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# SUN LIFE GLOBAL INVESTMENTS (CANADA) INC

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## SEMI-ANNUAL FINANCIAL STATEMENTS

for the period ended June 30, 2018

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 MFS Canadian Equity Growth Class (formerly Sun Life MFS Canadian Equity 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

Sun Life Sionna Canadian Small Cap Equity Class

Sun Life Trimark Canadian Class



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# Sun Life BlackRock Canadian Balanced Class

## Statements of Financial Position

As at June 30, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	2,004,769	1,758,144
Cash	2,117	228
Due from investment dealers	7,376	-
Accrued interest	10	-
Distributions receivable from underlying funds	5,024	-
Subscriptions receivable	-	-
	<b>2,019,296</b>	<b>1,758,372</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	101	30
Redemptions payable	7,726	-
Distributions payable	-	-
Due to investment dealers	5,024	350
Management fees payable	1,835	522
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>14,686</b>	<b>902</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>2,004,610</b>	<b>1,757,470</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	1,078,528	1,081,937
Series AT5	66,300	65,910
Series F	193,674	191,693
Series FT5	146,952	-
Series O	519,156	417,930
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	12.28	12.33
Series AT5	14.45	14.89
Series F	12.99	12.97
Series FT5	15.33	-
Series O	12.05	12.00

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	10	-
Distributions from underlying funds	8,065	7,613
<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	18,431	10,209
Change in unrealized appreciation (depreciation) in value of investments	2,278	51,076
<b>Net gains (losses) on investments</b>	<b>28,784</b>	<b>68,898</b>
<b>Total income (loss)</b>	<b>28,784</b>	<b>68,898</b>
<b>Expenses (note 6)</b>		
Management fees	10,041	10,487
Administration fees	513	503
Independent review committee fees	17	16
Total operating expenses	10,571	11,006
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>18,213</b>	<b>57,892</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>18,213</b>	<b>57,892</b>
Income taxes	-	756
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>18,213</b>	<b>57,136</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	6,890	33,863
Series AT5	376	1,888
Series F	2,144	6,467
Series FT5	1,880	-
Series O	6,923	14,918
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	87,147	94,399
Series AT5	4,502	4,199
Series F	14,870	14,607
Series FT5	2,949	-
Series O	39,070	36,089
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.08	0.36
Series AT5	0.08	0.45
Series F	0.14	0.44
Series FT5	0.64	-
Series O	0.18	0.41

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	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 1,081,937	1,107,533	65,910	61,329	191,693	176,802
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 6,890	33,863	376	1,888	2,144	6,467
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 138,983	121,283	3	-	16	14
Redemption of redeemable shares	\$ (149,576)	(151,640)	-	-	(234)	(223)
Reinvestment of distributions to holders of redeemable shares	\$ 10,551	2,935	2,316	1,709	1,889	486
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (42)	(27,422)	2,319	1,709	1,671	277
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (10,257)	(2,623)	(2,305)	(145)	(1,834)	(420)
From net investment income	\$ -	-	-	(1,552)	-	-
Return of capital	\$ -	(343)	-	(14)	-	(65)
	\$ (10,257)	(2,966)	(2,305)	(1,711)	(1,834)	(485)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (3,409)	3,475	390	1,886	1,981	6,259
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>1,078,528</b>	<b>1,111,008</b>	<b>66,300</b>	<b>63,215</b>	<b>193,674</b>	<b>183,061</b>
Redeemable Share Transactions						
Balance - beginning of period	87,742	95,036	4,427	4,150	14,781	14,591
Shares issued	11,585	10,235	1	-	6	2
Shares issued on reinvestment of distributions	856	241	160	115	145	39
Shares redeemed	(12,336)	(12,765)	-	-	(18)	(18)
Balance - end of period	<b>87,847</b>	<b>92,747</b>	<b>4,588</b>	<b>4,265</b>	<b>14,914</b>	<b>14,614</b>

  

	Series FT5		Series O		Total	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	-	417,930	376,388	<b>1,757,470</b>	<b>1,722,052</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 1,880	-	6,923	14,918	<b>18,213</b>	<b>57,136</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 145,626	-	194,500	63,017	479,128	184,314
Redemption of redeemable shares	\$ -	-	(100,197)	(31,264)	(250,007)	(183,127)
Reinvestment of distributions to holders of redeemable shares	\$ 868	-	3,984	981	19,608	6,111
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 146,494	-	98,287	32,734	<b>248,729</b>	<b>7,298</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (1,422)	-	(3,984)	(981)	(19,802)	(4,169)
From net investment income	\$ -	-	-	-	-	(1,552)
Return of capital	\$ -	-	-	-	-	(422)
	\$ (1,422)	-	(3,984)	(981)	<b>(19,802)</b>	<b>(6,143)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 146,952	-	101,226	46,671	<b>247,140</b>	<b>58,291</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>146,952</b>	<b>-</b>	<b>519,156</b>	<b>423,059</b>	<b>2,004,610</b>	<b>1,780,343</b>
Redeemable Share Transactions						
Balance - beginning of period	-	-	34,820	33,764	<b>141,770</b>	<b>147,541</b>
Shares issued	9,531	-	16,479	5,479	37,602	15,716
Shares issued on reinvestment of distributions	58	-	341	86	1,560	481
Shares redeemed	-	-	(8,563)	(2,729)	(20,917)	(15,512)
Balance - end of period	<b>9,589</b>	<b>-</b>	<b>43,077</b>	<b>36,600</b>	<b>160,015</b>	<b>148,226</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)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>18,213</b>	57,136
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(18,431)</b>	(10,209)
Change in unrealized (appreciation) depreciation in value of investments	<b>(2,278)</b>	(51,076)
Non-cash income distributions from underlying funds	<b>(8,065)</b>	(7,613)
Purchases of investments	<b>(441,846)</b>	(162,642)
Proceeds from sale of investments	<b>221,293</b>	161,782
Change in accrued interest	<b>(10)</b>	-
Change in distributions receivable from underlying funds	<b>(5,024)</b>	(3,365)
Change in management fees payable	<b>1,313</b>	110
Change in other payables and accrued expenses	<b>71</b>	64
Change in income tax payable	<b>-</b>	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(234,764)</b>	(15,813)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(194)</b>	(33)
Proceeds from redeemable shares issued	<b>479,128</b>	184,315
Redemption of redeemable shares	<b>(242,281)</b>	(183,127)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>236,653</b>	1,155
Net increase (decrease) in cash	<b>1,889</b>	(14,658)
Cash (bank indebtedness) at beginning of period	<b>228</b>	(39)
<b>Cash (bank indebtedness) at end of period</b>	<b>2,117</b>	(14,697)
Interest received	-	-
Income taxes paid	-	(756)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life BlackRock Canadian Balanced Fund, Series I	149,284	1,834,092	2,004,769	
		<b>1,834,092</b>	<b>2,004,769</b>	<b>100.01</b>
<b>Total Investments</b>		<b>1,834,092</b>	<b>2,004,769</b>	<b>100.01</b>
<b>Other Assets less Liabilities</b>			<b>(159)</b>	<b>(0.01)</b>
<b>Total Net Assets</b>			<b>2,004,610</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 9 to the financial statements.

### (a) Credit risk

As at June 30, 2018 and December 31, 2017, 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 Underlying Fund is exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds.

The Underlying Fund also 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, 2018 and December 31, 2017 are noted below:

	Percentage of Net Assets (%)	
Rating	June 30, 2018	December 31, 2017
AAA/Aaa	0.33	0.60
<b>Total</b>	<b>0.33</b>	<b>0.60</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 internally managed funds, including cash and cash equivalents. The Fund is therefore exposed indirectly 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.

### (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, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Exchange-Traded Funds</b>		
Foreign Bonds	15.9	15.7
Information Technology	6.4	5.9
Health Care	4.4	4.2
Consumer Discretionary	3.2	3.0
Consumer Staples	2.4	2.6
Industrials	1.5	1.7
Real Estate	0.2	0.3
Utilities	0.1	0.4
<b>Mutual Funds</b>		
Canadian Equities	42.3	42.0
Canadian Fixed Income	23.9	23.5
<b>Derivative Assets (Liabilities)</b>	0.3	0.6
<b>Other Assets less Liabilities</b>	(0.6)	0.1
<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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	2,004,769	-	-	2,004,769

  

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	1,758,144	-	-	1,758,144

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

	June 30, 2018	
	Shares	Market Value (\$)
Series A	13,927	170,991
Series AT5	911	13,167
Series F	2,657	36,118

  

	December 31, 2017	
	Shares	Market Value (\$)
Series A	13,776	169,874
Series AT5	878	13,078
Series F	1,949	25,275

### 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, 2018 and December 31, 2017, 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	March 31, 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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	<b>13,616,363</b>	13,332,645
Cash	-	-
Due from investment dealers	<b>1,660</b>	6,619
Accrued interest	<b>22</b>	-
Distributions receivable from underlying funds	-	878,902
Subscriptions receivable	<b>184</b>	25,259
	<b>13,618,229</b>	14,243,425
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	<b>33,291</b>	30,759
Accrued expenses	<b>100</b>	32
Redemptions payable	<b>1,896</b>	-
Distributions payable	-	-
Due to investment dealers	-	879,012
Management fees payable	<b>921</b>	270
Income tax payable	<b>1,797</b>	3,366
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>38,005</b>	913,439
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>13,580,224</b>	13,329,986
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>896,843</b>	962,321
Series AT5	<b>14,164</b>	13,968
Series F	<b>53,195</b>	29,958
Series FT5	<b>10,921</b>	-
Series I	<b>12,477,686</b>	12,194,800
Series O	<b>127,415</b>	128,939
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	<b>11.68</b>	11.94
Series AT5	<b>13.70</b>	14.40
Series F	<b>12.01</b>	12.24
Series FT5	<b>15.49</b>	-
Series I	<b>10.56</b>	10.73
Series O	<b>10.89</b>	11.07

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	<b>10</b>	124
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>44,797</b>	35,845
Change in unrealized appreciation (depreciation) in value of investments	<b>217,808</b>	(20,340)
<b>Net gains (losses) on investments</b>	<b>262,615</b>	15,629
<b>Total income (loss)</b>	<b>262,615</b>	15,629
<b>Expenses (note 6)</b>		
Management fees	<b>5,339</b>	5,343
Administration fees	<b>569</b>	717
Independent review committee fees	<b>11</b>	13
Total operating expenses	<b>5,919</b>	6,073
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>256,696</b>	9,556
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>256,696</b>	9,556
Income taxes	<b>2,026</b>	1,021
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>254,670</b>	<b>8,535</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>9,851</b>	(3,134)
Series AT5	<b>181</b>	21
Series F	<b>1,436</b>	79
Series FT5	<b>920</b>	-
Series I	<b>239,868</b>	6,348
Series O	<b>2,414</b>	5,221
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>80,948</b>	87,110
Series AT5	<b>1,005</b>	909
Series F	<b>3,141</b>	2,293
Series FT5	<b>693</b>	-
Series I	<b>1,220,433</b>	830,008
Series O	<b>11,497</b>	23,246
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>0.12</b>	(0.04)
Series AT5	<b>0.18</b>	0.02
Series F	<b>0.46</b>	0.03
Series FT5	<b>1.33</b>	-
Series I	<b>0.20</b>	0.01
Series O	<b>0.21</b>	0.22

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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 962,321	805,230	13,968	12,943	29,958	24,279	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 9,851	(3,134)	181	21	1,436	79	920	-
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 177,336	387,748	3	-	21,790	3,376	10,000	-
Redemption of redeemable shares	\$ (252,883)	(175,388)	-	-	(11)	-	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 32,428	1,261	835	348	1,012	48	572	-
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (43,119)	213,621	838	348	22,791	3,424	10,572	-
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (32,210)	(667)	(823)	(8)	(990)	(18)	(571)	-
From net investment income	\$ -	-	-	(327)	-	-	-	-
Return of capital	\$ -	(263)	-	(15)	-	(29)	-	-
	\$ (32,210)	(930)	(823)	(350)	(990)	(47)	(571)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (65,478)	209,557	196	19	23,237	3,456	10,921	-
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 896,843</b>	<b>1,014,787</b>	<b>14,164</b>	<b>12,962</b>	<b>53,195</b>	<b>27,735</b>	<b>10,921</b>	<b>-</b>
Redeemable Share Transactions								
Balance - beginning of period	80,580	70,890	970	899	2,448	2,097	-	-
Shares issued	15,340	33,611	-	-	1,896	287	667	-
Shares issued on reinvestment of distributions	2,928	105	64	24	88	4	38	-
Shares redeemed	(22,063)	(15,289)	-	-	(1)	-	-	-
Balance - end of period	<b>76,785</b>	<b>89,317</b>	<b>1,034</b>	<b>923</b>	<b>4,431</b>	<b>2,388</b>	<b>705</b>	<b>-</b>

  

	Series I		Series O		Total	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 12,194,800	6,501,099	128,939	292,723	<b>13,329,986</b>	<b>7,636,274</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 239,868	6,348	2,414	5,221	<b>254,670</b>	<b>8,535</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 1,638,494	3,541,811	3,864	37,747	1,851,487	3,970,682
Redemption of redeemable shares	\$ (1,595,477)	(351,211)	(7,802)	(217,365)	(1,856,173)	(743,964)
Reinvestment of distributions to holders of redeemable shares	\$ 433,906	14,206	4,064	216	472,817	16,079
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 476,923	3,204,806	126	(179,402)	<b>468,131</b>	<b>3,242,797</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (433,905)	(5,191)	(4,064)	(216)	(472,563)	(6,100)
From net investment income	\$ -	-	-	-	-	(327)
Return of capital	\$ -	-	-	-	-	(307)
	\$ (433,905)	(5,191)	(4,064)	(216)	<b>(472,563)</b>	<b>(6,734)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 282,886	3,205,963	(1,524)	(174,397)	<b>250,238</b>	<b>3,244,598</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 12,477,686</b>	<b>9,707,062</b>	<b>127,415</b>	<b>118,326</b>	<b>13,580,224</b>	<b>10,880,872</b>
Redeemable Share Transactions						
Balance - beginning of period	1,136,098	644,484	11,650	28,113	<b>1,231,746</b>	<b>746,483</b>
Shares issued	157,119	344,649	367	3,559	175,389	382,106
Shares issued on reinvestment of distributions	43,793	1,403	398	21	47,309	1,557
Shares redeemed	(155,683)	(34,225)	(712)	(20,393)	(178,459)	(69,907)
Balance - end of period	<b>1,181,327</b>	<b>956,311</b>	<b>11,703</b>	<b>11,300</b>	<b>1,275,985</b>	<b>1,060,239</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)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>254,670</b>	8,535
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(44,797)</b>	(35,845)
Change in unrealized (appreciation) depreciation in value of investments	<b>(217,808)</b>	20,340
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(2,534,716)</b>	(4,456,590)
Proceeds from sale of investments	<b>1,639,550</b>	536,494
Change in accrued interest	<b>(22)</b>	-
Change in distributions receivable from underlying funds	<b>878,902</b>	196,700
Change in management fees payable	<b>651</b>	383
Change in other payables and accrued expenses	<b>68</b>	26
Change in income tax payable	<b>(1,569)</b>	(4,198)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(25,071)</b>	(3,734,155)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>254</b>	5
Proceeds from redeemable shares issued	<b>1,876,562</b>	4,400,996
Redemption of redeemable shares	<b>(1,854,277)</b>	(695,142)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>22,539</b>	3,705,859
Net increase (decrease) in cash	<b>(2,532)</b>	(28,296)
Cash (bank indebtedness) at beginning of period	<b>(30,759)</b>	1,534
<b>Cash (bank indebtedness) at end of period</b>	<b>(33,291)</b>	(26,762)
Interest received	-	124
Income taxes paid	<b>(3,595)</b>	(5,219)
Interest paid	<b>12</b>	-

## Schedule of Investments

As at June 30, 2018 (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	1,190,127	12,844,644	13,616,363	
		<b>12,844,644</b>	<b>13,616,363</b>	<b>100.27</b>
<b>Total Investments</b>		<b>12,844,644</b>	<b>13,616,363</b>	<b>100.27</b>
<b>Other Assets less Liabilities</b>			<b>(36,139)</b>	<b>(0.27)</b>
<b>Total Net Assets</b>			<b>13,580,224</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 9 to the financial statements.

#### (a) Credit risk

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

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, 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, 2018 and December 31, 2017. Amounts shown are based on the fair value of monetary and non-monetary assets.

	June 30, 2018		December 31, 2017	
	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
United States Dollar	7,109	0.05	5,432	0.04
<b>Total</b>	<b>7,109</b>	<b>0.05</b>	<b>5,432</b>	<b>0.04</b>

As at June 30, 2018, 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 \$355 (\$272 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (ii) Interest rate risk

As at June 30, 2018 and December 31, 2017, the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

## (iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in Canadian equities and indexed linked equity futures.

As at June 30, 2018, 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 \$677,361 (\$663,471 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (c) Liquidity risk

As at June 30, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Equities</b>		
Financials	33.5	34.6
Energy	19.4	18.9
Materials	11.6	11.3
Industrials	9.9	9.4
Consumer Discretionary	5.2	5.2
Telecommunication Services	4.3	4.6
Information Technology	3.9	3.2
Utilities	3.7	3.9
Consumer Staples	3.4	3.6
Real Estate	2.7	2.8
Health Care	1.1	0.8
<b>Other Assets less Liabilities</b>	<b>1.3</b>	<b>1.7</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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	13,616,363	-	-	13,616,363

  

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	13,332,645	-	-	13,332,645

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

	June 30, 2018	
	Shares	Market Value (\$)
Series A	16,823	196,488
Series AT5	1,034	14,164
Series F	2,233	26,814
Series FT5	705	10,921
Series I	1,111	11,735

	December 31, 2017	
	Shares	Market Value (\$)
Series A	16,223	193,741
Series AT5	970	13,969
Series F	2,154	26,358
Series FT5	-	-
Series I	1,073	11,513

### 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, 2018 and December 31, 2017, 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series I Shares	May 01, 2015	April 30, 2015
Series O Shares	April 01, 2014	March 31, 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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	<b>5,838,978</b>	4,810,815
Cash	-	-
Due from investment dealers	<b>7,055</b>	2,961
Accrued interest	<b>7</b>	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>8,784</b>	12,500
	<b>5,854,824</b>	4,826,276
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	<b>10,027</b>	6,097
Accrued expenses	<b>70</b>	22
Redemptions payable	<b>7,082</b>	3,961
Distributions payable	-	-
Due to investment dealers	<b>8,784</b>	5,973
Management fees payable	<b>1,173</b>	335
Income tax payable	<b>1,086</b>	3,347
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>28,222</b>	19,735
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>5,826,602</b>	4,806,541
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>690,776</b>	704,891
Series AT5	<b>39,392</b>	14,689
Series AT8	<b>37,350</b>	37,682
Series F	<b>28,266</b>	52,748
Series FT5	<b>10,865</b>	-
Series FT8	<b>10,865</b>	-
Series I	<b>4,737,758</b>	3,726,701
Series O	<b>271,330</b>	269,830
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	<b>12.71</b>	12.77
Series AT5	<b>14.94</b>	15.41
Series AT8	<b>12.82</b>	13.44
Series F	<b>13.43</b>	13.43
Series FT5	<b>15.59</b>	-
Series FT8	<b>15.41</b>	-
Series I	<b>11.15</b>	11.11
Series O	<b>12.20</b>	12.16

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	<b>8</b>	129
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>28,042</b>	37,513
Change in unrealized appreciation (depreciation) in value of investments	<b>140,090</b>	70,548
<b>Net gains (losses) on investments</b>	<b>168,140</b>	108,190
<b>Total income (loss)</b>	<b>168,140</b>	108,190
<b>Expenses (note 6)</b>		
Management fees	<b>6,678</b>	6,372
Administration fees	<b>437</b>	433
Independent review committee fees	<b>7</b>	9
Total operating expenses	<b>7,122</b>	6,814
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>161,018</b>	101,376
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>161,018</b>	101,376
Income taxes	<b>(90)</b>	584
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>161,108</b>	100,792
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>15,882</b>	16,254
Series AT5	<b>1,303</b>	442
Series AT8	<b>653</b>	8,836
Series F	<b>(416)</b>	7,965
Series FT5	<b>864</b>	-
Series FT8	<b>864</b>	-
Series I	<b>134,709</b>	57,822
Series O	<b>7,249</b>	9,473
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>56,838</b>	46,183
Series AT5	<b>1,911</b>	898
Series AT8	<b>2,857</b>	10,170
Series F	<b>3,062</b>	10,909
Series FT5	<b>686</b>	-
Series FT8	<b>690</b>	-
Series I	<b>384,604</b>	187,413
Series O	<b>22,134</b>	20,677
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>0.28</b>	0.35
Series AT5	<b>0.68</b>	0.49
Series AT8	<b>0.23</b>	0.87
Series F	<b>(0.14)</b>	0.73
Series FT5	<b>1.26</b>	-
Series FT8	<b>1.25</b>	-
Series I	<b>0.35</b>	0.31
Series O	<b>0.33</b>	0.46

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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 704,891	538,757	14,689	13,294	37,682	176,154	52,748	204,831
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 15,882	16,254	1,303	442	653	8,836	(416)	7,965
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 102,396	199,325	24,804	-	4	3,890	8	11
Redemption of redeemable shares	\$ (132,609)	(159,307)	(1,000)	-	-	(147,225)	(24,101)	(114,405)
Reinvestment of distributions to holders of redeemable shares	\$ 17,101	3,371	921	436	1,388	843	1,209	1,394
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (13,112)	43,389	24,725	436	1,392	(142,492)	(22,884)	(113,000)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (16,885)	(3,128)	(1,325)	(86)	(2,377)	(1,131)	(1,182)	(1,326)
From net investment income	\$ -	-	-	(337)	-	(5,191)	-	-
Return of capital	\$ -	(237)	-	(16)	-	(16)	-	(74)
	\$ (16,885)	(3,365)	(1,325)	(439)	(2,377)	(6,338)	(1,182)	(1,400)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (14,115)	56,278	24,703	439	(332)	(139,994)	(24,482)	(106,435)
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 690,776</b>	<b>595,035</b>	<b>39,392</b>	<b>13,733</b>	<b>37,350</b>	<b>36,160</b>	<b>28,266</b>	<b>98,396</b>
Redeemable Share Transactions								
Balance - beginning of period	55,191	45,434	953	884	2,803	13,023	3,929	16,617
Shares issued	8,317	16,352	1,690	-	2	282	3	2
Shares issued on reinvestment of distributions	1,387	275	62	29	108	62	92	110
Shares redeemed	(10,543)	(13,133)	(69)	-	-	(10,654)	(1,920)	(8,989)
Balance - end of period	<b>54,352</b>	<b>48,928</b>	<b>2,636</b>	<b>913</b>	<b>2,913</b>	<b>2,713</b>	<b>2,104</b>	<b>7,740</b>

  

	Series FT5		Series FT8		Series I		Series O	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	-	-	-	3,726,701	1,313,349	269,830	236,964
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 864	-	864	-	134,709	57,822	7,249	9,473
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 10,000	-	10,000	-	1,238,987	1,129,723	192	(6,609)
Redemption of redeemable shares	\$ -	-	-	-	(362,639)	(126,517)	(5,941)	(2,684)
Reinvestment of distributions to holders of redeemable shares	\$ 453	-	583	-	93,532	12,815	5,940	1,351
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 10,453	-	10,583	-	969,880	1,016,021	191	(7,942)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (452)	-	(582)	-	(93,532)	(11,555)	(5,940)	(1,480)
From net investment income	\$ -	-	-	-	-	-	-	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (452)	-	(582)	-	(93,532)	(11,555)	(5,940)	(1,480)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 10,865	-	10,865	-	1,011,057	1,062,288	1,500	51
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 10,865</b>	<b>-</b>	<b>10,865</b>	<b>-</b>	<b>4,737,758</b>	<b>2,375,637</b>	<b>271,330</b>	<b>237,015</b>
Redeemable Share Transactions								
Balance - beginning of period	-	-	-	-	335,584	129,759	22,197	21,369
Shares issued	667	-	666	-	113,684	108,117	16	(595)
Shares issued on reinvestment of distributions	30	-	39	-	8,812	1,244	511	119
Shares redeemed	-	-	-	-	(33,111)	(11,963)	(484)	(237)
Balance - end of period	<b>697</b>	<b>-</b>	<b>705</b>	<b>-</b>	<b>424,969</b>	<b>227,157</b>	<b>22,240</b>	<b>20,656</b>

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



# Sun Life BlackRock Canadian Equity Class (continued)

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

For the six months ended June 30 (unaudited)

	Total	
	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 4,806,541	2,483,349
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 161,108	100,792
Redeemable Share Transactions		
Proceeds from redeemable shares issued	\$ 1,386,391	1,326,340
Redemption of redeemable shares	\$ (526,290)	(550,138)
Reinvestment of distributions to holders of redeemable shares	\$ 121,127	20,210
Capitalized distributions	\$ -	-
	\$ 981,228	796,412
Distributions to Holders of Redeemable Shares		
From capital gains	\$ (122,275)	(18,706)
From net investment income	\$ -	(5,528)
Return of capital	\$ -	(343)
	\$ (122,275)	(24,577)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,020,061	872,627
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 5,826,602	3,355,976
Redeemable Share Transactions		
Balance - beginning of period	420,657	227,086
Shares issued	125,045	124,158
Shares issued on reinvestment of distributions	11,041	1,839
Shares redeemed	(46,127)	(44,976)
Balance - end of period	510,616	308,107

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	161,108	100,792
Adjustments for:		
Net realized (gain) loss on sale of investments	(28,042)	(37,513)
Change in unrealized (appreciation) depreciation in value of investments	(140,090)	(70,548)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	(1,369,623)	(1,365,256)
Proceeds from sale of investments	508,309	561,809
Change in accrued interest	(7)	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	838	(207)
Change in other payables and accrued expenses	48	(14)
Change in income tax payable	(2,261)	(414)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(869,720)</b>	<b>(811,351)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(1,148)	(5,628)
Proceeds from redeemable shares issued	1,390,107	1,392,545
Redemption of redeemable shares	(523,169)	(612,392)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>865,790</b>	<b>774,525</b>
Net increase (decrease) in cash	(3,930)	(36,826)
Cash (bank indebtedness) at beginning of period	(6,097)	(4,380)

	2018 (\$)	2017 (\$)
<b>Cash (bank indebtedness) at end of period</b>	<b>(10,027)</b>	<b>(41,206)</b>
Interest received	1	129
Income taxes paid	(2,171)	(998)
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, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life BlackRock Canadian Equity Fund, Series I	407,141	5,415,947	5,838,978	
		<b>5,415,947</b>	<b>5,838,978</b>	<b>100.21</b>
<b>Total Investments</b>		<b>5,415,947</b>	<b>5,838,978</b>	<b>100.21</b>
<b>Other Assets less Liabilities</b>			<b>(12,376)</b>	<b>(0.21)</b>
<b>Total Net Assets</b>			<b>5,826,602</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 9 to the financial statements.

