
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.

SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the period ended June 30, 2017

Sun Life BlackRock Canadian Equity Fund



Sun Life BlackRock Canadian Equity Fund

This semi-annual management report of fund performance contains financial highlights but does not contain the complete financial statements of the investment fund. You can request a free copy of the semi-annual financial statements by calling 1-877-344-1434, by sending an email to us at info@sunlifeglobalinvestments.com or by writing to us at Sun Life Global Investments (Canada) Inc., 1 York Street, Toronto, Ontario, M5J 0B6. Our financial statements are available on our website at www.sunlifeglobalinvestments.com and on SEDAR at www.sedar.com. All of the financial information is calculated based on the pricing Net Asset Valuation for the investment fund, unless otherwise stated.

Unitholders may also contact us using one of these methods to request a copy of the investment fund's proxy voting policies and procedures, proxy voting disclosure record or quarterly portfolio disclosure.

MANAGEMENT DISCUSSION OF FUND PERFORMANCE

Results of Operations

During the period, the net asset value of the Sun Life BlackRock Canadian Equity Fund (the "Fund") increased from \$163.8 million to \$164.8 million. The increase in net asset value was due to positive performance, partially offset by net redemptions during the period.

During the period, the Fund returned 3.1% for Series A units. This result surpassed the Fund's benchmark, the S&P/TSX Capped Composite, which returned 0.7%. The performance returns for other series of this Fund are similar to those of Series A except for differences in expense structures. Please refer to the 'Past Performance' section of this report for performance of each series.

The Fund is managed to target weights as defined by its benchmark. The primary reason for the Fund's outperformance of the benchmark is from the Fund's weights deviating from target weights as the Fund is regularly rebalanced at month-end.

The S&P/TSX Composite Index rose to start off 2017, finishing the first quarter up 2.41%. The largest contributions came from the Utilities, Consumer Discretionary, and Information Technology sectors whilst the Energy and Health Care sectors posted losses. In fact, they were only two sectors to post losses in the index. Over the second quarter, the S&P/TSX Composite Index fell 1.64%. The three largest sectors (Financials, Energy and Materials) were the worst performing groups whereas Health care, Industrials and Consumer Discretionary performed well.

Recent Developments

Within commodities, oil had a sell off to start the year based on concerns of some Organization of the Petroleum Exporting Countries ("OPEC") members not adhering to the cuts coupled with U.S. players continued ramping up of production. BlackRock Asset Management Canada Limited (the "sub-advisor") observed a very strong correlation of Canadian equity market returns and oil price movements. Despite OPEC keeping their word on production quotas, U.S. and other non-OPEC members' producers flooded the

market with more production and, as a result, crude prices fell to the \$46 range.

In North America, the main topics were: Discussions around the North American Free Trade Agreement ("NAFTA") accord, tumbling energy prices on increased supply, and the overheated Canadian housing market. So far, saber rattling on trade sanctions have been limited to soft wood lumber and dairy products. However, these issues have been brewing for years. NAFTA will most likely be renegotiated but the sub-advisor believes this will be a long drawn out process.

Focusing on Canadian markets, mergers and acquisitions activity saw some large deals as foreign owned oil sands assets were sold to Canadian players. Two large deals were Shell selling to Canadian Natural Resources and Conoco-Philips selling assets to Cenovus. Another impactful mergers and acquisitions deal came late in the first quarter of the period as Dominion Diamond would gain over 40% in 2 days when the first of a large earnings surprise followed immediately the next day by the Washington Co.'s takeover bid in March 2017. In addition, last year's Enbridge/Spectra deal closing in February 2017 resulted in an increase in the index for Enbridge of over 180 basis points, which is the largest cross-border single index change event since Manulife and John Hancock merged in 2004.

In the political arena, Donald Trump took office as The President of the United States in January. Health care in the U.S. would become the first casualty of his campaign promises. More importantly, this failure is causing investors to question whether his plans for banking regulation changes and fiscal spending will suffer a similar fate as Democrats and Republicans are playing partisan politics in the extreme. Elsewhere, Prime Minister Theresa May triggered Article 50 in late March to initiate the U.K.'s withdrawal from the European Union.

The global macro backdrop in the second quarter could be viewed as positive for equity markets, entering a period of synchronized global expansion although weaker relative to past cycles. Political uncertainty has abated with the decisive French and Dutch election results dousing the flames of the European populist movement. This also resulted in lower market volatility. The reflation trade may have taken a pause but positive employment data and economic growth should stimulate inflation going forward.

