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# SUN LIFE GLOBAL INVESTMENTS (CANADA) INC

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## SEMI-ANNUAL FINANCIAL STATEMENTS

for the period ended June 30, 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



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# Sun Life BlackRock Canadian Balanced Class

## Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>1,647,863</b>	1,796,831
Cash	<b>15,544</b>	9,264
Due from investment dealers	-	-
Accrued interest	-	-
Distributions receivable from underlying funds	<b>4,618</b>	-
Subscriptions receivable	<b>1,000</b>	-
	<b>1,669,025</b>	1,806,095
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>85</b>	31
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	<b>5,618</b>	803
Management fees payable	<b>1,561</b>	567
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>7,264</b>	1,401
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>1,661,761</b>	1,804,694
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>987,637</b>	1,009,752
Series AT5	<b>56,126</b>	53,159
Series F	<b>27,002</b>	182,661
Series FT5	<b>11,117</b>	50,030
Series O	<b>579,879</b>	509,092
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>12.48</b>	11.38
Series AT5	<b>13.97</b>	13.04
Series F	<b>13.34</b>	12.11
Series FT5	<b>14.99</b>	13.93
Series O	<b>12.45</b>	11.27

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>46</b>	10
Distributions from underlying funds	<b>8,190</b>	8,065
<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>36,374</b>	18,431
Change in unrealized appreciation (depreciation) in value of investments	<b>154,473</b>	2,278
<b>Net gains (losses) on investments</b>	<b>199,083</b>	28,784
<b>Total income (loss)</b>	<b>199,083</b>	28,784
<b>Expenses (note 5)</b>		
Management fees	<b>9,220</b>	10,041
Fixed annual administration fees	<b>493</b>	513
Independent review committee fees	<b>13</b>	17
Total operating expenses	<b>9,726</b>	10,571
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>189,357</b>	18,213
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>189,357</b>	18,213
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>189,357</b>	18,213
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>101,595</b>	6,890
Series AT5	<b>5,744</b>	376
Series F	<b>15,798</b>	2,144
Series FT5	<b>5,761</b>	1,880
Series O	<b>60,459</b>	6,923
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>82,901</b>	87,147
Series AT5	<b>4,044</b>	4,502
Series F	<b>9,719</b>	14,870
Series FT5	<b>3,423</b>	2,949
Series O	<b>45,994</b>	39,070
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>1.23</b>	0.08
Series AT5	<b>1.42</b>	0.08
Series F	<b>1.63</b>	0.14
Series FT5	<b>1.68</b>	0.64
Series O	<b>1.31</b>	0.18

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 six months ended June 30 (unaudited)

	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)	\$ 101,595	6,890	5,744	376	15,798	2,144
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 88,457	138,983	-	3	90,346	16
Redemption of redeemable shares	\$ (212,637)	(149,576)	(2,797)	-	(261,879)	(234)
Reinvestment of distributions to holders of redeemable shares	\$ 12,329	10,551	1,997	2,316	1,453	1,889
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (111,851)	(42)	(800)	2,319	(170,080)	1,671
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (11,859)	(10,257)	(667)	(2,305)	(1,377)	(1,834)
From net investment income	\$ -	-	(1,310)	-	-	-
Return of capital	\$ -	-	-	-	-	-
	\$ (11,859)	(10,257)	(1,977)	(2,305)	(1,377)	(1,834)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (22,115)	(3,409)	2,967	390	(155,659)	1,981
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>987,637</b>	<b>1,078,528</b>	<b>56,126</b>	<b>66,300</b>	<b>27,002</b>	<b>193,674</b>
Redeemable Share Transactions						
Balance - beginning of period	88,739	87,742	4,075	4,427	15,089	14,781
Shares issued	7,305	11,585	-	1	7,060	6
Shares issued on reinvestment of distributions	984	856	144	160	113	145
Shares redeemed	(17,862)	(12,336)	(200)	-	(20,238)	(18)
Balance - end of period	<b>79,166</b>	<b>87,847</b>	<b>4,019</b>	<b>4,588</b>	<b>2,024</b>	<b>14,914</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)	\$ 5,761	1,880	60,459	6,923	<b>189,357</b>	<b>18,213</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ -	145,626	12,996	194,500	191,799	479,128
Redemption of redeemable shares	\$ (43,371)	-	(2,667)	(100,197)	(523,351)	(250,007)
Reinvestment of distributions to holders of redeemable shares	\$ 402	868	6,395	3,984	22,576	19,608
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (42,969)	146,494	16,724	98,287	<b>(308,976)</b>	<b>248,729</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (626)	(1,422)	(6,396)	(3,984)	(20,925)	(19,802)
From net investment income	\$ (1,079)	-	-	-	(2,389)	-
Return of capital	\$ -	-	-	-	-	-
	\$ (1,705)	(1,422)	(6,396)	(3,984)	<b>(23,314)</b>	<b>(19,802)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (38,913)	146,952	70,787	101,226	<b>(142,933)</b>	<b>247,140</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>11,117</b>	<b>146,952</b>	<b>579,879</b>	<b>519,156</b>	<b>1,661,761</b>	<b>2,004,610</b>
Redeemable Share Transactions						
Balance - beginning of period	3,592	-	45,190	34,820	<b>156,685</b>	<b>141,770</b>
Shares issued	-	9,531	1,076	16,479	15,441	37,602
Shares issued on reinvestment of distributions	27	58	535	341	1,803	1,560
Shares redeemed	(2,877)	-	(219)	(8,563)	(41,396)	(20,917)
Balance - end of period	<b>742</b>	<b>9,589</b>	<b>46,582</b>	<b>43,077</b>	<b>132,533</b>	<b>160,015</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 six months ended June 30 (unaudited)

	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>189,357</b>	18,213
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(36,374)</b>	(18,431)
Change in unrealized (appreciation) depreciation in value of investments	<b>(154,473)</b>	(2,278)
Non-cash income distributions from underlying funds	<b>(8,190)</b>	(8,065)
Purchases of investments	<b>(97,109)</b>	(441,846)
Proceeds from sale of investments	<b>449,929</b>	221,293
Change in accrued interest	-	(10)
Change in distributions receivable from underlying funds	<b>(4,618)</b>	(5,024)
Change in management fees payable	<b>994</b>	1,313
Change in other payables and accrued expenses	<b>54</b>	71
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>339,570</b>	(234,764)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(738)</b>	(194)
Proceeds from redeemable shares issued	<b>190,799</b>	479,128
Redemption of redeemable shares	<b>(523,351)</b>	(242,281)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(333,290)</b>	236,653
Net increase (decrease) in cash	<b>6,280</b>	1,889
Cash (bank indebtedness) at beginning of period	<b>9,264</b>	228
<b>Cash (bank indebtedness) at end of period</b>	<b>15,544</b>	2,117
Interest received	<b>46</b>	-
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life BlackRock Canadian Balanced Fund, Series I	118,748	1,471,112	1,647,863	
		<b>1,471,112</b>	<b>1,647,863</b>	<b>99.16</b>
<b>Total Investments</b>		<b>1,471,112</b>	<b>1,647,863</b>	<b>99.16</b>
<b>Other Assets less Liabilities</b>			<b>13,898</b>	<b>0.84</b>
<b>Total Net Assets</b>			<b>1,661,761</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 June 30, 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 June 30, 2019 and December 31, 2018 are noted below:

	Percentage of Net Assets (%)	
Rating	June 30, 2019	December 31, 2018
AAA/Aaa	0.27	-
<b>Total</b>	<b>0.27</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 June 30, 2019 and December 31, 2018. Amounts shown are based on the fair value of monetary and non-monetary assets.

	June 30, 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	180,886	10.89	151,328	8.39
<b>Total</b>	<b>180,886</b>	<b>10.89</b>	<b>151,328</b>	<b>8.39</b>

As at June 30, 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 \$9,044 (\$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 June 30, 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 (%)	
	June 30, 2019	December 31, 2018
<b>Exchange-Traded Funds</b>		
Foreign Bonds	15.9	16.8
Information Technology	5.5	4.9
Health Care	4.6	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	0.2	0.2
Utilities	0.1	0.1
<b>Mutual Funds</b>		
Canadian Equities	41.9	41.5
Canadian Fixed Income	21.8	23.4
<b>Derivative Assets (Liabilities)</b>	<b>0.3</b>	<b>(0.3)</b>
<b>Other Assets less Liabilities</b>	<b>1.2</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 June 30, 2019 and December 31, 2018.

	June 30, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	1,647,863	-	-	1,647,863

  

	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 June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

	June 30, 2019	
	Shares	Market Value (\$)
Series A	14,311	178,539
Series AT5	984	13,748
Series F	2,024	27,002
Series FT5	741	11,117

  

	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

### 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 shareholders 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 June 30, 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	15,286,248	12,296,783
Cash	73,714	8,757
Due from investment dealers	2,171	-
Accrued interest	-	72
Distributions receivable from underlying funds	-	-
Subscriptions receivable	1,063	6,237
	<b>15,363,196</b>	<b>12,311,849</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	103	28
Redemptions payable	3,033	-
Distributions payable	-	-
Due to investment dealers	-	6,495
Management fees payable	969	270
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>4,105</b>	<b>6,793</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>15,359,091</b>	<b>12,305,056</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	870,201	749,125
Series AT5	14,569	12,612
Series F	160,761	50,466
Series FT5	104,663	90,700
Series I	14,071,086	11,285,781
Series O	137,811	116,372
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	11.66	10.18
Series AT5	13.01	11.61
Series F	12.06	10.49
Series FT5	14.83	13.19
Series I	10.68	9.26
Series O	11.00	9.54

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	90	10
Distributions from underlying funds	-	-
<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	40,526	44,797
Change in unrealized appreciation (depreciation) in value of investments	1,974,988	217,808
<b>Net gains (losses) on investments</b>	<b>2,015,604</b>	<b>262,615</b>
<b>Total income (loss)</b>	<b>2,015,604</b>	<b>262,615</b>
<b>Expenses (note 5)</b>		
Management fees	5,234	5,339
Fixed annual administration fees	560	569
Independent review committee fees	10	11
Total operating expenses	5,804	5,919
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>2,009,800</b>	<b>256,696</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>2,009,800</b>	<b>256,696</b>
Income taxes	-	2,026
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>2,009,800</b>	<b>254,670</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	117,370	9,851
Series AT5	1,937	181
Series F	9,022	1,436
Series FT5	14,233	920
Series I	1,848,469	239,868
Series O	18,769	2,414
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	75,575	80,948
Series AT5	1,102	1,005
Series F	6,799	3,141
Series FT5	6,954	693
Series I	1,250,569	1,220,433
Series O	12,389	11,497
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	1.55	0.12
Series AT5	1.76	0.18
Series F	1.33	0.46
Series FT5	2.05	1.33
Series I	1.48	0.20
Series O	1.51	0.21

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 six months ended June 30 (unaudited)

	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)	\$ 117,370	9,851	1,937	181	9,022	1,436	14,233	920
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 65,575	177,336	-	3	104,534	21,790	-	10,000
Redemption of redeemable shares	\$ (62,216)	(252,883)	-	-	(3,306)	(11)	(315)	-
Reinvestment of distributions to holders of redeemable shares	\$ 5,885	32,428	433	835	418	1,012	3,010	572
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 9,244	(43,119)	433	838	101,646	22,791	2,695	10,572
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (5,538)	(32,210)	(93)	(823)	(373)	(990)	(668)	(571)
From net investment income	\$ -	-	(320)	-	-	-	(2,297)	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (5,538)	(32,210)	(413)	(823)	(373)	(990)	(2,965)	(571)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 121,076	(65,478)	1,957	196	110,295	23,237	13,963	10,921
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 870,201</b>	<b>896,843</b>	<b>14,569</b>	<b>14,164</b>	<b>160,761</b>	<b>53,195</b>	<b>104,663</b>	<b>10,921</b>
Redeemable Share Transactions								
Balance - beginning of period	73,614	80,580	1,086	970	4,810	2,448	6,874	-
Shares issued	5,941	15,340	-	-	8,758	1,896	-	667
Shares issued on reinvestment of distributions	518	2,928	34	64	36	88	205	38
Shares redeemed	(5,467)	(22,063)	-	-	(277)	(1)	(22)	-
Balance - end of period	<b>74,606</b>	<b>76,785</b>	<b>1,120</b>	<b>1,034</b>	<b>13,327</b>	<b>4,431</b>	<b>7,057</b>	<b>705</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)	\$ 1,848,469	239,868	18,769	2,414	<b>2,009,800</b>	<b>254,670</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 1,715,992	1,638,494	3,250	3,864	1,889,351	1,851,487
Redemption of redeemable shares	\$ (779,156)	(1,595,477)	(580)	(7,802)	(845,573)	(1,856,173)
Reinvestment of distributions to holders of redeemable shares	\$ 83,730	433,906	865	4,064	94,341	472,817
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,020,566	476,923	3,535	126	<b>1,138,119</b>	<b>468,131</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (83,730)	(433,905)	(865)	(4,064)	(91,267)	(472,563)
From net investment income	\$ -	-	-	-	(2,617)	-
Return of capital	\$ -	-	-	-	-	-
	\$ (83,730)	(433,905)	(865)	(4,064)	<b>(93,884)</b>	<b>(472,563)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,785,305	282,886	21,439	(1,524)	<b>3,054,035</b>	<b>250,238</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 14,071,086</b>	<b>12,477,686</b>	<b>137,811</b>	<b>127,415</b>	<b>15,359,091</b>	<b>13,580,224</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	165,293	157,119	306	367	180,298	175,389
Shares issued on reinvestment of distributions	8,087	43,793	81	398	8,961	47,309
Shares redeemed	(74,291)	(155,683)	(54)	(712)	(80,111)	(178,459)
Balance - end of period	<b>1,317,806</b>	<b>1,181,327</b>	<b>12,529</b>	<b>11,703</b>	<b>1,426,445</b>	<b>1,275,985</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 six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	2,009,800	254,670
Adjustments for:		
Net realized (gain) loss on sale of investments	(40,526)	(44,797)
Change in unrealized (appreciation) depreciation in value of investments	(1,974,988)	(217,808)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	(1,776,714)	(2,534,716)
Proceeds from sale of investments	794,097	1,639,550
Change in accrued interest	72	(22)
Change in distributions receivable from underlying funds	-	878,902
Change in management fees payable	699	651
Change in other payables and accrued expenses	75	68
Change in income tax payable	-	(1,569)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(987,485)</b>	<b>(25,071)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	457	254
Proceeds from redeemable shares issued	1,894,525	1,876,562
Redemption of redeemable shares	(842,540)	(1,854,277)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>1,052,442</b>	<b>22,539</b>
Net increase (decrease) in cash	64,957	(2,532)
Cash (bank indebtedness) at beginning of period	8,757	(30,759)
<b>Cash (bank indebtedness) at end of period</b>	<b>73,714</b>	<b>(33,291)</b>
Interest received	162	-
Income taxes paid	-	(3,595)
Interest paid	-	12

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life BlackRock Canadian Composite Equity Fund, Series I	1,320,934	14,319,429	15,286,248	
		<b>14,319,429</b>	<b>15,286,248</b>	<b>99.53</b>
<b>Total Investments</b>		<b>14,319,429</b>	<b>15,286,248</b>	<b>99.53</b>
<b>Other Assets less Liabilities</b>			<b>72,843</b>	<b>0.47</b>
<b>Total Net Assets</b>			<b>15,359,091</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 June 30, 2019 and December 31, 2018. Amounts shown are based on the fair value of monetary and non-monetary assets.

	June 30, 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	8,655	0.06	7,981	0.06
<b>Total</b>	<b>8,655</b>	<b>0.06</b>	<b>7,981</b>	<b>0.06</b>

As at June 30, 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 \$433 (\$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 indirectly to other market risk as a result of its investment in the Underlying Fund.

As at June 30, 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 \$756,847 (\$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 June 30, 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 (%)	
	June 30, 2019	December 31, 2018
<b>Equities</b>		
Financials	31.5	32.6
Energy	16.9	17.3
Materials	10.8	11.0
Industrials	11.2	9.9
Communication Services	5.5	5.8
Consumer Discretionary	4.1	4.2
Utilities	4.3	4.0
Information Technology	5.0	3.9
Consumer Staples	3.9	3.9
Real Estate	3.4	3.1
Health Care	2.0	1.5
<b>Other Assets less Liabilities</b>	<b>1.4</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 June 30, 2019 and December 31, 2018.

	June 30, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	15,286,248	-	-	15,286,248

  

	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 June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

	June 30, 2019	
	Shares	Market Value (\$)
Series A	17,328	202,111
Series AT5	1,120	14,569
Series F	2,301	27,750
Series FT5	762	11,303
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

### 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 shareholders 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 June 30, 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>7,151,869</b>	6,112,119
Cash	<b>25,056</b>	7,409
Due from investment dealers	<b>43</b>	-
Accrued interest	-	12
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>30,226</b>	55,455
	<b>7,207,194</b>	6,174,995
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>76</b>	20
Redemptions payable	<b>210</b>	2,937
Distributions payable	-	733
Due to investment dealers	<b>30,251</b>	55,570
Management fees payable	<b>1,125</b>	349
Income tax payable	<b>5,585</b>	3,675
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>37,247</b>	63,284
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>7,169,947</b>	6,111,711
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>659,842</b>	601,720
Series AT5	<b>35,822</b>	35,218
Series AT8	<b>43,069</b>	38,982
Series F	<b>87,654</b>	57,937
Series FT5	<b>11,359</b>	9,872
Series FT8	<b>11,359</b>	9,872
Series I	<b>5,930,021</b>	5,107,636
Series O	<b>390,821</b>	250,474
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>12.68</b>	11.27
Series AT5	<b>14.18</b>	12.90
Series AT8	<b>11.80</b>	10.88
Series F	<b>13.59</b>	11.99
Series FT5	<b>15.01</b>	13.57
Series FT8	<b>14.39</b>	13.20
Series I	<b>11.32</b>	9.98
Series O	<b>12.38</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 six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>44</b>	8
Distributions from underlying funds	-	-
<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>47,954</b>	28,042
Change in unrealized appreciation (depreciation) in value of investments	<b>889,410</b>	140,090
<b>Net gains (losses) on investments</b>	<b>937,408</b>	168,140
<b>Total income (loss)</b>	<b>937,408</b>	168,140
<b>Expenses (note 5)</b>		
Management fees	<b>6,470</b>	6,678
Fixed annual administration fees	<b>418</b>	437
Independent review committee fees	<b>8</b>	7
Total operating expenses	<b>6,896</b>	7,122
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>930,512</b>	161,018
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>930,512</b>	161,018
Income taxes	<b>3,847</b>	(90)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>926,665</b>	161,108
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>86,228</b>	15,882
Series AT5	<b>4,894</b>	1,303
Series AT8	<b>5,522</b>	653
Series F	<b>9,186</b>	(416)
Series FT5	<b>1,472</b>	864
Series FT8	<b>1,472</b>	864
Series I	<b>771,497</b>	134,709
Series O	<b>46,394</b>	7,249
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>53,954</b>	56,838
Series AT5	<b>2,576</b>	1,911
Series AT8	<b>3,615</b>	2,857
Series F	<b>5,462</b>	3,062
Series FT5	<b>742</b>	686
Series FT8	<b>768</b>	690
Series I	<b>540,661</b>	384,604
Series O	<b>30,498</b>	22,134
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>1.60</b>	0.28
Series AT5	<b>1.90</b>	0.68
Series AT8	<b>1.53</b>	0.23
Series F	<b>1.68</b>	(0.14)
Series FT5	<b>1.98</b>	1.26
Series FT8	<b>1.92</b>	1.25
Series I	<b>1.43</b>	0.35
Series O	<b>1.52</b>	0.33

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 six months ended June 30 (unaudited)

	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)	\$ 86,228	15,882	4,894	1,303	5,522	653	9,186	(416)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 40,178	102,396	-	24,804	-	4	57,732	8
Redemption of redeemable shares	\$ (68,624)	(132,609)	(4,000)	(1,000)	-	-	(37,241)	(24,101)
Reinvestment of distributions to holders of redeemable shares	\$ 10,848	17,101	1,075	921	811	1,388	1,039	1,209
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (17,598)	(13,112)	(2,925)	24,725	811	1,392	21,530	(22,884)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (10,508)	(16,885)	(545)	(1,325)	(670)	(2,377)	(999)	(1,182)
From net investment income	\$ -	-	(820)	-	(1,576)	-	-	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (10,508)	(16,885)	(1,365)	(1,325)	(2,246)	(2,377)	(999)	(1,182)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 58,122	(14,115)	604	24,703	4,087	(332)	29,717	(24,482)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 659,842	690,776	35,822	39,392	43,069	37,350	87,654	28,266
Redeemable Share Transactions								
Balance - beginning of period	53,374	55,191	2,729	953	3,582	2,803	4,833	3,929
Shares issued	3,275	8,317	-	1,690	-	2	4,276	3
Shares issued on reinvestment of distributions	854	1,387	77	62	69	108	76	92
Shares redeemed	(5,470)	(10,543)	(281)	(69)	-	-	(2,733)	(1,920)
Balance - end of period	52,033	54,352	2,525	2,636	3,651	2,913	6,452	2,104

  

	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)	\$ 1,472	864	1,472	864	771,497	134,709	46,394	7,249
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ -	10,000	-	10,000	1,460,705	1,238,987	97,425	192
Redemption of redeemable shares	\$ -	-	-	-	(1,409,817)	(362,639)	(3,473)	(5,941)
Reinvestment of distributions to holders of redeemable shares	\$ 439	453	593	583	90,011	93,532	5,892	5,940
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 439	10,453	593	10,583	140,899	969,880	99,844	191
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (171)	(452)	(171)	(582)	(90,011)	(93,532)	(5,891)	(5,940)
From net investment income	\$ (253)	-	(407)	-	-	-	-	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (424)	(452)	(578)	(582)	(90,011)	(93,532)	(5,891)	(5,940)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,487	10,865	1,487	10,865	822,385	1,011,057	140,347	1,500
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 11,359	10,865	11,359	10,865	5,930,021	4,737,758	390,821	271,330
Redeemable Share Transactions								
Balance - beginning of period	727	-	748	-	511,874	335,584	22,945	22,197
Shares issued	-	667	-	666	131,934	113,684	8,418	16
Shares issued on reinvestment of distributions	30	30	42	39	8,245	8,812	493	511
Shares redeemed	-	-	-	-	(128,307)	(33,111)	(295)	(484)
Balance - end of period	757	697	790	705	523,746	424,969	31,561	22,240

