio investments over/below the sum of the average cost of each portfolio investment) are recorded in "Change in unrealized appreciation (depreciation) in value of investments" in the Statements of Comprehensive Income (Loss).

The average cost of portfolio investments represents the sum of the average cost of each portfolio investment. For the purposes of determining the average cost of each portfolio investment, the purchase price of portfolio investments acquired by a Fund is added to the average cost of the particular portfolio investment immediately prior to the purchase. The average cost of a portfolio investment is reduced by the number of shares sold multiplied by the average cost of the portfolio investment at the time of the sale. The average cost per share of each portfolio investment sold is determined by dividing the cost of the portfolio investment by the number of shares held immediately prior to the sale transaction. Transaction costs incurred in portfolio transactions are excluded from the average cost of investments and are recognized immediately in income and are presented in "Transaction costs" in the Statements of Comprehensive Income (Loss). Realized gains and losses from the sale of portfolio investments are also calculated based on the average cost, excluding transaction costs, of the related investment.

Loans and receivables and other assets and liabilities (other than those classified as FVTPL) are measured at amortized cost.

The Funds measure their financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Funds.

The fair values of each specific type of investment and derivative, where applicable, are determined in the following manner:

- i) Underlying funds are fair valued each business day using the most recent NAV per share quoted by the manager on the valuation date.
- ii) Due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers and management fees payable are valued at fair value or at their recorded cost, plus or minus any foreign exchange between recognition of the asset by the Fund and the current valuation date, which approximates fair value due to the short-term nature of these assets and liabilities.

## (d) Cash

Cash consists of cash on hand. It is valued at fair value or at recorded cost, plus or minus any foreign exchange between recognition of the asset by the Fund and the current valuation date, which approximates fair value.

# Notes to the Financial Statements

For the periods ended December 31, 2019 and December 31, 2018

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## (e) Distributions from underlying funds

Distributions from underlying funds are recorded in the year to which the distribution relates. Distributions from underlying funds may include a combination of capital gains/(losses), Canadian and foreign dividends, and interest income.

## (f) Transaction costs

Transaction costs incurred in portfolio transactions, if any, are excluded from the average cost of investments and are recognized immediately in income and are presented as a separate expense item in the Statements of Comprehensive Income (Loss).

## (g) Redeemable share valuation and valuation date

Redeemable shares are issued and redeemed on a continuous basis at their NAV which is determined, for every series of redeemable shares of each Fund, except for the Sun Life Money Market Class, on each day that the Toronto Stock Exchange is open for business. The Sun Life Money Market Class is valued on each day that the Canadian chartered banks are open for business, other than Saturdays and Sundays.

The redeemable share valuation per series is determined by dividing the aggregate market value of the net assets of that series of the Fund by the total number of redeemable shares of that series outstanding at the close of business on the valuation day.

## (h) Investment transactions

Investment transactions are accounted for on the trade date. Realized gains and losses arising from the sale of investments and unrealized appreciation and depreciation on investments are calculated with reference to the average cost of the related investments and derivative instruments.

## (i) Revenue recognition

Income, realized gain (loss) and unrealized gain (loss) are allocated among the series of a Fund on a pro-rata basis.

## (j) Foreign currency translation

Foreign currency amounts are expressed in Canadian dollars on the following bases:

- i) Fair value of investments and other assets and liabilities at the rate of exchange prevailing at the period end; and
- ii) Value of investment transactions, income and expenses at the rates prevailing on the respective dates of such transactions.

The Funds' functional currency and presentation currency is the Canadian dollar, which is the currency of the primary economic environment in which the Funds operate.

## (k) Increase (decrease) in net assets attributable to holders of redeemable shares per share

Increase (decrease) in net assets attributable to holders of redeemable shares per share in the Statements of Comprehensive Income (Loss) represents the increase (decrease) in net assets attributable to holders of redeemable shares for the period, divided by the weighted average number of shares outstanding during the period.

## (l) Multi-series structured funds

The realized and unrealized capital gains or losses, income, and common expenses (other than series-specific fixed operating expenses and fixed management fees) of the Funds are allocated on each valuation date to the shareholders in proportion to the respective prior day's NAV, which includes shareholder trade(s) dated for that day, of each series at the date on which the allocation is made. The fixed management fees and operating expenses are charged directly to the Funds. Additional details of the calculation are disclosed in note 5.