#### (a) Credit risk

As at June 30, 2018 and December 31, 2017, 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 Underlying Fund is also exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds. The Fund is subject to credit risk exposure related to investments in indexed linked equity futures. However, as these investments are held directly with the exchanges, credit risk is not a significant risk to the Fund.

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, 2018 and December 31, 2017 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2018	December 31, 2017
AAA/Aaa	0.10	0.15
<b>Total</b>	<b>0.10</b>	<b>0.15</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, either directly or indirectly through underlying internally and externally managed funds, including cash and cash equivalents. The Fund is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The following table summarizes the Fund’s proportionate exposure to currency risk as at June 30, 2018 and December 31, 2017. Amounts shown are based on the fair value of monetary and non-monetary assets.

	June 30, 2018		December 31, 2017	
	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
United States Dollar	899,502	15.44	773,645	16.10
<b>Total</b>	<b>899,502</b>	<b>15.44</b>	<b>773,645</b>	<b>16.10</b>

As at June 30, 2018, 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 \$44,975 (\$38,682 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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

# Sun Life BlackRock Canadian Equity Class (continued)

## (ii) Interest rate risk

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

## (iii) Other market risk

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

As at June 30, 2018, 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 \$198,924 (\$164,906 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (c) Liquidity risk

As at June 30, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Exchange-Traded Funds</b>		
Industrials	2.9	3.3
Consumer Discretionary	5.4	5.3
Consumer Staples	4.2	4.3
Health Care	7.4	7.0
Information Technology	10.6	9.8
Real Estate	0.3	0.3
Utilities	0.5	0.6
<b>Equities</b>		
Energy	13.3	13.0
Materials	7.9	7.8
Industrials	6.7	6.5
Consumer Discretionary	3.5	3.6
Consumer Staples	2.3	2.5
Health Care	0.8	0.6
Financials	23.0	23.7
Information Technology	2.7	2.2
Real Estate	1.9	1.9
Telecommunication Services	2.9	3.2
Utilities	2.5	2.7
<b>Other Assets less Liabilities</b>	1.2	1.7
<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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	5,838,978	-	-	5,838,978

  

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	4,810,815	-	-	4,810,815

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

	June 30, 2018	
	Shares	Market Value (\$)
Series A	15,159	192,656
Series AT5	1,002	14,978
Series AT8	1,167	14,962
Series F	2,104	28,266
Series FT5	697	10,865
Series FT8	705	10,865
Series I	1,103	12,294

  

	December 31, 2017	
	Shares	Market Value (\$)
Series A	14,794	188,953
Series AT5	953	14,689
Series AT8	1,092	14,677
Series F	2,053	27,565
Series FT5	-	-
Series FT8	-	-
Series I	1,077	11,966

*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, 2018 and December 31, 2017, 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series AT8 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 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	April 30, 2015
Series O Shares	April 01, 2014	March 31, 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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	<b>21,446,907</b>	17,616,513
Cash	-	-
Due from investment dealers	<b>10,440</b>	-
Accrued interest	<b>11</b>	-
Distributions receivable from underlying funds	<b>110,573</b>	-
Subscriptions receivable	<b>24,386</b>	253,475
	<b>21,592,317</b>	17,869,988
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	<b>38,419</b>	16,964
Accrued expenses	<b>1,000</b>	259
Redemptions payable	<b>10,535</b>	-
Distributions payable	<b>821</b>	2,774
Due to investment dealers	<b>131,958</b>	259,294
Management fees payable	<b>9,170</b>	2,302
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>191,903</b>	281,593
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>21,400,414</b>	17,588,395
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>3,218,283</b>	3,089,253
Series AT5	<b>1,450,004</b>	1,298,663
Series F	<b>1,438,372</b>	859,127
Series FT5	<b>10,643</b>	-
Series I	<b>14,712,560</b>	11,669,396
Series O	<b>570,552</b>	671,956
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	<b>11.93</b>	12.03
Series AT5	<b>14.00</b>	14.49
Series F	<b>12.56</b>	12.60
Series FT5	<b>15.57</b>	-
Series I	<b>11.26</b>	11.24
Series O	<b>11.91</b>	11.89

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	<b>308</b>	70
Distributions from underlying funds	<b>527,287</b>	191,288
<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>(64,240)</b>	95,259
Change in unrealized appreciation (depreciation) in value of investments	<b>(215,605)</b>	331,850
<b>Net gains (losses) on investments</b>	<b>247,750</b>	618,467
<b>Total income (loss)</b>	<b>247,750</b>	618,467
<b>Expenses (note 6)</b>		
Management fees	<b>50,441</b>	32,467
Administration fees	<b>5,390</b>	3,615
Independent review committee fees	<b>62</b>	41
Total operating expenses	<b>55,893</b>	36,123
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>191,857</b>	582,344
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>191,857</b>	582,344
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>191,857</b>	582,344
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>(16,104)</b>	109,038
Series AT5	<b>(1,743)</b>	71,653
Series F	<b>21,346</b>	15,799
Series FT5	<b>642</b>	-
Series I	<b>186,203</b>	334,343
Series O	<b>1,513</b>	51,511
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>275,966</b>	174,356
Series AT5	<b>99,031</b>	82,529
Series F	<b>93,337</b>	23,269
Series FT5	<b>675</b>	-
Series I	<b>1,199,432</b>	466,874
Series O	<b>52,989</b>	64,719
<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>	0.63
Series AT5	<b>(0.02)</b>	0.87
Series F	<b>0.23</b>	0.68
Series FT5	<b>0.95</b>	-
Series I	<b>0.16</b>	0.72
Series O	<b>0.03</b>	0.80

*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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 3,089,253	1,385,473	1,298,663	1,172,403	859,127	119,986	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ (16,104)	109,038	(1,743)	71,653	21,346	15,799	642	-
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 966,159	1,167,414	216,557	39,978	611,052	249,775	10,000	-
Redemption of redeemable shares	\$ (821,319)	(376,142)	(56,901)	(45,908)	(53,408)	(28,887)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 15,419	7,840	35,783	33,597	5,377	1,033	260	-
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 160,259	799,112	195,439	27,667	563,021	221,921	10,260	-
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (15,125)	(7,315)	(6,327)	(4,422)	(5,122)	(971)	(48)	-
From net investment income	\$ -	(482)	(36,028)	(30,201)	-	(53)	(211)	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (15,125)	(7,797)	(42,355)	(34,623)	(5,122)	(1,024)	(259)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 129,030	900,353	151,341	64,697	579,245	236,696	10,643	-
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 3,218,283</b>	<b>2,285,826</b>	<b>1,450,004</b>	<b>1,237,100</b>	<b>1,438,372</b>	<b>356,682</b>	<b>10,643</b>	<b>-</b>
Redeemable Share Transactions								
Balance - beginning of period	256,798	121,354	89,625	81,238	68,200	10,155	-	-
Shares issued	82,055	98,510	15,516	2,670	50,124	20,445	667	-
Shares issued on reinvestment of distributions	1,296	655	2,538	2,263	420	83	17	-
Shares redeemed	(70,436)	(31,035)	(4,112)	(3,064)	(4,262)	(2,281)	-	-
Balance - end of period	<b>269,713</b>	<b>189,484</b>	<b>103,567</b>	<b>83,107</b>	<b>114,482</b>	<b>28,402</b>	<b>684</b>	<b>-</b>

  

	Series I		Series O		Total	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 11,669,396	3,159,828	671,956	771,757	<b>17,588,395</b>	<b>6,609,447</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 186,203	334,343	1,513	51,511	<b>191,857</b>	<b>582,344</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 4,228,697	3,917,118	-	122,631	6,032,465	5,496,916
Redemption of redeemable shares	\$ (1,371,735)	(1,072,668)	(102,917)	(267,293)	(2,406,280)	(1,790,898)
Reinvestment of distributions to holders of redeemable shares	\$ 60,007	17,900	2,926	2,967	119,772	63,337
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 2,916,969	2,862,350	(99,991)	(141,695)	<b>3,745,957</b>	<b>3,769,355</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (60,008)	(17,890)	(2,926)	(2,967)	(89,556)	(33,565)
From net investment income	\$ -	-	-	-	(36,239)	(30,736)
Return of capital	\$ -	-	-	-	-	-
	\$ (60,008)	(17,890)	(2,926)	(2,967)	<b>(125,795)</b>	<b>(64,301)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 3,043,164	3,178,803	(101,404)	(93,151)	<b>3,812,019</b>	<b>4,287,398</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 14,712,560</b>	<b>6,338,631</b>	<b>570,552</b>	<b>678,606</b>	<b>21,400,414</b>	<b>10,896,845</b>
Redeemable Share Transactions						
Balance - beginning of period	1,038,663	302,741	56,535	69,778	<b>1,509,821</b>	<b>585,266</b>
Shares issued	385,230	362,035	-	10,410	533,592	494,070
Shares issued on reinvestment of distributions	5,510	1,656	254	259	10,035	4,916
Shares redeemed	(123,101)	(97,777)	(8,864)	(22,948)	(210,775)	(157,105)
Balance - end of period	<b>1,306,302</b>	<b>568,655</b>	<b>47,925</b>	<b>57,499</b>	<b>1,842,673</b>	<b>927,147</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)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	191,857	582,344
Adjustments for:		
Net realized (gain) loss on sale of investments	64,240	(95,259)
Change in unrealized (appreciation) depreciation in value of investments	215,605	(331,850)
Non-cash income distributions from underlying funds	(527,287)	(191,288)
Purchases of investments	(5,360,817)	(4,957,106)
Proceeds from sale of investments	1,640,089	1,682,927
Change in accrued interest	(11)	-
Change in distributions receivable from underlying funds	(110,573)	(34,399)
Change in management fees payable	6,868	2,999
Change in other payables and accrued expenses	741	276
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(3,879,288)</b>	<b>(3,341,356)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(7,976)	(976)
Proceeds from redeemable shares issued	6,261,554	5,308,102
Redemption of redeemable shares	(2,395,745)	(1,789,382)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>3,857,833</b>	<b>3,517,744</b>
Net increase (decrease) in cash	(21,455)	176,388
Cash (bank indebtedness) at beginning of period	(16,964)	56,248
<b>Cash (bank indebtedness) at end of period</b>	<b>(38,419)</b>	<b>232,636</b>
Interest received	297	70
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Dynamic Equity Income Fund, Series I	1,898,998	22,204,698	21,446,907	
	<b>22,204,698</b>		<b>21,446,907</b>	<b>100.22</b>
<b>Total Investments</b>	<b>22,204,698</b>		<b>21,446,907</b>	<b>100.22</b>
<b>Other Assets less Liabilities</b>			<b>(46,493)</b>	<b>(0.22)</b>
<b>Total Net Assets</b>			<b>21,400,414</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 9 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 internally managed funds, including cash and cash equivalents. The Fund is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

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

# Sun Life Dynamic Equity Income 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, 2018 and December 31, 2017, 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, 2018	December 31, 2017
Financials	19.8	17.3
Health Care	10.5	6.9
Industrials	8.9	10.4
Information Technology	8.4	7.5
Energy Infrastructure	7.1	6.5
Consumer Staples	6.9	6.1
Other Assets less Liabilities	6.6	8.8
Utilities	6.5	7.2
Consumer Discretionary	6.3	8.2
Energy	5.1	3.0
Telecommunication Services	5.0	7.2
Real Estate	4.4	7.6
Materials	2.6	1.4
Private Equity - Real Estate	1.9	1.9
<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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	21,446,907	-	-	21,446,907

  

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	17,616,513	-	-	17,616,513

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

	June 30, 2018	
	Shares	Market Value (\$)
Series FT5	684	10,644
Series I	1,163	13,095

  

	December 31, 2017	
	Shares	Market Value (\$)
Series FT5	-	-
Series I	1,157	13,001

## 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, 2018 and December 31, 2017, the Fund had significant interests in the Underlying Fund as noted in the following tables:

	As at June 30, 2018	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Underlying Fund(s)		
Sun Life Dynamic Equity Income Fund	100	28

  

	As at December 31, 2017	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Underlying Fund(s)		
Sun Life Dynamic Equity Income Fund	100	25

*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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series I Shares	May 01, 2015	April 30, 2015
Series O Shares	April 01, 2014	March 31, 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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	25,998,586	27,780,975
Cash	77,464	-
Due from investment dealers	42,989	639
Accrued interest	-	-
Distributions receivable from underlying funds	161,786	-
Subscriptions receivable	20,409	32,526
	26,301,234	27,814,140
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	16,291
Accrued expenses	1,732	87
Redemptions payable	44,666	6,081
Distributions payable	-	-
Due to investment dealers	168,567	12,771
Management fees payable	13,077	4,070
Income tax payable	18,238	32,807
Total liabilities (excluding net assets attributable to holders of redeemable shares)	246,280	72,107
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>26,054,954</b>	<b>27,742,033</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	6,215,157	7,157,060
Series AT5	430,917	495,821
Series F	879,862	424,362
Series FT5	10,341	-
Series I	8,964,439	8,013,450
Series O	9,554,238	11,651,340
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	10.92	11.06
Series AT5	12.76	13.26
Series F	11.54	11.62
Series FT5	15.17	-
Series I	10.42	10.44
Series O	10.85	10.88

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	427	87
Distributions from underlying funds	797,647	555,897
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	(2,048)	20,019
Change in unrealized appreciation (depreciation) in value of investments	(815,254)	390,967
<b>Net gains (losses) on investments</b>	<b>(19,228)</b>	<b>966,970</b>
<b>Total income (loss)</b>	<b>(19,228)</b>	<b>966,970</b>
<b>Expenses (note 6)</b>		
Management fees	78,470	82,965
Administration fees	15,430	15,919
Independent review committee fees	173	179
Total operating expenses	94,073	99,063
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>(113,301)</b>	<b>867,907</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>(113,301)</b>	<b>867,907</b>
Income taxes	21,905	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>(135,206)</b>	<b>867,907</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	(91,811)	224,025
Series AT5	(6,438)	17,094
Series F	1,109	14,848
Series FT5	339	-
Series I	2,327	196,962
Series O	(40,732)	414,978
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	621,580	673,711
Series AT5	35,861	37,708
Series F	53,934	33,170
Series FT5	673	-
Series I	813,637	505,150
Series O	966,185	1,001,888
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	(0.15)	0.33
Series AT5	(0.18)	0.45
Series F	0.02	0.45
Series FT5	0.50	-
Series I	-	0.39
Series O	(0.04)	0.41

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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 7,157,060	7,288,188	495,821	382,820	424,362	393,594	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ (91,811)	224,025	(6,438)	17,094	1,109	14,848	339	-
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 845,456	1,451,001	23,554	153,045	538,151	63,110	10,000	-
Redemption of redeemable shares	\$ (1,704,546)	(1,612,779)	(73,739)	(45,320)	(83,961)	(90,682)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 18,010	1,295	4,060	4,156	881	77	225	-
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (841,080)	(160,483)	(46,125)	111,881	455,071	(27,495)	10,225	-
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (9,012)	-	(621)	-	(680)	-	(13)	-
From net investment income	\$ -	(1,230)	(11,720)	(12,884)	-	(79)	(210)	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (9,012)	(1,230)	(12,341)	(12,884)	(680)	(79)	(223)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (941,903)	62,312	(64,904)	116,091	455,500	(12,726)	10,341	-
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 6,215,157</b>	<b>7,350,500</b>	<b>430,917</b>	<b>498,911</b>	<b>879,862</b>	<b>380,868</b>	<b>10,341</b>	<b>-</b>
Redeemable Share Transactions								
Balance - beginning of period	646,825	685,817	37,387	28,603	36,519	35,668	-	-
Shares issued	77,852	131,982	1,815	11,386	47,037	5,491	666	-
Shares issued on reinvestment of distributions	1,558	92	310	304	59	5	15	-
Shares redeemed	(157,132)	(147,124)	(5,732)	(3,245)	(7,339)	(7,880)	-	-
Balance - end of period	<b>569,103</b>	<b>670,767</b>	<b>33,780</b>	<b>37,048</b>	<b>76,276</b>	<b>33,284</b>	<b>681</b>	<b>-</b>

  

	Series I		Series O		Total	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 8,013,450	4,879,421	11,651,340	10,463,701	<b>27,742,033</b>	<b>23,407,724</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 2,327	196,962	(40,732)	414,978	<b>(135,206)</b>	<b>867,907</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 1,423,217	1,185,016	382,183	1,434,212	3,222,561	4,286,384
Redemption of redeemable shares	\$ (474,554)	(453,294)	(2,438,510)	(707,460)	(4,775,310)	(2,909,535)
Reinvestment of distributions to holders of redeemable shares	\$ 10,627	661	13,425	-	47,228	6,189
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 959,290	732,383	(2,042,902)	726,752	<b>(1,505,521)</b>	<b>1,383,038</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (10,628)	-	(13,468)	-	(34,422)	-
From net investment income	\$ -	-	-	-	(11,930)	(14,193)
Return of capital	\$ -	-	-	-	-	-
	\$ (10,628)	-	(13,468)	-	<b>(46,352)</b>	<b>(14,193)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 950,989	929,345	(2,097,102)	1,141,730	<b>(1,687,079)</b>	<b>2,236,752</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 8,964,439</b>	<b>5,808,766</b>	<b>9,554,238</b>	<b>11,605,431</b>	<b>26,054,954</b>	<b>25,644,476</b>
Redeemable Share Transactions						
Balance - beginning of period	767,720	497,852	1,070,625	1,022,273	<b>2,559,076</b>	<b>2,270,213</b>
Shares issued	137,372	115,579	35,347	133,229	300,089	397,667
Shares issued on reinvestment of distributions	1,030	68	1,249	-	4,221	469
Shares redeemed	(45,764)	(45,172)	(226,956)	(67,359)	(442,923)	(270,780)
Balance - end of period	<b>860,358</b>	<b>568,327</b>	<b>880,265</b>	<b>1,088,143</b>	<b>2,420,463</b>	<b>2,397,569</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)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	(135,206)	867,907
Adjustments for:		
Net realized (gain) loss on sale of investments	2,048	(20,019)
Change in unrealized (appreciation) depreciation in value of investments	815,254	(390,967)
Non-cash income distributions from underlying funds	(797,647)	(555,897)
Purchases of investments	(1,695,700)	(3,081,922)
Proceeds from sale of investments	3,571,880	1,933,764
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	(161,786)	(98,135)
Change in management fees payable	9,007	769
Change in other payables and accrued expenses	1,645	191
Change in income tax payable	(14,569)	(11,293)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>1,594,926</b>	<b>(1,355,602)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	876	(8,700)
Proceeds from redeemable shares issued	3,234,678	4,188,408
Redemption of redeemable shares	(4,736,725)	(2,897,426)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(1,501,171)</b>	<b>1,282,282</b>
Net increase (decrease) in cash	93,755	(73,320)
Cash (bank indebtedness) at beginning of period	(16,291)	93,306
<b>Cash (bank indebtedness) at end of period</b>	<b>77,464</b>	<b>19,986</b>
Interest received	427	87
Income taxes paid	(36,474)	(11,293)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Dynamic Strategic Yield Fund, Series I	2,390,125	26,192,287	25,998,586	
		<b>26,192,287</b>	<b>25,998,586</b>	<b>99.78</b>
<b>Total Investments</b>		<b>26,192,287</b>	<b>25,998,586</b>	<b>99.78</b>
<b>Other Assets less Liabilities</b>			<b>56,368</b>	<b>0.22</b>
<b>Total Net Assets</b>			<b>26,054,954</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 9 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. As at June 30, 2018 and December 31, 2017, 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 Underlying Fund is exposed indirectly to credit risk as a result of its investment in underlying externally managed funds.

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

# Sun Life Dynamic Strategic Yield Class (continued)

The Underlying Fund also 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, 2018 and December 31, 2017 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2018	December 31, 2017
AAA/Aaa	13.42	0.13
AA/Aa	3.03	5.90
A/A	2.84	6.09
BBB/Bbb	4.27	5.54
BB/Ba	0.11	0.22
Not Rated	0.59	0.40
<b>Total</b>	<b>24.26</b>	<b>18.28</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 exposed 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. However, the Underlying Fund also holds foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and minimize the currency risk exposure to the Fund.

The following table summarizes the Fund's proportionate exposure to currency risk as at June 30, 2018 and December 31, 2017. Amounts shown are based on the fair value of monetary and non-monetary assets.