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 six months ended June 30 (unaudited)

	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)	\$ 926,665	161,108
Redeemable Share Transactions		
Proceeds from redeemable shares issued	\$ 1,656,040	1,386,391
Redemption of redeemable shares	\$ (1,523,155)	(526,290)
Reinvestment of distributions to holders of redeemable shares	\$ 110,708	121,127
Capitalized distributions	\$ -	-
	\$ 243,593	981,228
Distributions to Holders of Redeemable Shares		
From capital gains	\$ (108,966)	(122,275)
From net investment income	\$ (3,056)	-
Return of capital	\$ -	-
	\$ (112,022)	(122,275)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,058,236	1,020,061
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 7,169,947	5,826,602
Redeemable Share Transactions		
Balance - beginning of period	600,812	420,657
Shares issued	147,903	125,045
Shares issued on reinvestment of distributions	9,886	11,041
Shares redeemed	(137,086)	(46,127)
Balance - end of period	621,515	510,616

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	926,665	161,108
Adjustments for:		
Net realized (gain) loss on sale of investments	(47,954)	(28,042)
Change in unrealized (appreciation) depreciation in value of investments	(889,410)	(140,090)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	(1,583,339)	(1,369,623)
Proceeds from sale of investments	1,455,591	508,309
Change in accrued interest	12	(7)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	776	838
Change in other payables and accrued expenses	56	48
Change in income tax payable	1,910	(2,261)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(135,693)</b>	<b>(869,720)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(2,047)	(1,148)
Proceeds from redeemable shares issued	1,681,269	1,390,107
Redemption of redeemable shares	(1,525,882)	(523,169)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>153,340</b>	<b>865,790</b>
Net increase (decrease) in cash	17,647	(3,930)
Cash (bank indebtedness) at beginning of period	7,409	(6,097)

	2019 (\$)	2018 (\$)
<b>Cash (bank indebtedness) at end of period</b>	<b>25,056</b>	<b>(10,027)</b>
Interest received	56	1
Income taxes paid	(1,937)	(2,171)
Interest paid	-	-

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



# Sun Life BlackRock Canadian Equity Class (continued)

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life BlackRock Canadian Equity Fund, Series I	493,794	6,680,170	7,151,869	
		<b>6,680,170</b>	<b>7,151,869</b>	<b>99.75</b>
<b>Total Investments</b>		<b>6,680,170</b>	<b>7,151,869</b>	<b>99.75</b>
<b>Other Assets less Liabilities</b>			<b>18,078</b>	<b>0.25</b>
<b>Total Net Assets</b>			<b>7,169,947</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 June 30, 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 June 30, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2019	December 31, 2018
AAA/Aaa	0.07	-
<b>Total</b>	<b>0.07</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 June 30, 2019 and December 31, 2018. Amounts shown are based on the fair value of monetary and non-monetary assets.

	June 30, 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	1,259,227	17.56	1,109,471	18.15
<b>Total</b>	<b>1,259,227</b>	<b>17.56</b>	<b>1,109,471</b>	<b>18.15</b>

As at June 30, 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 \$62,961 (\$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 indirectly to other market risk as a result of its investment in the Underlying Fund.

As at June 30, 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 \$239,116 (\$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 June 30, 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 (%)	
	June 30, 2019	December 31, 2018
<b>Exchange-Traded Funds</b>		
Information Technology	8.6	8.6
Health Care	7.4	8.3
Consumer Discretionary	4.9	4.6
Consumer Staples	4.1	4.2
Communication Services	3.1	3.1
Industrials	2.4	2.4
Utilities	0.6	0.6
Real Estate	0.4	0.3
<b>Equities</b>		
Financials	21.5	22.2
Energy	11.4	11.8
Industrials	7.5	6.7
Materials	7.3	7.5
Communication Services	3.7	4.0
Information Technology	3.4	2.7
Consumer Discretionary	2.8	2.8
Utilities	2.8	2.7
Consumer Staples	2.6	2.6
Real Estate	2.2	2.1
Health Care	1.4	1.0
<b>Other Assets less Liabilities</b>	1.9	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 June 30, 2019 and December 31, 2018.

	June 30, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	7,151,869	-	-	7,151,869

  

	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 June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

	June 30, 2019	
	Shares	Market Value (\$)
Series A	15,702	199,121
Series AT5	1,091	15,480
Series AT8	1,311	15,463
Series F	2,179	29,608
Series FT5	757	11,359
Series FT8	790	11,359
Series I	1,139	12,894

  

	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)

## 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 shareholders 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 June 30, 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>35,386,764</b>	23,869,993
Cash	<b>190,471</b>	5,790
Due from investment dealers	-	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>137,397</b>	39,170
	<b>35,714,632</b>	23,914,953
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>1,236</b>	362
Redemptions payable	-	-
Distributions payable	<b>179</b>	8,853
Due to investment dealers	<b>115,658</b>	42,471
Management fees payable	<b>10,727</b>	3,250
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>127,800</b>	54,936
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>35,586,832</b>	23,860,017
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>4,140,916</b>	3,382,468
Series AT5	<b>1,203,559</b>	1,362,289
Series F	<b>2,060,861</b>	1,872,626
Series FT5	<b>189,448</b>	10,227
Series I	<b>27,169,043</b>	16,637,686
Series O	<b>823,005</b>	594,721
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>12.30</b>	10.78
Series AT5	<b>13.73</b>	12.32
Series F	<b>13.10</b>	11.42
Series FT5	<b>15.48</b>	13.81
Series I	<b>11.86</b>	10.29
Series O	<b>12.51</b>	10.87

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>233</b>	308
Distributions from underlying funds	<b>935,950</b>	527,287
<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>16,448</b>	(64,240)
Change in unrealized appreciation (depreciation) in value of investments	<b>3,064,818</b>	(215,605)
<b>Net gains (losses) on investments</b>	<b>4,017,449</b>	247,750
<b>Total income (loss)</b>	<b>4,017,449</b>	247,750
<b>Expenses (note 5)</b>		
Management fees	<b>60,295</b>	50,441
Fixed annual administration fees	<b>6,854</b>	5,390
Independent review committee fees	<b>68</b>	62
Total operating expenses	<b>67,217</b>	55,893
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>3,950,232</b>	191,857
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>3,950,232</b>	191,857
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>3,950,232</b>	191,857
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>492,629</b>	(16,104)
Series AT5	<b>188,809</b>	(1,743)
Series F	<b>287,020</b>	21,346
Series FT5	<b>14,066</b>	642
Series I	<b>2,862,942</b>	186,203
Series O	<b>104,766</b>	1,513
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>329,471</b>	275,966
Series AT5	<b>101,116</b>	99,031
Series F	<b>168,578</b>	93,337
Series FT5	<b>9,434</b>	675
Series I	<b>1,923,608</b>	1,199,432
Series O	<b>64,465</b>	52,989
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>1.50</b>	(0.06)
Series AT5	<b>1.87</b>	(0.02)
Series F	<b>1.70</b>	0.23
Series FT5	<b>1.49</b>	0.95
Series I	<b>1.49</b>	0.16
Series O	<b>1.63</b>	0.03

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 six months ended June 30 (unaudited)

	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)	\$ 492,629	(16,104)	188,809	(1,743)	287,020	21,346	14,066	642
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 1,013,584	966,159	46,728	216,557	389,028	611,052	165,040	10,000
Redemption of redeemable shares	\$ (748,400)	(821,319)	(385,618)	(56,901)	(488,562)	(53,408)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 7,696	15,419	25,155	35,783	4,606	5,377	3,987	260
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 272,880	160,259	(313,735)	195,439	(94,928)	563,021	169,027	10,260
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	\$ -	-	(30,951)	(36,028)	-	-	(3,526)	(211)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (7,061)	(15,125)	(33,804)	(42,355)	(3,857)	(5,122)	(3,872)	(259)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 758,448	129,030	(158,730)	151,341	188,235	579,245	179,221	10,643
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 4,140,916</b>	<b>3,218,283</b>	<b>1,203,559</b>	<b>1,450,004</b>	<b>2,060,861</b>	<b>1,438,372</b>	<b>189,448</b>	<b>10,643</b>
Redeemable Share Transactions								
Balance - beginning of period	313,677	256,798	110,555	89,625	163,973	68,200	740	-
Shares issued	84,893	82,055	3,633	15,516	30,855	50,124	11,234	667
Shares issued on reinvestment of distributions	655	1,296	1,819	2,538	367	420	262	17
Shares redeemed	(62,569)	(70,436)	(28,365)	(4,112)	(37,839)	(4,262)	-	-
Balance - end of period	<b>336,656</b>	<b>269,713</b>	<b>87,642</b>	<b>103,567</b>	<b>157,356</b>	<b>114,482</b>	<b>12,236</b>	<b>684</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)	\$ 2,862,942	186,203	104,766	1,513	<b>3,950,232</b>	<b>191,857</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 8,723,220	4,228,697	142,647	-	10,480,247	6,032,465
Redemption of redeemable shares	\$ (1,054,805)	(1,371,735)	(19,129)	(102,917)	(2,696,514)	(2,406,280)
Reinvestment of distributions to holders of redeemable shares	\$ 38,088	60,007	1,475	2,926	81,007	119,772
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 7,706,503	2,916,969	124,993	(99,991)	<b>7,864,740</b>	<b>3,745,957</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (38,088)	(60,008)	(1,475)	(2,926)	(53,680)	(89,556)
From net investment income	\$ -	-	-	-	(34,477)	(36,239)
Return of capital	\$ -	-	-	-	-	-
	\$ (38,088)	(60,008)	(1,475)	(2,926)	<b>(88,157)</b>	<b>(125,795)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 10,531,357	3,043,164	228,284	(101,404)	<b>11,726,815</b>	<b>3,812,019</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 27,169,043</b>	<b>14,712,560</b>	<b>823,005</b>	<b>570,552</b>	<b>35,586,832</b>	<b>21,400,414</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	762,634	385,230	12,520	-	905,769	533,592
Shares issued on reinvestment of distributions	3,389	5,510	124	254	6,616	10,035
Shares redeemed	(91,794)	(123,101)	(1,603)	(8,864)	(22,170)	(210,775)
Balance - end of period	<b>2,291,328</b>	<b>1,306,302</b>	<b>65,772</b>	<b>47,925</b>	<b>2,950,990</b>	<b>1,842,673</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 six months ended June 30 (unaudited)

	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>3,950,232</b>	191,857
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(16,448)</b>	64,240
Change in unrealized (appreciation) depreciation in value of investments	<b>(3,064,818)</b>	215,605
Non-cash income distributions from underlying funds	<b>(935,950)</b>	(527,287)
Purchases of investments	<b>(9,148,010)</b>	(5,360,817)
Proceeds from sale of investments	<b>1,721,642</b>	1,640,089
Change in accrued interest	-	(11)
Change in distributions receivable from underlying funds	-	(110,573)
Change in management fees payable	<b>7,477</b>	6,868
Change in other payables and accrued expenses	<b>874</b>	741
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(7,485,001)</b>	(3,879,288)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(15,824)</b>	(7,976)
Proceeds from redeemable shares issued	<b>10,382,020</b>	6,261,554
Redemption of redeemable shares	<b>(2,696,514)</b>	(2,395,745)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>7,669,682</b>	3,857,833
Net increase (decrease) in cash	<b>184,681</b>	(21,455)
Cash (bank indebtedness) at beginning of period	<b>5,790</b>	(16,964)
<b>Cash (bank indebtedness) at end of period</b>	<b>190,471</b>	(38,419)
Interest received	<b>233</b>	297
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Dynamic Equity Income Fund, Series I	2,992,412	34,696,724	35,386,764	
		<b>34,696,724</b>	<b>35,386,764</b>	<b>99.44</b>
<b>Total Investments</b>		<b>34,696,724</b>	<b>35,386,764</b>	<b>99.44</b>
<b>Other Assets less Liabilities</b>			<b>200,068</b>	<b>0.56</b>
<b>Total Net Assets</b>			<b>35,586,832</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 June 30, 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 (%)	
	June 30, 2019	December 31, 2018
<b>Equities</b>		
Financials	20.3	19.6
Industrials	9.4	8.6
Health Care	8.9	9.5
Information Technology	8.4	8.5
Energy Infrastructure	8.1	7.2
Communication Services	6.7	7.3
Utilities	6.2	6.8
Consumer Staples	5.7	6.9
Energy	5.5	4.5
Consumer Discretionary	4.2	3.6
Materials	3.6	3.3
Real Estate	2.6	3.5
Private Equity - Real Estate	1.6	1.9
<b>Other Assets less Liabilities</b>	8.8	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 June 30, 2019 and December 31, 2018.

	June 30, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	35,386,764	-	-	35,386,764

  

	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 June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

	June 30, 2019	
	Shares	Market Value (\$)
Series FT5	760	11,767
Series I	1,229	14,578

  

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

## 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 shareholders 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 June 30, 2019 and December 31, 2018, the Fund had significant interests in the Underlying Fund as noted in the following tables:

Underlying Fund	As at June 30, 2019	
	Percentage of Net Assets (%)	Ownership Interest (%)
Sun Life Dynamic Equity Income Fund, Series I	99	32

  

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

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

# Sun Life Dynamic Equity 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 Dynamic Strategic Yield Class

## Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>28,963,349</b>	25,938,792
Cash	<b>164,580</b>	49,600
Due from investment dealers	<b>429</b>	3,762
Accrued interest	-	527
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>1,128</b>	372,901
	<b>29,129,486</b>	26,365,582
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>1,884</b>	-
Redemptions payable	<b>187</b>	-
Distributions payable	-	-
Due to investment dealers	<b>1,030</b>	17,083
Management fees payable	<b>12,390</b>	4,046
Income tax payable	<b>18,020</b>	89,399
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>33,511</b>	110,528
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>29,095,975</b>	26,255,054
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>5,467,311</b>	5,395,651
Series AT5	<b>410,655</b>	431,753
Series F	<b>2,086,245</b>	1,292,028
Series FT5	<b>144,359</b>	137,273
Series I	<b>10,694,705</b>	8,978,348
Series O	<b>10,292,700</b>	10,020,001
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>11.02</b>	10.42
Series AT5	<b>12.24</b>	11.85
Series F	<b>11.78</b>	11.07
Series FT5	<b>14.75</b>	14.20
Series I	<b>10.76</b>	10.05
Series O	<b>11.19</b>	10.47

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>515</b>	427
Distributions from underlying funds	<b>1,071,747</b>	797,647
<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>(14,064)</b>	(2,048)
Change in unrealized appreciation (depreciation) in value of investments	<b>1,317,832</b>	(815,254)
<b>Net gains (losses) on investments</b>	<b>2,376,030</b>	(19,228)
<b>Total income (loss)</b>	<b>2,376,030</b>	(19,228)
<b>Expenses (note 5)</b>		
Management fees	<b>69,958</b>	78,470
Fixed annual administration fees	<b>15,154</b>	15,430
Independent review committee fees	<b>153</b>	173
Total operating expenses	<b>85,265</b>	94,073
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>2,290,765</b>	(113,301)
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>2,290,765</b>	(113,301)
Income taxes	<b>18,020</b>	21,905
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>2,272,745</b>	(135,206)
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>402,261</b>	(91,811)
Series AT5	<b>30,993</b>	(6,438)
Series F	<b>127,528</b>	1,109
Series FT5	<b>11,129</b>	339
Series I	<b>837,472</b>	2,327
Series O	<b>863,362</b>	(40,732)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>509,937</b>	621,580
Series AT5	<b>34,265</b>	35,861
Series F	<b>152,540</b>	53,934
Series FT5	<b>9,747</b>	673
Series I	<b>975,262</b>	813,637
Series O	<b>950,154</b>	966,185
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>0.79</b>	(0.15)
Series AT5	<b>0.90</b>	(0.18)
Series F	<b>0.84</b>	0.02
Series FT5	<b>1.14</b>	0.50
Series I	<b>0.86</b>	-
Series O	<b>0.91</b>	(0.04)

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 six months ended June 30 (unaudited)

	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)	\$ 402,261	(91,811)	30,993	(6,438)	127,528	1,109	11,129	339
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 471,472	845,456	22,676	23,554	675,282	538,151	-	10,000
Redemption of redeemable shares	\$ (811,416)	(1,704,546)	(64,826)	(73,739)	(9,709)	(83,961)	(4,095)	-
Reinvestment of distributions to holders of redeemable shares	\$ 98,748	18,010	6,743	4,060	25,013	881	5,839	225
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (241,196)	(841,080)	(35,407)	(46,125)	690,586	455,071	1,744	10,225
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (89,405)	(9,012)	(6,656)	(621)	(23,897)	(680)	(2,329)	(13)
From net investment income	\$ -	-	(10,028)	(11,720)	-	-	(3,458)	(210)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (89,405)	(9,012)	(16,684)	(12,341)	(23,897)	(680)	(5,787)	(223)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 71,660	(941,903)	(21,098)	(64,904)	794,217	455,500	7,086	10,341
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 5,467,311</b>	<b>6,215,157</b>	<b>410,655</b>	<b>430,917</b>	<b>2,086,245</b>	<b>879,862</b>	<b>144,359</b>	<b>10,341</b>
Redeemable Share Transactions								
Balance - beginning of period	517,877	646,825	36,420	37,387	116,687	36,519	9,664	-
Shares issued	43,389	77,852	1,896	1,815	59,162	47,037	-	666
Shares issued on reinvestment of distributions	9,128	1,558	546	310	2,106	59	400	15
Shares redeemed	(74,426)	(157,132)	(5,315)	(5,732)	(846)	(7,339)	(277)	-
Balance - end of period	<b>495,968</b>	<b>569,103</b>	<b>33,547</b>	<b>33,780</b>	<b>177,109</b>	<b>76,276</b>	<b>9,787</b>	<b>681</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)	\$ 837,472	2,327	863,362	(40,732)	<b>2,272,745</b>	<b>(135,206)</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 1,627,549	1,423,217	1,278,331	382,183	4,075,310	3,222,561
Redemption of redeemable shares	\$ (748,664)	(474,554)	(1,868,994)	(2,438,510)	(3,507,704)	(4,775,310)
Reinvestment of distributions to holders of redeemable shares	\$ 164,212	10,627	172,068	13,425	472,623	47,228
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,043,097	959,290	(418,595)	(2,042,902)	<b>1,040,229</b>	<b>(1,505,521)</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (164,212)	(10,628)	(172,068)	(13,468)	(458,567)	(34,422)
From net investment income	\$ -	-	-	-	(13,486)	(11,930)
Return of capital	\$ -	-	-	-	-	-
	\$ (164,212)	(10,628)	(172,068)	(13,468)	<b>(472,053)</b>	<b>(46,352)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,716,357	950,989	272,699	(2,097,102)	<b>2,840,921</b>	<b>(1,687,079)</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 10,694,705</b>	<b>8,964,439</b>	<b>10,292,700</b>	<b>9,554,238</b>	<b>29,095,975</b>	<b>26,054,954</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	156,635	137,372	117,483	35,347	378,565	300,089
Shares issued on reinvestment of distributions	15,908	1,030	16,020	1,249	44,108	4,221
Shares redeemed	(71,183)	(45,764)	(170,793)	(226,956)	(322,840)	(442,923)
Balance - end of period	<b>994,295</b>	<b>860,358</b>	<b>920,179</b>	<b>880,265</b>	<b>2,630,885</b>	<b>2,420,463</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 six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	2,272,745	(135,206)
Adjustments for:		
Net realized (gain) loss on sale of investments	14,064	2,048
Change in unrealized (appreciation) depreciation in value of investments	(1,317,832)	815,254
Non-cash income distributions from underlying funds	(1,071,747)	(797,647)
Purchases of investments	(3,095,473)	(1,695,700)
Proceeds from sale of investments	2,433,711	3,571,880
Change in accrued interest	527	-
Change in distributions receivable from underlying funds	-	(161,786)
Change in management fees payable	8,344	9,007
Change in other payables and accrued expenses	1,884	1,645
Change in income tax payable	(71,379)	(14,569)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(825,156)</b>	<b>1,594,926</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	570	876
Proceeds from redeemable shares issued	4,447,083	3,234,678
Redemption of redeemable shares	(3,507,517)	(4,736,725)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>940,136</b>	<b>(1,501,171)</b>
Net increase (decrease) in cash	114,980	93,755
Cash (bank indebtedness) at beginning of period	49,600	(16,291)
<b>Cash (bank indebtedness) at end of period</b>	<b>164,580</b>	<b>77,464</b>
Interest received	1,042	427
Income taxes paid	(89,399)	(36,474)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Dynamic Strategic Yield Fund, Series I	2,655,044	28,993,974	28,963,349	
		<b>28,993,974</b>	<b>28,963,349</b>	<b>99.54</b>
<b>Total Investments</b>		<b>28,993,974</b>	<b>28,963,349</b>	<b>99.54</b>
<b>Other Assets less Liabilities</b>			<b>132,626</b>	<b>0.46</b>
<b>Total Net Assets</b>			<b>29,095,975</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

As at June 30, 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 June 30, 2019 and December 31, 2018 are noted below:

	Percentage of Net Assets (%)	
	June 30, 2019	December 31, 2018
<b>Rating</b>		
AAA/Aaa	1.94	11.23
AA/Aa	5.80	4.41
A/A	3.79	2.79
BBB/Bbb	5.34	4.30
BB/Ba	0.13	0.12
Not Rated	0.21	0.77
<b>Total</b>	<b>17.21</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 June 30, 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)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	June 30, 2019		December 31, 2018	
United States Dollar	11,514,705	39.57	6,930,076	26.40
Euro	1,037	-	-	-
British Pound	1	-	3,392	0.01
<b>Total</b>	<b>11,515,743</b>	<b>39.57</b>	<b>6,933,468</b>	<b>26.41</b>

As at June 30, 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 \$575,787 (\$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 (\$)
June 30, 2019	485,756	853,414	2,737,214	4,076,384
December 31, 2018	2,690,060	670,269	2,225,010	5,585,339

As at June 30, 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 \$368,632 (\$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 indirectly to other market risk as a result of its investment in the Underlying Fund.