Sun Life BlackRock Canadian Equity Fund

Lastly, the sub-advisor observed an isolated event related to Canadian housing. Home Capital Group Inc. needed emergency funding to stay afloat. This spread, temporarily, to all the large banks with significant mortgages on their books.

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

Related Party Transactions

Sun Life Global Investments (Canada) Inc. (the "Manager") is the manager, trustee and portfolio manager of the Fund.

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

As trustee, the Manager holds legal title to the Fund's investments in trust for unitholders. For its services, the Manager receives a management fee that is calculated as a percentage of the average net asset value of the Fund. This fee is calculated daily and payable monthly.

As portfolio manager, the Manager is responsible for managing the investment portfolio of the Fund directly or through sub-advisors. The Manager has retained BlackRock Asset Management Canada Limited to act as a sub-advisor for the Fund.

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

During the year, the Manager relied on the approval of the Fund's Independent Review Committee (the "IRC") to enable the Fund to purchase equity securities and non-exchange traded debt securities of Sun Life Financial Inc. ("SLF"), the ultimate parent of the Manager. In accordance with the IRC's approval, before the Fund purchases debt securities of SLF, the Manager is required to ensure that the investment decision (i) is made free from any influence of SLF and does not take into account any consideration relevant to SLF; (ii) represents the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; (iii) is in compliance with the Manager's written policies and procedures relating to the transaction; and (iv) achieves a fair and reasonable result for the Fund.

Fund Administrative Expenses

The Manager pays certain of the operating expenses of each Fund (the "Administration Expenses") in return for a fixed administration fee paid to the Manager by each Fund

("Administration Fee"). The Administration Fee is based on the net asset value of each series of the Fund. The Administration Expenses include, but are not limited to, record keeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, taxes, administrative and systems costs, costs of reports to investors, prospectuses and other disclosure documents, regulatory filing fees (including those incurred by the Manager) and trustee fees for registered plans. The amount of this charge is disclosed as a fund administrative expense in the Fund's Statement of Comprehensive Income found in the semi-annual financial statements (unaudited).

Each Fund also pays certain operating expenses directly (the "Fund Costs"). Fund Costs include: borrowing costs incurred by the Fund from time to time; costs in connection with portfolio transactions; fees and expenses payable to or in connection with the Fund's Independent Review Committee ("IRC"); taxes payable by the Fund; and the costs of complying with any new regulatory or legal requirement imposed on the Fund. Each Fund allocates Fund Costs proportionately among its series of units. The Fund Costs that are specific to a series of units are allocated to that series. These amounts are paid out of the assets attributed to each series of units of the Fund, which reduces the return you may receive.

Series Description

The Fund offers the following series of units: A, T5, T8, F, I and O. The date of creation for Series A, F, and I units was April 15, 2011, the date of creation for Series T5 and T8 units was September 1, 2011 and the date of creation for Series O units was April 1, 2014.

Series A, T5 and T8 units are available to all investors.

Series T5 and T8 units are designed to provide investors with a fixed monthly distribution based on a target annualized distribution rate of 5% and 8%, respectively, of the net asset value per unit of the relevant series at the end of the prior year.

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

Series I units are special purpose securities that are currently only available to other mutual funds and eligible institutional investors. Series I units are not sold to the general public. Each Series I investor negotiates its own management and advisory fee that is paid directly to the Manager.

Sun Life BlackRock Canadian Equity Fund

Series O units are available to investors through the Private Client program and must be purchased through a Private Client account. Each Series O investor pays a management fee directly to the Manager and is eligible for management fee reductions, if any, based on the value of Series O units held in the investor's Private Client account. Series O management fees are paid, after subtracting any management fee reductions, by a redemption of Series O units in the investor's account.

FINANCIAL HIGHLIGHTS

The following tables show selected key financial information about the Fund and are intended to help you understand the Fund's financial performance from the date of inception to June 30, 2017.