	June 30, 2018		December 31, 2017	
	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
United States Dollar	6,375,531	24.47	7,241,007	26.10
British Pound	68,404	0.26	430,051	1.55
Euro	947	-	68,087	0.25
Swedish Krona	(1)	-	-	-
Hong Kong Dollar	(18)	-	154,668	0.56
Japanese Yen	-	-	920	-
<b>Total</b>	<b>6,444,863</b>	<b>24.73</b>	<b>7,894,733</b>	<b>28.46</b>

As at June 30, 2018, 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 \$322,243 (\$394,737 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (ii) Interest rate risk

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

The following table summarizes 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, 2018	3,092,146	562,966	2,101,798	5,756,910
December 31, 2017	-	2,288,653	1,961,180	4,249,833

As at June 30, 2018, 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 \$212,116 (\$240,501 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (iii) Other market risk

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

As at June 30, 2018, 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 \$677,459 (\$849,282 as at December 31, 2017). 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 Dynamic Strategic Yield Class (continued)

## (c) Liquidity risk

As at June 30, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Short-Term Investments</b>		
Treasury Bills	6.5	-
Bankers' Acceptances	5.4	-
<b>Bonds</b>		
Federal Bonds	1.2	-
Corporate Bonds	8.9	15.3
Mortgage-Backed	0.1	-
<b>Equities</b>		
Energy	5.9	6.6
Materials	2.1	4.0
Industrials	4.5	4.9
Consumer Discretionary	4.8	3.2
Consumer Staples	2.5	4.5
Health Care	4.6	3.9
Financials	13.1	14.8
Real Estate	4.0	2.1
Information Technology	4.6	8.5
Telecommunication Services	3.7	4.1
Utilities	3.0	4.5
<b>Mutual Funds</b>		
Canadian Fixed Income	10.6	5.0
Income and Real Property	1.2	1.0
High Yield Fixed Income	5.3	4.9
<b>Other Assets less Liabilities</b>	8.0	12.7
<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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	25,998,586	-	-	25,998,586
	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	27,780,975	-	-	27,780,975

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

	June 30, 2018	
	Shares	Market Value (\$)
Series F	954	11,006
Series FT5	681	10,341
Series I	1,120	11,670
	December 31, 2017	
	Shares	Market Value (\$)
Series F	952	11,060
Series FT5	-	-
Series I	1,119	11,675

## 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, 2018 and December 31, 2017, 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series I Shares	May 01, 2015	April 30, 2015
Series O Shares	April 01, 2014	March 31, 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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	9,105,785	7,734,778
Cash	-	-
Due from investment dealers	250	-
Accrued interest	249	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	23,819	863
	9,130,103	7,735,641
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	28,017	15,396
Accrued expenses	685	184
Redemptions payable	250	-
Distributions payable	-	-
Due to investment dealers	23,844	888
Management fees payable	2,222	696
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	55,018	17,164
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>9,075,085</b>	<b>7,718,477</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	962,312	1,052,327
Series AT5	13,749	13,723
Series F	327,868	372,089
Series FT5	10,752	-
Series I	7,394,686	5,929,386
Series O	365,718	350,952
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	10.46	10.81
Series AT5	13.26	14.08
Series F	10.86	11.17
Series FT5	15.44	-
Series I	11.32	11.57
Series O	11.26	11.51

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	208	1,477
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	4,580	231,947
Change in unrealized appreciation (depreciation) in value of investments	38,005	(100,667)
<b>Net gains (losses) on investments</b>	<b>42,793</b>	<b>132,757</b>
<b>Total income (loss)</b>	<b>42,793</b>	<b>132,757</b>
<b>Expenses (note 6)</b>		
Management fees	12,682	13,044
Administration fees	3,740	3,189
Independent review committee fees	16	17
Total operating expenses	16,438	16,250
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>26,355</b>	<b>116,507</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>26,355</b>	<b>116,507</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>26,355</b>	<b>116,507</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	(15,753)	9,125
Series AT5	(136)	108
Series F	(1,982)	19,295
Series FT5	750	-
Series I	45,300	85,586
Series O	(1,824)	2,393
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	92,544	67,580
Series AT5	1,007	803
Series F	30,310	90,268
Series FT5	686	-
Series I	607,607	388,228
Series O	33,708	11,053
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	(0.17)	0.14
Series AT5	(0.14)	0.13
Series F	(0.07)	0.21
Series FT5	1.09	-
Series I	0.07	0.22
Series O	(0.05)	0.22

*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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 1,052,327	735,512	13,723	10,889	372,089	74,486	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ (15,753)	9,125	(136)	108	(1,982)	19,295	750	-
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 196,689	707,167	153	2,056	75,164	2,422,774	10,000	-
Redemption of redeemable shares	\$ (271,091)	(528,954)	-	-	(111,621)	(2,095,583)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 20,823	387	660	305	1,418	127	448	-
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (53,579)	178,600	813	2,361	(35,039)	327,318	10,448	-
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (20,683)	(123)	(296)	(3)	(7,200)	(540)	(232)	-
From net investment income	\$ -	(295)	(355)	(305)	-	(99)	(214)	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (20,683)	(418)	(651)	(308)	(7,200)	(639)	(446)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (90,015)	187,307	26	2,161	(44,221)	345,974	10,752	-
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 962,312</b>	<b>922,819</b>	<b>13,749</b>	<b>13,050</b>	<b>327,868</b>	<b>420,460</b>	<b>10,752</b>	<b>-</b>
Redeemable Share Transactions								
Balance - beginning of period	97,341	70,215	975	759	33,321	6,970	-	-
Shares issued	19,314	66,261	12	143	6,810	226,637	667	-
Shares issued on reinvestment of distributions	2,065	31	50	21	135	10	29	-
Shares redeemed	(26,695)	(49,321)	-	-	(10,080)	(194,922)	-	-
Balance - end of period	<b>92,025</b>	<b>87,186</b>	<b>1,037</b>	<b>923</b>	<b>30,186</b>	<b>38,695</b>	<b>696</b>	<b>-</b>

  

	Series I		Series O		Total	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 5,929,386	3,290,808	350,952	90,677	<b>7,718,477</b>	<b>4,202,372</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 45,300	85,586	(1,824)	2,393	<b>26,355</b>	<b>116,507</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 1,699,344	1,788,011	67,859	141,376	2,049,209	5,061,384
Redemption of redeemable shares	\$ (279,344)	(332,491)	(51,269)	(1,141)	(713,325)	(2,958,169)
Reinvestment of distributions to holders of redeemable shares	\$ 148,450	1,121	8,698	24	180,497	1,964
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,568,450	1,456,641	25,288	140,259	<b>1,516,381</b>	<b>2,105,179</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (148,450)	(896)	(8,698)	(24)	(185,559)	(1,586)
From net investment income	\$ -	-	-	-	(569)	(699)
Return of capital	\$ -	-	-	-	-	-
	\$ (148,450)	(896)	(8,698)	(24)	<b>(186,128)</b>	<b>(2,285)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,465,300	1,541,331	14,766	142,628	<b>1,356,608</b>	<b>2,219,401</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 7,394,686</b>	<b>4,832,139</b>	<b>365,718</b>	<b>233,305</b>	<b>9,075,085</b>	<b>6,421,773</b>
Redeemable Share Transactions						
Balance - beginning of period	512,669	300,962	30,493	8,319	<b>674,799</b>	<b>387,225</b>
Shares issued	151,919	160,600	5,957	12,723	184,679	466,364
Shares issued on reinvestment of distributions	13,800	102	813	2	16,892	166
Shares redeemed	(25,350)	(29,680)	(4,779)	(103)	(66,904)	(274,026)
Balance - end of period	<b>653,038</b>	<b>431,984</b>	<b>32,484</b>	<b>20,941</b>	<b>809,466</b>	<b>579,729</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)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	26,355	116,507
Adjustments for:		
Net realized (gain) loss on sale of investments	(4,580)	(231,947)
Change in unrealized (appreciation) depreciation in value of investments	(38,005)	100,667
Non-cash income distributions from underlying funds	-	-
Purchases of investments	(1,857,698)	(6,893,760)
Proceeds from sale of investments	551,982	4,688,681
Change in accrued interest	(249)	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	1,526	818
Change in other payables and accrued expenses	501	241
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(1,320,168)</b>	<b>(2,218,793)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(5,631)	(546)
Proceeds from redeemable shares issued	2,026,253	5,074,587
Redemption of redeemable shares	(713,075)	(2,855,669)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>1,307,547</b>	<b>2,218,372</b>
Net increase (decrease) in cash	(12,621)	(421)
Cash (bank indebtedness) at beginning of period	(15,396)	101
<b>Cash (bank indebtedness) at end of period</b>	<b>(28,017)</b>	<b>(320)</b>
Interest received	-	1,477
Income taxes paid	-	-
Interest paid	(41)	-

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Franklin Bissett Canadian Equity Fund, Series O	58,359	8,678,969	9,105,785	
		<b>8,678,969</b>	<b>9,105,785</b>	<b>100.34</b>
<b>Total Investments</b>		<b>8,678,969</b>	<b>9,105,785</b>	<b>100.34</b>
<b>Other Assets less Liabilities</b>			<b>(30,700)</b>	<b>(0.34)</b>
<b>Total Net Assets</b>			<b>9,075,085</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 9 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 internally managed funds, including cash and cash equivalents. The Fund is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

*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, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Equities</b>		
Financials	36.3	36.8
Energy	16.3	15.9
Industrials	13.8	13.3
Consumer Discretionary	8.5	9.0
Consumer Staples	7.5	7.3
Materials	5.1	5.1
Information Technology	4.2	2.4
Utilities	3.2	2.9
Telecommunication Services	3.1	3.2
Real Estate	0.5	0.5
<b>Other Assets less Liabilities</b>	1.5	3.6
<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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	9,105,785	-	-	9,105,785

  

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	7,734,778	-	-	7,734,778

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

	June 30, 2018	
	Shares	Market Value (\$)
Series AT5	856	11,355
Series FT5	696	10,752
Series I	28,042	317,528

  

	December 31, 2017	
	Shares	Market Value (\$)
Series AT5	814	11,460
Series FT5	-	-
Series I	27,406	316,975

## 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, 2018 and December 31, 2017, 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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	<b>159,573,627</b>	132,334,569
Cash	<b>510,556</b>	324,373
Due from investment dealers	<b>153,565</b>	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>29,975</b>	132,236
	<b>160,267,723</b>	132,791,178
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>24,752</b>	6,451
Redemptions payable	<b>7,385</b>	6,755
Distributions payable	<b>359</b>	52
Due to investment dealers	<b>19,412</b>	489,669
Management fees payable	<b>144,223</b>	35,177
Income tax payable	<b>189,809</b>	329,756
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>385,940</b>	867,860
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>159,881,783</b>	131,923,318
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>59,672,227</b>	53,415,505
Series AT5	<b>10,289,345</b>	9,372,394
Series F	<b>29,227,087</b>	20,611,919
Series FT5	<b>10,539</b>	-
Series O	<b>60,682,585</b>	48,523,500
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	<b>12.51</b>	12.55
Series AT5	<b>14.62</b>	15.06
Series F	<b>13.18</b>	13.16
Series FT5	<b>15.18</b>	-
Series O	<b>12.30</b>	12.23

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	<b>1,818</b>	8,707
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>261,262</b>	129,344
Change in unrealized appreciation (depreciation) in value of investments	<b>4,125,528</b>	4,251,272
<b>Net gains (losses) on investments</b>	<b>4,388,608</b>	4,389,323
<b>Total income (loss)</b>	<b>4,388,608</b>	4,389,323
<b>Expenses (note 6)</b>		
Management fees	<b>767,813</b>	484,013
Administration fees	<b>127,204</b>	90,050
Independent review committee fees	<b>1,355</b>	897
Total operating expenses	<b>896,372</b>	574,960
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>3,492,236</b>	3,814,363
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>3,492,236</b>	3,814,363
Income taxes	<b>239,639</b>	218,234
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>3,252,597</b>	3,596,129
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>1,176,217</b>	1,233,858
Series AT5	<b>(100,686)</b>	216,250
Series F	<b>610,456</b>	383,261
Series FT5	<b>537</b>	-
Series O	<b>1,566,073</b>	1,762,760
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>4,585,896</b>	3,113,624
Series AT5	<b>662,808</b>	457,013
Series F	<b>1,875,200</b>	883,381
Series FT5	<b>684</b>	-
Series O	<b>4,420,935</b>	3,415,850
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>0.26</b>	0.40
Series AT5	<b>(0.15)</b>	0.47
Series F	<b>0.33</b>	0.43
Series FT5	<b>0.79</b>	-
Series O	<b>0.35</b>	0.52

*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	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 53,415,505	33,608,336	9,372,394	5,796,190	20,611,919	9,104,050
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 1,176,217	1,233,858	(100,686)	216,250	610,456	383,261
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 14,200,232	15,211,325	1,742,641	2,207,056	11,130,570	5,090,295
Redemption of redeemable shares	\$ (8,875,108)	(6,396,593)	(644,459)	(188,823)	(3,106,877)	(347,075)
Reinvestment of distributions to holders of redeemable shares	\$ 1,077,821	339,891	104,216	91,964	424,835	91,413
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 6,402,945	9,154,623	1,202,398	2,110,197	8,448,528	4,834,633
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (1,070,707)	(332,094)	(184,761)	(59,298)	(443,816)	(91,979)
From net investment income	\$ (251,733)	(5,965)	-	(177,642)	-	(3,814)
Return of capital	\$ -	-	-	-	-	-
	\$ (1,322,440)	(338,059)	(184,761)	(236,940)	(443,816)	(95,793)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 6,256,722	10,050,422	916,951	2,089,507	8,615,168	5,122,101
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 59,672,227	43,658,758	10,289,345	7,885,697	29,227,087	14,226,151
Redeemable Share Transactions						
Balance - beginning of period	4,255,379	2,829,126	622,260	386,600	1,566,684	739,336
Shares issued	1,143,970	1,246,344	118,216	144,963	854,358	399,383
Shares issued on reinvestment of distributions	86,960	28,210	7,049	6,087	32,388	7,258
Shares redeemed	(714,548)	(525,216)	(43,767)	(12,458)	(236,039)	(27,198)
Balance - end of period	4,771,761	3,578,464	703,758	525,192	2,217,391	1,118,779

  

	Series FT5		Series O		Total	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	-	48,523,500	35,325,691	131,923,318	83,834,267
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 537	-	1,566,073	1,762,760	3,252,597	3,596,129
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 10,000	-	15,172,486	10,461,181	42,255,929	32,969,857
Redemption of redeemable shares	\$ -	-	(4,574,317)	(5,663,897)	(17,200,761)	(12,596,388)
Reinvestment of distributions to holders of redeemable shares	\$ 415	-	986,156	356,652	2,593,443	879,920
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 10,415	-	11,584,325	5,153,936	27,648,611	21,253,389
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (200)	-	(991,313)	(356,652)	(2,690,797)	(840,023)
From net investment income	\$ (213)	-	-	-	(251,946)	(187,421)
Return of capital	\$ -	-	-	-	-	-
	\$ (413)	-	(991,313)	(356,652)	(2,942,743)	(1,027,444)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 10,539	-	12,159,085	6,560,044	27,958,465	23,822,074
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 10,539	-	60,682,585	41,885,735	159,881,783	107,656,341
Redeemable Share Transactions						
Balance - beginning of period	-	-	3,968,359	3,113,473	10,412,682	7,068,535
Shares issued	667	-	1,257,723	899,567	3,374,934	2,690,257
Shares issued on reinvestment of distributions	27	-	82,117	31,040	208,541	72,595
Shares redeemed	-	-	(376,253)	(484,680)	(1,370,607)	(1,049,552)
Balance - end of period	694	-	4,931,946	3,559,400	12,625,550	8,781,835

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)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>3,252,597</b>	3,596,129
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(261,262)</b>	(129,344)
Change in unrealized (appreciation) depreciation in value of investments	<b>(4,125,528)</b>	(4,251,272)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(32,148,968)</b>	(22,142,307)
Proceeds from sale of investments	<b>8,672,878</b>	4,614,820
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>109,046</b>	29,145
Change in other payables and accrued expenses	<b>18,301</b>	4,973
Change in income tax payable	<b>(139,947)</b>	(72,403)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(24,622,883)</b>	(18,350,259)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(348,993)</b>	(149,394)
Proceeds from redeemable shares issued	<b>42,358,190</b>	32,175,576
Redemption of redeemable shares	<b>(17,200,131)</b>	(12,600,602)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>24,809,066</b>	19,425,580
Net increase (decrease) in cash	<b>186,183</b>	1,075,321
Cash (bank indebtedness) at beginning of period	<b>324,373</b>	145,280
<b>Cash (bank indebtedness) at end of period</b>	<b>510,556</b>	1,220,601
Interest received	<b>1,818</b>	8,707
Income taxes paid	<b>(379,586)</b>	(290,637)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Balanced Portfolio, Series I	11,423,084	152,461,458	159,573,627	
		<b>152,461,458</b>	<b>159,573,627</b>	<b>99.81</b>
<b>Total Investments</b>		<b>152,461,458</b>	<b>159,573,627</b>	<b>99.81</b>
<b>Other Assets less Liabilities</b>			<b>308,156</b>	<b>0.19</b>
<b>Total Net Assets</b>			<b>159,881,783</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 9 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 internally managed funds, including cash and cash equivalents. The Fund is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

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

# Sun Life Granite Balanced 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, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Exchange-Traded Funds</b>		
U.S. Equities	7.2	10.0
<b>Mutual Funds</b>		
Canadian Fixed Income	19.3	19.0
International Equities	12.9	13.8
Canadian Equities	11.8	12.6
Tactical Balanced	9.7	10.8
U.S. Equities	10.4	6.6
High Yield Fixed Income	4.3	5.1
U.S. Fixed Income	5.2	4.3
Canadian Focused Equities	3.9	4.1
Emerging Markets Equities	4.6	3.1
Global Fixed Income	2.6	2.5
U.S. Small/Mid Cap Equities	-	1.9
Global Small/Mid Cap Equities	3.5	1.9
Real Estate Equities	1.2	1.7
Canadian Small/Mid Cap Equities	1.1	1.3
Global Equities	2.1	1.1
<b>Other Assets less Liabilities</b>	0.2	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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	159,573,627	-	-	159,573,627
	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	132,334,569	-	-	132,334,569

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

	June 30, 2018	
	Shares	Market Value (\$)
Series FT5	694	10,539
	December 31, 2017	
	Shares	Market Value (\$)
Series FT5	-	-

## Interest in Underlying Portfolios

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, 2018 and December 31, 2017, 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	March 31, 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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	<b>71,629,288</b>	64,316,245
Cash	<b>669,128</b>	-
Due from investment dealers	-	18,066
Accrued interest	<b>8,684</b>	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>47,717</b>	23,174
	<b>72,354,817</b>	64,357,485
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	31,436
Accrued expenses	-	3,157
Redemptions payable	<b>2,517</b>	-
Distributions payable	-	1,110
Due to investment dealers	<b>286,665</b>	7,453
Management fees payable	<b>67,449</b>	16,277
Income tax payable	<b>71,026</b>	142,624
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>427,657</b>	202,057
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>71,927,160</b>	64,155,428
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>28,683,915</b>	24,410,316
Series AT5	<b>1,169,470</b>	1,366,352
Series AT8	<b>3,378,112</b>	3,069,015
Series F	<b>10,502,991</b>	7,582,108
Series FT5	<b>383,923</b>	-
Series FT8	<b>10,629</b>	-
Series O	<b>27,798,120</b>	27,727,637
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	<b>12.84</b>	12.84
Series AT5	<b>15.05</b>	15.45
Series AT8	<b>12.91</b>	13.46
Series F	<b>13.52</b>	13.46
Series FT5	<b>15.29</b>	-
Series FT8	<b>15.10</b>	-
Series O	<b>12.53</b>	12.41

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	<b>667</b>	556
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>277,124</b>	332,889
Change in unrealized appreciation (depreciation) in value of investments	<b>2,008,537</b>	2,247,453
<b>Net gains (losses) on investments</b>	<b>2,286,328</b>	2,580,898
<b>Total income (loss)</b>	<b>2,286,328</b>	2,580,898
<b>Expenses (note 6)</b>		
Management fees	<b>360,582</b>	251,642
Administration fees	<b>60,019</b>	49,814
Independent review committee fees	<b>640</b>	496
Total operating expenses	<b>421,241</b>	301,952
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>1,865,087</b>	2,278,946
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>1,865,087</b>	2,278,946
Income taxes	<b>70,441</b>	125,242
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>1,794,646</b>	2,153,704
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>600,263</b>	623,680
Series AT5	<b>20,219</b>	29,964
Series AT8	<b>72,929</b>	124,527
Series F	<b>238,036</b>	162,794
Series FT5	<b>10,381</b>	-
Series FT8	<b>628</b>	-
Series O	<b>852,190</b>	1,212,739
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>2,127,363</b>	1,562,922
Series AT5	<b>82,722</b>	57,204
Series AT8	<b>251,029</b>	223,896
Series F	<b>666,895</b>	340,185
Series FT5	<b>11,742</b>	-
Series FT8	<b>689</b>	-
Series O	<b>2,256,840</b>	2,142,398
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>0.28</b>	0.40
Series AT5	<b>0.24</b>	0.52
Series AT8	<b>0.29</b>	0.56
Series F	<b>0.36</b>	0.48
Series FT5	<b>0.88</b>	-
Series FT8	<b>0.91</b>	-
Series O	<b>0.38</b>	0.57

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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 24,410,316	16,699,926	1,366,352	718,531	3,069,015	2,686,198	7,582,108	3,314,677
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 600,263	623,680	20,219	29,964	72,929	124,527	238,036	162,794
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 7,594,016	7,064,656	90,934	296,992	413,285	707,675	3,832,735	2,857,118
Redemption of redeemable shares	\$ (3,925,942)	(2,751,382)	(276,748)	(8,922)	(34,970)	(488,707)	(1,171,605)	(117,329)
Reinvestment of distributions to holders of redeemable shares	\$ 575,104	204,615	28,575	19,870	67,784	64,237	187,189	38,489
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 4,243,178	4,517,889	(157,239)	307,940	446,099	283,205	2,848,319	2,778,278
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (569,842)	(200,964)	(28,828)	(8,168)	(72,849)	(32,506)	(165,472)	(44,551)
From net investment income	\$ -	(3,737)	(31,034)	(22,957)	(137,082)	(123,743)	-	(866)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (569,842)	(204,701)	(59,862)	(31,125)	(209,931)	(156,249)	(165,472)	(45,417)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 4,273,599	4,936,868	(196,882)	306,779	309,097	251,483	2,920,883	2,895,655
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 28,683,915</b>	<b>21,636,794</b>	<b>1,169,470</b>	<b>1,025,310</b>	<b>3,378,112</b>	<b>2,937,681</b>	<b>10,502,991</b>	<b>6,210,332</b>
Redeemable Share Transactions								
Balance - beginning of period	1,900,759	1,384,811	88,418	47,098	228,036	195,952	563,449	265,085
Shares issued	599,212	566,129	6,049	19,192	31,218	51,555	287,063	221,492
Shares issued on reinvestment of distributions	45,279	16,725	1,900	1,290	5,136	4,657	13,964	3,024
Shares redeemed	(310,733)	(222,810)	(18,679)	(573)	(2,633)	(35,220)	(87,880)	(9,142)
Balance - end of period	<b>2,234,517</b>	<b>1,744,855</b>	<b>77,688</b>	<b>67,007</b>	<b>261,757</b>	<b>216,944</b>	<b>776,596</b>	<b>480,459</b>

  

	Series FT5		Series FT8		Series O		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	-	-	-	27,727,637	24,255,144	<b>64,155,428</b>	<b>47,674,476</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 10,381	-	628	-	852,190	1,212,739	<b>1,794,646</b>	<b>2,153,704</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 373,548	-	10,000	-	6,255,544	3,842,668	18,570,062	14,769,109
Redemption of redeemable shares	\$ (12)	-	-	-	(7,037,251)	(3,633,006)	(12,446,528)	(6,999,346)
Reinvestment of distributions to holders of redeemable shares	\$ 5,090	-	564	-	598,437	279,359	1,462,743	606,570
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 378,626	-	10,564	-	(183,270)	489,021	<b>7,586,277</b>	<b>8,376,333</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (219)	-	(219)	-	(598,437)	(279,357)	(1,435,866)	(565,546)
From net investment income	\$ (4,865)	-	(344)	-	-	-	(173,325)	(151,303)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (5,084)	-	(563)	-	(598,437)	(279,357)	<b>(1,609,191)</b>	<b>(716,849)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 383,923	-	10,629	-	70,483	1,422,403	<b>7,771,732</b>	<b>9,813,188</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 383,923</b>	<b>-</b>	<b>10,629</b>	<b>-</b>	<b>27,798,120</b>	<b>25,677,547</b>	<b>71,927,160</b>	<b>57,487,664</b>
Redeemable Share Transactions								
Balance - beginning of period	-	-	-	-	2,234,508	2,123,592	<b>5,015,170</b>	<b>4,016,538</b>
Shares issued	24,780	-	667	-	504,962	326,030	1,453,951	1,184,398
Shares issued on reinvestment of distributions	336	-	37	-	49,171	24,156	115,823	49,852
Shares redeemed	(1)	-	-	-	(570,085)	(309,256)	(990,011)	(577,001)
Balance - end of period	<b>25,115</b>	<b>-</b>	<b>704</b>	<b>-</b>	<b>2,218,556</b>	<b>2,164,522</b>	<b>5,594,933</b>	<b>4,673,787</b>

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

# Sun Life Granite Balanced Growth Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>1,794,646</b>	2,153,704
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(277,124)</b>	(332,889)
Change in unrealized (appreciation) depreciation in value of investments	<b>(2,008,537)</b>	(2,247,453)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(12,469,647)</b>	(20,100,835)
Proceeds from sale of investments	<b>7,739,543</b>	13,588,803
Change in accrued interest	<b>(8,684)</b>	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>51,172</b>	15,554
Change in other payables and accrued expenses	<b>(3,157)</b>	2,221
Change in income tax payable	<b>(71,598)</b>	(52,439)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(5,253,386)</b>	(6,973,334)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(147,558)</b>	(110,307)
Proceeds from redeemable shares issued	<b>18,545,519</b>	14,594,889
Redemption of redeemable shares	<b>(12,444,011)</b>	(6,977,790)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>5,953,950</b>	7,506,792
Net increase (decrease) in cash	<b>700,564</b>	533,458
Cash (bank indebtedness) at beginning of period	<b>(31,436)</b>	(92,585)
<b>Cash (bank indebtedness) at end of period</b>	<b>669,128</b>	440,873
Interest received	<b>667</b>	556
Income taxes paid	<b>(142,039)</b>	(177,681)
Interest paid	<b>(8,684)</b>	-

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Balanced Growth Portfolio, Series I	4,795,523	67,508,848	71,629,288	
		<b>67,508,848</b>	<b>71,629,288</b>	<b>99.59</b>
<b>Total Investments</b>		<b>67,508,848</b>	<b>71,629,288</b>	<b>99.59</b>
<b>Other Assets less Liabilities</b>			<b>297,872</b>	<b>0.41</b>
<b>Total Net Assets</b>			<b>71,927,160</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 9 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 internally managed funds, including cash and cash equivalents. The Fund is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

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



# Sun Life Granite Balanced Growth 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, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Exchange-Traded Funds</b>		
U.S. Equities	8.4	11.6
<b>Mutual Funds</b>		
Canadian Fixed Income	12.9	12.9
International Equities	15.4	16.4
Tactical Balanced	9.1	10.2
Canadian Equities	13.9	14.9
U.S. Equities	12.1	7.7
Global Equities	2.2	1.1
High Yield Fixed Income	3.3	4.2
Canadian Focused Equities	4.7	4.8
Global Fixed Income	2.1	2.0
Emerging Markets Equities	5.1	3.4
U.S. Small/Mid Cap Equities	-	2.3
U.S. Fixed Income	3.4	2.4
Real Estate Equities	1.3	2.2
Global Small/Mid Cap Equities	4.2	2.2
Canadian Small/Mid Cap Equities	1.3	1.5
<b>Other Assets less Liabilities</b>	0.6	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, 2018 and December 31, 2017.