As at June 30, 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 \$672,717 (\$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 June 30, 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 (%)	
	June 30, 2019	December 31, 2018
<b>Short-Term Investments</b>		
Treasury Bills	1.7	5.8
Bankers' Acceptances	-	4.2
<b>Bonds</b>		
Federal Bonds	0.3	1.1
Provincial Bonds	0.2	-
Corporate Bonds	11.6	9.9
Mortgage-Backed Securities	0.2	0.2
<b>Equities</b>		
Energy	3.5	3.9
Materials	-	1.4
Industrials	4.0	2.1
Consumer Discretionary	4.3	2.6
Consumer Staples	2.4	2.6
Health Care	4.8	5.2
Financials	9.6	7.4
Real Estate	4.5	4.1
Information Technology	2.9	1.5
Communication Services	5.5	4.8
Utilities	4.9	3.7
<b>Mutual Funds</b>		
Canadian Fixed Income	16.7	14.9
Canadian Equities	0.5	-
Income and Real Property	1.0	1.2
High Yield Fixed Income	6.1	5.2
<b>Derivative Assets (Liabilities)</b>	0.1	(1.1)
<b>Other Assets less Liabilities</b>	15.2	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 June 30, 2019 and December 31, 2018.

	June 30, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	28,963,349	-	-	28,963,349

	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 June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

	June 30, 2019	
	Shares	Market Value (\$)
Series FT5	749	11,053
Series I	1,169	12,576

  

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

## 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 shareholders 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 June 30, 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>9,556,914</b>	8,315,097
Cash	<b>47,632</b>	12,295
Due from investment dealers	<b>10,878</b>	180
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>105</b>	205
	<b>9,615,529</b>	8,327,777
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>643</b>	197
Redemptions payable	<b>10,588</b>	285
Distributions payable	-	-
Due to investment dealers	-	5,397
Management fees payable	<b>1,728</b>	505
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>12,959</b>	6,384
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>9,602,570</b>	8,321,393
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>812,498</b>	677,356
Series AT5	<b>11,460</b>	10,171
Series F	<b>148,795</b>	130,474
Series FT5	<b>10,978</b>	9,690
Series I	<b>8,314,979</b>	7,161,031
Series O	<b>303,860</b>	332,671
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>10.29</b>	9.17
Series AT5	<b>12.34</b>	11.25
Series F	<b>10.76</b>	9.54
Series FT5	<b>14.58</b>	13.22
Series I	<b>11.36</b>	10.01
Series O	<b>11.28</b>	9.94

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>96</b>	208
Distributions from underlying funds	-	-
<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>24,471</b>	4,580
Change in unrealized appreciation (depreciation) in value of investments	<b>1,145,076</b>	38,005
<b>Net gains (losses) on investments</b>	<b>1,169,643</b>	42,793
<b>Total income (loss)</b>	<b>1,169,643</b>	42,793
<b>Expenses (note 5)</b>		
Management fees	<b>9,807</b>	12,682
Fixed annual administration fees	<b>3,674</b>	3,740
Independent review committee fees	<b>9</b>	16
Total operating expenses	<b>13,490</b>	16,438
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>1,156,153</b>	26,355
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>1,156,153</b>	26,355
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>1,156,153</b>	26,355
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>89,092</b>	(15,753)
Series AT5	<b>1,274</b>	(136)
Series F	<b>17,158</b>	(1,982)
Series FT5	<b>1,272</b>	750
Series I	<b>1,001,425</b>	45,300
Series O	<b>45,932</b>	(1,824)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>78,753</b>	92,544
Series AT5	<b>915</b>	1,007
Series F	<b>13,768</b>	30,310
Series FT5	<b>742</b>	686
Series I	<b>729,174</b>	607,607
Series O	<b>30,556</b>	33,708
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>1.13</b>	(0.17)
Series AT5	<b>1.39</b>	(0.14)
Series F	<b>1.25</b>	(0.07)
Series FT5	<b>1.71</b>	1.09
Series I	<b>1.37</b>	0.07
Series O	<b>1.50</b>	(0.05)

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 six months ended June 30 (unaudited)

	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)	\$ 89,092	(15,753)	1,274	(136)	17,158	(1,982)	1,272	750
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 150,829	196,689	-	153	4,299	75,164	-	10,000
Redemption of redeemable shares	\$ (104,881)	(271,091)	-	-	(3,199)	(111,621)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 2,442	20,823	306	660	488	1,418	292	448
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 48,390	(53,579)	306	813	1,588	(35,039)	292	10,448
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (2,340)	(20,683)	(33)	(296)	(425)	(7,200)	(31)	(232)
From net investment income	\$ -	-	(258)	(355)	-	-	(245)	(214)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (2,340)	(20,683)	(291)	(651)	(425)	(7,200)	(276)	(446)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 135,142	(90,015)	1,289	26	18,321	(44,221)	1,288	10,752
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 812,498</b>	<b>962,312</b>	<b>11,460</b>	<b>13,749</b>	<b>148,795</b>	<b>327,868</b>	<b>10,978</b>	<b>10,752</b>
Redeemable Share Transactions								
Balance - beginning of period	73,871	97,341	904	975	13,683	33,321	733	-
Shares issued	15,187	19,314	-	12	398	6,810	-	667
Shares issued on reinvestment of distributions	239	2,065	25	50	46	135	20	29
Shares redeemed	(10,312)	(26,695)	-	-	(294)	(10,080)	-	-
Balance - end of period	<b>78,985</b>	<b>92,025</b>	<b>929</b>	<b>1,037</b>	<b>13,833</b>	<b>30,186</b>	<b>753</b>	<b>696</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)	\$ 1,001,425	45,300	45,932	(1,824)	<b>1,156,153</b>	<b>26,355</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 561,961	1,699,344	3,792	67,859	720,881	2,049,209
Redemption of redeemable shares	\$ (409,438)	(279,344)	(78,535)	(51,269)	(596,053)	(713,325)
Reinvestment of distributions to holders of redeemable shares	\$ 23,486	148,450	1,071	8,698	28,085	180,497
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 176,009	1,568,450	(73,672)	25,288	<b>152,913</b>	<b>1,516,381</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (23,486)	(148,450)	(1,071)	(8,698)	(27,386)	(185,559)
From net investment income	\$ -	-	-	-	(503)	(569)
Return of capital	\$ -	-	-	-	-	-
	\$ (23,486)	(148,450)	(1,071)	(8,698)	<b>(27,889)</b>	<b>(186,128)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,153,948	1,465,300	(28,811)	14,766	<b>1,281,177</b>	<b>1,356,608</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 8,314,979</b>	<b>7,394,686</b>	<b>303,860</b>	<b>365,718</b>	<b>9,602,570</b>	<b>9,075,085</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	50,627	151,919	338	5,957	66,550	184,679
Shares issued on reinvestment of distributions	2,098	13,800	96	813	2,524	16,892
Shares redeemed	(36,438)	(25,350)	(6,951)	(4,779)	(53,995)	(66,904)
Balance - end of period	<b>731,795</b>	<b>653,038</b>	<b>26,944</b>	<b>32,484</b>	<b>853,239</b>	<b>809,466</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 six months ended June 30 (unaudited)

	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>1,156,153</b>	26,355
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(24,471)</b>	(4,580)
Change in unrealized (appreciation) depreciation in value of investments	<b>(1,145,076)</b>	(38,005)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(645,002)</b>	(1,857,698)
Proceeds from sale of investments	<b>556,637</b>	551,982
Change in accrued interest	-	(249)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>1,223</b>	1,526
Change in other payables and accrued expenses	<b>446</b>	501
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(100,090)</b>	(1,320,168)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>196</b>	(5,631)
Proceeds from redeemable shares issued	<b>720,981</b>	2,026,253
Redemption of redeemable shares	<b>(585,750)</b>	(713,075)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>135,427</b>	1,307,547
Net increase (decrease) in cash	<b>35,337</b>	(12,621)
Cash (bank indebtedness) at beginning of period	<b>12,295</b>	(15,396)
<b>Cash (bank indebtedness) at end of period</b>	<b>47,632</b>	(28,017)
Interest received	<b>96</b>	-
Income taxes paid	-	-
Interest paid	-	(41)

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Franklin Bissett Canadian Equity Fund, Series O	60,848	9,072,957	9,556,914	
		<b>9,072,957</b>	<b>9,556,914</b>	<b>99.52</b>
<b>Total Investments</b>		<b>9,072,957</b>	<b>9,556,914</b>	<b>99.52</b>
<b>Other Assets less Liabilities</b>			<b>45,656</b>	<b>0.48</b>
<b>Total Net Assets</b>			<b>9,602,570</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 June 30, 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 (%)	
	June 30, 2019	December 31, 2018
<b>Equities</b>		
Communication Services	4.1	3.8
Consumer Discretionary	3.4	7.6
Consumer Staples	9.1	8.8
Energy	12.8	13.7
Financials	34.5	34.5
Industrials	14.8	14.3
Information Technology	4.8	4.4
Materials	5.0	5.1
Real Estate	2.0	0.5
Utilities	4.0	4.0
<b>Other Assets less Liabilities</b>	5.5	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 June 30, 2019 and December 31, 2018.

	June 30, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	9,556,914	-	-	9,556,914

  

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

	June 30, 2019	
	Shares	Market Value (\$)
Series AT5	929	11,460
Series FT5	753	10,978
Series I	28,810	327,352

  

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

## 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 shareholders 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 June 30, 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>190,451,971</b>	168,460,735
Cash	<b>994,873</b>	171,483
Due from investment dealers	-	80,293
Accrued interest	<b>234</b>	5,640
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>341,771</b>	352,874
	<b>191,788,849</b>	169,071,025
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>27,133</b>	8,770
Redemptions payable	<b>288,550</b>	18,786
Distributions payable	-	301
Due to investment dealers	<b>164,651</b>	336,712
Management fees payable	<b>173,658</b>	52,457
Income tax payable	<b>246,297</b>	384,761
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>900,289</b>	801,787
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>190,888,560</b>	168,269,238
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>71,172,527</b>	62,849,271
Series AT5	<b>12,654,449</b>	10,876,153
Series F	<b>45,166,942</b>	34,474,669
Series FT5	<b>1,215,758</b>	243,210
Series O	<b>60,678,884</b>	59,825,935
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>12.51</b>	11.84
Series AT5	<b>13.89</b>	13.47
Series F	<b>13.33</b>	12.55
Series FT5	<b>14.61</b>	14.09
Series O	<b>12.56</b>	11.77

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>11,839</b>	1,818
Distributions from underlying funds	-	-
<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>(5,032)</b>	261,262
Change in unrealized appreciation (depreciation) in value of investments	<b>17,414,064</b>	4,125,528
<b>Net gains (losses) on investments</b>	<b>17,420,871</b>	4,388,608
<b>Total income (loss)</b>	<b>17,420,871</b>	4,388,608
<b>Expenses (note 5)</b>		
Management fees	<b>958,431</b>	767,813
Fixed annual administration fees	<b>156,304</b>	127,204
Independent review committee fees	<b>1,476</b>	1,355
Total operating expenses	<b>1,116,211</b>	896,372
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>16,304,660</b>	3,492,236
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>16,304,660</b>	3,492,236
Income taxes	<b>28,081</b>	239,639
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>16,276,579</b>	3,252,597
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>5,802,253</b>	1,176,217
Series AT5	<b>1,054,599</b>	(100,686)
Series F	<b>3,486,900</b>	610,456
Series FT5	<b>45,956</b>	537
Series O	<b>5,886,871</b>	1,566,073
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>5,520,847</b>	4,585,896
Series AT5	<b>893,087</b>	662,808
Series F	<b>3,064,765</b>	1,875,200
Series FT5	<b>48,999</b>	684
Series O	<b>4,949,654</b>	4,420,935
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>1.05</b>	0.26
Series AT5	<b>1.18</b>	(0.15)
Series F	<b>1.14</b>	0.33
Series FT5	<b>0.94</b>	0.79
Series O	<b>1.19</b>	0.35

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 six months ended June 30 (unaudited)

	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)	\$ 5,802,253	1,176,217	1,054,599	(100,686)	3,486,900	610,456
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 12,845,071	14,200,232	2,514,531	1,742,641	12,532,147	11,130,570
Redemption of redeemable shares	\$ (10,332,667)	(8,875,108)	(1,266,606)	(644,459)	(5,245,591)	(3,106,877)
Reinvestment of distributions to holders of redeemable shares	\$ 2,124,630	1,077,821	169,367	104,216	1,125,817	424,835
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 4,637,034	6,402,945	1,417,292	1,202,398	8,412,373	8,448,528
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (2,116,031)	(1,070,707)	(390,439)	(184,761)	(1,207,000)	(443,816)
From net investment income	\$ -	(251,733)	(303,156)	-	-	-
Return of capital	\$ -	-	-	-	-	-
	\$ (2,116,031)	(1,322,440)	(693,595)	(184,761)	(1,207,000)	(443,816)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 8,323,256	6,256,722	1,778,296	916,951	10,692,273	8,615,168
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 71,172,527	59,672,227	12,654,449	10,289,345	45,166,942	29,227,087
Redeemable Share Transactions						
Balance - beginning of period	5,309,370	4,255,379	807,196	622,260	2,747,392	1,566,684
Shares issued	1,045,144	1,143,970	183,042	118,216	953,613	854,358
Shares issued on reinvestment of distributions	174,376	86,960	12,121	7,049	86,517	32,388
Shares redeemed	(839,014)	(714,548)	(91,561)	(43,767)	(399,730)	(236,039)
Balance - end of period	5,689,876	4,771,761	910,798	703,758	3,387,792	2,217,391

  

	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	168,269,238	131,923,318
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 45,956	537	5,886,871	1,566,073	16,276,579	3,252,597
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 956,938	10,000	6,431,154	15,172,486	35,279,841	42,255,929
Redemption of redeemable shares	\$ (11,199)	-	(11,431,149)	(4,574,317)	(28,287,212)	(17,200,761)
Reinvestment of distributions to holders of redeemable shares	\$ 11,739	415	1,869,477	986,156	5,301,030	2,593,443
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 957,478	10,415	(3,130,518)	11,584,325	12,293,659	27,648,611
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (11,318)	(200)	(1,903,404)	(991,313)	(5,628,192)	(2,690,797)
From net investment income	\$ (19,568)	(213)	-	-	(322,724)	(251,946)
Return of capital	\$ -	-	-	-	-	-
	\$ (30,886)	(413)	(1,903,404)	(991,313)	(5,950,916)	(2,942,743)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 972,548	10,539	852,949	12,159,085	22,619,322	27,958,465
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 1,215,758	10,539	60,678,884	60,682,585	190,888,560	159,881,783
Redeemable Share Transactions						
Balance - beginning of period	17,259	-	5,084,802	3,968,359	13,966,019	10,412,682
Shares issued	65,885	667	524,398	1,257,723	2,772,082	3,374,934
Shares issued on reinvestment of distributions	807	27	155,078	82,117	428,899	208,541
Shares redeemed	(760)	-	(931,242)	(376,253)	(2,262,307)	(1,370,607)
Balance - end of period	83,191	694	4,833,036	4,931,946	14,904,693	12,625,550

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

# Sun Life Granite Balanced Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	16,276,579	3,252,597
Adjustments for:		
Net realized (gain) loss on sale of investments	5,032	(261,262)
Change in unrealized (appreciation) depreciation in value of investments	(17,414,064)	(4,125,528)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	(14,888,170)	(32,148,968)
Proceeds from sale of investments	10,214,198	8,672,878
Change in accrued interest	5,406	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	121,201	109,046
Change in other payables and accrued expenses	18,363	18,301
Change in income tax payable	(138,464)	(139,947)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(5,799,919)</b>	<b>(24,622,883)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(650,187)	(348,993)
Proceeds from redeemable shares issued	35,290,944	42,358,190
Redemption of redeemable shares	(28,017,448)	(17,200,131)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>6,623,309</b>	<b>24,809,066</b>
Net increase (decrease) in cash	823,390	186,183
Cash (bank indebtedness) at beginning of period	171,483	324,373
<b>Cash (bank indebtedness) at end of period</b>	<b>994,873</b>	<b>510,556</b>
Interest received	17,245	1,818
Income taxes paid	(166,545)	(379,586)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Balanced Portfolio, Series I	13,759,489	183,686,030	190,451,971	
		<b>183,686,030</b>	<b>190,451,971</b>	<b>99.77</b>
<b>Total Investments</b>		<b>183,686,030</b>	<b>190,451,971</b>	<b>99.77</b>
<b>Other Assets less Liabilities</b>			<b>436,589</b>	<b>0.23</b>
<b>Total Net Assets</b>			<b>190,888,560</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 June 30, 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 (%)	
	June 30, 2019	December 31, 2018
<b>Exchange-Traded Funds</b>		
U.S. Equities	7.8	9.6
<b>Mutual Funds</b>		
Canadian Fixed Income	20.9	19.4
International Equities	9.7	11.4
Canadian Equities	11.4	14.0
Tactical Balanced	9.3	9.2
U.S. Equities	7.8	8.0
High Yield Fixed Income	1.1	3.5
U.S. Fixed Income	6.7	5.6
Canadian Focused Equities	3.8	4.2
Emerging Markets Equities	2.6	3.9
Global Fixed Income	4.0	2.5
Emerging Markets Bonds	1.5	-
Global Small/Mid Cap Equities	5.6	3.4
Real Estate Equities	-	1.2
Canadian Money Market	1.7	2
Global Equities	5.8	2.1
<b>Other Assets less Liabilities</b>	0.3	-
<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 June 30, 2019 and December 31, 2018.

	June 30, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	190,451,971	-	-	190,451,971
	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 June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

	June 30, 2019	
	Shares	Market Value (\$)
Series FT5	-	-
	December 31, 2018	
	Shares	Market Value (\$)
Series FT5	716	10,094

## 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 shareholders 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 June 30, 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 Balanced Growth Class

## Statements of Financial Position

As at June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>75,590,501</b>	66,925,073
Cash	<b>314,418</b>	140,566
Due from investment dealers	<b>70,383</b>	-
Accrued interest	<b>8,684</b>	12,405
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>157,700</b>	380,468
	<b>76,141,686</b>	67,458,512
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>11,295</b>	3,495
Redemptions payable	<b>36,638</b>	4,475
Distributions payable	<b>901</b>	1,149
Due to investment dealers	<b>119,795</b>	81,444
Management fees payable	<b>76,739</b>	23,187
Income tax payable	<b>89,278</b>	108,448
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>334,646</b>	222,198
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>75,807,040</b>	67,236,314
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>33,855,677</b>	28,761,806
Series AT5	<b>1,120,276</b>	1,058,733
Series AT8	<b>3,647,204</b>	3,160,820
Series F	<b>14,039,349</b>	11,940,485
Series FT5	<b>401,227</b>	363,910
Series FT8	<b>286,504</b>	65,022
Series O	<b>22,456,803</b>	21,885,538
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>12.71</b>	12.05
Series AT5	<b>14.17</b>	13.76
Series AT8	<b>11.77</b>	11.60
Series F	<b>13.51</b>	12.74
Series FT5	<b>14.57</b>	14.07
Series FT8	<b>13.95</b>	13.68
Series O	<b>12.66</b>	11.89

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott	"signed" Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>11,463</b>	667
Distributions from underlying funds	-	-
<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>119,566</b>	277,124
Change in unrealized appreciation (depreciation) in value of investments	<b>7,476,944</b>	2,008,537
<b>Net gains (losses) on investments</b>	<b>7,607,973</b>	2,286,328
<b>Total income (loss)</b>	<b>7,607,973</b>	2,286,328
<b>Expenses (note 5)</b>		
Management fees	<b>428,693</b>	360,582
Fixed annual administration fees	<b>63,562</b>	60,019
Independent review committee fees	<b>597</b>	640
Total operating expenses	<b>492,852</b>	421,241
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>7,115,121</b>	1,865,087
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>7,115,121</b>	1,865,087
Income taxes	<b>19,516</b>	70,441
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>7,095,605</b>	1,794,646
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>2,889,576</b>	600,263
Series AT5	<b>123,649</b>	20,219
Series AT8	<b>327,843</b>	72,929
Series F	<b>1,320,507</b>	238,036
Series FT5	<b>37,857</b>	10,381
Series FT8	<b>11,827</b>	628
Series O	<b>2,384,346</b>	852,190
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>2,540,247</b>	2,127,363
Series AT5	<b>95,310</b>	82,722
Series AT8	<b>302,379</b>	251,029
Series F	<b>1,017,945</b>	666,895
Series FT5	<b>26,824</b>	11,742
Series FT8	<b>13,867</b>	689
Series O	<b>1,843,496</b>	2,256,840
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>1.14</b>	0.28
Series AT5	<b>1.30</b>	0.24
Series AT8	<b>1.08</b>	0.29
Series F	<b>1.30</b>	0.36
Series FT5	<b>1.41</b>	0.88
Series FT8	<b>0.85</b>	0.91
Series O	<b>1.29</b>	0.38

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 six months ended June 30 (unaudited)