## 3. Critical Accounting Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies. The following discusses the most significant accounting judgments that the Funds have made in preparing the financial statements:

### Assessment as investment entity

The Manager has determined that each of the Funds meets the characteristics of an investment entity as defined by IFRS 10, *Consolidated Financial Statements*, and as such, subsidiaries are accounted for at fair value. Associates are investments over which the Funds have significant influence or joint control, all of which have been recorded at FVTPL.

# Notes to the Financial Statements

For the periods ended December 31, 2019 and December 31, 2018

## 4. Redeemable Shares of the Funds

The redeemable shares offered by each Fund have been outlined in the Fund Specific Notes to the financial statements. The outstanding redeemable shares represent the capital of the Funds. Each redeemable share has no par value, and the value of each redeemable share is its NAV. Settlement of the cost for redeemable shares is completed as per securities regulations in place at the time of issue. Distributions made by the Funds and re-invested by shareholders in additional redeemable shares also constitute issued capital of the Funds.

Redeemable shares are redeemed at the NAV per share of the Fund. A right to redeem redeemable shares of a Fund may be suspended with the approval of the Canadian securities regulatory authorities or when normal trading is suspended on a stock, options, or futures exchange in Canada or outside Canada on which securities or derivatives that make up more than 50% of the value or underlying exposure of the total assets of a Fund, not including any liabilities of the Fund, are traded, and when those securities or derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Fund.

The Manager is responsible for managing the capital of the Funds. The capital received by a Fund is utilized within the respective investment mandate of a Fund. This includes, for all Funds, the ability to make liquidity available to satisfy shareholder share redemption requirements upon the shareholder's request.

Changes in the Funds' capital during the period are reflected in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares.

The Funds' redeemable shares are classified as financial liabilities on the Statements of Financial Position since the Funds have a contractual obligation for the issuer to repurchase or redeem the shares for cash or another financial asset and to distribute their income to minimize taxes such that they have no discretion to avoid cash distributions and have an ongoing redemption option.

## 5. Management Fees and Expenses

The Funds pay management fees to the Manager, which are accrued daily and paid monthly based on the NAV of each series of a Fund. The maximum rate of the fee, excluding GST/HST and other applicable taxes if any, is set out below.

	Maximum Annual Management Fees					
	Series A shares	Series AT5 shares	Series AT8 shares	Series F shares	Series FT5 shares	Series FT8 shares
Sun Life BlackRock Canadian Balanced Class	1.50%	1.50%	-	0.50%	0.50%	-
Sun Life BlackRock Canadian Composite Equity Class	1.00%	1.00%	-	0.50%	0.50%	-
Sun Life BlackRock Canadian Equity Class	1.50%	1.50%	1.50%	0.50%	0.50%	0.50%
Sun Life Dynamic Equity Income Class	1.75%	1.75%	-	0.75%	0.75%	-
Sun Life Dynamic Strategic Yield Class	1.85%	1.85%	-	0.85%	0.85%	-
Sun Life Franklin Bissett Canadian Equity Class	2.00%	2.00%	-	1.00%	1.00%	-
Sun Life Granite Balanced Class	1.80%	1.80%	-	0.80%	0.80%	-
Sun Life Granite Balanced Growth Class	1.85%	1.85%	1.85%	0.85%	0.85%	0.85%
Sun Life Granite Conservative Class	1.50%	1.50%	-	0.75%	0.75%	-
Sun Life Granite Growth Class	1.90%	1.90%	1.90%	0.90%	0.90%	0.90%
Sun Life Granite Moderate Class	1.75%	1.75%	-	0.75%	0.75%	-
Sun Life Invesco Canadian Class (formerly Sun Life Trimark Canadian Class)	2.00%	2.00%	-	1.00%	1.00%	-
Sun Life MFS Canadian Equity Growth Class	1.80%	1.80%	-	0.80%	0.80%	-
Sun Life MFS Dividend Income Class	1.70%	1.70%	-	0.70%	0.70%	-
Sun Life MFS Global Growth Class	1.85%	1.85%	1.85%	0.85%	0.85%	0.85%
Sun Life MFS International Growth Class	1.85%	1.85%	1.85%	0.85%	0.85%	0.85%
Sun Life MFS U.S. Growth Class	1.85%	1.85%	1.85%	0.85%	0.85%	0.85%
Sun Life Money Market Class*	1.00%	-	-	0.75%	-	-
Sun Life Sentry Value Class	1.80%	1.80%	-	0.80%	0.80%	-

\* As money market yields have remained low during the period, the Manager has opted to waive a portion of the management fees that otherwise would have been charged. The Manager may discontinue waiving fees and expenses at any time, without notice.