The Fund's Net Asset Value per Unit (\$) ⁽¹⁾⁽⁴⁾ Sun Life BlackRock Canadian Equity Fund – Series A

	2017 (\$)	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)	2012 (\$)	2011 (\$)
Net asset value, beginning of period	12.43	11.05	11.63	10.72	9.45	8.94	10.00
Increase (decrease) from operations:							
Total revenue	0.03	0.28	0.24	0.28	0.28	0.21	0.25
Total expenses	(0.16)	(0.29)	(0.22)	(0.31)	(0.23)	(0.18)	(0.11)
Realized gains (losses) for the period	0.18	0.17	0.38	0.43	0.34	0.08	(0.13)
Unrealized gains (losses) for the period	0.32	1.34	(0.83)	0.66	1.14	0.51	(0.53)
Total increase (decrease) from operations⁽²⁾	0.37	1.50	(0.43)	1.06	1.53	0.62	(0.52)
Distributions:							
From income (excluding dividends)	–	(0.02)	–	(0.01)	(0.03)	(0.05)	(0.02)
From dividends	–	(0.05)	(0.01)	(0.05)	(0.21)	(0.12)	(0.08)
From capital gains	–	–	(0.16)	(0.13)	(0.05)	–	–
Return of capital	–	–	–	–	–	–	–
Total annual distributions⁽³⁾	–	(0.07)	(0.17)	(0.19)	(0.29)	(0.17)	(0.10)
Net asset value, end of period	12.82	12.43	11.05	11.63	10.72	9.45	8.94

Sun Life BlackRock Canadian Equity Fund – Series T5

	2017 (\$)	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)	2012 (\$)	2011 (\$)
Net asset value, beginning of period	16.35	15.16	16.71	15.89	14.32	14.16	15.00
Increase (decrease) from operations:							
Total revenue	0.04	0.38	0.37	0.41	0.66	0.34	0.18
Total expenses	(0.21)	(0.40)	(0.32)	(0.45)	(0.35)	(0.28)	(0.08)
Realized gains (losses) for the period	0.23	0.23	0.55	0.63	0.49	0.14	(0.12)
Unrealized gains (losses) for the period	0.44	1.74	(1.08)	0.87	1.47	0.90	(0.47)
Total increase (decrease) from operations⁽²⁾	0.50	1.95	(0.48)	1.46	2.27	1.10	(0.49)
Distributions:							
From income (excluding dividends)	(0.41)	(0.01)	(0.04)	(0.09)	(0.66)	(0.72)	(0.15)
From dividends	–	(0.04)	–	–	–	(0.18)	(0.12)
From capital gains	–	–	(0.22)	(0.07)	(0.07)	–	(0.06)
Return of capital	–	(0.71)	(0.73)	(0.63)	–	–	–
Total annual distributions⁽³⁾	(0.41)	(0.76)	(0.99)	(0.79)	(0.73)	(0.90)	(0.33)
Net asset value, end of period	16.46	16.35	15.16	16.71	15.89	14.32	14.16

Sun Life BlackRock Canadian Equity Fund

Sun Life BlackRock Canadian Equity Fund – Series T8

	2017	2016	2015	2014	2013	2012	2011
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	14.01	13.39	15.19	14.88	13.82	14.06	15.00
Increase (decrease) from operations:							
Total revenue	0.04	0.35	0.34	0.30	0.34	0.46	0.30
Total expenses	(0.18)	(0.35)	(0.29)	(0.42)	(0.34)	(0.27)	(0.08)
Realized gains (losses) for the period	0.20	0.20	0.49	0.53	0.48	0.10	(0.10)
Unrealized gains (losses) for the period	0.35	1.48	(1.04)	1.36	1.58	0.35	(0.71)
Total increase (decrease) from operations⁽²⁾	0.41	1.68	(0.50)	1.77	2.06	0.64	(0.59)
Distributions:							
From income (excluding dividends)	(0.56)	(0.02)	(0.05)	–	(0.26)	(1.10)	(0.23)
From dividends	–	(0.05)	–	–	(0.02)	(0.17)	(0.12)
From capital gains	–	–	(0.20)	(0.10)	(0.07)	–	(0.10)
Return of capital	–	(1.00)	(1.06)	(1.09)	(0.76)	–	–
Total annual distributions⁽³⁾	(0.56)	(1.07)	(1.31)	(1.19)	(1.11)	(1.27)	(0.45)
Net asset value, end of period	13.89	14.01	13.39	15.19	14.88	13.82	14.06