	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)	\$ 2,889,576	600,263	123,649	20,219	327,843	72,929	1,320,507	238,036
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 4,770,090	7,594,016	578,594	90,934	440,145	413,285	3,418,619	3,832,735
Redemption of redeemable shares	\$ (2,571,617)	(3,925,942)	(576,954)	(276,748)	(28,788)	(34,970)	(2,637,884)	(1,171,605)
Reinvestment of distributions to holders of redeemable shares	\$ 1,250,450	575,104	28,287	28,575	38,136	67,784	534,190	187,189
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 3,448,923	4,243,178	29,927	(157,239)	449,493	446,099	1,314,925	2,848,319
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (1,244,628)	(569,842)	(59,109)	(28,828)	(148,392)	(72,849)	(536,568)	(165,472)
From net investment income	\$ -	-	(32,924)	(31,034)	(142,560)	(137,082)	-	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (1,244,628)	(569,842)	(92,033)	(59,862)	(290,952)	(209,931)	(536,568)	(165,472)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 5,093,871	4,273,599	61,543	(196,882)	486,384	309,097	2,098,864	2,920,883
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 33,855,677	28,683,915	1,120,276	1,169,470	3,647,204	3,378,112	14,039,349	10,502,991
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	380,650	599,212	40,779	6,049	36,696	31,218	258,318	287,063
Shares issued on reinvestment of distributions	101,034	45,279	2,003	1,900	3,218	5,136	40,635	13,964
Shares redeemed	(205,150)	(310,733)	(40,639)	(18,679)	(2,401)	(2,633)	(197,197)	(87,880)
Balance - end of period	2,663,185	2,234,517	79,072	77,688	309,989	261,757	1,039,227	776,596

  

	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	67,236,314	64,155,428
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 37,857	10,381	11,827	628	2,384,346	852,190	7,095,605	1,794,646
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ -	373,548	215,200	10,000	2,888,159	6,255,544	12,310,807	18,570,062
Redemption of redeemable shares	\$ (724)	(12)	(1,120)	-	(4,701,240)	(7,037,251)	(10,518,327)	(12,446,528)
Reinvestment of distributions to holders of redeemable shares	\$ 24,893	5,090	6,285	564	918,036	598,437	2,800,277	1,462,743
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 24,169	378,626	220,365	10,564	(895,045)	(183,270)	4,592,757	7,586,277
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (15,218)	(219)	(2,697)	(219)	(918,036)	(598,437)	(2,924,648)	(1,435,866)
From net investment income	\$ (9,491)	(4,865)	(8,013)	(344)	-	-	(192,988)	(173,325)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (24,709)	(5,084)	(10,710)	(563)	(918,036)	(598,437)	(3,117,636)	(1,609,191)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 37,317	383,923	221,482	10,629	571,265	70,483	8,570,726	7,771,732
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 401,227	383,923	286,504	10,629	22,456,803	27,798,120	75,807,040	71,927,160
Redeemable Share Transactions								
Balance - beginning of period	25,860	-	4,754	-	1,841,346	2,234,508	5,545,487	5,015,170
Shares issued	-	24,780	15,417	667	234,542	504,962	966,402	1,453,951
Shares issued on reinvestment of distributions	1,731	336	450	37	75,550	49,171	224,621	115,823
Shares redeemed	(50)	(1)	(80)	-	(378,081)	(570,085)	(823,598)	(990,011)
Balance - end of period	27,541	25,115	20,541	704	1,773,357	2,218,556	5,912,912	5,594,933

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

# Sun Life Granite Balanced Growth Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	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>7,095,605</b>	1,794,646
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(119,566)</b>	(277,124)
Change in unrealized (appreciation) depreciation in value of investments	<b>(7,476,944)</b>	(2,008,537)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(7,221,703)</b>	(12,469,647)
Proceeds from sale of investments	<b>6,120,753</b>	7,739,543
Change in accrued interest	<b>3,721</b>	(8,684)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>53,552</b>	51,172
Change in other payables and accrued expenses	<b>7,800</b>	(3,157)
Change in income tax payable	<b>(19,170)</b>	(71,598)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(1,555,952)</b>	(5,253,386)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(317,607)</b>	(147,558)
Proceeds from redeemable shares issued	<b>12,533,575</b>	18,545,519
Redemption of redeemable shares	<b>(10,486,164)</b>	(12,444,011)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>1,729,804</b>	5,953,950
Net increase (decrease) in cash	<b>173,852</b>	700,564
Cash (bank indebtedness) at beginning of period	<b>140,566</b>	(31,436)
<b>Cash (bank indebtedness) at end of period</b>	<b>314,418</b>	669,128
Interest received	<b>15,184</b>	667
Income taxes paid	<b>(38,686)</b>	(142,039)
Interest paid	-	(8,684)

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Balanced Growth Portfolio, Series I	5,160,712	72,475,749	75,590,501	
		<b>72,475,749</b>	<b>75,590,501</b>	<b>99.71</b>
<b>Total Investments</b>		<b>72,475,749</b>	<b>75,590,501</b>	<b>99.71</b>
<b>Other Assets less Liabilities</b>			<b>216,539</b>	<b>0.29</b>
<b>Total Net Assets</b>			<b>75,807,040</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 June 30, 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 (%)	
	June 30, 2019	December 31, 2018
<b>Exchange-Traded Funds</b>		
U.S. Equities	9.1	11.4
<b>Mutual Funds</b>		
Canadian Fixed Income	14.3	12.9
International Equities	12.0	13.8
Tactical Balanced	9.3	9.2
Canadian Equities	13.2	16.0
U.S. Equities	9.2	9.4
Global Equities	6.8	2.3
High Yield Fixed Income	1.1	3.1
Canadian Focused Equities	4.4	4.8
Global Fixed Income	3.1	2.1
Emerging Markets Equities	3.0	4.4
Emerging Markets Bonds	1.4	-
U.S. Fixed Income	4.3	3.7
Real Estate Equities	-	1.3
Global Small/Mid Cap Equities	6.4	3.8
Canadian Money Market	1.8	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 June 30, 2019 and December 31, 2018.

	June 30, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	75,590,501	-	-	75,590,501
<b>December 31, 2018</b>				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	66,925,073	-	-	66,925,073

There were no transfers between fair value levels during the periods from January 1 to June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

	June 30, 2019	
	Shares	Market Value (\$)
Series FT5	767	11,172
Series FT8	801	11,172
<b>December 31, 2018</b>		
	Shares	Market Value (\$)
Series FT5	718	10,105
Series FT8	739	10,106

## 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 shareholders 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 June 30, 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>190,460,345</b>	170,501,109
Cash	<b>1,404,501</b>	1,261,196
Due from investment dealers	-	3,684
Accrued interest	<b>1,816</b>	38,554
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>451,041</b>	232,311
	<b>192,317,703</b>	172,036,854
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>28,622</b>	7,819
Redemptions payable	<b>118,699</b>	5,506
Distributions payable	-	-
Due to investment dealers	<b>629,822</b>	94,344
Management fees payable	<b>151,168</b>	47,692
Income tax payable	<b>239,075</b>	662,706
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>1,167,386</b>	818,067
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>191,150,317</b>	171,218,787
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>80,071,677</b>	73,395,733
Series AT5	<b>10,125,467</b>	8,419,825
Series F	<b>34,390,188</b>	26,340,728
Series FT5	<b>2,373,722</b>	847,408
Series O	<b>64,189,263</b>	62,215,093
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>11.69</b>	11.13
Series AT5	<b>13.06</b>	12.75
Series F	<b>12.27</b>	11.64
Series FT5	<b>14.63</b>	14.22
Series O	<b>12.00</b>	11.34

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>10,547</b>	5,655
Distributions from underlying funds	-	-
<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>(135,307)</b>	(222,866)
Change in unrealized appreciation (depreciation) in value of investments	<b>13,622,048</b>	2,668,011
<b>Net gains (losses) on investments</b>	<b>13,497,288</b>	2,450,800
<b>Total income (loss)</b>	<b>13,497,288</b>	2,450,800
<b>Expenses (note 5)</b>		
Management fees	<b>835,815</b>	806,157
Fixed annual administration fees	<b>157,760</b>	171,300
Independent review committee fees	<b>1,485</b>	1,831
Total operating expenses	<b>995,060</b>	979,288
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>12,502,228</b>	1,471,512
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>12,502,228</b>	1,471,512
Income taxes	<b>37,403</b>	499,950
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>12,464,825</b>	971,562
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>5,035,725</b>	95,376
Series AT5	<b>565,587</b>	(176)
Series F	<b>2,002,694</b>	140,771
Series FT5	<b>126,748</b>	9,805
Series O	<b>4,734,071</b>	725,786
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>6,725,932</b>	6,777,505
Series AT5	<b>669,823</b>	487,055
Series F	<b>2,451,122</b>	2,042,725
Series FT5	<b>137,737</b>	24,204
Series O	<b>5,462,964</b>	7,475,791
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>0.75</b>	0.01
Series AT5	<b>0.84</b>	-
Series F	<b>0.82</b>	0.07
Series FT5	<b>0.92</b>	0.41
Series O	<b>0.87</b>	0.10

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 six months ended June 30 (unaudited)

	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)	\$ 5,035,725	95,376	565,587	(176)	2,002,694	140,771
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 14,976,966	20,899,534	1,688,995	1,241,645	10,253,534	9,863,730
Redemption of redeemable shares	\$ (13,350,235)	(19,853,835)	(313,526)	(1,283,734)	(4,159,499)	(4,586,805)
Reinvestment of distributions to holders of redeemable shares	\$ 1,331,103	1,030,127	128,817	117,130	436,496	284,598
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 2,957,834	2,075,826	1,504,286	75,041	6,530,531	5,561,523
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (1,317,615)	(1,018,138)	(147,838)	(87,830)	(483,765)	(297,626)
From net investment income	\$ -	-	(216,393)	(168,581)	-	-
Return of capital	\$ -	-	-	-	-	-
	\$ (1,317,615)	(1,018,138)	(364,231)	(256,411)	(483,765)	(297,626)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 6,675,944	1,153,064	1,705,642	(181,546)	8,049,460	5,404,668
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 80,071,677	75,282,475	10,125,467	6,836,290	34,390,188	25,810,919
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	1,305,333	1,825,555	129,157	92,423	849,535	826,973
Shares issued on reinvestment of distributions	115,726	88,680	9,946	8,544	36,224	23,711
Shares redeemed	(1,162,646)	(1,738,748)	(24,144)	(95,267)	(345,955)	(384,701)
Balance - end of period	6,851,650	6,574,214	775,312	510,646	2,803,162	2,165,292

  

	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	171,218,787	192,367,978
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 126,748	9,805	4,734,071	725,786	12,464,825	971,562
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 1,485,357	751,980	5,773,213	9,584,329	34,178,065	42,341,218
Redemption of redeemable shares	\$ (52,545)	(40,000)	(8,532,997)	(22,531,263)	(26,408,802)	(48,295,637)
Reinvestment of distributions to holders of redeemable shares	\$ 58,292	2,061	1,106,960	1,127,192	3,061,668	2,561,108
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,491,104	714,041	(1,652,824)	(11,819,742)	10,830,931	(3,393,311)
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (40,113)	(1,408)	(1,107,077)	(1,132,016)	(3,096,408)	(2,537,018)
From net investment income	\$ (51,425)	(7,363)	-	-	(267,818)	(175,944)
Return of capital	\$ -	-	-	-	-	-
	\$ (91,538)	(8,771)	(1,107,077)	(1,132,016)	(3,364,226)	(2,712,962)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,526,314	715,075	1,974,170	(12,225,972)	19,931,530	(5,134,711)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 2,373,722	715,075	64,189,263	78,588,508	191,150,317	187,233,267
Redeemable Share Transactions						
Balance - beginning of period	59,603	-	5,487,803	7,829,826	15,064,354	16,432,808
Shares issued	102,214	50,415	493,219	830,387	2,879,458	3,625,753
Shares issued on reinvestment of distributions	4,028	137	95,841	98,687	261,765	219,759
Shares redeemed	(3,610)	(2,687)	(728,304)	(1,961,646)	(2,264,659)	(4,183,049)
Balance - end of period	162,235	47,865	5,348,559	6,797,254	15,940,918	16,095,271

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

# Sun Life Granite Conservative Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	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>12,464,825</b>	971,562
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>135,307</b>	222,866
Change in unrealized (appreciation) depreciation in value of investments	<b>(13,622,048)</b>	(2,668,011)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(16,904,086)</b>	(24,309,321)
Proceeds from sale of investments	<b>10,970,753</b>	31,034,154
Change in accrued interest	<b>36,738</b>	(1,279)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>103,476</b>	103,848
Change in other payables and accrued expenses	<b>20,803</b>	20,271
Change in income tax payable	<b>(423,631)</b>	(441,701)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(7,217,863)</b>	4,932,389
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(302,558)</b>	(151,739)
Proceeds from redeemable shares issued	<b>33,959,335</b>	42,759,483
Redemption of redeemable shares	<b>(26,295,609)</b>	(47,751,953)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>7,361,168</b>	(5,144,209)
Net increase (decrease) in cash	<b>143,305</b>	(211,820)
Cash (bank indebtedness) at beginning of period	<b>1,261,196</b>	171,240
<b>Cash (bank indebtedness) at end of period</b>	<b>1,404,501</b>	(40,580)
Interest received	<b>47,285</b>	4,376
Income taxes paid	<b>(461,034)</b>	(941,651)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Conservative Portfolio, Series I	15,723,112	186,871,528	190,460,345	
		<b>186,871,528</b>	<b>190,460,345</b>	<b>99.64</b>
<b>Total Investments</b>		<b>186,871,528</b>	<b>190,460,345</b>	<b>99.64</b>
<b>Other Assets less Liabilities</b>			<b>689,972</b>	<b>0.36</b>
<b>Total Net Assets</b>			<b>191,150,317</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 June 30, 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 (%)	
	June 30, 2019	December 31, 2018
<b>Exchange-Traded Funds</b>		
U.S. Equities	3.5	3.0
<b>Mutual Funds</b>		
Canadian Fixed Income	42.0	40.9
Tactical Balanced	9.9	9.9
U.S. Fixed Income	10.7	9.5
High Yield Fixed Income	1.5	4.7
International Equities	3.4	5.5
Canadian Equities	5.1	7.0
Global Fixed Income	5.7	3.7
U.S. Equities	3.6	3.7
Canadian Focused Equities	1.7	2.1
Emerging Markets Equities	0.3	1.2
Real Estate Equities	-	0.7
Global Equities	3.0	1.1
Emerging Markets Bonds	2.0	-
Global Small/Mid Cap Equities	2.4	1.4
Canadian Money Market	4.7	5.4
<b>Other Assets less Liabilities</b>	0.5	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 June 30, 2019 and December 31, 2018.

	June 30, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	190,460,345	-	-	190,460,345
<b>December 31, 2018</b>				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	170,501,109	-	-	170,501,109

There were no transfers between fair value levels during the periods from January 1 to June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

	June 30, 2019	
	Shares	Market Value (\$)
Series FT5	-	-
	December 31, 2018	
	Shares	Market Value (\$)
Series FT5	710	10,098

## 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 shareholders 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 June 30, 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	58,061,638	48,060,237
Cash	355,477	324,493
Due from investment dealers	79,853	-
Accrued interest	723	3,539
Distributions receivable from underlying funds	-	-
Subscriptions receivable	6,430	17,514
	58,504,121	48,405,783
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	8,561	2,469
Redemptions payable	11,527	2,000
Distributions payable	1,426	4,443
Due to investment dealers	-	74,763
Management fees payable	50,501	14,126
Income tax payable	59,573	49,146
Total liabilities (excluding net assets attributable to holders of redeemable shares)	131,588	146,947
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>58,372,533</b>	<b>48,258,836</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	22,306,562	18,060,592
Series AT5	135,490	127,884
Series AT8	729,187	791,629
Series F	12,478,511	9,132,546
Series FT5	11,224	10,093
Series FT8	11,224	10,092
Series O	22,700,335	20,126,000
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	13.01	12.24
Series AT5	14.51	14.00
Series AT8	12.00	11.75
Series F	13.87	12.98
Series FT5	14.67	14.07
Series FT8	14.05	13.68
Series O	12.81	11.93

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott	"signed" Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	5,277	353
Distributions from underlying funds	-	-
<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	36,710	104,656
Change in unrealized appreciation (depreciation) in value of investments	5,796,246	1,621,214
<b>Net gains (losses) on investments</b>	<b>5,838,233</b>	<b>1,726,223</b>
<b>Total income (loss)</b>	<b>5,838,233</b>	<b>1,726,223</b>
<b>Expenses (note 5)</b>		
Management fees	271,890	222,297
Fixed annual administration fees	46,394	38,082
Independent review committee fees	439	409
Total operating expenses	318,723	260,788
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>5,519,510</b>	<b>1,465,435</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>5,519,510</b>	<b>1,465,435</b>
Income taxes	17,263	36,201
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>5,502,247</b>	<b>1,429,234</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	1,969,978	452,621
Series AT5	13,143	3,630
Series AT8	82,209	15,080
Series F	1,055,488	197,995
Series FT5	1,115	702
Series FT8	1,116	702
Series O	2,379,198	758,504
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	1,615,791	1,365,187
Series AT5	9,233	9,124
Series AT8	65,106	54,553
Series F	785,454	449,678
Series FT5	744	684
Series FT8	771	688
Series O	1,759,183	1,536,727
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	1.22	0.33
Series AT5	1.42	0.40
Series AT8	1.26	0.28
Series F	1.34	0.44
Series FT5	1.50	1.03
Series FT8	1.45	1.02
Series O	1.35	0.49

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 six months ended June 30 (unaudited)

	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)	\$ 1,969,978	452,621	13,143	3,630	82,209	15,080	1,055,488	197,995
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 4,574,256	4,301,970	1,296	18	42,685	493,092	3,124,395	1,664,679
Redemption of redeemable shares	\$ (2,303,096)	(2,821,355)	(2,700)	(2,700)	(126,479)	(228,986)	(830,120)	(815,354)
Reinvestment of distributions to holders of redeemable shares	\$ 779,064	339,855	4,292	3,518	2,059	8,288	389,916	113,231
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 3,050,224	1,820,470	2,888	836	(81,735)	272,394	2,684,191	962,556
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	\$ -	-	(3,241)	(3,595)	(30,665)	(30,675)	-	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (774,232)	(338,899)	(8,425)	(6,340)	(62,916)	(45,254)	(393,714)	(121,261)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 4,245,970	1,934,192	7,606	(1,874)	(62,442)	242,220	3,345,965	1,039,290
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 22,306,562</b>	<b>19,129,831</b>	<b>135,490</b>	<b>141,562</b>	<b>729,187</b>	<b>746,450</b>	<b>12,478,511</b>	<b>6,645,669</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	357,061	329,039	89	5	3,525	36,027	228,372	120,944
Shares issued on reinvestment of distributions	61,616	26,200	299	225	154	617	28,924	8,309
Shares redeemed	(179,068)	(217,215)	(186)	(174)	(10,288)	(16,987)	(60,980)	(59,337)
Balance - end of period	<b>1,714,694</b>	<b>1,453,751</b>	<b>9,337</b>	<b>9,158</b>	<b>60,748</b>	<b>56,551</b>	<b>899,913</b>	<b>478,890</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)	\$ 1,115	702	1,116	702	2,379,198	758,504	<b>5,502,247</b>	<b>1,429,234</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ -	10,000	-	10,000	1,884,152	4,493,767	9,626,784	10,973,526
Redemption of redeemable shares	\$ -	-	-	-	(1,688,969)	(1,938,342)	(4,951,364)	(5,806,737)
Reinvestment of distributions to holders of redeemable shares	\$ 692	415	853	545	846,918	374,772	2,023,794	840,624
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 692	10,415	853	10,545	1,042,101	2,930,197	<b>6,699,214</b>	<b>6,007,413</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (413)	(200)	(413)	(200)	(846,964)	(373,944)	(2,053,171)	(851,828)
From net investment income	\$ (263)	(213)	(424)	(343)	-	-	(34,593)	(34,826)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (676)	(413)	(837)	(543)	(846,964)	(373,944)	<b>(2,087,764)</b>	<b>(886,654)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,131	10,704	1,132	10,704	2,574,335	3,314,757	<b>10,113,697</b>	<b>6,549,993</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 11,224</b>	<b>10,704</b>	<b>11,224</b>	<b>10,704</b>	<b>22,700,335</b>	<b>20,509,313</b>	<b>58,372,533</b>	<b>47,194,233</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	-	667	-	667	152,468	362,801	741,515	850,150
Shares issued on reinvestment of distributions	48	27	61	36	68,925	30,497	160,027	65,911
Shares redeemed	-	-	-	-	(135,797)	(155,774)	(386,319)	(449,487)
Balance - end of period	<b>765</b>	<b>694</b>	<b>799</b>	<b>703</b>	<b>1,772,058</b>	<b>1,615,483</b>	<b>4,458,314</b>	<b>3,615,230</b>

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



# Sun Life Granite Growth Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	5,502,247	1,429,234
Adjustments for:		
Net realized (gain) loss on sale of investments	(36,710)	(104,656)
Change in unrealized (appreciation) depreciation in value of investments	(5,796,246)	(1,621,214)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	(6,478,823)	(7,906,208)
Proceeds from sale of investments	2,155,762	2,798,997
Change in accrued interest	2,816	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	36,375	30,708
Change in other payables and accrued expenses	6,092	5,241
Change in income tax payable	10,427	(39,296)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(4,598,060)</b>	<b>(5,407,194)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(66,987)	(44,919)
Proceeds from redeemable shares issued	9,637,868	11,161,776
Redemption of redeemable shares	(4,941,837)	(5,803,862)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>4,629,044</b>	<b>5,312,995</b>
Net increase (decrease) in cash	30,984	(94,199)
Cash (bank indebtedness) at beginning of period	324,493	539,680
<b>Cash (bank indebtedness) at end of period</b>	<b>355,477</b>	<b>445,481</b>
Interest received	8,093	353
Income taxes paid	(6,836)	(75,497)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Growth Portfolio, Series I	3,902,831	55,700,171	58,061,638	
		<b>55,700,171</b>	<b>58,061,638</b>	<b>99.47</b>
<b>Total Investments</b>		<b>55,700,171</b>	<b>58,061,638</b>	<b>99.47</b>
<b>Other Assets less Liabilities</b>			<b>310,895</b>	<b>0.53</b>
<b>Total Net Assets</b>			<b>58,372,533</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 June 30, 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 (%)	
	June 30, 2019	December 31, 2018
<b>Exchange-Traded Funds</b>		
U.S. Equities	10.4	13.6
<b>Mutual Funds</b>		
International Equities	14.3	16.2
Canadian Equities	15.3	18.1
Tactical Balanced	8.5	8.7
Canadian Fixed Income	8.0	6.8
Global Equities	7.6	2.6
U.S. Equities	10.5	10.7
Real Estate Equities	-	1.4
Canadian Focused Equities	5.1	5.6
High Yield Fixed Income	0.8	2.4
Emerging Markets Equities	3.3	4.8
Emerging Markets Bonds	1.3	-
U.S. Fixed Income	2.4	1.7
Global Fixed Income	2.6	1.6
Global Small/Mid Cap Equities	7.3	4.3
Canadian Money Market	1.7	1.0
<b>Other Assets less Liabilities</b>	0.9	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 June 30, 2019 and December 31, 2018.