June 30, 2018				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	71,629,288	-	-	71,629,288
December 31, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	64,316,245	-	-	64,316,245

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

	June 30, 2018	
	Shares	Market Value (\$)
Series FT5	695	10,629
Series FT8	704	10,629
	December 31, 2017	
	Shares	Market Value (\$)
Series FT5	-	-
Series FT8	-	-

## Interest in Underlying Portfolios

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, 2018 and December 31, 2017, there were no significant interests in the Underlying Portfolio.

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

# Sun Life Granite Balanced Growth 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series AT8 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 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	March 31, 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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	<b>188,137,930</b>	193,080,773
Cash	-	171,240
Due from investment dealers	<b>172,946</b>	-
Accrued interest	<b>1,279</b>	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>180,907</b>	599,172
	<b>188,493,062</b>	193,851,185
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	<b>40,580</b>	-
Accrued expenses	<b>29,677</b>	9,406
Redemptions payable	<b>574,750</b>	31,066
Distributions payable	<b>2,354</b>	2,239
Due to investment dealers	-	490,209
Management fees payable	<b>141,569</b>	37,721
Income tax payable	<b>470,865</b>	912,566
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>1,259,795</b>	1,483,207
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>187,233,267</b>	192,367,978
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>75,282,475</b>	74,129,411
Series AT5	<b>6,836,290</b>	7,017,836
Series F	<b>25,810,919</b>	20,406,251
Series FT5	<b>715,075</b>	-
Series O	<b>78,588,508</b>	90,814,480
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	<b>11.45</b>	11.59
Series AT5	<b>13.39</b>	13.90
Series F	<b>11.92</b>	12.01
Series FT5	<b>14.94</b>	-
Series O	<b>11.56</b>	11.60

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	<b>5,655</b>	1,191
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>(222,866)</b>	125,814
Change in unrealized appreciation (depreciation) in value of investments	<b>2,668,011</b>	4,974,030
<b>Net gains (losses) on investments</b>	<b>2,450,800</b>	5,101,035
<b>Total income (loss)</b>	<b>2,450,800</b>	5,101,035
<b>Expenses (note 6)</b>		
Management fees	<b>806,157</b>	570,659
Administration fees	<b>171,300</b>	133,806
Independent review committee fees	<b>1,831</b>	1,335
Total operating expenses	<b>979,288</b>	705,800
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>1,471,512</b>	4,395,235
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>1,471,512</b>	4,395,235
Income taxes	<b>499,950</b>	453,434
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>971,562</b>	3,941,801
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>95,376</b>	1,525,778
Series AT5	<b>(176)</b>	115,734
Series F	<b>140,771</b>	186,372
Series FT5	<b>9,805</b>	-
Series O	<b>725,786</b>	2,113,917
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>6,777,505</b>	5,411,682
Series AT5	<b>487,055</b>	321,520
Series F	<b>2,042,725</b>	683,292
Series FT5	<b>24,204</b>	-
Series O	<b>7,475,791</b>	6,079,303
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>0.01</b>	0.28
Series AT5	<b>-</b>	0.36
Series F	<b>0.07</b>	0.27
Series FT5	<b>0.41</b>	-
Series O	<b>0.10</b>	0.35

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	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 74,129,411	56,150,773	7,017,836	3,979,509	20,406,251	6,310,069
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 95,376	1,525,778	(176)	115,734	140,771	186,372
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 20,899,534	21,199,053	1,241,645	1,604,674	9,863,730	6,676,332
Redemption of redeemable shares	\$ (19,853,835)	(9,966,734)	(1,283,734)	(640,309)	(4,586,805)	(2,000,477)
Reinvestment of distributions to holders of redeemable shares	\$ 1,030,127	381,844	117,130	65,952	284,598	48,356
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 2,075,826	11,614,163	75,041	1,030,317	5,561,523	4,724,211
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (1,018,138)	(369,546)	(87,830)	(27,168)	(297,626)	(50,737)
From net investment income	\$ -	(14,554)	(168,581)	(116,755)	-	(1,629)
Return of capital	\$ -	-	-	-	-	-
	\$ (1,018,138)	(384,100)	(256,411)	(143,923)	(297,626)	(52,366)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,153,064	12,755,841	(181,546)	1,002,128	5,404,668	4,858,217
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 75,282,475	68,906,614	6,836,290	4,981,637	25,810,919	11,168,286
Redeemable Share Transactions						
Balance - beginning of period	6,398,727	5,007,094	504,946	281,267	1,699,309	547,307
Shares issued	1,825,555	1,849,666	92,423	112,748	826,973	564,182
Shares issued on reinvestment of distributions	88,680	33,218	8,544	4,646	23,711	4,120
Shares redeemed	(1,738,748)	(870,761)	(95,267)	(45,011)	(384,701)	(170,531)
Balance - end of period	6,574,214	6,019,217	510,646	353,650	2,165,292	945,078

  

	Series FT5		Series O		Total	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	-	90,814,480	59,616,757	192,367,978	126,057,108
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 9,805	-	725,786	2,113,917	971,562	3,941,801
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 751,980	-	9,584,329	27,405,115	42,341,218	56,885,174
Redemption of redeemable shares	\$ (40,000)	-	(22,531,263)	(6,606,027)	(48,295,637)	(19,213,547)
Reinvestment of distributions to holders of redeemable shares	\$ 2,061	-	1,127,192	407,266	2,561,108	903,418
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 714,041	-	(11,819,742)	21,206,354	(3,393,311)	38,575,045
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (1,408)	-	(1,132,016)	(407,123)	(2,537,018)	(854,574)
From net investment income	\$ (7,363)	-	-	-	(175,944)	(132,938)
Return of capital	\$ -	-	-	-	-	-
	\$ (8,771)	-	(1,132,016)	(407,123)	(2,712,962)	(987,512)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 715,075	-	(12,225,972)	22,913,148	(5,134,711)	41,529,334
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 715,075	-	78,588,508	82,529,905	187,233,267	167,586,442
Redeemable Share Transactions						
Balance - beginning of period	-	-	7,829,826	5,399,132	16,432,808	11,234,800
Shares issued	50,415	-	830,387	2,407,441	3,625,753	4,934,037
Shares issued on reinvestment of distributions	137	-	98,687	36,480	219,759	78,464
Shares redeemed	(2,687)	-	(1,961,646)	(581,682)	(4,183,049)	(1,667,985)
Balance - end of period	47,865	-	6,797,254	7,261,371	16,095,271	14,579,316

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)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	971,562	3,941,801
Adjustments for:		
Net realized (gain) loss on sale of investments	222,866	(125,814)
Change in unrealized (appreciation) depreciation in value of investments	(2,668,011)	(4,974,030)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	(24,309,321)	(43,297,894)
Proceeds from sale of investments	31,034,154	8,966,307
Change in accrued interest	(1,279)	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	103,848	30,409
Change in other payables and accrued expenses	20,271	8,244
Change in income tax payable	(441,701)	(201,566)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>4,932,389</b>	<b>(35,652,543)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(151,739)	(84,210)
Proceeds from redeemable shares issued	42,759,483	55,008,083
Redemption of redeemable shares	(47,751,953)	(19,152,529)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(5,144,209)</b>	<b>35,771,344</b>
Net increase (decrease) in cash	(211,820)	118,801
Cash (bank indebtedness) at beginning of period	171,240	337,302
<b>Cash (bank indebtedness) at end of period</b>	<b>(40,580)</b>	<b>456,103</b>
Interest received	4,376	1,191
Income taxes paid	(941,651)	(655,000)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Conservative Portfolio, Series I	15,640,363	186,736,432	188,137,930	
		<b>186,736,432</b>	<b>188,137,930</b>	<b>100.48</b>
<b>Total Investments</b>		<b>186,736,432</b>	<b>188,137,930</b>	<b>100.48</b>
<b>Other Assets less Liabilities</b>			<b>(904,663)</b>	<b>(0.48)</b>
<b>Total Net Assets</b>			<b>187,233,267</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 9 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 internally managed funds, including cash and cash equivalents. The Fund is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

*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, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Exchange-Traded Funds</b>		
U.S. Equities	2.7	4.8
<b>Mutual Funds</b>		
Canadian Fixed Income	41.6	41.1
Tactical Balanced	10.8	11.8
U.S. Fixed Income	9.1	7.6
High Yield Fixed Income	5.7	7.4
International Equities	6.4	6.9
Canadian Equities	5.1	5.7
Global Fixed Income	3.7	3.6
U.S. Equities	4.7	3.1
Canadian Focused Equities	1.9	1.9
Emerging Markets Equities	2.4	1.4
Real Estate Equities	1.0	1.1
Global Equities	1.4	0.9
U.S. Small/Mid Cap Equities	-	0.9
Global Small/Mid Cap Equities	1.6	0.8
Canadian Small/Mid Cap Equities	0.6	0.6
Canadian Money Market	1.5	-
<b>Other Assets less Liabilities</b>	(0.2)	0.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	188,137,930	-	-	188,137,930
	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	193,080,773	-	-	193,080,773

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

	June 30, 2018	
	Shares	Market Value (\$)
Series FT5	689	10,301
	December 31, 2017	
	Shares	Market Value (\$)
Series FT5	-	-

## Interest in Underlying Portfolios

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, 2018 and December 31, 2017, 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	March 31, 2014

# Sun Life Granite Growth Class

## Statements of Financial Position

As at June 30, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	46,951,999	40,546,730
Cash	445,481	539,680
Due from investment dealers	-	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	26,341	214,591
	<b>47,423,821</b>	<b>41,301,001</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	7,197	1,956
Redemptions payable	3,875	1,000
Distributions payable	1,537	426
Due to investment dealers	138,096	565,908
Management fees payable	41,132	10,424
Income tax payable	37,751	77,047
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>229,588</b>	<b>656,761</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>47,194,233</b>	<b>40,644,240</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	19,129,831	17,195,639
Series AT5	141,562	143,436
Series AT8	746,450	504,230
Series F	6,645,669	5,606,379
Series FT5	10,704	-
Series FT8	10,704	-
Series O	20,509,313	17,194,556
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	13.16	13.07
Series AT5	15.46	15.76
Series AT8	13.20	13.67
Series F	13.88	13.71
Series FT5	15.42	-
Series FT8	15.23	-
Series O	12.70	12.48

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	353	480
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	104,656	35,233
Change in unrealized appreciation (depreciation) in value of investments	1,621,214	1,131,406
<b>Net gains (losses) on investments</b>	<b>1,726,223</b>	<b>1,167,119</b>
<b>Total income (loss)</b>	<b>1,726,223</b>	<b>1,167,119</b>
<b>Expenses (note 6)</b>		
Management fees	222,297	135,168
Administration fees	38,082	23,751
Independent review committee fees	409	237
Total operating expenses	260,788	159,156
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>1,465,435</b>	<b>1,007,963</b>
<b>Finance Cost</b>		
Interest expense	-	(582)
<b>Net income (loss) before income taxes</b>	<b>1,465,435</b>	<b>1,007,381</b>
Income taxes	36,201	45,041
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>1,429,234</b>	<b>962,340</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	452,621	411,862
Series AT5	3,630	1,228
Series AT8	15,080	9,586
Series F	197,995	90,688
Series FT5	702	-
Series FT8	702	-
Series O	758,504	448,976
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	1,365,187	924,330
Series AT5	9,124	5,405
Series AT8	54,553	21,020
Series F	449,678	204,602
Series FT5	684	-
Series FT8	688	-
Series O	1,536,727	925,186
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.33	0.45
Series AT5	0.40	0.23
Series AT8	0.28	0.46
Series F	0.44	0.44
Series FT5	1.03	-
Series FT8	1.02	-
Series O	0.49	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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 17,195,639	10,016,630	143,436	60,907	504,230	157,770	5,606,379	1,512,499
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 452,621	411,862	3,630	1,228	15,080	9,586	197,995	90,688
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 4,301,970	4,607,478	18	80,395	493,092	240,797	1,664,679	2,071,426
Redemption of redeemable shares	\$ (2,821,355)	(1,424,200)	(2,700)	(3,150)	(228,986)	(15,065)	(815,354)	(34,147)
Reinvestment of distributions to holders of redeemable shares	\$ 339,855	142,479	3,518	3,052	8,288	1,753	113,231	22,442
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,820,470	3,325,757	836	80,297	272,394	227,485	962,556	2,059,721
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (338,899)	(140,273)	(2,745)	(832)	(14,579)	(4,072)	(121,261)	(27,975)
From net investment income	\$ -	(1,943)	(3,595)	(2,223)	(30,675)	(12,701)	-	(312)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (338,899)	(142,216)	(6,340)	(3,055)	(45,254)	(16,773)	(121,261)	(28,287)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,934,192	3,595,403	(1,874)	78,470	242,220	220,298	1,039,290	2,122,122
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 19,129,831</b>	<b>13,612,033</b>	<b>141,562</b>	<b>139,377</b>	<b>746,450</b>	<b>378,068</b>	<b>6,645,669</b>	<b>3,634,621</b>
Redeemable Share Transactions								
Balance - beginning of period	1,315,727	819,988	9,102	3,952	36,894	11,386	408,974	119,296
Shares issued	329,039	365,824	5	5,028	36,027	17,184	120,944	158,844
Shares issued on reinvestment of distributions	26,200	11,518	225	195	617	125	8,309	1,743
Shares redeemed	(217,215)	(113,775)	(174)	(201)	(16,987)	(1,073)	(59,337)	(2,587)
Balance - end of period	<b>1,453,751</b>	<b>1,083,555</b>	<b>9,158</b>	<b>8,974</b>	<b>56,551</b>	<b>27,622</b>	<b>478,890</b>	<b>277,296</b>

  

	Series FT5		Series FT8		Series O		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	-	-	-	17,194,556	9,502,524	<b>40,644,240</b>	<b>21,250,330</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 702	-	702	-	758,504	448,976	<b>1,429,234</b>	<b>962,340</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 10,000	-	10,000	-	4,493,767	6,443,152	10,973,526	13,443,248
Redemption of redeemable shares	\$ -	-	-	-	(1,938,342)	(1,656,470)	(5,806,737)	(3,133,032)
Reinvestment of distributions to holders of redeemable shares	\$ 415	-	545	-	374,772	126,084	840,624	295,810
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 10,415	-	10,545	-	2,930,197	4,912,766	<b>6,007,413</b>	<b>10,606,026</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (200)	-	(200)	-	(373,944)	(125,500)	(851,828)	(298,652)
From net investment income	\$ (213)	-	(343)	-	-	-	(34,826)	(17,179)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (413)	-	(543)	-	(373,944)	(125,500)	<b>(886,654)</b>	<b>(315,831)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 10,704	-	10,704	-	3,314,757	5,236,242	<b>6,549,993</b>	<b>11,252,535</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 10,704</b>	<b>-</b>	<b>10,704</b>	<b>-</b>	<b>20,509,313</b>	<b>14,738,766</b>	<b>47,194,233</b>	<b>32,502,865</b>
Redeemable Share Transactions								
Balance - beginning of period	-	-	-	-	1,377,959	831,708	<b>3,148,656</b>	<b>1,786,330</b>
Shares issued	667	-	667	-	362,801	540,019	850,150	1,086,899
Shares issued on reinvestment of distributions	27	-	36	-	30,497	10,907	65,911	24,488
Shares redeemed	-	-	-	-	(155,774)	(141,127)	(449,487)	(258,763)
Balance - end of period	<b>694</b>	<b>-</b>	<b>703</b>	<b>-</b>	<b>1,615,483</b>	<b>1,241,507</b>	<b>3,615,230</b>	<b>2,638,954</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)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>1,429,234</b>	962,340
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(104,656)</b>	(35,233)
Change in unrealized (appreciation) depreciation in value of investments	<b>(1,621,214)</b>	(1,131,406)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(7,906,208)</b>	(11,932,325)
Proceeds from sale of investments	<b>2,798,997</b>	1,778,734
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>30,708</b>	10,392
Change in other payables and accrued expenses	<b>5,241</b>	1,999
Change in income tax payable	<b>(39,296)</b>	(14,787)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(5,407,194)</b>	(10,360,286)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(44,919)</b>	(20,115)
Proceeds from redeemable shares issued	<b>11,161,776</b>	13,494,772
Redemption of redeemable shares	<b>(5,803,862)</b>	(3,110,582)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>5,312,995</b>	10,364,075
Net increase (decrease) in cash	<b>(94,199)</b>	3,789
Cash (bank indebtedness) at beginning of period	<b>539,680</b>	2,385
<b>Cash (bank indebtedness) at end of period</b>	<b>445,481</b>	6,174
Interest received	<b>353</b>	480
Income taxes paid	<b>(75,497)</b>	(59,828)
Interest paid	-	(582)

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Growth Portfolio, Series I	3,092,141	44,120,158	46,951,999	
		<b>44,120,158</b>	<b>46,951,999</b>	<b>99.49</b>
<b>Total Investments</b>		<b>44,120,158</b>	<b>46,951,999</b>	<b>99.49</b>
<b>Other Assets less Liabilities</b>			<b>242,234</b>	<b>0.51</b>
<b>Total Net Assets</b>			<b>47,194,233</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 9 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 internally managed funds, including cash and cash equivalents. The Fund is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

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

# Sun Life Granite Growth 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, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Exchange-Traded Funds</b>		
U.S. Equities	9.8	13.2
<b>Mutual Funds</b>		
International Equities	17.8	18.7
Canadian Equities	15.9	16.8
Tactical Balanced	8.4	9.8
Canadian Fixed Income	6.6	6.6
Global Equities	2.6	1.3
U.S. Equities	13.9	8.8
Real Estate Equities	1.5	2.7
Canadian Focused Equities	5.2	5.5
High Yield Fixed Income	2.6	3.5
Emerging Markets Equities	5.6	3.8
U.S. Small/Mid Cap Equities	-	2.6
U.S. Fixed Income	1.5	0.4
Global Fixed Income	1.6	1.5
Global Small/Mid Cap Equities	4.7	2.4
Canadian Small/Mid Cap Equities	1.5	1.8
<b>Other Assets less Liabilities</b>	0.8	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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	46,951,999	-	-	46,951,999
	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	40,546,730	-	-	40,546,730

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

	June 30, 2018	
	Shares	Market Value (\$)
Series AT5	1,001	15,476
Series FT5	694	10,704
Series FT8	703	10,704
	December 31, 2017	
	Shares	Market Value (\$)
Series AT5	956	15,064
Series FT5	-	-
Series FT8	-	-

## Interest in Underlying Portfolios

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, 2018 and December 31, 2017, there were no significant interests in the Underlying Portfolio.

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

# Sun Life Granite Growth 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series AT8 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 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	March 31, 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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	<b>110,378,679</b>	98,859,917
Cash	<b>983,385</b>	70,153
Due from investment dealers	-	-
Accrued interest	<b>17,479</b>	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>814,546</b>	411,280
	<b>112,194,089</b>	99,341,350
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>6,015</b>	4,795
Redemptions payable	<b>80,762</b>	92
Distributions payable	-	27
Due to investment dealers	<b>827,849</b>	410,476
Management fees payable	<b>99,190</b>	24,955
Income tax payable	<b>169,194</b>	351,154
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>1,183,010</b>	791,499
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>111,011,079</b>	98,549,851
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>45,576,545</b>	42,756,718
Series AT5	<b>7,291,657</b>	7,026,318
Series F	<b>11,804,109</b>	6,507,862
Series FT5	<b>1,232,483</b>	-
Series O	<b>45,106,285</b>	42,258,953
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	<b>12.23</b>	12.32
Series AT5	<b>14.32</b>	14.80
Series F	<b>12.89</b>	12.91
Series FT5	<b>15.10</b>	-
Series O	<b>12.18</b>	12.15

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	<b>4,485</b>	2,200
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>148,432</b>	197,659
Change in unrealized appreciation (depreciation) in value of investments	<b>2,208,238</b>	3,415,829
<b>Net gains (losses) on investments</b>	<b>2,361,155</b>	3,615,688
<b>Total income (loss)</b>	<b>2,361,155</b>	3,615,688
<b>Expenses (note 6)</b>		
Management fees	<b>538,088</b>	396,931
Administration fees	<b>92,232</b>	76,588
Independent review committee fees	<b>978</b>	765
Total operating expenses	<b>631,298</b>	474,284
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>1,729,857</b>	3,141,404
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>1,729,857</b>	3,141,404
Income taxes	<b>156,400</b>	227,163
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>1,573,457</b>	2,914,241
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>465,817</b>	1,064,983
Series AT5	<b>57,552</b>	185,093
Series F	<b>169,106</b>	164,237
Series FT5	<b>23,408</b>	-
Series O	<b>857,574</b>	1,499,928
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>3,645,334</b>	2,905,271
Series AT5	<b>498,450</b>	387,807
Series F	<b>702,971</b>	338,595
Series FT5	<b>52,895</b>	-
Series O	<b>3,580,609</b>	3,183,490
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>0.13</b>	0.37
Series AT5	<b>0.12</b>	0.48
Series F	<b>0.24</b>	0.49
Series FT5	<b>0.44</b>	-
Series O	<b>0.24</b>	0.47

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	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 42,756,718	31,369,581	7,026,318	4,904,854	6,507,862	3,663,822
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 465,817	1,064,983	57,552	185,093	169,106	164,237
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 9,614,280	9,933,802	2,003,377	1,830,821	6,143,450	1,146,995
Redemption of redeemable shares	\$ (7,266,242)	(4,697,794)	(1,585,425)	(561,867)	(1,013,788)	(740,783)
Reinvestment of distributions to holders of redeemable shares	\$ 766,299	275,474	101,385	63,766	132,172	33,987
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 3,114,337	5,511,482	519,337	1,332,720	5,261,834	440,199
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (760,327)	(272,045)	(128,765)	(43,153)	(134,693)	(33,992)
From net investment income	\$ -	(7,428)	(182,785)	(150,414)	-	(1,275)
Return of capital	\$ -	-	-	-	-	-
	\$ (760,327)	(279,473)	(311,550)	(193,567)	(134,693)	(35,267)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,819,827	6,296,992	265,339	1,324,246	5,296,247	569,169
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 45,576,545	37,666,573	7,291,657	6,229,100	11,804,109	4,232,991
Redeemable Share Transactions						
Balance - beginning of period	3,470,513	2,671,442	474,747	330,913	504,166	301,028
Shares issued	790,235	827,621	137,978	122,168	480,792	92,575
Shares issued on reinvestment of distributions	62,732	23,082	6,848	4,268	10,279	2,741
Shares redeemed	(597,809)	(392,169)	(110,448)	(37,067)	(79,381)	(58,803)
Balance - end of period	3,725,671	3,129,976	509,125	420,282	915,856	337,541

  

	Series FT5		Series O		Total	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	-	42,258,953	32,190,101	98,549,851	72,128,358
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 23,408	-	857,574	1,499,928	1,573,457	2,914,241
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 1,221,289	-	5,682,202	9,582,864	24,664,598	22,494,482
Redemption of redeemable shares	\$ (10,586)	-	(3,701,325)	(3,602,948)	(13,577,366)	(9,603,392)
Reinvestment of distributions to holders of redeemable shares	\$ 18,479	-	735,436	296,725	1,753,771	669,952
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,229,182	-	2,716,313	6,276,641	12,841,003	13,561,042
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (687)	-	(726,555)	(296,788)	(1,751,027)	(645,978)
From net investment income	\$ (19,420)	-	-	-	(202,205)	(159,117)
Return of capital	\$ -	-	-	-	-	-
	\$ (20,107)	-	(726,555)	(296,788)	(1,953,232)	(805,095)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,232,483	-	2,847,332	7,479,781	12,461,228	15,670,188
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 1,232,483	-	45,106,285	39,669,882	111,011,079	87,798,546
Redeemable Share Transactions						
Balance - beginning of period	-	-	3,479,109	2,834,432	7,928,535	6,137,815
Shares issued	81,073	-	470,186	823,870	1,960,264	1,866,234
Shares issued on reinvestment of distributions	1,230	-	61,644	25,805	142,733	55,896
Shares redeemed	(690)	-	(307,659)	(308,239)	(1,095,987)	(796,278)
Balance - end of period	81,613	-	3,703,280	3,375,868	8,935,545	7,263,667