# Notes to the Financial Statements

For the periods ended December 31, 2019 and December 31, 2018

For Series O shares, shareholders pay the management fees directly to the Manager. The maximum rate of the fee, excluding GST/HST and other applicable taxes if any, is set out below:

Maximum Annual Management Fees		Maximum Annual Management Fees	
	Series O shares*		Series O shares*
Sun Life BlackRock Canadian Balanced Class	0.50%	Sun Life Granite Moderate Class	0.75%
Sun Life BlackRock Canadian Composite Equity Class	0.50%	Sun Life Invesco Canadian Class (formerly Sun Life Trimark Canadian Class)	1.00%
Sun Life BlackRock Canadian Equity Class	0.50%	Sun Life MFS Canadian Equity Growth Class	0.80%
Sun Life Dynamic Equity Income Class	0.75%	Sun Life MFS Dividend Income Class	0.70%
Sun Life Dynamic Strategic Yield Class	0.85%	Sun Life MFS Global Growth Class	0.85%
Sun Life Franklin Bissett Canadian Equity Class	1.00%	Sun Life MFS International Growth Class	0.85%
Sun Life Granite Balanced Class	0.80%	Sun Life MFS U.S. Growth Class	0.85%
Sun Life Granite Balanced Growth Class	0.85%	Sun Life Money Market Class**	0.75%
Sun Life Granite Conservative Class	0.75%	Sun Life Sentry Value Class	0.80%
Sun Life Granite Growth Class	0.90%		

\* Each Series O investor pays a management fee directly to the Manager and is eligible for management fee reductions, if applicable, based on the value of shares held in a Private Client account. Series O management fees are paid, after subtracting any management fee reductions, by a redemption of Series O shares in the investor's account.

\*\* As money market yields have remained low during the period, the Manager has opted to waive a portion of the management fees that otherwise would have been charged. The Manager may discontinue waiving fees and expenses at any time, without notice.

The Manager bears certain operating expenses of the Funds (other than certain taxes, borrowing costs and non-governmental fees) in return for fixed annual administration fees. These expenses include, but are not limited to, recordkeeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, taxes, administrative and system costs, cost of reports to shareholders, prospectus and other disclosure documents, regulatory filing fees and trustee fees for registered plans. The fixed annual administration fees are calculated as a fixed annual percentage of the NAV of each class of a Fund at the end of each business day. The Manager may choose to absorb some portion of the operating expenses.

Each Fund pays certain operating expenses directly, in addition to the fixed annual administration fees. These direct operating expenses are certain taxes, borrowing costs and fees and expenses payable to or in connection with the Funds' Independent Review Committee. Each Fund also pays costs in connection with brokerage commissions and other portfolio transaction costs, including any tax applicable to such costs.

The fixed annual administration fees, excluding GST/HST and other applicable taxes, if any, are set out below:

	Annual Administration Fees							
	Series A shares	Series AT5 shares	Series AT8 shares	Series F shares	Series FT5 shares	Series FT8 shares	Series I	Series O
Sun Life BlackRock Canadian Balanced Class	0.10%	0.10%	-	0.05%	0.05%	-	-	0.05%
Sun Life BlackRock Canadian Composite Equity Class	0.10%	0.10%	-	0.05%	0.05%	-	0.05%	0.05%
Sun Life BlackRock Canadian Equity Class	0.10%	0.10%	0.10%	0.05%	0.05%	0.05%	0.05%	0.05%
Sun Life Dynamic Equity Income Class	0.15%	0.15%	-	0.15%	0.15%	-	0.05%	0.15%
Sun Life Dynamic Strategic Yield Class	0.20%	0.20%	-	0.15%	0.15%	-	0.05%	0.15%
Sun Life Franklin Bissett Canadian Equity Class	0.20%	0.20%	-	0.20%	0.20%	-	0.05%	0.20%
Sun Life Granite Balanced Class	0.20%	0.20%	-	0.15%	0.15%	-	-	0.15%
Sun Life Granite Balanced Growth Class	0.20%	0.20%	0.20%	0.15%	0.15%	0.15%	-	0.15%
Sun Life Granite Conservative Class	0.20%	0.20%	-	0.15%	0.15%	-	-	0.15%
Sun Life Granite Growth Class	0.20%	0.20%	0.20%	0.15%	0.15%	0.15%	-	0.15%
Sun Life Granite Moderate Class	0.20%	0.20%	-	0.15%	0.15%	-	-	0.15%
Sun Life Invesco Canadian Class (formerly Sun Life Trimark Canadian Class)	0.20%	0.20%	-	0.20%	0.20%	-	0.05%	0.20%
Sun Life MFS Canadian Equity Growth Class	0.20%	0.20%	-	0.15%	0.15%	-	-	0.15%
Sun Life MFS Dividend Income Class	0.20%	0.20%	-	0.15%	0.15%	-	0.05%	0.15%
Sun Life MFS Global Growth Class	0.20%	0.20%	0.20%	0.15%	0.15%	0.15%	-	0.15%
Sun Life MFS International Growth Class	0.20%	0.20%	0.20%	0.15%	0.15%	0.15%	-	0.15%
Sun Life MFS U.S. Growth Class	0.20%	0.20%	0.20%	0.15%	0.15%	0.15%	-	0.15%
Sun Life Money Market Class*	0.05%	-	-	0.05%	-	-	-	0.05%
Sun Life Sentry Value Class	0.20%	0.20%	-	0.15%	0.15%	-	0.05%	0.15%