	June 30, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	58,061,638	-	-	58,061,638

  

	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 June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

	June 30, 2019	
	Shares	Market Value (\$)
Series AT5	1,105	16,042
Series FT5	765	11,224
Series FT8	799	11,224

  

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

## 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 shareholders 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 June 30, 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>130,381,720</b>	113,901,049
Cash	<b>528,246</b>	574,280
Due from investment dealers	<b>40,038</b>	536,184
Accrued interest	<b>7,487</b>	5,608
Distributions receivable from underlying funds	-	2,373
Subscriptions receivable	<b>68,613</b>	65,601
	<b>131,026,104</b>	115,085,095
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>19,641</b>	-
Redemptions payable	<b>46,000</b>	43,300
Distributions payable	<b>5,414</b>	-
Due to investment dealers	<b>35,818</b>	31,010
Management fees payable	<b>112,944</b>	34,651
Income tax payable	<b>103,550</b>	317,468
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>323,367</b>	426,429
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>130,702,737</b>	114,658,666
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>48,992,836</b>	45,310,048
Series AT5	<b>8,396,869</b>	7,723,105
Series F	<b>19,439,524</b>	15,458,182
Series FT5	<b>7,310,628</b>	1,980,358
Series O	<b>46,562,880</b>	44,186,973
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>12.30</b>	11.68
Series AT5	<b>13.70</b>	13.33
Series F	<b>13.11</b>	12.38
Series FT5	<b>14.61</b>	14.14
Series O	<b>12.49</b>	11.75

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>4,894</b>	4,485
Distributions from underlying funds	-	-
<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>94,198</b>	148,432
Change in unrealized appreciation (depreciation) in value of investments	<b>10,770,551</b>	2,208,238
<b>Net gains (losses) on investments</b>	<b>10,869,643</b>	2,361,155
<b>Total income (loss)</b>	<b>10,869,643</b>	2,361,155
<b>Expenses (note 5)</b>		
Management fees	<b>629,438</b>	538,088
Fixed annual administration fees	<b>108,268</b>	92,232
Independent review committee fees	<b>1,019</b>	978
Total operating expenses	<b>738,725</b>	631,298
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>10,130,918</b>	1,729,857
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>10,130,918</b>	1,729,857
Income taxes	<b>60,602</b>	156,400
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>10,070,316</b>	1,573,457
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>3,702,985</b>	465,817
Series AT5	<b>617,847</b>	57,552
Series F	<b>1,405,329</b>	169,106
Series FT5	<b>346,547</b>	23,408
Series O	<b>3,997,608</b>	857,574
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>3,982,690</b>	3,645,334
Series AT5	<b>581,152</b>	498,450
Series F	<b>1,356,947</b>	702,971
Series FT5	<b>377,071</b>	52,895
Series O	<b>3,776,235</b>	3,580,609
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>0.93</b>	0.13
Series AT5	<b>1.06</b>	0.12
Series F	<b>1.04</b>	0.24
Series FT5	<b>0.92</b>	0.44
Series O	<b>1.06</b>	0.24

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 six months ended June 30 (unaudited)

	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)	\$ 3,702,985	465,817	617,847	57,552	1,405,329	169,106
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 7,170,939	9,614,280	1,108,733	2,003,377	5,467,447	6,143,450
Redemption of redeemable shares	\$ (7,200,557)	(7,266,242)	(789,203)	(1,585,425)	(2,877,596)	(1,013,788)
Reinvestment of distributions to holders of redeemable shares	\$ 1,242,617	766,299	135,853	101,385	421,388	132,172
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,212,999	3,114,337	455,383	519,337	3,011,239	5,261,834
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (1,233,196)	(760,327)	(204,673)	(128,765)	(435,226)	(134,693)
From net investment income	\$ -	-	(194,793)	(182,785)	-	-
Return of capital	\$ -	-	-	-	-	-
	\$ (1,233,196)	(760,327)	(399,466)	(311,550)	(435,226)	(134,693)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 3,682,788	2,819,827	673,764	265,339	3,981,342	5,296,247
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>48,992,836</b>	<b>45,576,545</b>	<b>8,396,869</b>	<b>7,291,657</b>	<b>19,439,524</b>	<b>11,804,109</b>
Redeemable Share Transactions						
Balance - beginning of period	3,878,549	3,470,513	579,263	474,747	1,248,797	504,166
Shares issued	593,369	790,235	80,942	137,978	425,109	480,792
Shares issued on reinvestment of distributions	103,060	62,732	9,996	6,848	32,802	10,279
Shares redeemed	(592,411)	(597,809)	(57,324)	(110,448)	(223,609)	(79,381)
Balance - end of period	<b>3,982,567</b>	<b>3,725,671</b>	<b>612,877</b>	<b>509,125</b>	<b>1,483,099</b>	<b>915,856</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)	\$ 346,547	23,408	3,997,608	857,574	<b>10,070,316</b>	<b>1,573,457</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 5,144,715	1,221,289	2,907,497	5,682,202	21,799,331	24,664,598
Redemption of redeemable shares	\$ (56,643)	(10,586)	(4,505,710)	(3,701,325)	(15,429,709)	(13,577,366)
Reinvestment of distributions to holders of redeemable shares	\$ 105,371	18,479	1,156,694	735,436	3,061,923	1,753,771
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 5,193,443	1,229,182	(441,519)	2,716,313	<b>9,431,545</b>	<b>12,841,003</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (57,819)	(687)	(1,180,182)	(726,555)	(3,111,096)	(1,751,027)
From net investment income	\$ (151,901)	(19,420)	-	-	(346,694)	(202,205)
Return of capital	\$ -	-	-	-	-	-
	\$ (209,720)	(20,107)	(1,180,182)	(726,555)	<b>(3,457,790)</b>	<b>(1,953,232)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 5,330,270	1,232,483	2,375,907	2,847,332	<b>16,044,071</b>	<b>12,461,228</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>7,310,628</b>	<b>1,232,483</b>	<b>46,562,880</b>	<b>45,106,285</b>	<b>130,702,737</b>	<b>111,011,079</b>
Redeemable Share Transactions						
Balance - beginning of period	140,056	-	3,761,714	3,479,109	<b>9,608,379</b>	<b>7,928,535</b>
Shares issued	356,841	81,073	237,780	470,186	1,694,041	1,960,264
Shares issued on reinvestment of distributions	7,299	1,230	96,289	61,644	249,446	142,733
Shares redeemed	(3,876)	(690)	(367,605)	(307,659)	(1,244,825)	(1,095,987)
Balance - end of period	<b>500,320</b>	<b>81,613</b>	<b>3,728,178</b>	<b>3,703,280</b>	<b>10,307,041</b>	<b>8,935,545</b>

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

# Sun Life Granite Moderate Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	10,070,316	1,573,457
Adjustments for:		
Net realized (gain) loss on sale of investments	(94,198)	(148,432)
Change in unrealized (appreciation) depreciation in value of investments	(10,770,551)	(2,208,238)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	(13,359,551)	(14,270,226)
Proceeds from sale of investments	8,244,583	5,525,507
Change in accrued interest	(1,879)	(17,479)
Change in distributions receivable from underlying funds	2,373	-
Change in management fees payable	78,293	74,235
Change in other payables and accrued expenses	19,641	1,220
Change in income tax payable	(213,918)	(181,960)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(6,024,891)</b>	<b>(9,651,916)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(390,453)	(199,488)
Proceeds from redeemable shares issued	21,796,319	24,261,332
Redemption of redeemable shares	(15,427,009)	(13,496,696)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>5,978,857</b>	<b>10,565,148</b>
Net increase (decrease) in cash	(46,034)	913,232
Cash (bank indebtedness) at beginning of period	574,280	70,153
<b>Cash (bank indebtedness) at end of period</b>	<b>528,246</b>	<b>983,385</b>
Interest received	3,015	4,485
Income taxes paid	(274,520)	(338,360)
Interest paid	-	(17,479)

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Moderate Portfolio, Series I	9,550,375	125,465,261	130,381,720	
		<b>125,465,261</b>	<b>130,381,720</b>	<b>99.75</b>
<b>Total Investments</b>		<b>125,465,261</b>	<b>130,381,720</b>	<b>99.75</b>
<b>Other Assets less Liabilities</b>			<b>321,017</b>	<b>0.25</b>
<b>Total Net Assets</b>			<b>130,702,737</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 June 30, 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 (%)	
	June 30, 2019	December 31, 2018
<b>Exchange-Traded Funds</b>		
U.S. Equities	6.4	6.7
<b>Mutual Funds</b>		
Canadian Fixed Income	26.5	25.2
Tactical Balanced	9.6	9.4
Canadian Equities	9.1	11.4
International Equities	7.4	9.5
High Yield Fixed Income	1.2	4.0
Global Fixed Income	4.9	2.9
U.S. Equities	6.4	6.6
Global Equities	4.5	1.7
Canadian Focused Equities	3.0	3.5
Real Estate Equities	-	1.2
Emerging Markets Bonds	1.6	-
U.S. Fixed Income	8.4	7.3
Emerging Markets Equities	1.9	2.6
Canadian Money Market	4.4	4.7
Global Small/Mid Cap Equities	4.2	2.7
<b>Other Assets less Liabilities</b>	0.5	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 June 30, 2019 and December 31, 2018.

	June 30, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	130,381,720	-	-	130,381,720

  

	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 June 30, 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 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 shareholders 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 June 30, 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	596,020	1,912,036
Cash	6,847	-
Due from investment dealers	-	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	-	50
	<b>602,867</b>	<b>1,912,086</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	364
Accrued expenses	79	46
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	-	50
Management fees payable	571	180
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>650</b>	<b>640</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>602,217</b>	<b>1,911,446</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	284,883	259,162
Series AT5	9,690	8,768
Series F	10,168	9,150
Series FT5	10,464	9,417
Series I	276,838	1,615,793
Series O	10,174	9,156
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	8.55	7.80
Series AT5	10.24	9.56
Series F	8.96	8.13
Series FT5	13.91	12.92
Series I	9.47	8.54
Series O	9.40	8.49

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	1	1
Distributions from underlying funds	-	-
<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	52,121	7,408
Change in unrealized appreciation (depreciation) in value of investments	157,613	(30,241)
<b>Net gains (losses) on investments</b>	<b>209,735</b>	<b>(22,832)</b>
<b>Total income (loss)</b>	<b>209,735</b>	<b>(22,832)</b>
<b>Expenses (note 5)</b>		
Management fees	3,306	3,490
Fixed annual administration fees	764	808
Independent review committee fees	2	16
Total operating expenses	4,072	4,314
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>205,663</b>	<b>(27,146)</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>205,663</b>	<b>(27,146)</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>205,663</b>	<b>(27,146)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	27,077	(6,912)
Series AT5	909	(252)
Series F	1,004	(204)
Series FT5	1,033	428
Series I	174,580	(19,795)
Series O	1,060	(411)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	33,503	33,043
Series AT5	931	851
Series F	1,131	1,091
Series FT5	740	684
Series I	158,947	155,281
Series O	1,082	2,705
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.81	(0.21)
Series AT5	0.98	(0.30)
Series F	0.89	(0.19)
Series FT5	1.40	0.63
Series I	1.10	(0.13)
Series O	0.98	(0.15)

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 six months ended June 30 (unaudited)

	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)	\$ 27,077	(6,912)	909	(252)	1,004	(204)	1,033	428
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 5,029	90,459	-	2	-	3	-	10,000
Redemption of redeemable shares	\$ (6,542)	(16,791)	-	-	-	-	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 2,166	5,885	303	449	85	199	326	411
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 653	79,553	303	451	85	202	326	10,411
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (2,009)	(5,786)	(67)	(184)	(71)	(191)	(73)	(196)
From net investment income	\$ -	-	(223)	(257)	-	-	(239)	(213)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (2,009)	(5,786)	(290)	(441)	(71)	(191)	(312)	(409)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 25,721	66,855	922	(242)	1,018	(193)	1,047	10,430
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>284,883</b>	<b>315,212</b>	<b>9,690</b>	<b>9,770</b>	<b>10,168</b>	<b>10,136</b>	<b>10,464</b>	<b>10,430</b>
Redeemable Share Transactions								
Balance - beginning of period	33,239	26,715	917	831	1,125	1,077	729	-
Shares issued	608	9,973	-	1	-	1	-	667
Shares issued on reinvestment of distributions	257	661	30	39	9	21	24	27
Shares redeemed	(766)	(1,890)	-	-	-	-	-	-
Balance - end of period	<b>33,338</b>	<b>35,459</b>	<b>947</b>	<b>871</b>	<b>1,134</b>	<b>1,099</b>	<b>753</b>	<b>694</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)	\$ 174,580	(19,795)	1,060	(411)	<b>205,663</b>	<b>(27,146)</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 107,346	129,627	-	-	112,375	230,091
Redemption of redeemable shares	\$ (1,620,881)	(95,492)	(42)	(18,502)	(1,627,465)	(130,785)
Reinvestment of distributions to holders of redeemable shares	\$ 12,324	28,055	71	536	15,275	35,535
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (1,501,211)	62,190	29	(17,966)	<b>(1,499,815)</b>	<b>134,841</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (12,324)	(28,055)	(71)	(536)	(14,615)	(34,948)
From net investment income	\$ -	-	-	-	(462)	(470)
Return of capital	\$ -	-	-	-	-	-
	\$ (12,324)	(28,055)	(71)	(536)	<b>(15,077)</b>	<b>(35,418)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (1,338,955)	14,340	1,018	(18,913)	<b>(1,309,229)</b>	<b>72,277</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>276,838</b>	<b>1,507,438</b>	<b>10,174</b>	<b>10,152</b>	<b>602,217</b>	<b>1,863,138</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	13,438	-	-	11,945	24,080
Shares issued on reinvestment of distributions	1,331	2,982	8	57	1,659	3,787
Shares redeemed	(172,563)	(9,922)	(5)	(1,934)	(173,334)	(13,746)
Balance - end of period	<b>29,219</b>	<b>156,651</b>	<b>1,082</b>	<b>1,061</b>	<b>66,473</b>	<b>195,835</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 six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	205,663	(27,146)
Adjustments for:		
Net realized (gain) loss on sale of investments	(52,121)	(7,408)
Change in unrealized (appreciation) depreciation in value of investments	(157,613)	30,241
Non-cash income distributions from underlying funds	-	-
Purchases of investments	(109,351)	(223,011)
Proceeds from sale of investments	1,635,051	125,958
Change in accrued interest	-	(4)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	391	512
Change in other payables and accrued expenses	33	113
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>1,522,053</b>	<b>(100,745)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	198	117
Proceeds from redeemable shares issued	112,425	231,227
Redemption of redeemable shares	(1,627,465)	(130,785)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(1,514,842)</b>	<b>100,559</b>
Net increase (decrease) in cash	7,211	(186)
Cash (bank indebtedness) at beginning of period	(364)	(2,101)
<b>Cash (bank indebtedness) at end of period</b>	<b>6,847</b>	<b>(2,287)</b>
Interest received	1	-
Income taxes paid	-	-
Interest paid	-	(3)

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Invesco Canadian Fund, Series I	42,157	555,508	596,020	
		<b>555,508</b>	<b>596,020</b>	<b>98.97</b>
<b>Total Investments</b>		<b>555,508</b>	<b>596,020</b>	<b>98.97</b>
<b>Other Assets less Liabilities</b>			<b>6,197</b>	<b>1.03</b>
<b>Total Net Assets</b>			<b>602,217</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 June 30, 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 (%)	
	June 30, 2019	December 31, 2018
<b>Equities</b>		
Consumer Discretionary	6.5	6.3
Consumer Staples	2.2	4.0
Energy	7.2	7.4
Financials	47.8	50.3
Health Care	-	2.8
Industrials	14.6	12.8
Information Technology	10.7	10.4
Materials	4.7	5.0
Other Assets less Liabilities	6.3	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 June 30, 2019 and December 31, 2018.

	June 30, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	596,020	-	-	596,020

  

	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 June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

	June 30, 2019	
	Shares	Market Value (\$)
Series A	12,480	106,643
Series AT5	947	9,690
Series F	1,134	10,168
Series FT5	753	10,464
Series I	29,219	276,836
Series O	1,082	10,174

	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	-	-
Series I	29,012	247,880
Series O	1,079	9,156

## 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 shareholders 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 June 30, 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 Invesco Canadian Class (continued)

(formerly Sun Life Trimark Canadian Class)

## Fund Name Change

Effective February 22, 2019, the Class 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	1,090,085	893,827
Cash	9,220	3,877
Due from investment dealers	-	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	83	-
	<b>1,099,388</b>	<b>897,704</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	152	45
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	1,583	178
Management fees payable	1,367	402
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>3,102</b>	<b>625</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>1,096,286</b>	<b>897,079</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	702,267	579,206
Series AT5	101,699	88,298
Series F	54,340	30,794
Series FT5	11,540	9,955
Series O	226,440	188,826
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	11.35	10.30
Series AT5	12.61	11.72
Series F	12.09	10.91
Series FT5	14.88	13.75
Series O	11.18	10.05

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	53	1
Distributions from underlying funds	-	8,932
<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	4,247	22,039
Change in unrealized appreciation (depreciation) in value of investments	145,778	(9,918)
<b>Net gains (losses) on investments</b>	<b>150,078</b>	<b>21,054</b>
<b>Total income (loss)</b>	<b>150,078</b>	<b>21,054</b>
<b>Expenses (note 5)</b>		
Management fees	7,632	6,907
Fixed annual administration fees	837	673
Independent review committee fees	7	6
Total operating expenses	8,476	7,586
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>141,602</b>	<b>13,468</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>141,602</b>	<b>13,468</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>141,602</b>	<b>13,468</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	90,300	7,406
Series AT5	13,357	2,246
Series F	5,082	574
Series FT5	1,569	946
Series O	31,294	2,296
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	59,604	47,498
Series AT5	7,843	9,955
Series F	3,203	2,200
Series FT5	754	682
Series O	19,845	8,180
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	1.51	-
Series AT5	1.70	0.23
Series F	1.59	0.26
Series FT5	2.08	-
Series O	1.58	0.28

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 six months ended June 30 (unaudited)

	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)	\$ 90,300	7,406	13,357	2,246	5,082	574
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 75,987	100,377	-	9	18,426	2,350
Redemption of redeemable shares	\$ (43,557)	(152,069)	-	(107,454)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 28,286	8,573	6,503	4,933	1,522	415
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 60,716	(43,119)	6,503	(102,512)	19,948	2,765
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (27,955)	(8,477)	(4,147)	(1,814)	(1,484)	(392)
From net investment income	\$ -	-	(2,312)	(3,087)	-	-
Return of capital	\$ -	-	-	-	-	-
	\$ (27,955)	(8,477)	(6,459)	(4,901)	(1,484)	(392)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 123,061	(44,190)	13,401	(105,167)	23,546	2,947
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 702,267	538,454	101,699	122,579	54,340	29,019
Redeemable Share Transactions						
Balance - beginning of period	56,231	49,984	7,537	16,280	2,822	2,135
Shares issued	6,930	8,918	-	3	1,543	197
Shares issued on reinvestment of distributions	2,579	763	527	370	129	34
Shares redeemed	(3,888)	(13,417)	-	(7,645)	-	-
Balance - end of period	61,852	46,248	8,064	9,008	4,494	2,366

  

	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	897,079	930,841
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 1,569	946	31,294	2,296	141,602	13,468
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ -	10,000	7,733	1,083	102,146	113,819
Redemption of redeemable shares	\$ -	-	(1,413)	(5,327)	(44,970)	(264,850)
Reinvestment of distributions to holders of redeemable shares	\$ 745	375	9,187	1,352	46,243	15,648
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 745	10,375	15,507	(2,892)	103,419	(135,383)
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (468)	(161)	(9,187)	(1,352)	(43,241)	(12,196)
From net investment income	\$ (261)	(213)	-	-	(2,573)	(3,300)
Return of capital	\$ -	-	-	-	-	-
	\$ (729)	(374)	(9,187)	(1,352)	(45,814)	(15,496)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,585	10,947	37,614	(1,948)	199,207	(137,411)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 11,540	10,947	226,440	92,431	1,096,286	793,430
Redeemable Share Transactions						
Balance - beginning of period	724	-	18,797	8,471	86,111	76,870
Shares issued	-	667	718	99	9,191	9,884
Shares issued on reinvestment of distributions	52	24	866	128	4,153	1,319
Shares redeemed	-	-	(130)	(475)	(4,018)	(21,537)
Balance - end of period	776	691	20,251	8,223	95,437	66,536

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 six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	141,602	13,468
Adjustments for:		
Net realized (gain) loss on sale of investments	(4,247)	(22,039)
Change in unrealized (appreciation) depreciation in value of investments	(145,778)	9,918
Non-cash income distributions from underlying funds	-	(8,932)
Purchases of investments	(101,535)	(47,760)
Proceeds from sale of investments	56,707	223,985
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	965	745
Change in other payables and accrued expenses	107	77
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(52,179)</b>	<b>169,462</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	429	152
Proceeds from redeemable shares issued	102,063	113,819
Redemption of redeemable shares	(44,970)	(264,850)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>57,522</b>	<b>(150,879)</b>
Net increase (decrease) in cash	5,343	18,583
Cash (bank indebtedness) at beginning of period	3,877	(13,509)
<b>Cash (bank indebtedness) at end of period</b>	<b>9,220</b>	<b>5,074</b>
Interest received	53	1
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS Canadian Equity Growth Fund, Series I	19,378	981,127	1,090,085	
		<b>981,127</b>	<b>1,090,085</b>	<b>99.43</b>
<b>Total Investments</b>		<b>981,127</b>	<b>1,090,085</b>	<b>99.43</b>
<b>Other Assets less Liabilities</b>			<b>6,201</b>	<b>0.57</b>
<b>Total Net Assets</b>			<b>1,096,286</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 as a result of its investment in the Underlying Fund.