Sun Life BlackRock Canadian Equity Fund – Series F

	2017	2016	2015	2014	2013	2012	2011
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	12.98	11.53	11.99	11.03	9.62	9.00	10.00
Increase (decrease) from operations:							
Total revenue	0.04	0.29	0.11	0.25	0.09	0.36	0.22
Total expenses	(0.07)	(0.12)	(0.10)	(0.13)	(0.10)	(0.07)	(0.04)
Realized gains (losses) for the period	0.19	0.18	0.38	0.41	0.37	0.07	(0.12)
Unrealized gains (losses) for the period	0.12	1.17	(0.36)	0.80	0.95	0.64	(0.47)
Total increase (decrease) from operations⁽²⁾	0.28	1.52	0.03	1.33	1.31	1.00	(0.41)
Distributions:							
From income (excluding dividends)	–	(0.06)	–	(0.04)	(0.03)	(0.05)	(0.02)
From dividends	–	(0.15)	–	(0.13)	(0.22)	(0.12)	(0.08)
From capital gains	–	–	(0.17)	(0.13)	(0.05)	–	–
Return of capital	–	–	–	–	–	–	–
Total annual distributions⁽³⁾	–	(0.21)	(0.17)	(0.30)	(0.31)	(0.17)	(0.10)
Net asset value, end of period	13.46	12.98	11.53	11.99	11.03	9.62	9.00

Sun Life BlackRock Canadian Equity Fund

Sun Life BlackRock Canadian Equity Fund – Series I

	2017	2016	2015	2014	2013	2012	2011
	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	12.97	11.52	12.18	11.20	9.72	9.04	10.00
Increase (decrease) from operations:							
Total revenue	0.03	0.29	0.28	0.27	0.29	0.31	0.14
Total expenses	–	(0.01)	(0.01)	(0.01)	(0.01)	–	–
Realized gains (losses) for the period	0.18	0.18	0.41	0.43	0.34	0.10	(0.08)
Unrealized gains (losses) for the period	0.33	1.27	(0.86)	0.70	1.17	1.01	(0.87)
Total increase (decrease) from operations⁽²⁾	0.54	1.73	(0.18)	1.39	1.79	1.42	(0.81)
Distributions:							
From income (excluding dividends)	–	(0.08)	(0.04)	(0.06)	(0.04)	(0.05)	(0.02)
From dividends	–	(0.22)	(0.23)	(0.20)	(0.23)	(0.12)	(0.08)
From capital gains	–	–	(0.17)	(0.14)	(0.05)	–	–
Return of capital	–	–	–	–	–	–	–
Total annual distributions⁽³⁾	–	(0.30)	(0.44)	(0.40)	(0.32)	(0.17)	(0.10)
Net asset value, end of period	13.50	12.97	11.52	12.18	11.20	9.72	9.04

Sun Life BlackRock Canadian Equity Fund – Series O

	2017	2016	2015	2014
	(\$)	(\$)	(\$)	(\$)
Net asset value, beginning of period	10.99	9.76	10.33	10.00
Increase (decrease) from operations:				
Total revenue	0.03	0.28	0.75	0.36
Total expenses	(0.01)	(0.02)	(0.02)	(0.01)
Realized gains (losses) for the period	0.16	0.15	0.42	0.46
Unrealized gains (losses) for the period	0.26	1.06	(1.91)	(0.24)
Total increase (decrease) from operations⁽²⁾	0.44	1.47	(0.76)	0.57
Distributions:				
From income (excluding dividends)	–	(0.07)	(0.03)	(0.05)
From dividends	–	(0.18)	(0.20)	(0.17)
From capital gains	–	–	(0.15)	(0.12)
Return of capital	–	–	–	–
Total annual distributions⁽³⁾	–	(0.25)	(0.38)	(0.34)
Net asset value, end of period	11.44	10.99	9.76	10.33

⁽¹⁾ This information is derived from the Fund's audited annual financial statements and from the semi-annual unaudited financial statements for the current period ended June 30, 2017.

⁽²⁾ Net Assets and distributions are based on the actual number of units outstanding at the relevant time. The increase/decrease from operations is based on the weighted average number of units outstanding over the financial period.

⁽³⁾ Distributions were paid in cash, reinvested in additional units of the Fund, or both.

⁽⁴⁾ Comparatives prior to 2013 are prepared in accordance with Canadian Generally Accepted Accounting Principles ("Canadian GAAP"). Figures subsequent to 2013 are prepared in accordance with International Financial Reporting Standards ("IFRS").