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)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	1,573,457	2,914,241
Adjustments for:		
Net realized (gain) loss on sale of investments	(148,432)	(197,659)
Change in unrealized (appreciation) depreciation in value of investments	(2,208,238)	(3,415,829)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	(14,270,226)	(17,123,207)
Proceeds from sale of investments	5,525,507	5,263,539
Change in accrued interest	(17,479)	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	74,235	21,165
Change in other payables and accrued expenses	1,220	3,603
Change in income tax payable	(181,960)	(92,368)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(9,651,916)</b>	<b>(12,626,515)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(199,488)	(135,274)
Proceeds from redeemable shares issued	24,261,332	22,525,200
Redemption of redeemable shares	(13,496,696)	(9,601,649)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>10,565,148</b>	<b>12,788,277</b>
Net increase (decrease) in cash	913,232	161,762
Cash (bank indebtedness) at beginning of period	70,153	88,443
<b>Cash (bank indebtedness) at end of period</b>	<b>983,385</b>	<b>250,205</b>
Interest received	4,485	2,200
Income taxes paid	(338,360)	(319,531)
Interest paid	(17,479)	-

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Moderate Portfolio, Series I	8,048,613	105,711,570	110,378,679	
		<b>105,711,570</b>	<b>110,378,679</b>	<b>99.43</b>
<b>Total Investments</b>		<b>105,711,570</b>	<b>110,378,679</b>	<b>99.43</b>
<b>Other Assets less Liabilities</b>			<b>632,400</b>	<b>0.57</b>
<b>Total Net Assets</b>			<b>111,011,079</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 9 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 internally managed funds, including cash and cash equivalents. The Fund is therefore exposed to currency risk due to investments that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

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

# Sun Life Granite Moderate 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, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Exchange-Traded Funds</b>		
U.S. Equities	5.1	8.1
<b>Mutual Funds</b>		
Canadian Fixed Income	25.7	25.4
Tactical Balanced	9.9	11.0
Canadian Equities	9.2	10.1
International Equities	10.2	11.5
High Yield Fixed Income	5.3	6.8
Global Fixed Income	2.9	2.8
U.S. Equities	8.5	5.5
Global Equities	1.8	1.1
Canadian Focused Equities	3.3	3.3
Real Estate Equities	1.3	1.7
U.S. Small/Mid Cap Equities	-	1.6
U.S. Fixed Income	6.9	5.7
Emerging Markets Equities	3.8	2.5
Canadian Money Market	1.4	-
Global Small/Mid Cap Equities	3.1	1.5
Canadian Small/Mid Cap Equities	1.0	1.1
<b>Other Assets less Liabilities</b>	0.6	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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	110,378,679	-	-	110,378,679
<b>December 31, 2017</b>				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	98,859,917	-	-	98,859,917

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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 Portfolios

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, 2018 and December 31, 2017, 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	March 31, 2014

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



# Sun Life MFS Canadian Equity Growth Class

(formerly Sun Life MFS Canadian Equity Class)

## Statements of Financial Position

As at June 30, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	<b>789,760</b>	931,550
Cash	<b>5,074</b>	-
Due from investment dealers	-	13,380
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>83</b>	83
	<b>794,917</b>	945,013
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	13,509
Accrued expenses	<b>118</b>	41
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	<b>175</b>	173
Management fees payable	<b>1,194</b>	449
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>1,487</b>	14,172
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>793,430</b>	930,841
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>538,454</b>	582,644
Series AT5	<b>122,579</b>	227,746
Series F	<b>29,019</b>	26,072
Series FT5	<b>10,947</b>	-
Series O	<b>92,431</b>	94,379
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	<b>11.64</b>	11.66
Series AT5	<b>13.61</b>	13.99
Series F	<b>12.26</b>	12.21
Series FT5	<b>15.84</b>	-
Series O	<b>11.24</b>	11.14

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	<b>1</b>	-
Distributions from underlying funds	<b>8,932</b>	-
<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>22,039</b>	11,585
Change in unrealized appreciation (depreciation) in value of investments	<b>(9,918)</b>	(3,261)
<b>Net gains (losses) on investments</b>	<b>21,054</b>	8,324
<b>Total income (loss)</b>	<b>21,054</b>	8,324
<b>Expenses (note 6)</b>		
Management fees	<b>6,907</b>	7,523
Administration fees	<b>673</b>	690
Independent review committee fees	<b>6</b>	7
Total operating expenses	<b>7,586</b>	8,220
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>13,468</b>	104
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>13,468</b>	104
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>13,468</b>	104
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>7,406</b>	(235)
Series AT5	<b>2,246</b>	(134)
Series F	<b>574</b>	130
Series FT5	<b>946</b>	-
Series O	<b>2,296</b>	343
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>47,498</b>	50,952
Series AT5	<b>9,955</b>	9,342
Series F	<b>2,200</b>	2,107
Series FT5	<b>682</b>	-
Series O	<b>8,180</b>	8,988
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>0.16</b>	-
Series AT5	<b>0.23</b>	(0.01)
Series F	<b>0.26</b>	0.06
Series FT5	<b>1.39</b>	-
Series O	<b>0.28</b>	0.04

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



# Sun Life MFS Canadian Equity Growth Class (continued)

(formerly Sun Life MFS Canadian Equity 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	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 582,644	627,124	227,746	130,602	26,072	24,252
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 7,406	(235)	2,246	(134)	574	130
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 100,377	24,747	9	-	2,350	6
Redemption of redeemable shares	\$ (152,069)	(107,915)	(107,454)	-	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 8,573	238	4,933	1,820	415	29
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (43,119)	(82,930)	(102,512)	1,820	2,765	35
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (8,477)	-	(1,814)	-	(392)	-
From net investment income	\$ -	(233)	(3,087)	(3,290)	-	(29)
Return of capital	\$ -	-	-	-	-	-
	\$ (8,477)	(233)	(4,901)	(3,290)	(392)	(29)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (44,190)	(83,398)	(105,167)	(1,604)	2,947	136
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>538,454</b>	<b>543,726</b>	<b>122,579</b>	<b>128,998</b>	<b>29,019</b>	<b>24,388</b>
Redeemable Share Transactions						
Balance - beginning of period	49,984	56,465	16,280	9,314	2,135	2,106
Shares issued	8,918	2,188	3	-	197	1
Shares issued on reinvestment of distributions	763	17	370	132	34	2
Shares redeemed	(13,417)	(9,661)	(7,645)	-	-	-
Balance - end of period	<b>46,248</b>	<b>49,009</b>	<b>9,008</b>	<b>9,446</b>	<b>2,366</b>	<b>2,109</b>

  

	Series FT5		Series O		Total	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	-	94,379	75,915	<b>930,841</b>	<b>857,893</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 946	-	2,296	343	<b>13,468</b>	<b>104</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 10,000	-	1,083	29,275	113,819	54,028
Redemption of redeemable shares	\$ -	-	(5,327)	(590)	(264,850)	(108,505)
Reinvestment of distributions to holders of redeemable shares	\$ 375	-	1,352	1	15,648	2,088
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 10,375	-	(2,892)	28,686	<b>(135,383)</b>	<b>(52,389)</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (161)	-	(1,352)	-	(12,196)	-
From net investment income	\$ (213)	-	-	-	(3,300)	(3,552)
Return of capital	\$ -	-	-	-	-	-
	\$ (374)	-	(1,352)	-	<b>(15,496)</b>	<b>(3,552)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 10,947	-	(1,948)	29,029	<b>(137,411)</b>	<b>(55,837)</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>10,947</b>	<b>-</b>	<b>92,431</b>	<b>104,944</b>	<b>793,430</b>	<b>802,056</b>
Redeemable Share Transactions						
Balance - beginning of period	-	-	8,471	7,307	<b>76,870</b>	<b>75,192</b>
Shares issued	667	-	99	2,752	9,884	4,941
Shares issued on reinvestment of distributions	24	-	128	-	1,319	151
Shares redeemed	-	-	(475)	(55)	(21,537)	(9,716)
Balance - end of period	<b>691</b>	<b>-</b>	<b>8,223</b>	<b>10,004</b>	<b>66,536</b>	<b>70,568</b>

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

# Sun Life MFS Canadian Equity Growth Class (continued)

(formerly Sun Life MFS Canadian Equity Class)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	13,468	104
Adjustments for:		
Net realized (gain) loss on sale of investments	(22,039)	(11,585)
Change in unrealized (appreciation) depreciation in value of investments	9,918	3,261
Non-cash income distributions from underlying funds	(8,932)	-
Purchases of investments	(47,760)	(101,887)
Proceeds from sale of investments	223,985	170,350
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	745	(81)
Change in other payables and accrued expenses	77	(3)
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>169,462</b>	<b>60,159</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	152	(1,465)
Proceeds from redeemable shares issued	113,819	54,028
Redemption of redeemable shares	(264,850)	(108,505)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(150,879)</b>	<b>(55,942)</b>
Net increase (decrease) in cash	18,583	4,217
Cash (bank indebtedness) at beginning of period	(13,509)	(2,854)
<b>Cash (bank indebtedness) at end of period</b>	<b>5,074</b>	<b>1,363</b>
Interest received	1	-
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at June 30, 2018 (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	14,266	697,580	789,760	
		<b>697,580</b>	<b>789,760</b>	<b>99.54</b>
<b>Total Investments</b>		<b>697,580</b>	<b>789,760</b>	<b>99.54</b>
<b>Other Assets less Liabilities</b>			<b>3,670</b>	<b>0.46</b>
<b>Total Net Assets</b>			<b>793,430</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 (formerly Sun Life MFS 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 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 9 to the financial statements.

### (a) Credit risk

As at June 30, 2018 and December 31, 2017, the Underlying Fund had no significant investments in debt instruments and/or derivatives. As a result, the Fund did not have any significant exposure to credit risk. Credit risk from other financial instruments is minimal.

	Percentage of Net Assets (%)	
	June 30, 2018	December 31, 2017
<b>Rating</b>		
AAA/Aaa	0.83	-
AA/Aa	0.20	-
<b>Total</b>	<b>1.03</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.

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

# Sun Life MFS Canadian Equity Growth Class (continued)

(formerly Sun Life MFS Canadian Equity Class)

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

The following table summarizes the Fund's proportionate exposure to currency risk as at June 30, 2018 and December 31, 2017. 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, 2018		December 31, 2017	
United States Dollar	109,903	13.85	254	0.03
Euro	41,382	5.22	-	-
British Pound	14,800	1.87	-	-
Swiss Franc	13,838	1.74	-	-
Japanese Yen	11,687	1.47	-	-
Hong Kong Dollar	5,458	0.69	-	-
Australian Dollar	2,573	0.32	-	-
Singapore Dollar	1,480	0.19	-	-
Mexican Peso	1,344	0.17	-	-
Korean Won	1,039	0.13	-	-
Danish Krone	934	0.12	-	-
New Taiwan Dollar	636	0.08	-	-
Czech Koruna	352	0.04	-	-
<b>Total</b>	<b>205,426</b>	<b>25.89</b>	<b>254</b>	<b>0.03</b>

As at June 30, 2018, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$10,271 (\$13 as at December 31, 2017). 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. As at June 30, 2018 and December 31, 2017, the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
June 30, 2018	8,142	-	-	8,142
December 31, 2017	-	-	-	-

As at June 30, 2018, 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 \$10 (nil as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (iii) Other market risk

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

As at June 30, 2018, 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 \$38,960 (\$46,140 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (c) Liquidity risk

As at June 30, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Portfolio by Category</b>		
<b>Short-Term Investments</b>		
Treasury Bills	0.8	-
Term Deposit Receipts	0.2	-
<b>Equities</b>		
Energy	15.9	20.4
Materials	10.1	11.5
Industrials	12.9	14.6
Consumer Discretionary	7.4	5.9
Consumer Staples	7.3	4.2
Health Care	3.4	0.3
Financials	25.0	32.5
Real Estate	0.8	1.7
Information Technology	13.5	4.4
Telecommunication Services	1.8	2.7
Utilities	0.1	0.9
<b>Other Assets less Liabilities</b>	<b>0.8</b>	<b>0.9</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

# Sun Life MFS Canadian Equity Growth Class (continued)

(formerly Sun Life MFS Canadian Equity Class)

## 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, 2018 and December 31, 2017.

June 30, 2018				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	789,760	-	-	789,760

  

December 31, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	931,550	-	-	931,550

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

June 30, 2018		
	Shares	Market Value (\$)
Series F	2,171	26,632
Series FT5	691	10,947
Series A	17,062	198,653
Series AT5	1,053	14,330
Series O	1,135	12,754

  

December 31, 2017		
	Shares	Market Value (\$)
Series F	2,135	26,072
Series FT5	-	-
Series A	16,776	195,556
Series AT5	1,009	14,111
Series O	1,120	12,477

## 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, 2018 and December 31, 2017, 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series O Shares	April 01, 2014	March 31, 2014

## Fund Name Change

Effective June 18, 2018, the Fund changed its name from the Sun Life MFS Canadian Equity Class to the Sun Life MFS Canadian Equity Growth Class.

*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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	22,110,700	16,582,403
Cash	12,859	-
Due from investment dealers	28,026	-
Accrued interest	69	-
Distributions receivable from underlying funds	204,301	-
Subscriptions receivable	194,829	122,899
	<b>22,550,784</b>	<b>16,705,302</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	26,591
Accrued expenses	443	141
Redemptions payable	28,027	2,500
Distributions payable	-	-
Due to investment dealers	398,334	119,644
Management fees payable	3,412	949
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>430,216</b>	<b>149,825</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>22,120,568</b>	<b>16,555,477</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	1,971,495	1,862,308
Series AT5	14,828	46,834
Series F	236,760	148,132
Series FT5	10,750	-
Series I	19,068,052	13,300,051
Series O	818,683	1,198,152
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	12.01	12.04
Series AT5	14.07	14.48
Series F	12.66	12.62
Series FT5	15.68	-
Series I	10.59	10.51
Series O	11.26	11.18

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	26	-
Distributions from underlying funds	349,648	259,193
<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	52,094	91,410
Change in unrealized appreciation (depreciation) in value of investments	(30,104)	(220,572)
<b>Net gains (losses) on investments</b>	<b>371,664</b>	<b>130,031</b>
<b>Total income (loss)</b>	<b>371,664</b>	<b>130,031</b>
<b>Expenses (note 6)</b>		
Management fees	18,967	19,445
Administration fees	2,617	3,093
Independent review committee fees	30	36
Total operating expenses	21,614	22,574
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>350,050</b>	<b>107,457</b>
<b>Finance Cost</b>		
Interest expense	-	(33)
<b>Net income (loss) before income taxes</b>	<b>350,050</b>	<b>107,424</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>350,050</b>	<b>107,424</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	12,287	2,396
Series AT5	(957)	(623)
Series F	4,099	26,143
Series FT5	749	-
Series I	330,118	69,028
Series O	3,754	10,480
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	160,633	145,839
Series AT5	2,500	6,438
Series F	18,177	75,276
Series FT5	677	-
Series I	1,478,999	901,420
Series O	92,772	94,521
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.08	0.02
Series AT5	(0.38)	(0.10)
Series F	0.23	0.35
Series FT5	1.11	-
Series I	0.22	0.08
Series O	0.04	0.11

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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 1,862,308	1,622,817	46,834	44,283	148,132	1,014,029	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 12,287	2,396	(957)	(623)	4,099	26,143	749	-
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 262,923	379,058	3,006	60,500	104,122	124,412	10,000	-
Redemption of redeemable shares	\$ (165,479)	(323,110)	(34,071)	(3,800)	(19,623)	(1,031,587)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 12,439	2,821	1,135	2,025	1,761	3,527	287	-
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 109,883	58,769	(29,930)	58,725	86,260	(903,648)	10,287	-
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (12,983)	(2,605)	(335)	(157)	(1,731)	(1,546)	(75)	-
From net investment income	\$ -	(181)	(784)	(2,622)	-	(1,745)	(211)	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (12,983)	(2,786)	(1,119)	(2,779)	(1,731)	(3,291)	(286)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 109,187	58,379	(32,006)	55,323	88,628	(880,796)	10,750	-
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 1,971,495</b>	<b>1,681,196</b>	<b>14,828</b>	<b>99,606</b>	<b>236,760</b>	<b>133,233</b>	<b>10,750</b>	<b>-</b>
Redeemable Share Transactions								
Balance - beginning of period	154,652	139,339	3,234	3,004	11,740	84,001	-	-
Shares issued	22,578	32,037	216	4,040	8,387	10,104	667	-
Shares issued on reinvestment of distributions	1,070	239	81	138	144	254	18	-
Shares redeemed	(14,188)	(27,423)	(2,477)	(258)	(1,563)	(83,394)	-	-
Balance - end of period	<b>164,112</b>	<b>144,192</b>	<b>1,054</b>	<b>6,924</b>	<b>18,708</b>	<b>10,965</b>	<b>685</b>	<b>-</b>

  

	Series I		Series O		Total	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 13,300,051	7,095,170	1,198,152	938,276	<b>16,555,477</b>	<b>10,714,575</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 330,118	69,028	3,754	10,480	<b>350,050</b>	<b>107,424</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 6,147,561	4,610,036	45,041	196,157	6,572,653	5,370,163
Redemption of redeemable shares	\$ (709,678)	(459,171)	(428,264)	(55,680)	(1,357,115)	(1,873,348)
Reinvestment of distributions to holders of redeemable shares	\$ 100,987	15,579	7,988	1,414	124,597	25,366
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 5,538,870	4,166,444	(375,235)	141,891	<b>5,340,135</b>	<b>3,522,181</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (100,987)	(12,867)	(7,988)	(1,414)	(124,099)	(18,589)
From net investment income	\$ -	-	-	-	(995)	(4,548)
Return of capital	\$ -	-	-	-	-	-
	\$ (100,987)	(12,867)	(7,988)	(1,414)	<b>(125,094)</b>	<b>(23,137)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 5,768,001	4,222,605	(379,469)	150,957	<b>5,565,091</b>	<b>3,606,468</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 19,068,052</b>	<b>11,317,775</b>	<b>818,683</b>	<b>1,089,233</b>	<b>22,120,568</b>	<b>14,321,043</b>
Redeemable Share Transactions						
Balance - beginning of period	1,265,273	712,690	107,194	88,489	<b>1,542,093</b>	<b>1,027,523</b>
Shares issued	592,927	454,942	4,100	18,199	628,875	519,322
Shares issued on reinvestment of distributions	10,043	1,558	747	133	12,103	2,322
Shares redeemed	(68,406)	(45,438)	(39,310)	(5,196)	(125,944)	(161,709)
Balance - end of period	<b>1,799,837</b>	<b>1,123,752</b>	<b>72,731</b>	<b>101,625</b>	<b>2,057,127</b>	<b>1,387,458</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)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	350,050	107,424
Adjustments for:		
Net realized (gain) loss on sale of investments	(52,094)	(91,410)
Change in unrealized (appreciation) depreciation in value of investments	30,104	220,572
Non-cash income distributions from underlying funds	(349,648)	(259,193)
Purchases of investments	(5,911,727)	(5,031,040)
Proceeds from sale of investments	1,005,732	1,460,932
Change in accrued interest	(69)	-
Change in distributions receivable from underlying funds	(204,301)	(149,319)
Change in management fees payable	2,463	403
Change in other payables and accrued expenses	302	57
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(5,129,188)</b>	<b>(3,741,574)</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(497)	(484)
Proceeds from redeemable shares issued	6,500,723	5,482,938
Redemption of redeemable shares	(1,331,588)	(1,846,875)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>5,168,638</b>	<b>3,635,579</b>
Net increase (decrease) in cash	39,450	(105,995)
Cash (bank indebtedness) at beginning of period	(26,591)	3,515
<b>Cash (bank indebtedness) at end of period</b>	<b>12,859</b>	<b>(102,480)</b>
Interest received	-	-
Income taxes paid	-	-
Interest paid	(43)	(33)

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS Dividend Income Fund, Series I	1,632,702	20,867,509	22,110,700	
		<b>20,867,509</b>	<b>22,110,700</b>	<b>99.96</b>
<b>Total Investments</b>		<b>20,867,509</b>	<b>22,110,700</b>	<b>99.96</b>
<b>Other Assets less Liabilities</b>			<b>9,868</b>	<b>0.04</b>
<b>Total Net Assets</b>			<b>22,120,568</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 9 to the financial statements.

#### (a) Credit risk

As at June 30, 2018 and December 31, 2017, the Underlying Fund had no significant investments in debt instruments and/or derivatives. As a result, the Fund did not have any significant exposure to credit risk. Credit risk from other financial instruments is minimal.

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

#### (b) Market risk

##### (i) Currency risk

The Fund 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 MFS Dividend Income Class (continued)

The following table summarizes the Fund's proportionate exposure to currency risk as at June 30, 2018 and December 31, 2017. 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, 2018		December 31, 2017	
United States				
Dollar	2,590,468	11.71	1,380,962	8.34
Euro	660,877	2.99	611,145	3.69
Swiss Franc	444,466	2.01	323,526	1.95
British Pound	376,436	1.70	387,974	2.34
Australian Dollar	287,118	1.30	184,658	1.12
South African Rand	182,963	0.83	145,390	0.88
Japanese Yen	168,583	0.76	348,248	2.10
Danish Krone	1,871	0.01	1,582	0.01
<b>Total</b>	<b>4,712,782</b>	<b>21.31</b>	<b>3,383,485</b>	<b>20.43</b>

As at June 30, 2018, 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 \$235,639 (\$169,174 as at December 31, 2017). 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. As at June 30, 2018 and December 31, 2017, the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

## (iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in publicly traded equities. As at June 30, 2018, 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 \$1,088,422 (\$815,446 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

## (c) Liquidity risk

As at June 30, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Equities</b>		
Energy	17.5	17.0
Materials	10.0	8.7
Industrials	10.6	11.4
Consumer Discretionary	5.0	3.3
Consumer Staples	3.0	4.5
Health Care	-	0.7
Financials	35.1	37.4
Real Estate	5.5	3.5
Information Technology	2.3	2.1
Telecommunication Services	4.6	4.9
Utilities	4.8	5.0
<b>Other Assets less Liabilities</b>	<b>1.6</b>	<b>1.5</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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	22,110,700	-	-	22,110,700

  

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	16,582,403	-	-	16,582,403

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## Mutual funds

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

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

# Sun Life MFS Dividend Income 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

June 30, 2018		
	Shares	Market Value (\$)
Series AT5	982	13,823
Series F	-	-
Series FT5	685	10,750
Series I	1,096	11,613
December 31, 2017		
	Shares	Market Value (\$)
Series AT5	949	13,745
Series F	924	11,656
Series FT5	-	-
Series I	1,088	11,438

### 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, 2018 and December 31, 2017, the Fund had significant interests in the Underlying Fund as noted in the following tables:

As at June 30, 2018		
Underlying Fund(s)	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life MFS Dividend Income Fund	100	49
As at December 31, 2017		
Underlying Fund(s)	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life MFS Dividend Income Fund	100	42

## 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series I Shares	May 01, 2015	April 30, 2015
Series O Shares	April 01, 2014	March 31, 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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	17,496,252	13,736,503
Cash	69,801	-
Due from investment dealers	-	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	43,215	65,039
	17,609,268	13,801,542
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	5,366
Accrued expenses	2,589	612
Redemptions payable	12,000	1,230
Distributions payable	6,326	-
Due to investment dealers	39,639	5,861
Management fees payable	17,910	4,106
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	78,464	17,175
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>17,530,804</b>	<b>13,784,367</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	7,662,283	5,566,097
Series AT5	748,789	692,603
Series AT8	582,209	397,343
Series F	2,229,321	1,449,702
Series FT5	10,962	-
Series FT8	26,966	-
Series O	6,270,274	5,678,622
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	17.42	16.46
Series AT5	20.53	19.89
Series AT8	17.68	17.39
Series F	18.15	17.06
Series FT5	15.88	-
Series FT8	15.68	-
Series O	16.29	15.20