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 June 30, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2019	December 31, 2018
AAA/Aaa	1.00	1.20
AA/Aa	0.49	0.77
<b>Total</b>	<b>1.49</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 June 30, 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)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	June 30, 2019		December 31, 2018	
United States Dollar	149,934	13.68	125,977	14.04
Euro	58,552	5.34	45,204	5.04
Swiss Franc	24,383	2.22	18,606	2.07
British Pound	19,742	1.80	16,879	1.88
Japanese Yen	13,634	1.24	11,810	1.32
Hong Kong Dollar	8,049	0.73	6,067	0.68
Australian Dollar	3,037	0.28	3,001	0.33
Singapore Dollar	2,415	0.22	1,969	0.22
Indian Rupee	2,201	0.20	(7)	-
Mexican Peso	2,017	0.18	1,796	0.20
Danish Krone	1,427	0.13	1,164	0.13
Korean Won	1,366	0.12	1,055	0.12
Czech Koruna	468	0.04	404	0.05
New Taiwan Dollar	-	-	591	0.07
<b>Total</b>	<b>287,225</b>	<b>26.18</b>	<b>234,516</b>	<b>26.15</b>

As at June 30, 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 \$14,361 (\$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 (\$)
June 30, 2019	16,353	-	-	16,353
December 31, 2018	17,638	-	-	17,638

As at June 30, 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 \$27 (\$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 indirectly to other market risk as a result of its investment in the Underlying Fund.

As at June 30, 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 \$53,722 (\$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 June 30, 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:

	Percentage of Net Assets (%)	
	June 30, 2019	December 31, 2018
<b>Portfolio by Category</b>		
<b>Short-Term Investments</b>		
Treasury Bills	1.5	0.5
Promissory Note	-	1.5
<b>Equities</b>		
Communication Services	6.1	6.5
Consumer Discretionary	5.3	4.9
Consumer Staples	8.6	8.2
Energy	12.2	13.5
Financials	24.5	24.4
Health Care	3.9	4.1
Industrials	14.5	14.4
Information Technology	10.9	10.6
Materials	10.7	10.2
Real Estate	1.1	0.8
Utilities	0.1	0.1
<b>Other Assets less Liabilities</b>	0.6	0.3
<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 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 June 30, 2019 and December 31, 2018.

June 30, 2019				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	1,090,085	-	-	1,090,085

  

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

June 30, 2019		
	Shares	Market Value (\$)
Series A	18,242	207,115
Series AT5	1,184	14,936
Series F	2,322	28,072
Series FT5	776	11,540

  

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

## 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 shareholders 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 June 30, 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	27,902,949	23,310,995
Cash	142,404	15,917
Due from investment dealers	45	-
Accrued interest	-	-
Distributions receivable from underlying funds	340,450	-
Subscriptions receivable	-	4,880
	<b>28,385,848</b>	<b>23,331,792</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	401	120
Redemptions payable	45	-
Distributions payable	-	-
Due to investment dealers	340,460	4,129
Management fees payable	2,877	950
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>343,783</b>	<b>5,199</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>28,042,065</b>	<b>23,326,593</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	1,675,673	1,611,345
Series AT5	21,882	16,426
Series F	224,848	189,663
Series FT5	11,415	9,917
Series I	25,215,488	20,874,355
Series O	892,759	624,887
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	12.04	10.66
Series AT5	13.41	12.15
Series F	12.82	11.29
Series FT5	15.15	13.65
Series I	10.84	9.50
Series O	11.50	10.08

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	153	26
Distributions from underlying funds	588,383	349,648
<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	58,204	52,094
Change in unrealized appreciation (depreciation) in value of investments	2,972,365	(30,104)
<b>Net gains (losses) on investments</b>	<b>3,619,105</b>	<b>371,664</b>
<b>Total income (loss)</b>	<b>3,619,105</b>	<b>371,664</b>
<b>Expenses (note 5)</b>		
Management fees	16,775	18,967
Fixed annual administration fees	2,158	2,617
Independent review committee fees	22	30
Total operating expenses	18,955	21,614
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>3,600,150</b>	<b>350,050</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>3,600,150</b>	<b>350,050</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>3,600,150</b>	<b>350,050</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	226,694	12,287
Series AT5	2,434	(957)
Series F	28,375	4,099
Series FT5	1,482	749
Series I	3,245,526	330,118
Series O	95,639	3,754
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	144,653	160,633
Series AT5	1,491	2,500
Series F	17,055	18,177
Series FT5	740	677
Series I	2,260,942	1,478,999
Series O	64,042	92,772
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	1.57	0.08
Series AT5	1.63	(0.38)
Series F	1.66	0.23
Series FT5	2.00	1.11
Series I	1.44	0.22
Series O	1.49	0.04

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 six months ended June 30 (unaudited)

	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)	\$ 226,694	12,287	2,434	(957)	28,375	4,099	1,482	749
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 169,082	262,923	3,000	3,006	12,258	104,122	-	10,000
Redemption of redeemable shares	\$ (331,692)	(165,479)	-	(34,071)	(5,500)	(19,623)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 21,508	12,439	718	1,135	2,621	1,761	404	287
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (141,102)	109,883	3,718	(29,930)	9,379	86,260	404	10,287
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	\$ -	-	(460)	(784)	-	-	(253)	(211)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (21,264)	(12,983)	(696)	(1,119)	(2,569)	(1,731)	(388)	(286)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 64,328	109,187	5,456	(32,006)	35,185	88,628	1,498	10,750
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 1,675,673</b>	<b>1,971,495</b>	<b>21,882</b>	<b>14,828</b>	<b>224,848</b>	<b>236,760</b>	<b>11,415</b>	<b>10,750</b>
Redeemable Share Transactions								
Balance - beginning of period	151,155	154,652	1,352	3,234	16,796	11,740	726	-
Shares issued	14,443	22,578	226	216	987	8,387	-	667
Shares issued on reinvestment of distributions	1,808	1,070	54	81	206	144	27	18
Shares redeemed	(28,234)	(14,188)	-	(2,477)	(454)	(1,563)	-	-
Balance - end of period	<b>139,172</b>	<b>164,112</b>	<b>1,632</b>	<b>1,054</b>	<b>17,535</b>	<b>18,708</b>	<b>753</b>	<b>685</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)	\$ 3,245,526	330,118	95,639	3,754	<b>3,600,150</b>	<b>350,050</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 2,255,382	6,147,561	238,773	45,041	2,678,495	6,572,653
Redemption of redeemable shares	\$ (1,159,775)	(709,678)	(66,540)	(428,264)	(1,563,507)	(1,357,115)
Reinvestment of distributions to holders of redeemable shares	\$ 283,234	100,987	8,279	7,988	316,764	124,597
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,378,841	5,538,870	180,512	(375,235)	<b>1,431,752</b>	<b>5,340,135</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	\$ -	-	-	-	(713)	(995)
Return of capital	\$ -	-	-	-	-	-
	\$ (283,234)	(100,987)	(8,279)	(7,988)	<b>(316,430)</b>	<b>(125,094)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 4,341,133	5,768,001	267,872	(379,469)	<b>4,715,472</b>	<b>5,565,091</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 25,215,488</b>	<b>19,068,052</b>	<b>892,759</b>	<b>818,683</b>	<b>28,042,065</b>	<b>22,120,568</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	212,805	592,927	20,997	4,100	249,458	628,875
Shares issued on reinvestment of distributions	26,942	10,043	742	747	29,779	12,103
Shares redeemed	(110,560)	(68,406)	(6,047)	(39,310)	(145,295)	(125,944)
Balance - end of period	<b>2,326,600</b>	<b>1,799,837</b>	<b>77,656</b>	<b>72,731</b>	<b>2,563,348</b>	<b>2,057,127</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 six months ended June 30 (unaudited)

	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>3,600,150</b>	350,050
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(58,204)</b>	(52,094)
Change in unrealized (appreciation) depreciation in value of investments	<b>(2,972,365)</b>	30,104
Non-cash income distributions from underlying funds	<b>(588,383)</b>	(349,648)
Purchases of investments	<b>(2,017,813)</b>	(5,911,727)
Proceeds from sale of investments	<b>1,381,097</b>	1,005,732
Change in accrued interest	-	(69)
Change in distributions receivable from underlying funds	<b>(340,450)</b>	(204,301)
Change in management fees payable	<b>1,927</b>	2,463
Change in other payables and accrued expenses	<b>281</b>	302
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(993,760)</b>	(5,129,188)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>334</b>	(497)
Proceeds from redeemable shares issued	<b>2,683,375</b>	6,500,723
Redemption of redeemable shares	<b>(1,563,462)</b>	(1,331,588)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>1,120,247</b>	5,168,638
Net increase (decrease) in cash	<b>126,487</b>	39,450
Cash (bank indebtedness) at beginning of period	<b>15,917</b>	(26,591)
<b>Cash (bank indebtedness) at end of period</b>	<b>142,404</b>	12,859
Interest received	<b>153</b>	-
Income taxes paid	-	-
Interest paid	-	(43)

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS Dividend Income Fund, Series I	2,031,078	26,309,604	27,902,949	
		<b>26,309,604</b>	<b>27,902,949</b>	<b>99.50</b>
<b>Total Investments</b>		<b>26,309,604</b>	<b>27,902,949</b>	<b>99.50</b>
<b>Other Assets less Liabilities</b>			<b>139,116</b>	<b>0.50</b>
<b>Total Net Assets</b>			<b>28,042,065</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 as a result of its investment in the Underlying Fund.

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 June 30, 2019 and December 31, 2018 are noted below:

	Percentage of Net Assets (%)	
Rating	June 30, 2019	December 31, 2018
AAA/Aaa	0.40	1.37
Not Rated	0.26	-
<b>Total</b>	<b>0.66</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 June 30, 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)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	June 30, 2019		December 31, 2018	
United States Dollar	2,899,966	10.34	2,946,778	12.63
Euro	1,130,794	4.03	1,126,569	4.83
Swiss Franc	1,009,158	3.60	536,454	2.30
British Pound	666,772	2.38	537,367	2.30
Japanese Yen	133,066	0.47	-	-
Danish Krone	2,074	0.01	-	-
South African Rand	-	-	134,769	0.58
<b>Total</b>	<b>5,841,830</b>	<b>20.83</b>	<b>5,281,937</b>	<b>22.64</b>

As at June 30, 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 \$292,091 (\$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 (\$)
June 30, 2019	111,795	-	-	111,795
December 31, 2018	319,721	-	-	319,721

As at June 30, 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 \$205 (\$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 indirectly to other market risk as a result of its investment in the Underlying Fund.

As at June 30, 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 \$1,378,452 (\$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 June 30, 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:

	Percentage of Net Assets (%)	
Portfolio by Category	June 30, 2019	December 31, 2018
<b>Short-Term Investments</b>		
Treasury Bills	0.4	1.4
<b>Equities</b>		
Communication Services	4.1	5.5
Consumer Discretionary	6.4	5.4
Consumer Staples	3.4	5.2
Energy	19.2	18.7
Financials	31.9	29.7
Health Care	1.5	-
Industrials	9.4	11.0
Information Technology	1.6	1.6
Materials	8.0	9.8
Real Estate	5.7	4.0
Utilities	7.1	7.0
<b>Other Assets less Liabilities</b>	1.3	0.7
<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 June 30, 2019 and December 31, 2018.

June 30, 2019				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	27,902,949	-	-	27,902,949

  

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

June 30, 2019		
	Shares	Market Value (\$)
Series AT5	1,082	14,511
Series FT5	753	11,415
Series I	1,145	12,411

  

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

## 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 shareholders 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 June 30, 2019 and December 31, 2018, the Fund had significant interests in the Underlying Fund as noted in the following tables:

As at June 30, 2019		
Underlying Fund	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life MFS Dividend Income Fund, Series I	100	56

  

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

## 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	26,444,850	20,250,777
Cash	178,574	48,029
Due from investment dealers	475	6,381
Accrued interest	1,447	1,484
Distributions receivable from underlying funds	-	-
Subscriptions receivable	8,546	8,263
	<b>26,633,892</b>	<b>20,314,934</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	3,736	1,002
Redemptions payable	9,600	1,000
Distributions payable	-	-
Due to investment dealers	31,032	3,104
Management fees payable	26,346	7,112
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	70,714	12,218
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>26,563,178</b>	<b>20,302,716</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	11,110,429	8,792,797
Series AT5	1,037,622	815,624
Series AT8	672,919	538,916
Series F	4,977,514	3,330,919
Series FT5	609,591	10,506
Series FT8	259,258	148,277
Series O	7,895,845	6,665,677
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	18.66	16.57
Series AT5	20.96	19.05
Series AT8	17.51	16.15
Series F	19.66	17.36
Series FT5	16.41	14.83
Series FT8	15.74	14.43
Series O	17.82	15.67

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott	"signed" Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	537	1,803
Distributions from underlying funds	-	-
<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	141,116	267,506
Change in unrealized appreciation (depreciation) in value of investments	3,527,002	990,452
<b>Net gains (losses) on investments</b>	<b>3,668,655</b>	<b>1,259,761</b>
<b>Total income (loss)</b>	<b>3,668,655</b>	<b>1,259,761</b>
<b>Expenses (note 5)</b>		
Management fees	141,272	88,228
Fixed annual administration fees	19,786	13,096
Independent review committee fees	198	147
Total operating expenses	161,256	101,471
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>3,507,399</b>	<b>1,158,290</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>3,507,399</b>	<b>1,158,290</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>3,507,399</b>	<b>1,158,290</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	1,443,997	455,960
Series AT5	125,923	50,494
Series AT8	101,263	33,299
Series F	625,335	131,015
Series FT5	43,979	960
Series FT8	34,956	1,705
Series O	1,131,946	484,857
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	564,987	383,640
Series AT5	43,138	35,297
Series AT8	41,293	27,003
Series F	228,315	103,337
Series FT5	25,348	681
Series FT8	15,127	1,097
Series O	435,806	382,924
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	2.56	1.19
Series AT5	2.92	1.43
Series AT8	2.45	1.23
Series F	2.74	1.27
Series FT5	1.74	1.41
Series FT8	2.31	1.55
Series O	2.60	1.27

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 six months ended June 30 (unaudited)

	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)	\$ 1,443,997	455,960	125,923	50,494	101,263	33,299	625,335	131,015
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 2,269,086	2,649,125	171,923	20,550	210,718	234,449	1,581,312	693,741
Redemption of redeemable shares	\$ (1,394,642)	(1,008,890)	(59,935)	(8,116)	(135,984)	(57,587)	(553,366)	(40,500)
Reinvestment of distributions to holders of redeemable shares	\$ 271,968	92,578	29,305	21,394	5,190	1,397	107,481	20,167
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,146,412	1,732,813	141,293	33,828	79,924	178,259	1,135,427	673,408
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	\$ -	-	(21,000)	(17,563)	(27,149)	(19,709)	-	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (272,777)	(92,587)	(45,218)	(28,136)	(47,184)	(26,692)	(114,167)	(24,804)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,317,632	2,096,186	221,998	56,186	134,003	184,866	1,646,595	779,619
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 11,110,429</b>	<b>7,662,283</b>	<b>1,037,622</b>	<b>748,789</b>	<b>672,919</b>	<b>582,209</b>	<b>4,977,514</b>	<b>2,229,321</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	126,758	155,948	8,195	1,005	12,598	13,391	85,561	39,060
Shares issued on reinvestment of distributions	15,517	5,447	1,438	1,046	299	76	5,787	1,127
Shares redeemed	(77,393)	(59,523)	(2,926)	(396)	(7,837)	(3,381)	(29,962)	(2,312)
Balance - end of period	<b>595,507</b>	<b>439,957</b>	<b>49,516</b>	<b>36,479</b>	<b>38,427</b>	<b>32,939</b>	<b>253,224</b>	<b>122,852</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)	\$ 43,979	960	34,956	1,705	1,131,946	484,857	<b>3,507,399</b>	<b>1,158,290</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 563,464	10,000	124,104	25,464	636,234	874,458	5,556,841	4,507,787
Redemption of redeemable shares	\$ (2,000)	-	(32,741)	-	(538,012)	(761,598)	(2,716,680)	(1,876,691)
Reinvestment of distributions to holders of redeemable shares	\$ 5,470	370	53	499	200,078	81,792	619,545	218,197
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 566,934	10,370	91,416	25,963	298,300	194,652	<b>3,459,706</b>	<b>2,849,293</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (315)	(156)	(6,454)	(156)	(200,078)	(87,857)	(638,044)	(223,116)
From net investment income	\$ (11,513)	(212)	(8,937)	(546)	-	-	(68,599)	(38,030)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (11,828)	(368)	(15,391)	(702)	(200,078)	(87,857)	<b>(706,643)</b>	<b>(261,146)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 599,085	10,962	110,981	26,966	1,230,168	591,652	<b>6,260,462</b>	<b>3,746,437</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 609,591</b>	<b>10,962</b>	<b>259,258</b>	<b>26,966</b>	<b>7,895,845</b>	<b>6,270,274</b>	<b>26,563,178</b>	<b>17,530,804</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	36,222	667	8,429	1,687	37,827	54,916	315,590	266,674
Shares issued on reinvestment of distributions	346	23	3	32	12,107	5,230	35,497	12,981
Shares redeemed	(120)	-	(2,234)	-	(32,251)	(48,760)	(152,723)	(114,372)
Balance - end of period	<b>37,156</b>	<b>690</b>	<b>16,471</b>	<b>1,719</b>	<b>443,028</b>	<b>385,014</b>	<b>1,433,329</b>	<b>1,019,650</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 six months ended June 30 (unaudited)

	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>3,507,399</b>	1,158,290
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(141,116)</b>	(267,506)
Change in unrealized (appreciation) depreciation in value of investments	<b>(3,527,002)</b>	(990,452)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(3,398,787)</b>	(3,961,368)
Proceeds from sale of investments	<b>906,666</b>	1,493,355
Change in accrued interest	<b>37</b>	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>19,234</b>	13,804
Change in other payables and accrued expenses	<b>2,734</b>	1,977
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(2,630,835)</b>	(2,551,900)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(87,098)</b>	(36,623)
Proceeds from redeemable shares issued	<b>5,556,558</b>	4,529,611
Redemption of redeemable shares	<b>(2,708,080)</b>	(1,865,921)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>2,761,380</b>	2,627,067
Net increase (decrease) in cash	<b>130,545</b>	75,167
Cash (bank indebtedness) at beginning of period	<b>48,029</b>	(5,366)
<b>Cash (bank indebtedness) at end of period</b>	<b>178,574</b>	69,801
Interest received	<b>574</b>	1,803
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS Global Growth Fund, Series I	1,075,020	21,166,688	26,444,850	
		<b>21,166,688</b>	<b>26,444,850</b>	<b>99.55</b>
<b>Total Investments</b>		<b>21,166,688</b>	<b>26,444,850</b>	<b>99.55</b>
<b>Other Assets less Liabilities</b>			<b>118,328</b>	<b>0.45</b>
<b>Total Net Assets</b>			<b>26,563,178</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 as a result of its investment in the Underlying Fund.

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 June 30, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2019	December 31, 2018
AAA/ Aaa	1.08	0.82
<b>Total</b>	<b>1.08</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 June 30, 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)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	June 30, 2019		December 31, 2018	
United States Dollar	17,635,862	66.39	13,191,190	64.97
Euro	2,682,836	10.10	2,147,767	10.58
British Pound	1,922,189	7.24	1,878,580	9.25
Swiss Franc	1,461,869	5.50	1,057,166	5.21
Japanese Yen	838,036	3.15	835,771	4.12
Korean Won	533,021	2.01	356,731	1.76
Chinese Renminbi	290,206	1.09	-	-
Indian Rupee	145,294	0.55	57,061	0.28
Brazilian Real	83,631	0.31	129,231	0.64
Danish Krone	15,271	0.06	14,765	0.07
<b>Total</b>	<b>25,608,215</b>	<b>96.40</b>	<b>19,668,262</b>	<b>96.88</b>

As at June 30, 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 \$1,280,411 (\$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 (\$)
June 30, 2019	286,534	-	-	286,534
December 31, 2018	165,672	-	-	165,672

As at June 30, 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 \$459 (\$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 indirectly to other market risk as a result of its investment in the Underlying Fund.