\* As money market yields have remained low during the period, the Manager has opted to waive a portion of the administration fees that otherwise would have been charged. The Manager may discontinue waiving fees and expenses at any time, without notice.

# Notes to the Financial Statements

For the periods ended December 31, 2019 and December 31, 2018

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## 6. Taxation of the Corporation and Allocation to Shareholders

The Corporation is a qualified mutual fund corporation, as defined for Canadian income tax purposes. Taxable dividends received from taxable Canadian corporations are subject to a tax rate of 38 1/3%. Such taxes are fully refundable upon payment of taxable dividends to shareholders on the basis of \$1 for every \$2.61 of dividends paid. Any such tax paid is reported as an amount receivable until recovered through the payment to shareholders of dividends out of net investment income. Interest income and foreign dividends, net of applicable expenses, are taxed at full corporate rates applicable to mutual fund corporations with credits, subject to certain limitations, for foreign taxes paid. All tax on net realized taxable capital gains is refundable when the capital gains are distributed to shareholders as capital gains dividends or through redemption of shares at the request of shareholders. Income taxes, if any, are allocated to the classes of shares of the Corporation on a fair and reasonable basis.

The current tax liability for the period is measured at the amount expected to be paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the date of the financial statements.

Temporary differences between the carrying values of assets and liabilities for accounting and income tax purposes give rise to deferred income tax assets and liabilities. When the market value of a security in the Corporation exceeds its cost base, a future income tax liability arises. As capital gains taxes payable by the Corporation are refundable under the provisions of the *Income Tax Act* (Canada), the future income tax liability is offset by these future refundable taxes. If the cost base exceeds the market value of the security, a future income tax asset is generated. A full valuation allowance is taken to offset this asset given the uncertainty that such future income tax assets will ultimately be realized. Future income tax liabilities or tax assets are calculated using substantively enacted tax rates and tax laws expected to apply in the period that the temporary differences are expected to reverse.

Unused capital and non-capital losses represent future income tax assets to the Corporation for which a full valuation allowance has been established for the reasons noted above. Tax losses apply to the Corporation, not the Funds. Net capital losses may be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses may be applied against future years' taxable income.

The Corporation has no accumulated net capital losses and no accumulated non-capital losses as at December 31, 2019.

## 7. Related Party Transactions

The Manager is responsible for the provision of all general management and administrative services required by the Funds in their day-to-day operations, including providing or arranging for the provision of investment advice, bookkeeping, recordkeeping and other administrative services for the Funds. From time to time, the Manager may provide seed capital to a Fund.

For its services, the Manager receives a management fee that is calculated as a percentage of the average NAV of each Fund. This fee is calculated daily and payable monthly. The dollar amount, including all applicable taxes, of each Fund's management fees that the Manager receives is reported in the line item "Management fees" on the Statements of Comprehensive Income (Loss).

An operating expense incurred by the Manager on behalf of each Fund is considered a fund administration expense. Under the terms of the Funds' simplified prospectus, each Fund is responsible for the payment of its administration and operating expenses. The Manager recovers these expenses from each Fund through fixed administration fees and the amounts of these charges are disclosed in the line item "Fixed Annual Administration Fees" in each Fund's Statements of Comprehensive Income (Loss).