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	1,803	981
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	267,506	70,208
Change in unrealized appreciation (depreciation) in value of investments	990,452	1,160,596
<b>Net gains (losses) on investments</b>	<b>1,259,761</b>	<b>1,231,785</b>
<b>Total income (loss)</b>	<b>1,259,761</b>	<b>1,231,785</b>
<b>Expenses (note 6)</b>		
Management fees	88,228	57,584
Administration fees	13,096	8,175
Independent review committee fees	147	93
Total operating expenses	101,471	65,852
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>1,158,290</b>	<b>1,165,933</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>1,158,290</b>	<b>1,165,933</b>
Income taxes	-	672
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>1,158,290</b>	<b>1,165,261</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	455,960	473,605
Series AT5	50,494	25,971
Series AT8	33,299	33,717
Series F	131,015	127,956
Series FT5	960	-
Series FT8	1,705	-
Series O	484,857	504,012
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	383,640	275,002
Series AT5	35,297	15,410
Series AT8	27,003	16,958
Series F	103,337	68,340
Series FT5	681	-
Series FT8	1,097	-
Series O	382,924	293,317
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	1.19	1.72
Series AT5	1.43	1.69
Series AT8	1.23	1.99
Series F	1.27	1.87
Series FT5	1.41	-
Series FT8	1.55	-
Series O	1.27	1.72

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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 5,566,097	3,451,338	692,603	214,679	397,343	265,480	1,449,702	879,131
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 455,960	473,605	50,494	25,971	33,299	33,717	131,015	127,956
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 2,649,125	1,192,713	20,550	162,028	234,449	16,714	693,741	187,759
Redemption of redeemable shares	\$ (1,008,890)	(435,395)	(8,116)	(1,703)	(57,587)	(4,829)	(40,500)	(29,683)
Reinvestment of distributions to holders of redeemable shares	\$ 92,578	67,587	21,394	10,083	1,397	1,082	20,167	13,361
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,732,813	824,905	33,828	170,408	178,259	12,967	673,408	171,437
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (92,587)	(67,757)	(10,573)	(4,066)	(6,983)	(5,007)	(24,804)	(18,273)
From net investment income	\$ -	(353)	(17,563)	(7,363)	(19,709)	(10,751)	-	(240)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (92,587)	(68,110)	(28,136)	(11,429)	(26,692)	(15,758)	(24,804)	(18,513)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,096,186	1,230,400	56,186	184,950	184,866	30,926	779,619	280,880
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 7,662,283</b>	<b>4,681,738</b>	<b>748,789</b>	<b>399,629</b>	<b>582,209</b>	<b>296,406</b>	<b>2,229,321</b>	<b>1,160,011</b>
Redeemable Share Transactions								
Balance - beginning of period	338,085	249,278	34,824	12,252	22,853	16,840	84,977	61,950
Shares issued	155,948	79,634	1,005	8,308	13,391	949	39,060	12,137
Shares issued on reinvestment of distributions	5,447	4,672	1,046	544	76	64	1,127	896
Shares redeemed	(59,523)	(29,311)	(396)	(90)	(3,381)	(280)	(2,312)	(1,828)
Balance - end of period	<b>439,957</b>	<b>304,273</b>	<b>36,479</b>	<b>21,014</b>	<b>32,939</b>	<b>17,573</b>	<b>122,852</b>	<b>73,155</b>

  

	Series FT5		Series FT8		Series O		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	-	-	-	5,678,622	3,408,938	<b>13,784,367</b>	<b>8,219,566</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 960	-	1,705	-	484,857	504,012	<b>1,158,290</b>	<b>1,165,261</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 10,000	-	25,464	-	874,458	931,318	4,507,787	2,490,532
Redemption of redeemable shares	\$ -	-	-	-	(761,598)	(279,225)	(1,876,691)	(750,835)
Reinvestment of distributions to holders of redeemable shares	\$ 370	-	499	-	81,792	62,848	218,197	154,961
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 10,370	-	25,963	-	194,652	714,941	<b>2,849,293</b>	<b>1,894,658</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (156)	-	(156)	-	(87,857)	(62,939)	(223,116)	(158,042)
From net investment income	\$ (212)	-	(546)	-	-	-	(38,030)	(18,707)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (368)	-	(702)	-	(87,857)	(62,939)	<b>(261,146)</b>	<b>(176,749)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 10,962	-	26,966	-	591,652	1,156,014	<b>3,746,437</b>	<b>2,883,170</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 10,962</b>	<b>-</b>	<b>26,966</b>	<b>-</b>	<b>6,270,274</b>	<b>4,564,952</b>	<b>17,530,804</b>	<b>11,102,736</b>
Redeemable Share Transactions								
Balance - beginning of period	-	-	-	-	373,628	272,681	<b>854,367</b>	<b>613,001</b>
Shares issued	667	-	1,687	-	54,916	68,308	266,674	169,336
Shares issued on reinvestment of distributions	23	-	32	-	5,230	4,802	12,981	10,978
Shares redeemed	-	-	-	-	(48,760)	(20,833)	(114,372)	(52,342)
Balance - end of period	<b>690</b>	<b>-</b>	<b>1,719</b>	<b>-</b>	<b>385,014</b>	<b>324,958</b>	<b>1,019,650</b>	<b>740,973</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)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>1,158,290</b>	1,165,261
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(267,506)</b>	(70,208)
Change in unrealized (appreciation) depreciation in value of investments	<b>(990,452)</b>	(1,160,596)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(3,961,368)</b>	(2,198,881)
Proceeds from sale of investments	<b>1,493,355</b>	586,674
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>13,804</b>	3,861
Change in other payables and accrued expenses	<b>1,977</b>	562
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(2,551,900)</b>	(1,673,327)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(36,623)</b>	(21,788)
Proceeds from redeemable shares issued	<b>4,529,611</b>	2,490,667
Redemption of redeemable shares	<b>(1,865,921)</b>	(751,835)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>2,627,067</b>	1,717,044
Net increase (decrease) in cash	<b>75,167</b>	43,717
Cash (bank indebtedness) at beginning of period	<b>(5,366)</b>	(24,202)
<b>Cash (bank indebtedness) at end of period</b>	<b>69,801</b>	19,515
Interest received	<b>1,803</b>	981
Income taxes paid	-	(672)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS Global Growth Fund, Series I	774,520	14,152,697	17,496,252	
		<b>14,152,697</b>	<b>17,496,252</b>	<b>99.80</b>
<b>Total Investments</b>		<b>14,152,697</b>	<b>17,496,252</b>	<b>99.80</b>
<b>Other Assets less Liabilities</b>			<b>34,552</b>	<b>0.20</b>
<b>Total Net Assets</b>			<b>17,530,804</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 9 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, 2018 and December 31, 2017 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2018	December 31, 2017
AAA/Aaa	1.15	1.10
AA/Aa	0.63	-
<b>Total</b>	<b>1.78</b>	<b>1.10</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, 2018 and December 31, 2017. 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, 2018		December 31, 2017	
United States Dollar	11,501,113	65.61	8,788,875	63.76
British Pound	1,835,737	10.47	1,657,788	12.03
Euro	1,644,545	9.38	1,231,015	8.93
Swiss Franc	976,136	5.57	924,966	6.71
Japanese Yen	534,373	3.05	505,180	3.66
Korean Won	238,774	1.36	228,630	1.66
Brazilian Real	135,007	0.77	40,141	0.29
Indian Rupee	51,981	0.30	55,061	0.40
Danish Krone	31,085	0.18	76,193	0.55
<b>Total</b>	<b>16,948,751</b>	<b>96.69</b>	<b>13,507,849</b>	<b>97.99</b>

As at June 30, 2018, 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 \$847,438 (\$675,392 as at December 31, 2017). 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 Underlying Fund's investment in interest-bearing securities.

The following table summarizes 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, 2018	312,515	-	-	312,515
December 31, 2017	152,090	-	-	152,090

As at June 30, 2018, 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 \$280 (\$33 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (iii) Other market risk

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

As at June 30, 2018, 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 \$859,064 (\$678,763 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (c) Liquidity risk

As at June 30, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Short-Term Investments</b>		
Treasury Bills	0.6	1.1
Promissory Notes	0.6	-
Term Deposit Receipts	0.6	-
<b>Equities</b>		
Energy	0.7	0.8
Materials	6.0	7.1
Industrials	13.5	11.1
Consumer Discretionary	15.0	17.1
Consumer Staples	15.1	18.6
Health Care	9.7	10.2
Financials	8.1	7.5
Information Technology	29.9	26.1
<b>Other Assets less Liabilities</b>	0.2	0.4
<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, 2018 and December 31, 2017.

June 30, 2018				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	17,496,252	-	-	17,496,252

  

December 31, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	13,736,503	-	-	13,736,503

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

June 30, 2018		
	Shares	Market Value (\$)
Series FT5	690	10,962
Series FT8	699	10,962

  

December 31, 2017		
	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, 2018 and December 31, 2017, 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series AT8 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 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	March 31, 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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	<b>8,079,287</b>	5,621,537
Cash	<b>328,242</b>	-
Due from investment dealers	<b>8,001</b>	-
Accrued interest	<b>1,807</b>	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	-	25,000
	<b>8,417,337</b>	5,646,537
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	9,114
Accrued expenses	<b>1,253</b>	241
Redemptions payable	<b>8,001</b>	9,113
Distributions payable	<b>193</b>	-
Due to investment dealers	<b>91,333</b>	16,187
Management fees payable	<b>10,218</b>	2,228
Income tax payable	<b>2,831</b>	6,555
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>113,829</b>	43,438
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>8,303,508</b>	5,603,099
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>4,283,805</b>	3,490,412
Series AT5	<b>192,345</b>	155,207
Series AT8	<b>486,199</b>	358,718
Series F	<b>1,461,704</b>	203,266
Series FT5	<b>10,830</b>	-
Series FT8	<b>10,830</b>	-
Series O	<b>1,857,795</b>	1,395,496
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	<b>15.23</b>	14.65
Series AT5	<b>17.87</b>	17.63
Series AT8	<b>15.40</b>	15.42
Series F	<b>16.06</b>	15.36
Series FT5	<b>15.73</b>	-
Series FT8	<b>15.54</b>	-
Series O	<b>14.97</b>	14.25

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	<b>314</b>	16
Distributions from underlying funds	-	13,083
<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>142,452</b>	24,812
Change in unrealized appreciation (depreciation) in value of investments	<b>295,859</b>	530,333
<b>Net gains (losses) on investments</b>	<b>438,625</b>	568,244
<b>Total income (loss)</b>	<b>438,625</b>	568,244
<b>Expenses (note 6)</b>		
Management fees	<b>49,786</b>	28,174
Administration fees	<b>5,930</b>	3,280
Independent review committee fees	<b>68</b>	37
Total operating expenses	<b>55,784</b>	31,491
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>382,841</b>	536,753
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>382,841</b>	536,753
Income taxes	<b>1,936</b>	5,994
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>380,905</b>	530,759
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>196,244</b>	286,881
Series AT5	<b>8,991</b>	3,067
Series AT8	<b>21,570</b>	38,423
Series F	<b>54,452</b>	20,615
Series FT5	<b>829</b>	-
Series FT8	<b>829</b>	-
Series O	<b>97,990</b>	181,773
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>253,518</b>	167,833
Series AT5	<b>9,519</b>	1,398
Series AT8	<b>27,658</b>	19,998
Series F	<b>64,960</b>	10,553
Series FT5	<b>679</b>	-
Series FT8	<b>683</b>	-
Series O	<b>114,928</b>	101,169
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>0.77</b>	1.71
Series AT5	<b>0.94</b>	2.19
Series AT8	<b>0.78</b>	1.92
Series F	<b>0.84</b>	1.95
Series FT5	<b>1.22</b>	-
Series FT8	<b>1.21</b>	-
Series O	<b>0.85</b>	1.80

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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 3,490,412	2,100,944	155,207	20,224	358,718	254,608	203,266	104,825
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 196,244	286,881	8,991	3,067	21,570	38,423	54,452	20,615
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 2,184,334	337,031	45,011	950	122,600	89,881	1,694,063	38,922
Redemption of redeemable shares	\$ (1,586,408)	(358,626)	(16,781)	-	(3,912)	(46,404)	(490,189)	(2,009)
Reinvestment of distributions to holders of redeemable shares	\$ 41,540	44,376	5,981	1,025	9,992	4,335	9,939	3,063
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 639,466	22,781	34,211	1,975	128,680	47,812	1,213,813	39,976
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (42,317)	(44,410)	(1,862)	(470)	(5,105)	(4,734)	(9,827)	(3,058)
From net investment income	\$ -	(538)	(4,202)	(558)	(17,664)	(11,073)	-	(4)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (42,317)	(44,948)	(6,064)	(1,028)	(22,769)	(15,807)	(9,827)	(3,062)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 793,393	264,714	37,138	4,014	127,481	70,428	1,258,438	57,529
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 4,283,805</b>	<b>2,365,658</b>	<b>192,345</b>	<b>24,238</b>	<b>486,199</b>	<b>325,036</b>	<b>1,461,704</b>	<b>162,354</b>
Redeemable Share Transactions								
Balance - beginning of period	238,317	171,358	8,804	1,306	23,258	18,256	13,234	8,228
Shares issued	145,759	25,819	2,534	61	7,910	6,345	107,572	3,009
Shares issued on reinvestment of distributions	2,764	3,623	336	64	647	291	616	237
Shares redeemed	(105,570)	(28,778)	(913)	-	(252)	(3,264)	(30,390)	(155)
Balance - end of period	<b>281,270</b>	<b>172,022</b>	<b>10,761</b>	<b>1,431</b>	<b>31,563</b>	<b>21,628</b>	<b>91,032</b>	<b>11,319</b>

  

	Series FT5		Series FT8		Series O		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	-	-	-	1,395,496	1,222,348	<b>5,603,099</b>	<b>3,702,949</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 829	-	829	-	97,990	181,773	<b>380,905</b>	<b>530,759</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 10,000	-	10,000	-	513,230	138,256	4,579,238	605,040
Redemption of redeemable shares	\$ -	-	-	-	(148,921)	(268,369)	(2,246,211)	(675,408)
Reinvestment of distributions to holders of redeemable shares	\$ 336	-	465	-	17,617	27,152	85,870	79,951
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 10,336	-	10,465	-	381,926	(102,961)	<b>2,418,897</b>	<b>9,583</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (123)	-	(123)	-	(17,617)	(27,152)	(76,974)	(79,824)
From net investment income	\$ (212)	-	(341)	-	-	-	(22,419)	(12,173)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (335)	-	(464)	-	(17,617)	(27,152)	<b>(99,393)</b>	<b>(91,997)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 10,830	-	10,830	-	462,299	51,660	<b>2,700,409</b>	<b>448,345</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 10,830</b>	<b>-</b>	<b>10,830</b>	<b>-</b>	<b>1,857,795</b>	<b>1,274,008</b>	<b>8,303,508</b>	<b>4,151,294</b>
Redeemable Share Transactions								
Balance - beginning of period	-	-	-	-	97,917	104,549	<b>381,530</b>	<b>303,697</b>
Shares issued	667	-	667	-	35,153	11,345	300,262	46,579
Shares issued on reinvestment of distributions	21	-	30	-	1,222	2,293	5,636	6,508
Shares redeemed	-	-	-	-	(10,184)	(21,931)	(147,309)	(54,128)
Balance - end of period	<b>688</b>	<b>-</b>	<b>697</b>	<b>-</b>	<b>124,108</b>	<b>96,256</b>	<b>540,119</b>	<b>302,656</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)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>380,905</b>	530,759
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(142,452)</b>	(24,812)
Change in unrealized (appreciation) depreciation in value of investments	<b>(295,859)</b>	(530,333)
Non-cash income distributions from underlying funds	-	(13,083)
Purchases of investments	<b>(3,004,471)</b>	(535,753)
Proceeds from sale of investments	<b>1,052,177</b>	563,681
Change in accrued interest	<b>(1,807)</b>	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>7,990</b>	1,269
Change in other payables and accrued expenses	<b>1,012</b>	141
Change in income tax payable	<b>(3,724)</b>	(528)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(2,006,229)</b>	(8,659)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(13,330)</b>	(12,046)
Proceeds from redeemable shares issued	<b>4,604,238</b>	604,990
Redemption of redeemable shares	<b>(2,247,323)</b>	(744,011)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>2,343,585</b>	(151,067)
Net increase (decrease) in cash	<b>337,356</b>	(159,726)
Cash (bank indebtedness) at beginning of period	<b>(9,114)</b>	120,495
<b>Cash (bank indebtedness) at end of period</b>	<b>328,242</b>	(39,231)
Interest received	-	16
Income taxes paid	<b>(5,660)</b>	(6,522)
Interest paid	<b>(1,493)</b>	-

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS International Growth Fund, Series I	419,684	6,989,768	8,079,287	
		<b>6,989,768</b>	<b>8,079,287</b>	<b>97.30</b>
<b>Total Investments</b>		<b>6,989,768</b>	<b>8,079,287</b>	<b>97.30</b>
<b>Other Assets less Liabilities</b>			<b>224,221</b>	<b>2.70</b>
<b>Total Net Assets</b>			<b>8,303,508</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 9 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, 2018 and December 31, 2017 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2018	December 31, 2017
AAA/Aaa	0.65	1.08
AA/Aa	0.43	0.12
<b>Total</b>	<b>1.08</b>	<b>1.20</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, 2018 and December 31, 2017. 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, 2018		December 31, 2017	
Euro	2,817,913	33.94	1,956,818	34.92
United States Dollar	1,373,551	16.54	939,364	16.77
British Pound	979,283	11.79	791,459	14.13
Swiss Franc	949,395	11.43	683,338	12.20
Japanese Yen	776,226	9.35	496,597	8.86
Hong Kong Dollar	374,417	4.51	208,050	3.71
Australian Dollar	173,117	2.08	104,658	1.87
Singapore Dollar	97,091	1.17	63,955	1.14
Mexican Peso	90,987	1.10	44,620	0.80
Indian Rupee	82,398	0.99	60,861	1.09
Korean Won	67,222	0.81	26,239	0.47
Danish Krone	64,179	0.77	51,730	0.92
New Taiwan Dollar	32,330	0.39	22,653	0.40
Czech Koruna	23,635	0.28	-	-
Swedish Krona	-	-	39,012	0.70
<b>Total</b>	<b>7,901,744</b>	<b>95.15</b>	<b>5,489,354</b>	<b>97.98</b>

As at June 30, 2018, 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 \$1,069,052 (\$274,468 as at December 31, 2017). 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 Underlying Fund's investment in interest-bearing securities.

The following table summarizes 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, 2018	89,373	-	-	89,373
December 31, 2017	67,628	-	-	67,628

As at June 30, 2018, 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 \$263 (\$37 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (iii) Other market risk

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

As at June 30, 2018, 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 \$1,071,235 (\$276,805 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (c) Liquidity risk

As at June 30, 2018 and December 31, 2017, 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 MFS International Growth 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, 2018	December 31, 2017
<b>Short-Term Investments</b>		
Treasury Bills	0.8	1.1
Term Deposit Receipts	0.3	0.1
<b>Equities</b>		
Energy	2.1	2.1
Materials	7.3	7.6
Industrials	9.4	10.6
Consumer Discretionary	10.0	10.4
Consumer Staples	19.5	20.3
Health Care	14.0	15.0
Financials	11.3	11.6
Information Technology	20.1	20.1
Telecommunication Services	1.0	1.1
Utilities	0.6	-
<b>Other Assets less Liabilities</b>	3.6	-
<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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	8,079,287	-	-	8,079,287
	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	5,621,537	-	-	5,621,537

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

	June 30, 2018	
	Shares	Market Value (\$)
Series AT5	-	-
Series FT5	688	10,830
Series FT8	697	10,830
	December 31, 2017	
	Shares	Market Value (\$)
Series AT5	883	15,566
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, 2018 and December 31, 2017, 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series AT8 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 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	March 31, 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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	<b>21,837,426</b>	14,653,388
Cash	<b>216,846</b>	27,864
Due from investment dealers	-	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>72,313</b>	107,356
	<b>22,126,585</b>	14,788,608
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>3,216</b>	640
Redemptions payable	<b>6,082</b>	5,250
Distributions payable	<b>1,603</b>	669
Due to investment dealers	<b>43,358</b>	56,918
Management fees payable	<b>26,453</b>	5,319
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>80,712</b>	68,796
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>22,045,873</b>	14,719,812
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>12,586,558</b>	8,651,583
Series AT5	<b>386,394</b>	197,948
Series AT8	<b>707,506</b>	394,043
Series F	<b>2,653,023</b>	1,057,578
Series FT5	<b>25,687</b>	-
Series FT8	<b>54,685</b>	-
Series O	<b>5,632,020</b>	4,418,660
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	<b>21.69</b>	18.85
Series AT5	<b>25.65</b>	22.81
Series AT8	<b>22.12</b>	19.95
Series F	<b>22.88</b>	19.78
Series FT5	<b>16.98</b>	-
Series FT8	<b>16.78</b>	-
Series O	<b>19.57</b>	16.84

Approved on behalf of the Board of Directors of the Corporation

"signed" Rick Headrick	"signed" Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	<b>285</b>	28
Distributions from underlying funds	-	12,224
<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>289,546</b>	80,823
Change in unrealized appreciation (depreciation) in value of investments	<b>2,615,783</b>	1,024,894
<b>Net gains (losses) on investments</b>	<b>2,905,614</b>	1,117,969
<b>Total income (loss)</b>	<b>2,905,614</b>	1,117,969
<b>Expenses (note 6)</b>		
Management fees	<b>122,277</b>	78,137
Administration fees	<b>15,093</b>	8,586
Independent review committee fees	<b>169</b>	97
Total operating expenses	<b>137,539</b>	86,820
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>2,768,075</b>	1,031,149
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>2,768,075</b>	1,031,149
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>2,768,075</b>	1,031,149
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>1,546,917</b>	680,069
Series AT5	<b>38,488</b>	19,922
Series AT8	<b>86,344</b>	33,663
Series F	<b>262,114</b>	(24,278)
Series FT5	<b>1,435</b>	-
Series FT8	<b>1,684</b>	-
Series O	<b>831,093</b>	321,773
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>505,539</b>	372,294
Series AT5	<b>10,993</b>	8,149
Series AT8	<b>26,797</b>	15,724
Series F	<b>81,440</b>	32,305
Series FT5	<b>767</b>	-
Series FT8	<b>683</b>	-
Series O	<b>284,571</b>	189,860
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>3.06</b>	1.83
Series AT5	<b>3.50</b>	2.44
Series AT8	<b>3.22</b>	2.14
Series F	<b>3.22</b>	(0.75)
Series FT5	<b>1.87</b>	-
Series FT8	<b>2.47</b>	-
Series O	<b>2.92</b>	1.69

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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 8,651,583	5,402,458	197,948	113,896	394,043	369,714	1,057,578	342,405
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 1,546,917	680,069	38,488	19,922	86,344	33,663	262,114	(24,278)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 4,545,201	1,918,782	350,774	60,000	278,763	51,761	1,677,099	1,314,810
Redemption of redeemable shares	\$ (2,158,968)	(713,093)	(194,361)	-	(26,066)	(150,788)	(344,036)	(19,876)
Reinvestment of distributions to holders of redeemable shares	\$ 123,580	146,828	4,236	3,693	3,377	4,517	16,480	9,101
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 2,509,813	1,352,517	160,649	63,693	256,074	(94,510)	1,349,543	1,304,035
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (121,755)	(145,751)	(3,890)	(4,514)	(6,744)	(7,054)	(16,212)	(9,007)
From net investment income	\$ -	(1,073)	(6,801)	(4,410)	(22,211)	(11,067)	-	(86)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (121,755)	(146,824)	(10,691)	(8,924)	(28,955)	(18,121)	(16,212)	(9,093)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 3,934,975	1,885,762	188,446	74,691	313,463	(78,968)	1,595,445	1,270,664
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 12,586,558</b>	<b>7,288,220</b>	<b>386,394</b>	<b>188,587</b>	<b>707,506</b>	<b>290,746</b>	<b>2,653,023</b>	<b>1,613,069</b>
Redeemable Share Transactions								
Balance - beginning of period	459,064	335,771	8,679	5,588	19,749	20,131	53,479	20,499
Shares issued	220,419	110,194	14,047	2,880	13,306	2,654	77,088	67,691
Shares issued on reinvestment of distributions	5,979	8,760	169	175	153	234	758	522
Shares redeemed	(105,188)	(41,351)	(7,832)	-	(1,219)	(8,011)	(15,390)	(1,056)
Balance - end of period	<b>580,274</b>	<b>413,374</b>	<b>15,063</b>	<b>8,643</b>	<b>31,989</b>	<b>15,008</b>	<b>115,935</b>	<b>87,656</b>

  

	Series FT5		Series FT8		Series O		Total	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	-	-	-	4,418,660	2,447,010	<b>14,719,812</b>	<b>8,675,483</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 1,435	-	1,684	-	831,093	321,773	<b>2,768,075</b>	<b>1,031,149</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 24,250	-	53,000	-	1,173,160	982,668	8,102,247	4,328,021
Redemption of redeemable shares	\$ -	-	-	-	(790,893)	(162,676)	(3,514,324)	(1,046,433)
Reinvestment of distributions to holders of redeemable shares	\$ 401	-	478	-	64,400	65,369	212,952	229,508
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 24,651	-	53,478	-	446,667	885,361	<b>4,800,875</b>	<b>3,511,096</b>
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (136)	-	(136)	-	(64,400)	(65,369)	(213,273)	(231,695)
From net investment income	\$ (263)	-	(341)	-	-	-	(29,616)	(16,636)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (399)	-	(477)	-	(64,400)	(65,369)	<b>(242,889)</b>	<b>(248,331)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 25,687	-	54,685	-	1,213,360	1,141,765	<b>7,326,061</b>	<b>4,293,914</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 25,687</b>	<b>-</b>	<b>54,685</b>	<b>-</b>	<b>5,632,020</b>	<b>3,588,775</b>	<b>22,045,873</b>	<b>12,969,397</b>
Redeemable Share Transactions								
Balance - beginning of period	-	-	-	-	262,457	173,999	<b>803,428</b>	<b>555,988</b>
Shares issued	1,488	-	3,229	-	64,620	62,843	394,197	246,262
Shares issued on reinvestment of distributions	25	-	30	-	3,531	4,457	10,645	14,148
Shares redeemed	-	-	-	-	(42,892)	(10,931)	(172,521)	(61,349)
Balance - end of period	<b>1,513</b>	<b>-</b>	<b>3,259</b>	<b>-</b>	<b>287,716</b>	<b>230,368</b>	<b>1,035,749</b>	<b>755,049</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)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>2,768,075</b>	1,031,149
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(289,546)</b>	(80,823)
Change in unrealized (appreciation) depreciation in value of investments	<b>(2,615,783)</b>	(1,024,894)
Non-cash income distributions from underlying funds	-	(12,224)
Purchases of investments	<b>(5,705,706)</b>	(3,684,410)
Proceeds from sale of investments	<b>1,413,437</b>	824,493
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>21,134</b>	5,753
Change in other payables and accrued expenses	<b>2,576</b>	665
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(4,405,813)</b>	(2,940,291)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(29,003)</b>	(18,823)
Proceeds from redeemable shares issued	<b>8,137,290</b>	4,319,971
Redemption of redeemable shares	<b>(3,513,492)</b>	(1,291,852)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>4,594,795</b>	3,009,296
Net increase (decrease) in cash	<b>188,982</b>	69,005
Cash (bank indebtedness) at beginning of period	<b>27,864</b>	24,101
<b>Cash (bank indebtedness) at end of period</b>	<b>216,846</b>	93,106
Interest received	<b>285</b>	28
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at June 30, 2018 (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	572,892	16,820,409	21,837,426	
		<b>16,820,409</b>	<b>21,837,426</b>	<b>99.05</b>
<b>Total Investments</b>		<b>16,820,409</b>	<b>21,837,426</b>	<b>99.05</b>
<b>Other Assets less Liabilities</b>			<b>208,447</b>	<b>0.95</b>
<b>Total Net Assets</b>			<b>22,045,873</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 9 to the financial statements.