Ratios and Supplemental Data⁽⁶⁾

Sun Life BlackRock Canadian Equity Fund – Series A

	2017	2016	2015	2014	2013	2012
Total net asset value (\$) ⁽¹⁾	11,442,823	10,169,468	8,471,888	9,846,811	7,539,716	5,695,716
Number of units outstanding ⁽¹⁾	892,576	818,223	766,846	846,466	703,505	602,632
Management expense ratio after absorption (%) ⁽²⁾	2.00	1.99	1.98	1.99	2.00	1.89
Management expense ratio before waivers or absorption (%) ⁽²⁾	2.00	1.99	1.98	2.67	2.54	1.96
Trading expense ratio (%) ⁽³⁾	0.01	0.01	0.01	0.01	0.02	0.10
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	1.11	3.96	3.33	4.89	12.46	19.20
Net asset value per unit (\$) ⁽¹⁾	12.82	12.43	11.05	11.63	10.72	9.45

Sun Life BlackRock Canadian Equity Fund – Series T5

	2017	2016	2015	2014	2013	2012
Total net asset value (\$) ⁽¹⁾	128,841	119,433	106,019	123,442	96,206	26,337
Number of units outstanding ⁽¹⁾	128,841	7,304	6,992	7,386	6,053	1,839
Management expense ratio after absorption (%) ⁽²⁾	2.05	2.03	2.03	2.02	2.03	1.90
Management expense ratio before waivers or absorption (%) ⁽²⁾	2.05	2.03	2.03	2.72	2.59	1.99
Trading expense ratio (%) ⁽³⁾	0.01	0.01	0.01	0.01	0.02	0.10
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	1.11	3.96	3.33	4.89	12.46	19.20
Net asset value per unit (\$) ⁽¹⁾	16.46	16.35	15.16	16.71	15.89	14.32

Sun Life BlackRock Canadian Equity Fund – Series T8

	2017	2016	2015	2014	2013	2012
Total net asset value (\$) ⁽¹⁾	87,417	78,790	66,543	68,550	117,257	41,778
Number of units outstanding ⁽¹⁾	87,417	5,624	4,969	4,513	7,879	3,024
Management expense ratio after absorption (%) ⁽²⁾	2.03	2.03	2.03	2.02	2.04	1.91
Management expense ratio before waivers or absorption (%) ⁽²⁾	2.03	2.03	2.03	2.72	2.59	2.02
Trading expense ratio (%) ⁽³⁾	0.01	0.01	0.01	0.01	0.02	0.10
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	1.11	3.96	3.33	4.89	12.46	19.20
Net asset value per unit (\$) ⁽¹⁾	13.89	14.01	13.39	15.19	14.88	13.82

Sun Life BlackRock Canadian Equity Fund – Series F

	2017	2016	2015	2014	2013	2012
Total net asset value (\$) ⁽¹⁾	461,064	220,940	242,961	1,112,507	1,110,892	1,927,719
Number of units outstanding ⁽¹⁾	461,064	17,021	21,077	92,758	100,757	200,320
Management expense ratio after absorption (%) ⁽²⁾	0.91	0.89	0.88	0.89	0.90	0.79
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.91	0.89	0.88	1.17	1.12	0.92
Trading expense ratio (%) ⁽³⁾	0.01	0.01	0.01	0.01	0.02	0.10
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	1.11	3.96	3.33	4.89	12.46	19.20
Net asset value per unit (\$) ⁽¹⁾	13.46	12.98	11.53	11.99	11.03	9.62

Sun Life BlackRock Canadian Equity Fund

Sun Life BlackRock Canadian Equity Fund – Series I

	2017	2016	2015	2014	2013	2012
Total net asset value (\$) ⁽¹⁾	150,575,198	151,163,281	143,164,612	162,627,753	158,681,299	152,965,410
Number of units outstanding ⁽¹⁾	150,575,198	11,652,131	12,429,719	13,350,271	14,161,719	15,739,773
Management expense ratio after absorption (%) ⁽²⁾	0.19	0.19	0.18	0.19	0.20	0.18
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.19	0.19	0.18	0.20	0.21	0.28
Trading expense ratio (%) ⁽³⁾	0.01	0.01	0.01	0.01	0.02	0.10
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	1.11	3.96	3.33	4.89	12.46	19.20
Net asset value per unit (\$) ⁽¹⁾	13.50	12.97	11.52	12.18	11.20	9.72