As at June 30, 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 \$1,298,729 (\$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 June 30, 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:

	Percentage of Net Assets (%)	
Portfolio by Category	June 30, 2019	December 31, 2018
<b>Short-Term Investments</b>		
Treasury Bills	1.1	0.8
<b>Equities</b>		
Communication Services	8.3	9.2
Consumer Discretionary	15.5	14.6
Consumer Staples	13.6	13.2
Energy	0.3	0.4
Financials	9.1	8.6
Health Care	12.2	10.3
Industrials	12.0	13.1
Information Technology	20.0	21.4
Materials	6.8	7.4
<b>Other Assets less Liabilities</b>	1.1	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 June 30, 2019 and December 31, 2018.

June 30, 2019				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	26,444,850	-	-	26,444,850

  

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 June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

June 30, 2019		
	Shares	Market Value (\$)
Series FT5	747	12,248

  

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

## 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 shareholders 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 June 30, 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	13,260,757	11,085,888
Cash	278,898	266,175
Due from investment dealers	-	-
Accrued interest	1,952	1,807
Distributions receivable from underlying funds	-	-
Subscriptions receivable	79,992	2,675
	<b>13,621,599</b>	<b>11,356,545</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	1,880	548
Redemptions payable	21,320	-
Distributions payable	288	391
Due to investment dealers	81,090	55,389
Management fees payable	14,328	4,202
Income tax payable	8,340	17,068
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>127,246</b>	<b>77,598</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>13,494,353</b>	<b>11,278,947</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	5,443,715	4,554,056
Series AT5	261,124	247,352
Series AT8	499,532	493,882
Series F	4,768,516	3,673,159
Series FT5	11,428	10,101
Series FT8	98,236	96,385
Series O	2,411,802	2,204,012
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	14.68	14.10
Series AT5	16.38	16.12
Series AT8	13.67	13.67
Series F	15.65	14.95
Series FT5	14.59	14.29
Series FT8	13.98	13.89
Series O	14.73	14.00

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott	"signed" Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	989	314
Distributions from underlying funds	49,353	-
<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	13,499	142,452
Change in unrealized appreciation (depreciation) in value of investments	1,525,483	295,859
<b>Net gains (losses) on investments</b>	<b>1,589,324</b>	<b>438,625</b>
<b>Total income (loss)</b>	<b>1,589,324</b>	<b>438,625</b>
<b>Expenses (note 5)</b>		
Management fees	78,585	49,786
Fixed annual administration fees	10,275	5,930
Independent review committee fees	101	68
Total operating expenses	88,961	55,784
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>1,500,363</b>	<b>382,841</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>1,500,363</b>	<b>382,841</b>
Income taxes	7,133	1,936
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>1,493,230</b>	<b>380,905</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	580,861	196,244
Series AT5	30,425	8,991
Series AT8	65,011	21,570
Series F	486,759	54,452
Series FT5	1,311	829
Series FT8	11,928	829
Series O	316,935	97,990
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	353,315	253,518
Series AT5	16,057	9,519
Series AT8	38,303	27,658
Series F	270,858	64,960
Series FT5	753	679
Series FT8	6,990	683
Series O	174,167	114,928
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	1.64	0.77
Series AT5	1.89	0.94
Series AT8	1.70	0.78
Series F	1.80	0.84
Series FT5	1.74	1.22
Series FT8	1.71	1.21
Series O	1.82	0.85

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 six months ended June 30 (unaudited)

	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)	\$ 580,861	196,244	30,425	8,991	65,011	21,570	486,759	54,452
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 1,494,287	2,184,334	-	45,011	93,961	122,600	1,331,890	1,694,063
Redemption of redeemable shares	\$ (1,175,968)	(1,586,408)	(16,758)	(16,781)	(112,345)	(3,912)	(625,263)	(490,189)
Reinvestment of distributions to holders of redeemable shares	\$ 354,372	41,540	25,804	5,981	21,174	9,992	198,784	9,939
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 672,691	639,466	9,046	34,211	2,790	128,680	905,411	1,213,813
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (363,893)	(42,317)	(19,169)	(1,862)	(41,233)	(5,105)	(296,813)	(9,827)
From net investment income	\$ -	-	(6,530)	(4,202)	(20,918)	(17,664)	-	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (363,893)	(42,317)	(25,699)	(6,064)	(62,151)	(22,769)	(296,813)	(9,827)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 889,659	793,393	13,772	37,138	5,650	127,481	1,095,357	1,258,438
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 5,443,715</b>	<b>4,283,805</b>	<b>261,124</b>	<b>192,345</b>	<b>499,532</b>	<b>486,199</b>	<b>4,768,516</b>	<b>1,461,704</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	103,614	145,759	-	2,534	6,820	7,910	86,034	107,572
Shares issued on reinvestment of distributions	25,580	2,764	1,630	336	1,572	647	13,481	616
Shares redeemed	(81,453)	(105,570)	(1,030)	(913)	(7,992)	(252)	(40,610)	(30,390)
Balance - end of period	<b>370,752</b>	<b>281,270</b>	<b>15,945</b>	<b>10,761</b>	<b>36,536</b>	<b>31,563</b>	<b>304,616</b>	<b>91,032</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)	\$ 1,311	829	11,928	829	316,935	97,990	<b>1,493,230</b>	<b>380,905</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ -	10,000	-	10,000	538,343	513,230	3,458,481	4,579,238
Redemption of redeemable shares	\$ -	-	-	-	(647,488)	(148,921)	(2,577,822)	(2,246,211)
Reinvestment of distributions to holders of redeemable shares	\$ 1,072	336	1,250	465	187,421	17,617	789,877	85,870
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,072	10,336	1,250	10,465	78,276	381,926	<b>1,670,536</b>	<b>2,418,897</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (784)	(123)	(7,438)	(123)	(187,421)	(17,617)	(916,751)	(76,974)
From net investment income	\$ (272)	(212)	(3,889)	(341)	-	-	(31,609)	(22,419)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (1,056)	(335)	(11,327)	(464)	(187,421)	(17,617)	<b>(948,360)</b>	<b>(99,393)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,327	10,830	1,851	10,830	207,790	462,299	<b>2,215,406</b>	<b>2,700,409</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 11,428</b>	<b>10,830</b>	<b>98,236</b>	<b>10,830</b>	<b>2,411,802</b>	<b>1,857,795</b>	<b>13,494,353</b>	<b>8,303,508</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	-	667	37,865	35,153	234,333	300,262
Shares issued on reinvestment of distributions	76	21	91	30	13,633	1,222	56,063	5,636
Shares redeemed	-	-	-	-	(45,159)	(10,184)	(176,244)	(147,309)
Balance - end of period	<b>783</b>	<b>688</b>	<b>7,029</b>	<b>697</b>	<b>163,746</b>	<b>124,108</b>	<b>899,407</b>	<b>540,119</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 six months ended June 30 (unaudited)

	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>1,493,230</b>	380,905
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(13,499)</b>	(142,452)
Change in unrealized (appreciation) depreciation in value of investments	<b>(1,525,483)</b>	(295,859)
Non-cash income distributions from underlying funds	<b>(49,353)</b>	-
Purchases of investments	<b>(2,140,375)</b>	(3,004,471)
Proceeds from sale of investments	<b>1,579,542</b>	1,052,177
Change in accrued interest	<b>(145)</b>	(1,807)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>10,126</b>	7,990
Change in other payables and accrued expenses	<b>1,332</b>	1,012
Change in income tax payable	<b>(8,728)</b>	(3,724)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(653,353)</b>	(2,006,229)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(158,586)</b>	(13,330)
Proceeds from redeemable shares issued	<b>3,381,164</b>	4,604,238
Redemption of redeemable shares	<b>(2,556,502)</b>	(2,247,323)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>666,076</b>	2,343,585
Net increase (decrease) in cash	<b>12,723</b>	337,356
Cash (bank indebtedness) at beginning of period	<b>266,175</b>	(9,114)
<b>Cash (bank indebtedness) at end of period</b>	<b>278,898</b>	328,242
Interest received	<b>844</b>	-
Income taxes paid	<b>(15,861)</b>	(5,660)
Interest paid	-	(1,493)

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS International Growth Fund, Series I	741,388	12,578,007	13,260,757	
		<b>12,578,007</b>	<b>13,260,757</b>	<b>98.27</b>
<b>Total Investments</b>		<b>12,578,007</b>	<b>13,260,757</b>	<b>98.27</b>
<b>Other Assets less Liabilities</b>			<b>233,596</b>	<b>1.73</b>
<b>Total Net Assets</b>			<b>13,494,353</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 as a result of its investment in the Underlying Fund.

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 June 30, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2019	December 31, 2018
AAA/Aaa	0.76	0.31
AA/Aa	0.18	0.92
<b>Total</b>	<b>0.94</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 June 30, 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)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	June 30, 2019		December 31, 2018	
Euro	4,736,038	35.10	3,749,001	33.24
Swiss Franc	1,997,269	14.80	1,542,917	13.68
United States Dollar	1,933,577	14.33	1,706,584	15.13
British Pound	1,610,738	11.94	1,365,389	12.11
Japanese Yen	1,112,571	8.24	1,002,303	8.89
Hong Kong Dollar	664,261	4.92	518,116	4.59
Australian Dollar	241,486	1.79	246,922	2.19
Singapore Dollar	184,772	1.37	157,742	1.40
Indian Rupee	169,736	1.26	131,262	1.16
Mexican Peso	165,354	1.23	151,367	1.34
Danish Krone	118,547	0.88	98,447	0.87
Korean Won	104,771	0.78	83,448	0.74
Czech Koruna	37,337	0.28	33,188	0.29
New Taiwan Dollar	-	-	39,364	0.35
<b>Total</b>	<b>13,076,457</b>	<b>96.92</b>	<b>10,826,050</b>	<b>95.98</b>

As at June 30, 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 \$653,823 (\$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 (\$)
June 30, 2019	126,623	-	-	126,623
December 31, 2018	138,930	-	-	138,930

As at June 30, 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 \$207 (\$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 indirectly to other market risk as a result of its investment in the Underlying Fund.

As at June 30, 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 \$648,562 (\$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 June 30, 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:

	Percentage of Net Assets (%)	
	June 30, 2019	December 31, 2018
<b>Portfolio by Category</b>		
<b>Short-Term Investments</b>		
Treasury Bills	0.9	0.7
Promissory Note	-	0.5
<b>Equities</b>		
Communication Services	3.2	4.4
Consumer Discretionary	8.9	8.6
Consumer Staples	20.9	21.8
Energy	1.2	1.8
Financials	11.7	11.8
Health Care	15.5	15.4
Industrials	10.8	10.3
Information Technology	14.3	13.7
Materials	9.1	8.3
Utilities	0.5	0.4
<b>Other Assets less Liabilities</b>	3.0	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 June 30, 2019 and December 31, 2018.

June 30, 2019				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	13,260,757	-	-	13,260,757

  

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

June 30, 2019		
	Shares	Market Value (\$)
Series FT5	783	11,428
Series FT8	818	11,429

  

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

## 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 shareholders 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 June 30, 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	46,628,483	26,094,268
Cash	511,552	451,667
Due from investment dealers	440,251	118,143
Accrued interest	971	3,352
Distributions receivable from underlying funds	-	-
Subscriptions receivable	32,466	62,889
	<b>47,613,723</b>	<b>26,730,319</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	6,672	1,275
Redemptions payable	484,313	1,831
Distributions payable	1,591	1,783
Due to investment dealers	22,806	28,618
Management fees payable	48,218	10,055
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	563,600	43,562
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>47,050,123</b>	<b>26,686,757</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	16,898,271	13,035,473
Series AT5	802,417	616,286
Series AT8	822,659	767,983
Series F	20,401,012	6,034,948
Series FT5	237,325	30,604
Series FT8	60,313	52,752
Series O	7,828,126	6,148,711
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	23.74	20.38
Series AT5	26.84	23.57
Series AT8	22.51	20.03
Series F	25.32	21.62
Series FT5	17.96	15.69
Series FT8	17.27	15.29
Series O	21.87	18.59

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott	"signed" Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	2,326	285
Distributions from underlying funds	-	-
<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	607,351	289,546
Change in unrealized appreciation (depreciation) in value of investments	6,277,926	2,615,783
<b>Net gains (losses) on investments</b>	<b>6,887,603</b>	<b>2,905,614</b>
<b>Total income (loss)</b>	<b>6,887,603</b>	<b>2,905,614</b>
<b>Expenses (note 5)</b>		
Management fees	244,789	122,277
Fixed annual administration fees	33,245	15,093
Independent review committee fees	331	169
Total operating expenses	278,365	137,539
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>6,609,238</b>	<b>2,768,075</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>6,609,238</b>	<b>2,768,075</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>6,609,238</b>	<b>2,768,075</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	2,524,474	1,546,917
Series AT5	115,170	38,488
Series AT8	169,628	86,344
Series F	2,433,092	262,114
Series FT5	11,798	1,435
Series FT8	10,113	1,684
Series O	1,344,963	831,093
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	674,259	505,539
Series AT5	26,493	10,993
Series AT8	42,806	26,797
Series F	666,261	81,440
Series FT5	7,078	767
Series FT8	3,477	683
Series O	364,404	284,571
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	3.74	3.06
Series AT5	4.35	3.50
Series AT8	3.96	3.22
Series F	3.65	3.22
Series FT5	1.67	1.87
Series FT8	2.91	2.47
Series O	3.69	2.92

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 six months ended June 30 (unaudited)

	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)	\$ 2,524,474	1,546,917	115,170	38,488	169,628	86,344	2,433,092	262,114
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 3,495,725	4,545,201	142,147	350,774	292,149	278,763	14,706,129	1,677,099
Redemption of redeemable shares	\$ (2,158,059)	(2,158,968)	(60,462)	(194,361)	(361,596)	(26,066)	(2,668,083)	(344,036)
Reinvestment of distributions to holders of redeemable shares	\$ 292,782	123,580	18,350	4,236	9,014	3,377	143,422	16,480
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,630,448	2,509,813	100,035	160,649	(60,433)	256,074	12,181,468	1,349,543
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (292,124)	(121,755)	(13,192)	(3,890)	(19,221)	(6,744)	(248,496)	(16,212)
From net investment income	\$ -	-	(15,882)	(6,801)	(35,298)	(22,211)	-	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (292,124)	(121,755)	(29,074)	(10,691)	(54,519)	(28,955)	(248,496)	(16,212)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 3,862,798	3,934,975	186,131	188,446	54,676	313,463	14,366,064	1,595,445
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 16,898,271</b>	<b>12,586,558</b>	<b>802,417</b>	<b>386,394</b>	<b>822,659</b>	<b>707,506</b>	<b>20,401,012</b>	<b>2,653,023</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	154,434	220,419	5,322	14,047	13,692	13,306	629,263	77,088
Shares issued on reinvestment of distributions	13,283	5,979	707	169	405	153	5,923	758
Shares redeemed	(95,432)	(105,188)	(2,279)	(7,832)	(15,897)	(1,219)	(108,530)	(15,390)
Balance - end of period	<b>711,805</b>	<b>580,274</b>	<b>29,897</b>	<b>15,063</b>	<b>36,548</b>	<b>31,989</b>	<b>805,768</b>	<b>115,935</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)	\$ 11,798	1,435	10,113	1,684	1,344,963	831,093	<b>6,609,238</b>	<b>2,768,075</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 220,170	24,250	600	53,000	1,302,152	1,173,160	20,159,072	8,102,247
Redemption of redeemable shares	\$ (22,508)	-	(648)	-	(967,700)	(790,893)	(6,239,056)	(3,514,324)
Reinvestment of distributions to holders of redeemable shares	\$ 1,320	401	756	478	146,874	64,400	612,518	212,952
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 198,982	24,651	708	53,478	481,326	446,667	<b>14,532,534</b>	<b>4,800,875</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (870)	(136)	(1,133)	(136)	(146,874)	(64,400)	(721,910)	(213,273)
From net investment income	\$ (3,189)	(263)	(2,127)	(341)	-	-	(56,496)	(29,616)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (4,059)	(399)	(3,260)	(477)	(146,874)	(64,400)	<b>(778,406)</b>	<b>(242,889)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 206,721	25,687	7,561	54,685	1,679,415	1,213,360	<b>20,363,366</b>	<b>7,326,061</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 237,325</b>	<b>25,687</b>	<b>60,313</b>	<b>54,685</b>	<b>7,828,126</b>	<b>5,632,020</b>	<b>47,050,123</b>	<b>22,045,873</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	12,476	1,488	37	3,229	65,914	64,620	881,138	394,197
Shares issued on reinvestment of distributions	77	25	45	30	7,359	3,531	27,799	10,645
Shares redeemed	(1,290)	-	(38)	-	(46,069)	(42,892)	(269,535)	(172,521)
Balance - end of period	<b>13,214</b>	<b>1,513</b>	<b>3,493</b>	<b>3,259</b>	<b>357,977</b>	<b>287,716</b>	<b>1,958,702</b>	<b>1,035,749</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 six months ended June 30 (unaudited)

	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>6,609,238</b>	2,768,075
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(607,351)</b>	(289,546)
Change in unrealized (appreciation) depreciation in value of investments	<b>(6,277,926)</b>	(2,615,783)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(17,123,120)</b>	(5,705,706)
Proceeds from sale of investments	<b>3,146,262</b>	1,413,437
Change in accrued interest	<b>2,381</b>	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>38,163</b>	21,134
Change in other payables and accrued expenses	<b>5,397</b>	2,576
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(14,206,956)</b>	(4,405,813)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(166,080)</b>	(29,003)
Proceeds from redeemable shares issued	<b>20,189,495</b>	8,137,290
Redemption of redeemable shares	<b>(5,756,574)</b>	(3,513,492)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>14,266,841</b>	4,594,795
Net increase (decrease) in cash	<b>59,885</b>	188,982
Cash (bank indebtedness) at beginning of period	<b>451,667</b>	27,864
<b>Cash (bank indebtedness) at end of period</b>	<b>511,552</b>	216,846
Interest received	<b>4,707</b>	285
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS U.S. Growth Fund, Series I	1,095,823	37,653,663	46,628,483	
		<b>37,653,663</b>	<b>46,628,483</b>	<b>99.10</b>
<b>Total Investments</b>		<b>37,653,663</b>	<b>46,628,483</b>	<b>99.10</b>
<b>Other Assets less Liabilities</b>			<b>421,640</b>	<b>0.90</b>
<b>Total Net Assets</b>			<b>47,050,123</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 June 30, 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 as a result of its investment in the Underlying Fund.

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 June 30, 2019 and December 31, 2018 are noted below:

	Percentage of Net Assets (%)	
	June 30, 2019	December 31, 2018
<b>Rating</b>		
AAA/Aaa	0.97	1.67
AA/Aa	0.55	0.63
<b>Total</b>	<b>1.52</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 June 30, 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)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	June 30, 2019		December 31, 2018	
United States Dollar	45,511,349	96.73	25,318,826	94.87
Euro	113,112	0.24	69,438	0.26
<b>Total</b>	<b>45,624,461</b>	<b>96.97</b>	<b>25,388,264</b>	<b>95.13</b>

As at June 30, 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 \$2,281,223 (\$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 (\$)
June 30, 2019	715,052	-	-	715,052
December 31, 2018	613,349	-	-	613,349

As at June 30, 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 \$895 (\$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 indirectly to other market risk as a result of its investment in the Underlying Fund.

As at June 30, 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 \$2,283,109 (\$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 June 30, 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:

	Percentage of Net Assets (%)	
	June 30, 2019	December 31, 2018
<b>Portfolio by Category</b>		
<b>Short-Term Investments</b>		
Treasury Bills	1.5	1.4
Promissory Note	-	0.9
<b>Equities</b>		
Communication Services	13.6	12.8
Consumer Discretionary	12.6	14.3
Consumer Staples	4.2	3.7
Energy	0.4	0.7
Financials	3.9	4.1
Health Care	13.9	15.5
Industrials	7.5	6.8
Information Technology	36.5	33.8
Materials	2.8	2.6
Real Estate	1.7	1.6
<b>Other Assets less Liabilities</b>	<b>1.4</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 June 30, 2019 and December 31, 2018.