Certain Funds may invest in units of other funds which are also managed by Sun Life Global Investments (Canada) Inc., a related party. For a listing of each Fund's holdings, please see the Schedule of Investment Portfolio included within the Fund's Financial Statements.

The Manager is an indirect wholly owned subsidiary of Sun Life Financial Inc.

## 8. Financial Risk Management

Each Fund is exposed indirectly through underlying investments to various types of risks that are associated with its investment strategies, financial instruments, and markets in which it invests. These risks include credit risk, market risk (which includes currency risk, interest rate risk and other market risk), liquidity risk and concentration risk.

The value of investments within a Fund's portfolio can fluctuate on a daily basis as a result of corporate developments, changes in interest rates, changes in the level of inflation, and other political and economic developments. The level of risk depends on the Fund's investment objectives and the type of securities in which it invests.

These risks and related risk management practices employed by the Funds are discussed below and for each Fund specifically in the "Financial Risk Management" section in the Fund Specific Notes to the financial statements. Additional risks that may be associated with investments in the Funds are described in the simplified prospectus of the Funds.

# Notes to the Financial Statements

For the periods ended December 31, 2019 and December 31, 2018

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## (a) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with a Fund. The Funds' main credit risk concentration is spread between short-term debt securities, fixed income securities, and derivative contracts, and represents the maximum credit risk exposure of the Funds. The Funds limit their exposure to credit risk by placing their cash and cash equivalents, derivative instruments and fixed income securities with high credit quality counterparties.

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

## (b) Market risk

### (i) Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the Canadian dollar (the functional currency of the Funds), will fluctuate due to changes in foreign exchange rates. The "Financial Risk Management" section in the Fund Specific Notes to the financial statements identifies all investments denominated in foreign currencies. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted into the Canadian dollar in determining fair value. The Funds could be exposed to currency risk if the value of the foreign currency changes unfavourably.

### (ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Funds invest in interest-bearing financial instruments. The Funds are exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

### (iii) Other market risk

Other market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investments of the Funds are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Funds is determined by the fair value of the financial instruments.

The value of investments in various markets can be affected by political, social and economic instability, diplomatic developments, imposition of taxes, expropriation of assets, and ability to invest in and withdraw assets from these markets. The Manager moderates this risk through diversification of the Funds. The Manager monitors the Funds' overall market positions on a daily basis and positions are maintained within established ranges.

## (c) Liquidity risk

The Funds are exposed to daily cash redemptions of redeemable shares. The shares of the Funds are redeemed on demand at the current NAV per share at the option of the shareholder. Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. Liquidity risk is managed by investing the majority of the Funds' assets in investments that are traded in an active market and can be readily transacted. In addition, the Funds aim to retain sufficient cash and cash equivalent positions to maintain liquidity. Each Fund may, from time to time, hold securities that are not traded in an active market and may be illiquid. All liabilities mature within three months.

## (d) Concentration risk

Concentration risk arises as a result of the concentration of exposure within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Funds limit their exposure to concentration risk through diversification and a thorough understanding of each investment in the portfolio.

## (e) Fair value measurement

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

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

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

# Notes to the Financial Statements

For the periods ended December 31, 2019 and December 31, 2018

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

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

## 9. Comparative Balances

The comparative period financial statements may have been reclassified from the statements previously presented in order to conform to the current period's presentation.



## ANNUAL FINANCIAL STATEMENTS

Sun Life BlackRock Canadian Balanced Class  
Sun Life BlackRock Canadian Composite Equity Class  
Sun Life BlackRock Canadian Equity Class  
Sun Life Dynamic Equity Income Class  
Sun Life Dynamic Strategic Yield Class  
Sun Life Franklin Bissett Canadian Equity Class  
Sun Life Granite Balanced Class  
Sun Life Granite Balanced Growth Class  
Sun Life Granite Conservative Class  
Sun Life Granite Growth Class

Sun Life Granite Moderate Class  
Sun Life Invesco Canadian Class (formerly Sun Life Trimark Canadian Class)  
Sun Life MFS Canadian Equity Growth Class  
Sun Life MFS Dividend Income Class  
Sun Life MFS Global Growth Class  
Sun Life MFS International Growth Class  
Sun Life MFS U.S. Growth Class  
Sun Life Money Market Class  
Sun Life Sentry Value Class

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Sun Life Global Investments (Canada) Inc.  
1 York Street, Toronto, Ontario, M5J 0B6  
Telephone: 1-877-344-1434 | Facsimile: 416-979-2859  
[info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com)  
[www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com)



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