### (a) Credit risk

As at June 30, 2018 and December 31, 2017, 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 Underlying Fund also 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, 2018 and December 31, 2017 are noted below:

	Percentage of Net Assets (%)	
Rating	June 30, 2018	December 31, 2017
AAA/Aaa	1.04	2.44
AA/Aa	0.87	-
<b>Total</b>	<b>1.91</b>	<b>2.44</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, 2018 and December 31, 2017. 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, 2018		December 31, 2017	
United States Dollar	21,212,888	96.22	14,101,711	95.80
Euro	53,062	0.24	93,110	0.63
<b>Total</b>	<b>21,265,950</b>	<b>96.46</b>	<b>14,194,821</b>	<b>96.43</b>

As at June 30, 2018, 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 \$1,063,298 (\$709,741 as at December 31, 2017). 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 Underlying Fund's investment in interest-bearing securities.

The following table summarizes 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, 2018	420,939	-	-	420,939
December 31, 2017	358,963	-	-	358,963

As at June 30, 2018, 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 \$541 (\$191 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (iii) Other market risk

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

As at June 30, 2018, 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 \$1,065,075 (\$713,910 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (c) Liquidity risk

As at June 30, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Portfolio by Category</b>		
<b>Short-Term Investments</b>		
Treasury Bills	1.6	2.4
Term Deposit Receipts	0.3	-
<b>Equities</b>		
Energy	1.0	0.6
Materials	2.7	3.3
Industrials	6.4	8.7
Consumer Discretionary	16.1	15.1
Consumer Staples	4.2	5.4
Health Care	11.5	11.0
Financials	8.5	9.0
Information Technology	44.9	41.7
Telecommunication Services	-	0.1
Real Estate	1.4	2.1
<b>Other Assets less Liabilities</b>	<b>1.4</b>	<b>0.6</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

# Sun Life MFS 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, 2018 and December 31, 2017.

June 30, 2018				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	21,837,426	-	-	21,837,426

  

December 31, 2017				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	14,653,388	-	-	14,653,388

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

June 30, 2018		
	Shares	Market Value (\$)
Series FT5	688	11,685
Series FT8	696	11,685

  

December 31, 2017		
	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, 2018 and December 31, 2017, 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series AT8 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 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	March 31, 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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	<b>8,540,029</b>	10,515,110
Cash	<b>281,911</b>	-
Due from investment dealers	<b>42,005</b>	27,170
Accrued interest	<b>2,930</b>	-
Distributions receivable from underlying funds	<b>12,203</b>	12,025
Subscriptions receivable	-	-
	<b>8,879,078</b>	10,554,305
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	35,234
Accrued expenses	<b>14</b>	27
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	<b>10,008</b>	9,428
Management fees payable	<b>3,204</b>	1,049
Income tax payable	<b>5,402</b>	10,637
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>18,628</b>	56,375
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>8,860,450</b>	10,497,930
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	<b>5,656,746</b>	6,353,370
Series F	<b>2,385,280</b>	2,783,228
Series O	<b>818,424</b>	1,361,332
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	<b>10.12</b>	10.08
Series F	<b>10.25</b>	10.20
Series O	<b>10.34</b>	10.28

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	<b>135</b>	-
Distributions from underlying funds	<b>63,388</b>	41,711
<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>63,523</b>	41,711
<b>Total income (loss)</b>	<b>63,523</b>	41,711
<b>Expenses (note 6)</b>		
Management fees	<b>20,096</b>	24,699
Administration fees	-	-
Independent review committee fees	<b>87</b>	114
Total operating expenses	<b>20,183</b>	24,813
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>43,340</b>	16,898
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>43,340</b>	16,898
Income taxes	<b>5,569</b>	7,854
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>37,771</b>	9,044
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	<b>21,114</b>	171
Series F	<b>9,122</b>	1,330
Series O	<b>7,535</b>	7,543
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	<b>611,681</b>	848,537
Series F	<b>188,108</b>	98,179
Series O	<b>116,221</b>	265,555
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	<b>0.03</b>	-
Series F	<b>0.05</b>	0.01
Series O	<b>0.06</b>	0.03

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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 6,353,370	9,206,773	2,783,228	819,413	1,361,332	3,466,948	<b>10,497,930</b>	<b>13,493,134</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 21,114	171	9,122	1,330	7,535	7,543	<b>37,771</b>	<b>9,044</b>
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 9,457,286	6,145,773	3,114,407	2,147,537	2,947,187	1,897,173	15,518,880	10,190,483
Redemption of redeemable shares	\$ (10,190,274)	(8,636,471)	(3,521,477)	(647,293)	(3,497,630)	(3,782,512)	(17,209,381)	(13,066,276)
Reinvestment of distributions to holders of redeemable shares	\$ 15,250	-	-	-	-	-	15,250	-
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (717,738)	(2,490,698)	(407,070)	1,500,244	(550,443)	(1,885,339)	<b>(1,675,251)</b>	<b>(2,875,793)</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	\$ (696,624)	(2,490,527)	(397,948)	1,501,574	(542,908)	(1,877,796)	<b>(1,637,480)</b>	<b>(2,866,749)</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ <b>5,656,746</b>	<b>6,716,246</b>	<b>2,385,280</b>	<b>2,320,987</b>	<b>818,424</b>	<b>1,589,152</b>	<b>8,860,450</b>	<b>10,626,385</b>
Redeemable Share Transactions								
Balance - beginning of period	630,231	914,505	272,788	80,650	132,410	339,532	<b>1,035,429</b>	<b>1,334,687</b>
Shares issued	936,587	610,383	304,475	211,113	285,848	185,572	1,526,910	1,007,068
Shares issued on reinvestment of distributions	1,510	-	-	-	-	-	1,510	-
Shares redeemed	(1,009,098)	(857,769)	(344,602)	(63,650)	(339,142)	(369,900)	(1,692,842)	(1,291,319)
Balance - end of period	<b>559,230</b>	<b>667,119</b>	<b>232,661</b>	<b>228,113</b>	<b>79,116</b>	<b>155,204</b>	<b>871,007</b>	<b>1,050,436</b>

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2018	2017		2018	2017
	(\$)	(\$)		(\$)	(\$)
Cash Flows from Operating Activities			Net Cash Provided by (Used in) Financing Activities	<b>(1,675,251)</b>	(2,878,358)
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>37,771</b>	9,044	Net increase (decrease) in cash	<b>317,145</b>	37,744
Adjustments for:			Cash (bank indebtedness) at beginning of period	<b>(35,234)</b>	(43,421)
Net realized (gain) loss on sale of investments	-	-	Cash (bank indebtedness) at end of period	<b>281,911</b>	(5,677)
Change in unrealized (appreciation) depreciation in value of investments	-	-	Interest received	<b>135</b>	-
Non-cash income distributions from underlying funds	<b>(63,388)</b>	(41,711)	Income taxes paid	<b>(10,804)</b>	(10,497)
Purchases of investments	<b>(11,713,807)</b>	(7,378,728)	Interest paid	<b>(2,930)</b>	-
Proceeds from sale of investments	<b>13,738,021</b>	10,330,303			
Change in accrued interest	<b>(2,930)</b>	-			
Change in distributions receivable from underlying funds	<b>(178)</b>	321			
Change in management fees payable	<b>2,155</b>	(506)			
Change in other payables and accrued expenses	<b>(13)</b>	22			
Change in income tax payable	<b>(5,235)</b>	(2,643)			
Net Cash Provided by (Used in) Operating Activities	<b>1,992,396</b>	2,916,102			
Cash Flows from Financing Activities					
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>15,250</b>	-			
Proceeds from redeemable shares issued	<b>15,518,880</b>	10,190,818			
Redemption of redeemable shares	<b>(17,209,381)</b>	(13,069,176)			

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

# Sun Life Money Market Class (continued)

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Money Market Fund, Series I	854,003	8,540,029	8,540,029	
		<b>8,540,029</b>	<b>8,540,029</b>	<b>96.38</b>
<b>Total Investments</b>		<b>8,540,029</b>	<b>8,540,029</b>	<b>96.38</b>
<b>Other Assets less Liabilities</b>			<b>320,421</b>	<b>3.62</b>
<b>Total Net Assets</b>			<b>8,860,450</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 9 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, 2018 and December 31, 2017 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2018	December 31, 2017
AAA/Aaa	61.50	62.20
AA/Aa	34.60	33.90
Not Rated	-	4.0
<b>Total</b>	<b>96.10</b>	<b>100.10</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 its Underlying Fund’s investment in interest-bearing securities.

The following table summarizes 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, 2018	8,517,303	-	-	8,517,303
December 31, 2017	10,505,664	-	-	10,505,664

As at June 30, 2018, 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 \$17,888 (\$17,275 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

##### (iii) Other market risk

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

#### (c) Liquidity risk

As at June 30, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Short-Term Investments</b>		
Treasury Bills	44.9	45.2
Bankers' Acceptances	20.6	22.6
Discount Commercial Paper	13.1	13.2
Promissory Notes	8.2	10.9
Bearer Deposit Notes	9.3	8.0
<b>Other Assets less Liabilities</b>	3.9	0.1
<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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	8,540,029	-	-	8,540,029

  

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	10,515,110	-	-	10,515,110

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, 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	July 31, 2013
Series F Shares	July 29, 2013	July 31, 2013
Series O Shares	April 01, 2014	March 31, 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, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	28,224,885	27,880,870
Cash	7,886	-
Due from investment dealers	-	25,616
Accrued interest	15	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	42,404	21,687
	28,275,190	27,928,173
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	45,942
Accrued expenses	1,588	484
Redemptions payable	12,555	-
Distributions payable	2,421	67
Due to investment dealers	28,695	17,808
Management fees payable	10,508	3,393
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	55,767	67,694
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>28,219,423</b>	<b>27,860,479</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	5,131,939	5,883,674
Series AT5	179,361	95,760
Series F	772,662	643,555
Series FT5	10,719	-
Series I	18,049,981	16,803,650
Series O	4,074,761	4,433,840
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	12.47	12.93
Series AT5	14.71	15.55
Series F	13.17	13.57
Series FT5	14.97	-
Series I	10.84	11.11
Series O	11.93	12.24

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	1,397	41
Distributions from underlying funds	-	359,888
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	60,048	28,111
Change in unrealized appreciation (depreciation) in value of investments	643,919	664,881
<b>Net gains (losses) on investments</b>	<b>705,364</b>	<b>1,052,921</b>
<b>Total income (loss)</b>	<b>705,364</b>	<b>1,052,921</b>
<b>Expenses (note 6)</b>		
Management fees	59,562	61,163
Administration fees	8,961	8,218
Independent review committee fees	103	91
Total operating expenses	68,626	69,472
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>636,738</b>	<b>983,449</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>636,738</b>	<b>983,449</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>636,738</b>	<b>983,449</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	66,960	206,717
Series AT5	2,904	2,934
Series F	27,118	20,953
Series FT5	718	-
Series I	449,821	568,767
Series O	89,217	184,078
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	429,671	430,267
Series AT5	8,884	4,832
Series F	79,282	36,472
Series FT5	702	-
Series I	1,614,526	1,102,113
Series O	356,117	333,948
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	0.16	0.48
Series AT5	0.33	0.61
Series F	0.34	0.57
Series FT5	1.02	-
Series I	0.28	0.52
Series O	0.25	0.55

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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 5,883,674	4,969,968	95,760	69,552	643,555	399,160	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 66,960	206,717	2,904	2,934	27,118	20,953	718	-
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 1,031,979	1,017,879	100,426	5,208	625,193	86,854	10,000	-
Redemption of redeemable shares	\$ (1,848,217)	(606,754)	(15,952)	-	(522,205)	(12,057)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 248,865	172,885	5,702	4,540	46,376	14,401	711	-
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (567,373)	584,010	90,176	9,748	149,364	89,198	10,711	-
Distributions to Holders of Redeemable Shares								
From capital gains	\$ -	(174,609)	-	(2,510)	-	(15,230)	-	-
From net investment income	\$ (251,322)	-	(9,479)	(1,935)	(47,375)	-	(710)	-
Return of capital	\$ -	(959)	-	(17)	-	(105)	-	-
	\$ (251,322)	(175,568)	(9,479)	(4,462)	(47,375)	(15,335)	(710)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (751,735)	615,159	83,601	8,220	129,107	94,816	10,719	-
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 5,131,939</b>	<b>5,585,127</b>	<b>179,361</b>	<b>77,772</b>	<b>772,662</b>	<b>493,976</b>	<b>10,719</b>	<b>-</b>
Redeemable Share Transactions								
Balance - beginning of period	455,159	396,206	6,158	4,379	47,417	30,644	-	-
Shares issued	81,304	80,859	6,702	328	46,932	6,681	667	-
Shares issued on reinvestment of distributions	20,836	14,249	397	294	3,676	1,133	49	-
Shares redeemed	(145,900)	(48,116)	(1,068)	-	(39,373)	(914)	-	-
Balance - end of period	<b>411,399</b>	<b>443,198</b>	<b>12,189</b>	<b>5,001</b>	<b>58,652</b>	<b>37,544</b>	<b>716</b>	<b>-</b>

  

	Series I		Series O		Total	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 16,803,650	9,418,145	4,433,840	3,966,002	<b>27,860,479</b>	<b>18,822,827</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 449,821	568,767	89,217	184,078	<b>636,738</b>	<b>983,449</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 2,307,891	4,095,760	340,356	400,692	4,415,845	5,606,393
Redemption of redeemable shares	\$ (1,511,382)	(502,596)	(786,491)	(511,780)	(4,684,247)	(1,633,187)
Reinvestment of distributions to holders of redeemable shares	\$ 810,621	354,736	198,233	123,150	1,310,508	669,712
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,607,130	3,947,900	(247,902)	12,062	<b>1,042,106</b>	<b>4,642,918</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ -	(354,734)	-	(123,150)	-	(670,233)
From net investment income	\$ (810,620)	-	(200,394)	-	(1,319,900)	(1,935)
Return of capital	\$ -	-	-	-	-	(1,081)
	\$ (810,620)	(354,734)	(200,394)	(123,150)	<b>(1,319,900)</b>	<b>(673,249)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,246,331	4,161,933	(359,079)	72,990	<b>358,944</b>	<b>4,953,118</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 18,049,981</b>	<b>13,580,078</b>	<b>4,074,761</b>	<b>4,038,992</b>	<b>28,219,423</b>	<b>23,775,945</b>
Redeemable Share Transactions						
Balance - beginning of period	1,513,084	894,568	362,176	341,147	<b>2,383,994</b>	<b>1,666,944</b>
Shares issued	215,318	387,172	28,514	34,242	379,437	509,282
Shares issued on reinvestment of distributions	79,008	34,531	17,532	10,859	121,498	61,066
Shares redeemed	(141,724)	(47,132)	(66,806)	(44,114)	(394,871)	(140,276)
Balance - end of period	<b>1,665,686</b>	<b>1,269,139</b>	<b>341,416</b>	<b>342,134</b>	<b>2,490,058</b>	<b>2,097,016</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)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>636,738</b>	983,449
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(60,048)</b>	(28,111)
Change in unrealized (appreciation) depreciation in value of investments	<b>(643,919)</b>	(664,881)
Non-cash income distributions from underlying funds	-	(359,888)
Purchases of investments	<b>(2,600,666)</b>	(5,009,645)
Proceeds from sale of investments	<b>2,997,121</b>	995,217
Change in accrued interest	<b>(15)</b>	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>7,115</b>	2,392
Change in other payables and accrued expenses	<b>1,104</b>	246
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>337,430</b>	(4,081,221)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>(7,038)</b>	(3,677)
Proceeds from redeemable shares issued	<b>4,395,128</b>	5,444,092
Redemption of redeemable shares	<b>(4,671,692)</b>	(1,587,939)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(283,602)</b>	3,852,476
Net increase (decrease) in cash	<b>53,828</b>	(228,745)
Cash (bank indebtedness) at beginning of period	<b>(45,942)</b>	133,060
<b>Cash (bank indebtedness) at end of period</b>	<b>7,886</b>	(95,685)
Interest received	<b>1,382</b>	41
Interest paid	-	-
Income taxes paid	-	-

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Sentry Value Fund, Series I	1,906,121	26,873,467	28,224,885	
		<b>26,873,467</b>	<b>28,224,885</b>	<b>100.02</b>
<b>Total Investments</b>		<b>26,873,467</b>	<b>28,224,885</b>	<b>100.02</b>
<b>Other Assets less Liabilities</b>			<b>(5,462)</b>	<b>(0.02)</b>
<b>Total Net Assets</b>			<b>28,219,423</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 9 to the financial statements.

### (a) Credit risk

As at June 30, 2018 and December 31, 2017, 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 Underlying Fund also 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, 2018 and December 31, 2017 are noted below:

	Percentage of Net Assets (%)	
Rating	June 30, 2018	December 31, 2017
AAA/ Aaa	-	0.09
<b>Total</b>	<b>-</b>	<b>0.09</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, 2018 and December 31, 2017. Amounts shown are based on the fair value of monetary and non-monetary assets.

	June 30, 2018		December 31, 2017	
	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
United States Dollar	4,211,561	14.92	2,457,922	8.82
<b>Total</b>	<b>4,211,561</b>	<b>14.92</b>	<b>2,457,922</b>	<b>8.82</b>

As at June 30, 2018, 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 \$210,578 (\$122,896 as at December 31, 2017). 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. As at June 30, 2018 and December 31, 2017, the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

### (iii) Other market risk

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

As at June 30, 2018, 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 \$1,263,873 (\$1,164,381 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

### (c) Liquidity risk

As at June 30, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Equities</b>		
Energy	19.2	19.6
Real Estate	12.5	11.7
Industrials	12.5	10.5
Consumer Staples	9.7	6.6
Consumer Discretionary	9.4	15.6
Materials	7.5	6.0
Information Technology	5.5	3.6
Telecommunication Services	5.4	2.3
Financials	4.9	4.8
Utilities	3.0	2.8
<b>Derivative Assets (Liabilities)</b>	<b>(0.1)</b>	<b>-</b>
<b>Other Assets less Liabilities</b>	<b>10.5</b>	<b>16.5</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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	28,224,885	-	-	28,224,885
<b>December 31, 2017</b>				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	27,880,870	-	-	27,880,870

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

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

# Sun Life Sentry Value Class (continued)

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

	June 30, 2018	
	Shares	Market Value (\$)
Series AT5	-	-
Series I	1,167	12,650
Series FT5	716	10,719

  

	December 31, 2017	
	Shares	Market Value (\$)
Series AT5	993	15,443
Series I	1,111	12,339
Series FT5	-	-

## 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, 2018 and December 31, 2017, the Fund had significant interests in the Underlying Fund as noted in the following tables:

	As at June 30, 2018	
Underlying Fund(s)	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life Sentry Value Fund	100	29

  

	As at December 31, 2017	
Underlying Fund(s)	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life Sentry Value Fund	100	29

## 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	July 31, 2013
Series AT5 Shares	July 29, 2013	July 31, 2013
Series F Shares	July 29, 2013	July 31, 2013
Series FT5 Shares	February 09, 2018	February 09, 2018
Series I Shares	May 01, 2015	April 30, 2015
Series O Shares	April 01, 2014	March 31, 2014

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

# Sun Life Sionna Canadian Small Cap Equity Class

## Statements of Financial Position

As at June 30, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	168,902,463	161,778,140
Cash	33,356	-
Due from investment dealers	151,106	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	40	249,519
	<b>169,086,965</b>	<b>162,027,659</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	3,795
Accrued expenses	8,548	2,252
Redemptions payable	151,146	9,793
Distributions payable	-	-
Due to investment dealers	-	239,776
Management fees payable	2,497	725
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	<b>162,191</b>	<b>256,341</b>
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>168,924,774</b>	<b>161,771,318</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	1,105,488	1,173,558
Series AT5	15,893	15,118
Series F	157,048	159,821
Series FT5	10,607	-
Series I	167,413,163	160,117,820
Series O	222,575	305,001
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	9.64	9.64
Series AT5	12.14	12.46
Series F	9.98	9.93
Series FT5	15.58	-
Series I	10.45	10.32
Series O	10.40	10.28

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	113	-
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	117,116	162,672
Change in unrealized appreciation (depreciation) in value of investments	2,252,234	(2,623,891)
<b>Net gains (losses) on investments</b>	<b>2,369,463</b>	<b>(2,461,219)</b>
<b>Total income (loss)</b>	<b>2,369,463</b>	<b>(2,461,219)</b>
<b>Expenses (note 6)</b>		
Management fees	13,840	14,771
Administration fees	46,657	20,338
Independent review committee fees	15	15
Total operating expenses	60,512	35,124
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>2,308,951</b>	<b>(2,496,343)</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>2,308,951</b>	<b>(2,496,343)</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>2,308,951</b>	<b>(2,496,343)</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	(1,045)	(39,214)
Series AT5	12	(369)
Series F	1,282	(4,650)
Series FT5	606	-
Series I	2,306,120	(2,448,846)
Series O	1,976	(3,264)
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	114,773	129,727
Series AT5	1,283	890
Series F	16,656	12,303
Series FT5	673	-
Series I	15,963,408	6,850,326
Series O	22,020	24,935
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	(0.01)	(0.30)
Series AT5	0.01	(0.41)
Series F	0.08	(0.38)
Series FT5	0.90	-
Series I	0.14	(0.36)
Series O	0.09	(0.13)

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

# Sun Life Sionna Canadian Small Cap 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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 1,173,558	1,045,498	15,118	9,945	159,821	52,680	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ (1,045)	(39,214)	12	(369)	1,282	(4,650)	606	-
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 88,832	694,673	753	4,625	8,085	100,145	10,000	-
Redemption of redeemable shares	\$ (155,999)	(490,116)	-	-	(12,153)	(1,052)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 930	290	422	302	133	22	219	-
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (66,237)	204,847	1,175	4,927	(3,935)	99,115	10,219	-
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (788)	(62)	(11)	-	(120)	(4)	(8)	-
From net investment income	\$ -	(223)	(401)	(305)	-	(18)	(210)	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (788)	(285)	(412)	(305)	(120)	(22)	(218)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (68,070)	165,348	775	4,253	(2,773)	94,443	10,607	-
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 1,105,488</b>	<b>1,210,846</b>	<b>15,893</b>	<b>14,198</b>	<b>157,048</b>	<b>147,123</b>	<b>10,607</b>	<b>-</b>
Redeemable Share Transactions								
Balance - beginning of period	121,757	111,582	1,213	779	16,100	5,518	-	-
Shares issued	9,414	71,968	62	363	836	10,247	667	-
Shares issued on reinvestment of distributions	85	25	34	24	12	2	14	-
Shares redeemed	(16,539)	(51,574)	-	-	(1,208)	(110)	-	-
Balance - end of period	<b>114,717</b>	<b>132,001</b>	<b>1,309</b>	<b>1,166</b>	<b>15,740</b>	<b>15,657</b>	<b>681</b>	<b>-</b>