June 30, 2019				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	46,628,483	-	-	46,628,483

  

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

June 30, 2019		
	Shares	Market Value (\$)
Series FT5	736	13,227
Series FT8	766	13,229

  

December 31, 2018		
	Shares	Market Value (\$)
Series FT5	-	-
Series FT8	-	-

## 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 shareholders 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 June 30, 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>14,613,544</b>	10,385,153
Cash	<b>363,745</b>	126,866
Due from investment dealers	-	-
Accrued interest	<b>2,931</b>	7,019
Distributions receivable from underlying funds	<b>1,701</b>	3,483
Subscriptions receivable	-	-
	<b>14,981,921</b>	10,522,521
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>22</b>	2
Redemptions payable	-	4
Distributions payable	-	-
Due to investment dealers	<b>728</b>	-
Management fees payable	<b>5,587</b>	1,354
Income tax payable	<b>9,897</b>	37,330
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>16,234</b>	38,690
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>14,965,687</b>	10,483,831
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>9,717,985</b>	6,566,013
Series F	<b>4,024,854</b>	2,741,064
Series O	<b>1,222,848</b>	1,176,754
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	<b>10.20</b>	10.14
Series F	<b>10.37</b>	10.30
Series O	<b>10.49</b>	10.40

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	<b>1,821</b>	135
Distributions from underlying funds	<b>107,427</b>	63,388
<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>109,248</b>	63,523
<b>Total income (loss)</b>	<b>109,248</b>	63,523
<b>Expenses (note 5)</b>		
Management fees	<b>55,351</b>	47,129
Fixed annual administration fees	<b>3,355</b>	3,264
Independent review committee fees	<b>99</b>	87
Total operating expenses	<b>58,805</b>	50,480
Fees waived/absorbed by the Manager	<b>(33,479)</b>	<b>(30,297)</b>
<b>Operating Profit (Loss)</b>	<b>83,922</b>	43,340
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>83,922</b>	43,340
Income taxes	<b>9,536</b>	5,569
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>74,386</b>	37,771
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>44,103</b>	21,114
Series F	<b>19,998</b>	9,122
Series O	<b>10,285</b>	7,535
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>778,827</b>	611,681
Series F	<b>279,795</b>	188,108
Series O	<b>117,439</b>	116,221
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>0.06</b>	0.03
Series F	<b>0.07</b>	0.05
Series O	<b>0.09</b>	0.06

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 six months ended June 30 (unaudited)

	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)	\$ 44,103	21,114	19,998	9,122	10,285	7,535	<b>74,386</b>	<b>37,771</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 13,165,212	9,457,286	4,602,356	3,114,407	1,559,255	2,947,187	19,326,823	15,518,880
Redemption of redeemable shares	\$ (10,070,917)	(10,190,274)	(3,338,564)	(3,521,477)	(1,523,446)	(3,497,630)	(14,932,927)	(17,209,381)
Reinvestment of distributions to holders of redeemable shares	\$ 13,574	15,250	-	-	-	-	13,574	15,250
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 3,107,869	(717,738)	1,263,792	(407,070)	35,809	(550,443)	<b>4,407,470</b>	<b>(1,675,251)</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ -	-	-	-	-	-	-	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ -	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 3,151,972	(696,624)	1,283,790	(397,948)	46,094	(542,908)	<b>4,481,856</b>	<b>(1,637,480)</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>9,717,985</b>	<b>5,656,746</b>	<b>4,024,854</b>	<b>2,385,280</b>	<b>1,222,848</b>	<b>818,424</b>	<b>14,965,687</b>	<b>8,860,450</b>
Redeemable Share Transactions								
Balance - beginning of period	647,243	630,231	266,199	272,788	113,119	132,410	<b>1,026,561</b>	<b>1,035,429</b>
Shares issued	1,293,954	936,587	445,056	304,475	149,361	285,848	1,888,371	1,526,910
Shares issued on reinvestment of distributions	1,334	1,510	-	-	-	-	1,334	1,510
Shares redeemed	(989,905)	(1,009,098)	(323,067)	(344,602)	(145,893)	(339,142)	(1,458,865)	(1,692,842)
Balance - end of period	<b>952,626</b>	<b>559,230</b>	<b>388,188</b>	<b>232,661</b>	<b>116,587</b>	<b>79,116</b>	<b>1,457,401</b>	<b>871,007</b>

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2019	2018		2019	2018
	(\$)	(\$)		(\$)	(\$)
Cash Flows from Operating Activities			Net Cash Provided by (Used in) Financing Activities	<b>4,407,466</b>	(1,675,251)
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>74,386</b>	37,771	Net increase (decrease) in cash	<b>236,879</b>	317,145
Adjustments for:			Cash (bank indebtedness) at beginning of period	<b>126,866</b>	(35,234)
Net realized (gain) loss on sale of investments	-	-	Cash (bank indebtedness) at end of period	<b>363,745</b>	281,911
Change in unrealized (appreciation) depreciation in value of investments	-	-	Interest received	<b>5,909</b>	135
Non-cash income distributions from underlying funds	<b>(107,427)</b>	(63,388)	Income taxes paid	<b>(36,969)</b>	(10,804)
Purchases of investments	<b>(15,778,288)</b>	(11,713,807)	Interest paid	-	(2,930)
Proceeds from sale of investments	<b>11,658,052</b>	13,738,021			
Change in accrued interest	<b>4,088</b>	(2,930)			
Change in distributions receivable from underlying funds	<b>1,782</b>	(178)			
Change in management fees payable	<b>4,233</b>	2,155			
Change in other payables and accrued expenses	<b>20</b>	(13)			
Change in income tax payable	<b>(27,433)</b>	(5,235)			
Net Cash Provided by (Used in) Operating Activities	<b>(4,170,587)</b>	1,992,396			
Cash Flows from Financing Activities					
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>13,574</b>	15,250			
Proceeds from redeemable shares issued	<b>19,326,823</b>	15,518,880			
Redemption of redeemable shares	<b>(14,932,931)</b>	(17,209,381)			

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

# Sun Life Money Market Class (continued)

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Money Market Fund, Series I	1,461,354	14,613,544	14,613,544	
		<b>14,613,544</b>	<b>14,613,544</b>	<b>97.65</b>
<b>Total Investments</b>		<b>14,613,544</b>	<b>14,613,544</b>	<b>97.65</b>
<b>Other Assets less Liabilities</b>			<b>352,143</b>	<b>2.35</b>
<b>Total Net Assets</b>			<b>14,965,687</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 as a result of its investment in the Underlying Fund.

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 June 30, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2019	December 31, 2018
AAA/Aaa	61.03	63.64
AA/Aa	36.25	35.01
<b>Total</b>	<b>97.28</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 (\$)
June 30, 2019	14,557,613	-	-	14,557,613
December 31, 2018	10,341,581	-	-	10,341,581

As at June 30, 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 \$28,466 (\$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 exposed indirectly to other market risk as a result of its investment in the Underlying Fund.

#### (c) Liquidity risk

As at June 30, 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 (%)	
	June 30, 2019	December 31, 2018
<b>Short-Term Investments</b>		
Treasury Bills	46.1	43.4
Bankers' Acceptances	26.8	19.2
Discount Commercial Paper	11.6	13.1
Promissory Notes	9.0	12.3
Bearer Deposit Notes	3.8	10.7
<b>Other Assets less Liabilities</b>	2.7	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 June 30, 2019 and December 31, 2018.

	June 30, 2019			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	14,613,544	-	-	14,613,544

  

	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 June 30, 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 shareholders 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 June 30, 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 June 30, 2019 (unaudited) and December 31, 2018

	June 30, 2019 (\$)	December 31, 2018 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	26,762,513	27,034,645
Cash	125,114	6,587
Due from investment dealers	45,747	19,562
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	2,629	10,438
	<b>26,936,003</b>	<b>27,071,232</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	1,308	467
Redemptions payable	69,359	943
Distributions payable	171	1,913
Due to investment dealers	-	14,574
Management fees payable	8,217	2,971
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>79,055</b>	<b>20,868</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>26,856,948</b>	<b>27,050,364</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	4,106,193	4,299,970
Series AT5	261,261	240,157
Series F	786,579	935,088
Series FT5	10,526	9,804
Series I	17,956,046	17,655,638
Series O	3,736,343	3,909,707
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)</b>		
Series A	11.53	10.98
Series AT5	12.91	12.60
Series F	12.31	11.66
Series FT5	13.32	12.92
Series I	10.24	9.65
Series O	11.26	10.62

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2019 (\$)	2018 (\$)
<b>Investment Income</b>		
Interest income	136	1,397
Distributions from underlying funds	-	-
<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	(41,598)	60,048
Change in unrealized appreciation (depreciation) in value of investments	2,165,960	643,919
<b>Net gains (losses) on investments</b>	<b>2,124,498</b>	<b>705,364</b>
<b>Total income (loss)</b>	<b>2,124,498</b>	<b>705,364</b>
<b>Expenses (note 5)</b>		
Management fees	50,000	59,562
Fixed annual administration fees	7,875	8,961
Independent review committee fees	79	103
Total operating expenses	57,954	68,626
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>2,066,544</b>	<b>636,738</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>2,066,544</b>	<b>636,738</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>2,066,544</b>	<b>636,738</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	283,776	66,960
Series AT5	16,061	2,904
Series F	65,964	27,118
Series FT5	708	718
Series I	1,400,506	449,821
Series O	299,529	89,217
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	380,363	429,671
Series AT5	19,921	8,884
Series F	72,746	79,282
Series FT5	775	702
Series I	1,844,573	1,614,526
Series O	357,213	356,117
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.75	0.16
Series AT5	0.81	0.33
Series F	0.91	0.34
Series FT5	0.91	1.02
Series I	0.76	0.28
Series O	0.84	0.25

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 six months ended June 30 (unaudited)

	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)	\$ 283,776	66,960	16,061	2,904	65,964	27,118	708	718
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 189,992	1,031,979	19,380	100,426	273,852	625,193	-	10,000
Redemption of redeemable shares	\$ (667,833)	(1,848,217)	(7,600)	(15,952)	(488,137)	(522,205)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 68,870	248,865	3,546	5,702	13,098	46,376	425	711
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (408,971)	(567,373)	15,326	90,176	(201,187)	149,364	425	10,711
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (68,582)	-	(3,977)	-	(13,286)	-	(160)	-
From net investment income	\$ -	(251,322)	(6,306)	(9,479)	-	(47,375)	(251)	(710)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (68,582)	(251,322)	(10,283)	(9,479)	(13,286)	(47,375)	(411)	(710)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (193,777)	(751,735)	21,104	83,601	(148,509)	129,107	722	10,719
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 4,106,193</b>	<b>5,131,939</b>	<b>261,261</b>	<b>179,361</b>	<b>786,579</b>	<b>772,662</b>	<b>10,526</b>	<b>10,719</b>
Redeemable Share Transactions								
Balance - beginning of period	391,584	455,159	19,060	6,158	80,175	47,417	759	-
Shares issued	16,528	81,304	1,477	6,702	22,336	46,932	-	667
Shares issued on reinvestment of distributions	5,887	20,836	269	397	1,054	3,676	31	49
Shares redeemed	(57,881)	(145,900)	(573)	(1,068)	(39,693)	(39,373)	-	-
Balance - end of period	<b>356,118</b>	<b>411,399</b>	<b>20,233</b>	<b>12,189</b>	<b>63,872</b>	<b>58,652</b>	<b>790</b>	<b>716</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)	\$ 1,400,506	449,821	299,529	89,217	<b>2,066,544</b>	<b>636,738</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 1,671,539	2,307,891	316,994	340,356	2,471,757	4,415,845
Redemption of redeemable shares	\$ (2,771,637)	(1,511,382)	(789,906)	(786,491)	(4,725,113)	(4,684,247)
Reinvestment of distributions to holders of redeemable shares	\$ 294,910	810,621	62,350	198,233	443,199	1,310,508
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (805,188)	1,607,130	(410,562)	(247,902)	<b>(1,810,157)</b>	<b>1,042,106</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (294,910)	-	(62,331)	-	(443,246)	-
From net investment income	\$ -	(810,620)	-	(200,394)	(6,557)	(1,319,900)
Return of capital	\$ -	-	-	-	-	-
	\$ (294,910)	(810,620)	(62,331)	(200,394)	<b>(449,803)</b>	<b>(1,319,900)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 300,408	1,246,331	(173,364)	(359,079)	<b>(193,416)</b>	<b>358,944</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 17,956,046</b>	<b>18,049,981</b>	<b>3,736,343</b>	<b>4,074,761</b>	<b>26,856,948</b>	<b>28,219,423</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	164,145	215,318	28,412	28,514	232,898	379,437
Shares issued on reinvestment of distributions	29,134	79,008	5,596	17,532	41,971	121,498
Shares redeemed	(269,751)	(141,724)	(70,397)	(66,806)	(438,295)	(394,871)
Balance - end of period	<b>1,754,004</b>	<b>1,665,686</b>	<b>331,780</b>	<b>341,416</b>	<b>2,526,797</b>	<b>2,490,058</b>

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



# Sun Life Sentry Value Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	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>2,066,544</b>	636,738
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>41,598</b>	(60,048)
Change in unrealized (appreciation) depreciation in value of investments	<b>(2,165,960)</b>	(643,919)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(1,472,482)</b>	(2,600,666)
Proceeds from sale of investments	<b>3,828,217</b>	2,997,121
Change in accrued interest	-	(15)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>5,246</b>	7,115
Change in other payables and accrued expenses	<b>841</b>	1,104
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>2,304,004</b>	337,430
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(8,346)</b>	(7,038)
Proceeds from redeemable shares issued	<b>2,479,566</b>	4,395,128
Redemption of redeemable shares	<b>(4,656,697)</b>	(4,671,692)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(2,185,477)</b>	(283,602)
Net increase (decrease) in cash	<b>118,527</b>	53,828
Cash (bank indebtedness) at beginning of period	<b>6,587</b>	(45,942)
<b>Cash (bank indebtedness) at end of period</b>	<b>125,114</b>	7,886
Interest received	<b>136</b>	1,382
Interest paid	-	-
Income taxes paid	-	-

## Schedule of Investments

As at June 30, 2019 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Sentry Value Fund, Series I	1,922,263	27,030,153	26,762,513	
		<b>27,030,153</b>	<b>26,762,513</b>	<b>99.65</b>
<b>Total Investments</b>		<b>27,030,153</b>	<b>26,762,513</b>	<b>99.65</b>
<b>Other Assets less Liabilities</b>			<b>94,435</b>	<b>0.35</b>
<b>Total Net Assets</b>			<b>26,856,948</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 June 30, 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 as a result of its investment in the Underlying Fund.

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 June 30, 2019 and December 31, 2018 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2019	December 31, 2018
AAA/Aaa	1.28	-
AA/Aa	0.16	-
Not Rated	1.27	2.69
<b>Total</b>	<b>2.71</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 June 30, 2019 and December 31, 2018. Amounts shown are based on the fair value of monetary and non-monetary assets.

	June 30, 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	2,366,493	8.81	2,658,117	9.83
<b>Total</b>	<b>2,366,493</b>	<b>8.81</b>	<b>2,658,117</b>	<b>9.83</b>

As at June 30, 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 \$118,325 (\$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 (\$)
June 30, 2019	297,588	339,900	-	637,488
December 31, 2018	-	-	726,586	726,586

As at June 30, 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 \$18,064 (\$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 indirectly to other market risk as a result of its investment in the Underlying Fund.

As at June 30, 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 \$1,146,210 (\$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 June 30, 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:

	Percentage of Net Assets (%)	
Portfolio by Category	June 30, 2019	December 31, 2018
<b>Short-Term Investments</b>		
Treasury Bills	1.1	-
<b>Bonds</b>		
Corporate Bonds	1.3	2.7
<b>Equities</b>		
Real Estate	15.0	14.8
Industrials	13.4	13.1
Energy	12.7	11.4
Communication Services	12.5	12.2
Consumer Staples	7.7	7.1
Financials	6.6	6.5
Health Care	5.8	5.3
Materials	4.1	4.4
Consumer Discretionary	3.1	3.5
Utilities	3.0	2.5
Information Technology	1.4	5.8
<b>Derivative Assets (Liabilities)</b>	0.3	(0.4)
<b>Other Assets less Liabilities</b>	12.0	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 June 30, 2019 and December 31, 2018.

June 30, 2019				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	26,762,513	-	-	26,762,513

  

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 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 Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at June 30, 2019 and December 31, 2018, the Company held the following positions in the Fund:

June 30, 2019		
	Shares	Market Value (\$)
Series FT5	790	10,526
Series I	1,223	12,517

  

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

## 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 shareholders 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 June 30, 2019 and December 31, 2018, the Fund had significant interests in the Underlying Fund as noted in the following tables:

As at June 30, 2019		
Underlying Fund	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life Sentry Value Fund, Series I	100	30

  

As at December 31, 2018		
Underlying Fund	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life Sentry Value 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.*

# Notes to the Financial Statements

For the periods ended June 30, 2019 (unaudited) 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 June 30, 2019, the Statements of Financial Position as at June 30, 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 six months ended June 30, 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 June 30, 2019 were authorized on August 26, 2019 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 (“IASB”).

The financial statements have been prepared on a going concern basis using the historical cost convention. However, each Fund is an investment entity and primarily all financial assets and financial liabilities are measured at fair value in accordance with IFRS. Accordingly, the Funds' accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value (“NAV”) for transactions with redeemable 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.

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;
- Financial liabilities arising from the transfer of a financial asset that did not qualify for derecognition;

# Notes to the Financial Statements

For the periods ended June 30, 2019 (unaudited) and December 31, 2018

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- 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) For all other financial assets and financial liabilities, the carrying value approximates the fair value for cash, 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 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 June 30, 2019 (unaudited) and December 31, 2018

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## **(e) Other assets and other liabilities**

Due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers and management fees payable are valued at fair value or at their recorded cost, plus or minus any foreign exchange between recognition of the asset by the Fund and the current valuation date, which approximates fair value due to the short-term nature of these assets and liabilities.

## **(f) Distributions from underlying funds**

Distributions from underlying funds are recorded in the year to which the distribution relates. Distributions from underlying funds may include a combination of capital gains/(losses), Canadian and foreign dividends, and interest income.

## **(g) Transaction costs**

Transaction costs incurred in portfolio transactions, if any, are excluded from the average cost of investments and are recognized immediately in income and are presented as a separate expense item in the Statements of Comprehensive Income (Loss).

## **(h) Redeemable 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.

## **(i) Investment transactions**

Investment transactions are accounted for on the trade date. Realized gains and losses arising from the sale of investments and unrealized appreciation and depreciation on investments are calculated with reference to the average cost of the related investments and derivative instruments.

## **(j) Revenue recognition**

- i) Realized gains (losses) on investments and unrealized appreciation (depreciation) in the value of investments are calculated with reference to the average cost of the related investments.
- ii) Income, realized gain (loss) and unrealized gain (loss) are allocated among the series of a Fund on a pro-rata basis.

## **(k) Foreign currency translation**

Foreign currency amounts are expressed in Canadian dollars on the following bases:

- i) Fair value of investments and other assets and liabilities at the rate of exchange prevailing at the period end; and
- ii) Value of investment transactions, income and expenses at the rates prevailing on the respective dates of such transactions.

The Funds' functional currency and presentation currency is the Canadian dollar, which is the currency of the primary economic environment in which the Funds operate.

## **(l) 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.

## **(m) Multi-series structured funds**

The realized and unrealized capital gains or losses, income, and common expenses (other than series-specific fixed operating expenses and fixed management fees) of the Funds are allocated on each valuation date to the 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.

# Notes to the Financial Statements

For the periods ended June 30, 2019 (unaudited) and December 31, 2018

## 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.

## 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.

The Manager has chosen to waive a portion of the management fees for some funds during the reporting period. The Manager may choose to stop management fees waivers at any time without notification.

	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%	-



# Notes to the Financial Statements

For the periods ended June 30, 2019 (unaudited) and December 31, 2018

Maximum Annual Management Fees						
	Series A shares	Series AT5 shares	Series AT8 shares	Series F shares	Series FT5 shares	Series FT8 shares
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%	-

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	
	Series O shares*
Sun Life BlackRock Canadian Balanced Class	0.50%
Sun Life BlackRock Canadian Composite Equity Class	0.50%
Sun Life BlackRock Canadian Equity Class	0.50%
Sun Life Dynamic Equity Income Class	0.75%
Sun Life Dynamic Strategic Yield Class	0.85%
Sun Life Franklin Bissett Canadian Equity Class	1.00%
Sun Life Granite Balanced Class	0.80%
Sun Life Granite Balanced Growth Class	0.85%
Sun Life Granite Conservative Class	0.75%
Sun Life Granite Growth Class	0.90%

Maximum Annual Management Fees	
	Series O shares*
Sun Life Granite Moderate Class	0.75%
Sun Life Invesco Canadian Class (formerly Sun Life Trimark Canadian Class)	1.00%
Sun Life MFS Canadian Equity Growth Class	0.80%
Sun Life MFS Dividend Income Class	0.70%
Sun Life MFS Global Growth Class	0.85%
Sun Life MFS International Growth Class	0.85%
Sun Life MFS U.S. Growth Class	0.85%
Sun Life Money Market Class	0.75%
Sun Life Sentry Value Class	0.80%

\* Series O shares are available to investors through the Private Client program and must be purchased through a Private Client account. Each Series O investor pays a management fee directly to the Manager and is eligible for management fee reductions, if any, based on the value of Series O shares held in their 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.

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 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			
	All Series (other than Series F, Series FT5, Series FT8, Series O and Series I)	Series F, Series FT5, Series FT8 and Series O	Series I
Sun Life BlackRock Canadian Balanced Class	0.10%	0.05%	-
Sun Life BlackRock Canadian Composite Equity Class	0.10%	0.05%	0.05%
Sun Life BlackRock Canadian Equity Class	0.10%	0.05%	0.05%
Sun Life Dynamic Equity Income Class	0.15%	0.15%	0.05%
Sun Life Dynamic Strategic Yield Class	0.20%	0.15%	0.05%
Sun Life Franklin Bissett Canadian Equity Class	0.20%	0.20%	0.05%
Sun Life Granite Balanced Class	0.20%	0.15%	-
Sun Life Granite Balanced Growth Class	0.20%	0.15%	-
Sun Life Granite Conservative Class	0.20%	0.15%	-

# Notes to the Financial Statements

For the periods ended June 30, 2019 (unaudited) and December 31, 2018

	Annual Administration Fees		
	All Series (other than Series F, Series FT5, Series FT8, Series O and Series I)	Series F, Series FT5, Series FT8 and Series O	Series I
Sun Life Granite Growth Class	0.20%	0.15%	-
Sun Life Granite Moderate Class	0.20%	0.15%	-
Sun Life Invesco Canadian Class (formerly Sun Life Trimark Canadian Class)	0.20%	0.20%	0.05%
Sun Life MFS Canadian Equity Growth Class	0.20%	0.15%	-
Sun Life MFS Dividend Income Class	0.20%	0.15%	0.05%
Sun Life MFS Global Growth Class	0.20%	0.15%	-
Sun Life MFS International Growth Class	0.20%	0.15%	-
Sun Life MFS U.S. Growth Class	0.20%	0.15%	-
Sun Life Money Market Class	0.05%	0.05%	-
Sun Life Sentry Value Class	0.20%	0.15%	0.05%

## 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 June 30, 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).

The Manager is an indirect wholly owned subsidiary of Sun Life Financial Inc.

# Notes to the Financial Statements

For the periods ended June 30, 2019 (unaudited) and December 31, 2018

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## 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.

### (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.

# Notes to the Financial Statements

For the periods ended June 30, 2019 (unaudited) and December 31, 2018

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## (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.

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.









## SEMI-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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You can find more information about each Fund in our Annual Information Form, and each Fund's management report of fund performance and financial statements, once available. These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of it.

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

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