  

	Series I		Series O		Total	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 160,117,820	40,371,661	305,001	163,233	<b>161,771,318</b>	<b>41,643,017</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 2,306,120	(2,448,846)	1,976	(3,264)	<b>2,308,951</b>	<b>(2,496,343)</b>
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 9,174,598	60,826,188	-	100,285	9,282,268	61,725,916
Redemption of redeemable shares	\$ (4,185,375)	(4,418,007)	(84,402)	(4,622)	(4,437,929)	(4,913,797)
Reinvestment of distributions to holders of redeemable shares	\$ 120,178	2,954	161	10	122,043	3,578
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 5,109,401	56,411,135	(84,241)	95,673	<b>4,966,382</b>	<b>56,815,697</b>
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (120,178)	(1,794)	(161)	(10)	(121,266)	(1,870)
From net investment income	\$ -	-	-	-	(611)	(546)
Return of capital	\$ -	-	-	-	-	-
	\$ (120,178)	(1,794)	(161)	(10)	<b>(121,877)</b>	<b>(2,416)</b>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 7,295,343	53,960,495	(82,426)	92,399	<b>7,153,456</b>	<b>54,316,938</b>
Net Assets Attributable to Holders of Redeemable Shares at end of period	<b>\$ 167,413,163</b>	<b>94,332,156</b>	<b>222,575</b>	<b>255,632</b>	<b>168,924,774</b>	<b>95,959,955</b>
Redeemable Share Transactions						
Balance - beginning of period	15,509,758	4,124,164	29,677	16,723	<b>15,678,505</b>	<b>4,258,766</b>
Shares issued	905,839	6,037,632	-	10,193	916,818	6,130,403
Shares issued on reinvestment of distributions	12,039	298	16	1	12,200	350
Shares redeemed	(408,200)	(440,605)	(8,282)	(475)	(434,229)	(492,764)
Balance - end of period	<b>16,019,436</b>	<b>9,721,489</b>	<b>21,411</b>	<b>26,442</b>	<b>16,173,294</b>	<b>9,896,755</b>

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



# Sun Life Sionna Canadian Small Cap Equity Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	<b>2,308,951</b>	(2,496,343)
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(117,116)</b>	(162,672)
Change in unrealized (appreciation) depreciation in value of investments	<b>(2,252,234)</b>	2,623,891
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(7,859,184)</b>	(60,160,879)
Proceeds from sale of investments	<b>2,713,329</b>	3,423,033
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>1,772</b>	588
Change in other payables and accrued expenses	<b>6,296</b>	2,997
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(5,198,186)</b>	(56,769,385)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	<b>166</b>	3
Proceeds from redeemable shares issued	<b>9,531,747</b>	61,615,610
Redemption of redeemable shares	<b>(4,296,576)</b>	(5,051,889)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>5,235,337</b>	56,563,724
Net increase (decrease) in cash	<b>37,151</b>	(205,661)
Cash (bank indebtedness) at beginning of period	<b>(3,795)</b>	30,393
<b>Cash (bank indebtedness) at end of period</b>	<b>33,356</b>	(175,268)
Interest received	<b>113</b>	-
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sionna Canadian Small Cap Equity Fund, Series I	9,500,965	160,029,585	168,902,463	
		<b>160,029,585</b>	<b>168,902,463</b>	<b>99.99</b>
<b>Total Investments</b>		<b>160,029,585</b>	<b>168,902,463</b>	<b>99.99</b>
<b>Other Assets less Liabilities</b>			<b>22,311</b>	<b>0.01</b>
<b>Total Net Assets</b>			<b>168,924,774</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life Sionna Canadian Small Cap 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 Sionna Canadian Small Cap 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 9 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 externally managed funds, 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 Sionna Canadian Small Cap Equity 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, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Equities</b>		
Real Estate	17.3	15.2
Industrials	15.5	16.5
Energy	13.1	14.2
Consumer Discretionary	13.0	13.0
Information Technology	11.9	11.0
Financials	10.3	11.1
Materials	7.9	7.3
Consumer Staples	1.6	1.8
Health Care	1.6	1.8
<b>Other Assets less Liabilities</b>	<b>7.8</b>	<b>8.1</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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	168,902,463	-	-	168,902,463

  

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	161,778,140	-	-	161,778,140

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## Mutual funds

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

## Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Underlying Fund to those brokers for the period ended June 30, 2018 was \$676 (\$12,765 for the period ended December 31, 2017).

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

	June 30, 2018	
	Shares	Market Value (\$)
Series AT5	856	10,394
Series A	11,888	114,558
Series F	-	-
Series FT5	681	10,607

  

	December 31, 2017	
	Shares	Market Value (\$)
Series AT5	833	10,379
Series A	11,866	114,369
Series F	1,079	10,709
Series FT5	-	-

## 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.

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

# Sun Life Sionna Canadian Small Cap Equity Class (continued)

As at June 30, 2018 and December 31, 2017, the Fund had significant interests in the Underlying Fund as noted in the following tables:

Underlying Fund(s)	As at June 30, 2018	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sionna Canadian Small Cap Equity Fund	100	88

Underlying Fund(s)	As at December 31, 2017	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sionna Canadian Small Cap Equity Fund	100	88

## 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 Trimark Canadian Class

## Statements of Financial Position

As at June 30, 2018 (unaudited) and December 31, 2017

	June 30, 2018 (\$)	December 31, 2017 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (notes 2 and 3)	1,866,234	1,793,149
Cash	-	-
Due from investment dealers	-	-
Accrued interest	4	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	25	1,161
	1,866,263	1,794,310
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	2,287	2,101
Accrued expenses	151	38
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	26	1,161
Management fees payable	661	149
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	3,125	3,449
<b>Net Assets Attributable to Holders of Redeemable Shares</b>	<b>1,863,138</b>	<b>1,790,861</b>
<b>Net Assets Attributable to Holders of Redeemable Shares per Series</b>		
Series A	315,212	248,357
Series AT5	9,770	10,012
Series F	10,136	10,329
Series FT5	10,430	-
Series I	1,507,438	1,493,098
Series O	10,152	29,065
<b>Net Assets Attributable to Holders of Redeemable Shares per Share (note 5)</b>		
Series A	8.89	9.30
Series AT5	11.21	12.05
Series F	9.22	9.59
Series FT5	15.03	-
Series I	9.62	9.94
Series O	9.57	9.89

Approved on behalf of the Board of Directors of the Corporation

“signed” Rick Headrick	“signed” Kari Holdsworth
President	Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Investment Income</b>		
Interest income	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	7,408	28,441
Change in unrealized appreciation (depreciation) in value of investments	(30,241)	27,110
<b>Net gains (losses) on investments</b>	<b>(22,832)</b>	<b>55,551</b>
<b>Total income (loss)</b>	<b>(22,832)</b>	<b>55,551</b>
<b>Expenses (note 6)</b>		
Management fees	3,490	4,316
Administration fees	808	807
Independent review committee fees	16	15
Total operating expenses	4,314	5,138
Expenses waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>(27,146)</b>	<b>50,413</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>(27,146)</b>	<b>50,413</b>
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)</b>	<b>(27,146)</b>	<b>50,413</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)</b>		
Series A	(6,912)	13,862
Series AT5	(252)	226
Series F	(204)	285
Series FT5	428	-
Series I	(19,795)	35,467
Series O	(411)	573
<b>Weighted Average Number of Shares Outstanding</b>		
Series A	33,043	44,048
Series AT5	851	782
Series F	1,091	1,054
Series FT5	684	-
Series I	155,281	124,746
Series O	2,705	1,662
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)</b>		
Series A	(0.21)	0.31
Series AT5	(0.30)	0.29
Series F	(0.19)	0.27
Series FT5	0.63	-
Series I	(0.13)	0.28
Series O	(0.15)	0.34

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

# Sun Life Trimark Canadian 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	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 248,357	538,747	10,012	9,128	10,329	9,311	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ (6,912)	13,862	(252)	226	(204)	285	428	-
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 90,459	127,700	2	-	3	2	10,000	-
Redemption of redeemable shares	\$ (16,791)	(414,810)	-	-	-	-	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 5,885	269	449	240	199	12	411	-
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 79,553	(286,841)	451	240	202	14	10,411	-
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (5,786)	(47)	(184)	(1)	(191)	(1)	(196)	-
From net investment income	\$ -	(265)	(257)	(242)	-	(11)	(213)	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (5,786)	(312)	(441)	(243)	(191)	(12)	(409)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 66,855	(273,291)	(242)	223	(193)	287	10,430	-
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 315,212	265,456	9,770	9,351	10,136	9,598	10,430	-
Redeemable Share Transactions								
Balance - beginning of period	26,715	62,179	831	774	1,077	1,054	-	-
Shares issued	9,973	14,202	1	-	1	1	667	-
Shares issued on reinvestment of distributions	661	27	39	21	21	1	27	-
Shares redeemed	(1,890)	(46,461)	-	-	-	-	-	-
Balance - end of period	35,459	29,947	871	795	1,099	1,056	694	-

  

	Series I		Series O		Total	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 1,493,098	944,540	29,065	9,317	1,790,861	1,511,043
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ (19,795)	35,467	(411)	573	(27,146)	50,413
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 129,627	388,556	-	13,294	230,091	529,552
Redemption of redeemable shares	\$ (95,492)	(132,132)	(18,502)	(68)	(130,785)	(547,010)
Reinvestment of distributions to holders of redeemable shares	\$ 28,055	78	536	1	35,535	600
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 62,190	256,502	(17,966)	13,227	134,841	(16,858)
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (28,055)	(78)	(536)	(1)	(34,948)	(128)
From net investment income	\$ -	-	-	-	(470)	(518)
Return of capital	\$ -	-	-	-	-	-
	\$ (28,055)	(78)	(536)	(1)	(35,418)	(646)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 14,340	291,891	(18,913)	13,799	72,277	32,909
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 1,507,438	1,236,431	10,152	23,116	1,863,138	1,543,952
Redeemable Share Transactions						
Balance - beginning of period	150,153	104,479	2,938	1,034	181,714	169,520
Shares issued	13,438	41,664	-	1,452	24,080	57,319
Shares issued on reinvestment of distributions	2,982	8	57	-	3,787	57
Shares redeemed	(9,922)	(14,125)	(1,934)	(7)	(13,746)	(60,593)
Balance - end of period	156,651	132,026	1,061	2,479	195,835	166,303

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

# Sun Life Trimark Canadian Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2018 (\$)	2017 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	(27,146)	50,413
Adjustments for:		
Net realized (gain) loss on sale of investments	(7,408)	(28,441)
Change in unrealized (appreciation) depreciation in value of investments	30,241	(27,110)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	(223,011)	(518,333)
Proceeds from sale of investments	125,958	536,678
Change in accrued interest	(4)	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	512	(504)
Change in other payables and accrued expenses	113	(32)
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(100,745)</b>	<b>12,671</b>
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable shares, net of reinvested distributions	117	(46)
Proceeds from redeemable shares issued	231,227	529,527
Redemption of redeemable shares	(130,785)	(545,551)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>100,559</b>	<b>(16,070)</b>
Net increase (decrease) in cash	(186)	(3,399)
Cash (bank indebtedness) at beginning of period	(2,101)	(7)
<b>Cash (bank indebtedness) at end of period</b>	<b>(2,287)</b>	<b>(3,406)</b>
Interest received	-	-
Income taxes paid	-	-
Interest paid	(3)	-

## Schedule of Investments

As at June 30, 2018 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Trimark Canadian Fund, Series I	133,780	1,745,813	1,866,234	
		<b>1,745,813</b>	<b>1,866,234</b>	<b>100.17</b>
<b>Total Investments</b>		<b>1,745,813</b>	<b>1,866,234</b>	<b>100.17</b>
<b>Other Assets less Liabilities</b>			<b>(3,096)</b>	<b>(0.17)</b>
<b>Total Net Assets</b>			<b>1,863,138</b>	<b>100.00</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

The investment activities of the Sun Life Trimark 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 Trimark 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 9 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 externally managed funds, 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 Trimark Canadian 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, 2018 and December 31, 2017, 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, 2018	December 31, 2017
<b>Equities</b>		
Financials	46.1	43.3
Industrials	14.2	14.4
Information Technology	9.5	8.7
Energy	8.9	9.3
Consumer Discretionary	5.8	7.3
Materials	5.2	4.9
Consumer Staples	3.8	3.9
Health Care	3.4	3.3
<b>Other Assets less Liabilities</b>	3.1	4.9
<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, 2018 and December 31, 2017.

	June 30, 2018			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	1,866,234	-	-	1,866,234

  

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	1,793,149	-	-	1,793,149

There were no transfers between fair value levels during the periods from January 1 to June 30, 2018 and January 1 to December 31, 2017.

## 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

	June 30, 2018	
	Shares	Market Value (\$)
Series AT5	871	9,770
Series A	12,092	107,495
Series F	1,099	10,136
Series FT5	694	10,430
Series I	28,398	273,266
Series O	1,061	10,152

	December 31, 2017	
	Shares	Market Value (\$)
Series AT5	831	10,011
Series A	11,847	110,140
Series F	1,077	10,330
Series FT5	-	-
Series I	27,853	276,968
Series O	1,045	10,336

## 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, 2018 and December 31, 2017, 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.*



# Notes to Financial Statements

For the periods ended June 30, 2018 (unaudited) and December 31, 2017

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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” or the “Company”) is the Manager of the Funds. The Company has its registered office at 1 York Street, Toronto, Ontario, Canada, M5J 0B6.

Valuation, accounting and custodial duties of the Funds are provided by RBC Investor Services Trust. 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 6.

The financial statements of the Funds include the Schedule of Investments for each Fund as at June 30, 2018, the Statements of Financial Position as at June 30, 2018 and December 31, 2017, 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, 2018 and 2017. For details on each Fund's date of origin, refer to the Establishment of the Fund disclosure within the Fund Specific Notes to the Financial Statements of each Fund.

The financial statements of the Funds for the six months ended June 30, 2018 were authorized on August 10, 2018 for issue in accordance with the resolution approved by the Board of Directors of the Corporation to be filed on August 27, 2018.

## 2. Changes in Accounting Policies

### IFRS 15 Transition

IFRS 15, *Revenue from Contracts with Customers* (“IFRS 15”) established a five-step model to account for revenue arising from contracts with customers. Given that primarily all revenue streams of the Funds fall outside of the scope of IFRS 15, there was minimal impact to the financial statements.

### IFRS 9 Transition

Effective January 1, 2018, the Funds adopted IFRS 9, *Financial Instruments* (“IFRS 9”). The new standard requires financial assets to be carried at amortized cost or fair value, with changes in fair value recognized in fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”) based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Assessment and decision on the business model approach used is an accounting judgment.

Upon transition to IFRS 9 from IAS 39, *Financial Instruments: Recognition and Measurement* (“IAS 39”), the Funds' financial assets and certain financial liabilities were classified as FVTPL. This financial instrument categorization of financial assets and financial liabilities under IFRS 9 is different than IAS 39. However, there were no significant changes to the accounting for the financial assets and liabilities of the Funds.

All financial assets that had previously been designated as FVTPL are classified as FVTPL upon adoption to the new standard. Derivative assets and derivative liabilities that were previously considered as held-for-trading financial instruments and were classified as FVTPL remain unchanged upon adoption to the new standard.

There were no changes in the measurement values for any of the financial assets and financial liabilities upon transition to IFRS 9.

## 3. 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.

# Notes to Financial Statements

For the periods ended June 30, 2018 (unaudited) and December 31, 2017

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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;
- 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).

# Notes to Financial Statements

For the periods ended June 30, 2018 (unaudited) and December 31, 2017

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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.

## **(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.

# Notes to Financial Statements

For the periods ended June 30, 2018 (unaudited) and December 31, 2017

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## (j) Revenue recognition

- i) Interest income for distribution purposes resulting from investments in bonds is recorded on the accrual basis based on the bond coupon rate.
- ii) Dividend income is recorded on the ex-dividend date.
- iii) Realized gains (losses) on investments and unrealized appreciation (depreciation) in the value of investments are calculated with reference to the average cost of the related investments.
- iv) Income, realized gain (loss) and unrealized gain (loss) are allocated among the series of a Fund on a pro-rata basis.

## (k) Foreign currency translation

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

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

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

## (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 6.

## 4. 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.

## 5. 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.

# Notes to Financial Statements

For the periods ended June 30, 2018 (unaudited) and December 31, 2017

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.

## 6. Management Fees and Expenses

The Funds pay management fees to the Manager, which are accrued daily and paid monthly based on the NAV of each series of a Fund. The maximum rate of the fee, excluding GST/HST and other applicable taxes if any, is set out below.

Maximum Annual Management Fees						
	Series A shares	Series AT5 shares	Series AT8 shares	Series F shares	Series FT5 shares	Series FT8 shares
Sun Life BlackRock Canadian Balanced Class	1.50%	1.50%	-	0.50%	0.50%	-
Sun Life BlackRock Canadian Composite Equity Class	1.00%	1.00%	-	0.50%	0.50%	-
Sun Life BlackRock Canadian Equity Class	1.50%	1.50%	1.50%	0.50%	0.50%	0.50%
Sun Life Dynamic Equity Income Class	1.75%	1.75%	-	0.75%	0.75%	-
Sun Life Dynamic Strategic Yield Class	1.85%	1.85%	-	0.85%	0.85%	-
Sun Life Franklin Bissett Canadian Equity Class	2.00%	2.00%	-	1.00%	1.00%	-
Sun Life Granite Balanced Class	1.80%	1.80%	-	0.80%	0.80%	-
Sun Life Granite Balanced Growth Class	1.85%	1.85%	1.85%	0.85%	0.85%	0.85%
Sun Life Granite Conservative Class	1.50%	1.50%	-	0.75%	0.75%	-
Sun Life Granite Growth Class	1.90%	1.90%	1.90%	0.90%	0.90%	0.90%
Sun Life Granite Moderate Class	1.75%	1.75%	-	0.75%	0.75%	-
Sun Life MFS Canadian Equity Growth Class	1.80%	1.80%	-	0.80%	0.80%	-
Sun Life MFS Dividend Income Class	1.70%	1.70%	-	0.70%	0.70%	-
Sun Life MFS Global Growth Class	1.85%	1.85%	1.85%	0.85%	0.85%	0.85%
Sun Life MFS International Growth Class	1.85%	1.85%	1.85%	0.85%	0.85%	0.85%
Sun Life MFS U.S. Growth Class	1.85%	1.85%	1.85%	0.85%	0.85%	0.85%
Sun Life Money Market Class*	1.00%	-	-	0.75%	-	-
Sun Life Sentry Value Class	1.80%	1.80%	-	0.80%	0.80%	-
Sun Life Sionna Canadian Small Cap Equity Class	2.10%	2.10%	-	1.10%	1.10%	-
Sun Life Trimark Canadian Class	2.00%	2.00%	-	1.00%	1.00%	-

\* As money market yields have remained low during the period, the Manager has opted to waive a portion of the management fees that otherwise would have been charged. The Manager may discontinue waiving fees and expenses at any time, without notice.

# Notes to Financial Statements

For the periods ended June 30, 2018 (unaudited) and December 31, 2017

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%
Sun Life Granite Moderate Class	0.75%
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%
Sun Life Sionna Canadian Small Cap Equity Class	1.10%
Sun Life Trimark Canadian Class	1.00%

\* Series O shares are available to shareholders through the Private Client program and must be purchased through a Private Client account. Each Series O shareholder 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 shareholder's account.

\*\* As money market yields have remained low during the period, the Manager has opted to waive a portion of the management fees that otherwise would have been charged. The Manager may discontinue waiving fees and expenses at any time, without notice.

The Manager bears certain operating expenses of the Funds (other than certain taxes, borrowing costs and non-governmental fees) in return for fixed annual administration fees. These expenses include, but are not limited to, recordkeeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, taxes, administrative and system costs, cost of reports to shareholders, prospectus and other disclosure documents, regulatory filing fees (including those incurred by the Company) and trustee fees for registered plans. The fixed annual administration fees are calculated as a fixed annual percentage of the NAV of each class of a Fund at the end of each business day.

Each Fund pays certain operating expenses directly, in addition to the fixed annual administration fees. 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.

# Notes to Financial Statements

For the periods ended June 30, 2018 (unaudited) and December 31, 2017

The fixed annual administration fees, excluding GST/HST and other applicable taxes, if any, are set out below:

	Annual Administration Fees		
	Series A, AT5, and AT8 shares	Series F, FT5, FT8 and O shares	Series I shares
Sun Life BlackRock Canadian Balanced Class	0.10%	0.05%	n/a
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%	n/a
Sun Life Granite Balanced Growth Class	0.20%	0.15%	n/a
Sun Life Granite Conservative Class	0.20%	0.15%	n/a
Sun Life Granite Growth Class	0.20%	0.15%	n/a
Sun Life Granite Moderate Class	0.20%	0.15%	n/a
Sun Life MFS Canadian Equity Growth Class	0.20%	0.15%	n/a
Sun Life MFS Dividend Income Class	0.20%	0.15%	0.05%
Sun Life MFS Global Growth Class	0.20%	0.15%	n/a
Sun Life MFS International Growth Class	0.20%	0.15%	n/a
Sun Life MFS U.S. Growth Class	0.20%	0.15%	n/a
Sun Life Money Market Class*	0.05%	0.05%	n/a
Sun Life Sentry Value Class	0.20%	0.15%	0.05%
Sun Life Sionna Canadian Small Cap Equity Class	0.20%	0.20%	0.05%
Sun Life Trimark Canadian Class	0.20%	0.20%	0.05%

\* As money market yields have remained low during the period, the Manager has opted to waive a portion of the administration fees that otherwise would have been charged. The Manager may discontinue waiving fees and expenses at any time, without notice.

## 7. 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 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 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, 2018.



# Notes to Financial Statements

For the periods ended June 30, 2018 (unaudited) and December 31, 2017

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## 8. Related Party Transactions

As Manager, the Company is responsible for the provision of all general management and administrative services required by the Funds in their day-to-day operations, including providing or arranging for the provision of investment advice, bookkeeping, recordkeeping and other administrative services for the Funds.

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 "Expenses" in each Fund's Statements of Comprehensive Income (Loss).

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

## 9. 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.

# Notes to Financial Statements

For the periods ended June 30, 2018 (unaudited) and December 31, 2017

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The value of investments in various markets can be affected by political, social and economic instability, diplomatic developments, imposition of taxes, expropriation of assets, and ability to invest in and withdraw assets from these markets. The Manager moderates this risk through diversification of the Funds. The Manager monitors the Funds' overall market positions on a daily basis and positions are maintained within established ranges.

## (c) Liquidity risk

The Funds are exposed to daily cash redemptions of redeemable shares. The shares of the Funds are redeemed on demand at the current NAV per share at the option of the shareholder. Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. Liquidity risk is managed by investing the majority of the Funds' assets in investments that are traded in an active market and can be readily transacted. In addition, the Funds aim to retain sufficient cash and cash equivalent positions to maintain liquidity. Each Fund may, from time to time, hold securities that are not traded in an active market and may be illiquid. All liabilities mature within three months.

## (d) Concentration risk

Concentration risk arises as a result of the concentration of exposure within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Funds limit their exposure to concentration risk through diversification and a thorough understanding of each investment in the portfolio.

## (e) Fair value measurement

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

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

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

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.

## 10. Capital Management

The Funds have no restrictions or specific capital requirements on the subscription and redemption of shares. Specifically, the Funds are not subject to externally imposed capital requirements and have no legal restrictions on the issue, repurchase or resale of redeemable shares beyond those included in the Funds' prospectus. The Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares identify changes in capital during the period. The capital of the Funds is managed in accordance with the Funds' investment objectives including managing their liquidity in order to be able to meet redemptions as discussed in note 9(c).

## 11. Comparative Balances

The comparative financial statements may have been reclassified from the statements previously presented in order to conform to the current period's presentation.

## SEMI-ANNUAL FINANCIAL STATEMENTS

Sun Life BlackRock Canadian Balanced 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 MFS Canadian Equity Growth Class (formerly Sun Life MFS Canadian Equity 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

Sun Life Sionna Canadian Small Cap Equity Class

Sun Life Trimark Canadian 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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