Sun Life BlackRock Canadian Equity Fund – Series O

	2017	2016	2015	2014
Total net asset value (\$) ⁽¹⁾	2,120,035	2,030,483	1,499,574	81,124
Number of units outstanding ⁽¹⁾	2,120,035	184,701	153,613	7,851
Management expense ratio after absorption (%) ⁽²⁾	0.28	0.26	0.26	0.26
Management expense ratio before waivers or absorption (%) ⁽²⁾	0.28	0.26	0.26	0.30
Trading expense ratio (%) ⁽³⁾	0.01	0.01	0.01	0.01
Portfolio turnover rate (%) ⁽⁴⁾⁽⁵⁾	1.11	3.96	3.33	4.89
Net asset value per unit (\$) ⁽¹⁾	11.44	10.99	9.76	10.33

⁽¹⁾ This information is provided as at December 31 of the period shown, except for the most recent semi-annual period, which is at June 30, 2017.

⁽²⁾ Management expense ratio is based on total expenses (excluding broker commissions and other portfolio transaction costs) including the Fund's allocated percentage of Fund-on-Funds' expenses for the stated period and is expressed as an annualized percentage of daily average Net Asset Value during the period. Prior to 2015, the Manager of the Fund waived some of its management fees and/or absorbed some expenses that would normally be charged to the Fund.

⁽³⁾ The trading expense ratio represents total commissions and other portfolio transaction costs expressed as an annualized percentage of daily average Net Asset Value during the period.

⁽⁴⁾ The Fund's portfolio turnover ratio indicates how actively the Fund's portfolio manager manages its portfolio investments. A portfolio turnover ratio of 100% is equivalent to the Fund buying and selling all of the securities in its portfolio once in the course of the year. The higher a Fund's portfolio turnover ratio in a year, the greater the trading costs payable by the Fund in the year, and the greater the chance of an investor receiving taxable capital gains in the year. There is not necessarily a relationship between a high portfolio turnover rate and the performance of the Fund.

⁽⁵⁾ Percentages are annualized.

⁽⁶⁾ Comparatives prior to 2013 are prepared in accordance with Canadian GAAP. Figures subsequent to 2013 are prepared in accordance with IFRS.

Management Fees

The annual maximum management fee paid by the Fund is a percentage of the average daily net asset value of each series exclusive of any applicable taxes and operating expenses, which is accrued daily and is paid to the Manager monthly in arrears. Management fees pay for portfolio and investment advisory services, oversight of any service providers, marketing and promotional activities, arranging for the distribution and sale of securities of the Fund, general

administration of fund operations and sales and trailing commissions paid to dealers.

The percentages and major services paid for out of the management fees are set out below:

	As a Percentage of Management Fees		
	Maximum Annual Management Fee Rate (%)	Dealer Compensation (%) ¹	General Administration, Investment Advice and Profit (%)
Series A Units	1.55	46	54
Series T5 Units	1.55	34	66
Series T8 Units	1.55	47	53
Series F Units	0.55	–	100
Series I Units	–	–	–
Series O Units ²	0.55	–	100

¹ Includes sales and trailing commissions.

² Series O management fees are not paid by the Fund. Series O investors pay management fees directly to the manager.

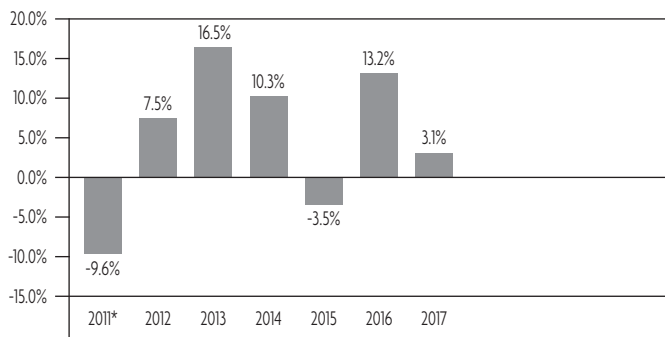
PAST PERFORMANCE

The indicated rates of return are the historical annualized and annual compounded total returns including changes in unit value and reinvestment of all distributions and do not take into account sales, redemption, distribution or optional charges or income taxes payable by any unitholder that would have reduced returns. Mutual funds are not guaranteed. How a fund performed in the past does not necessarily indicate how it will perform in the future.

Year-by-Year Returns

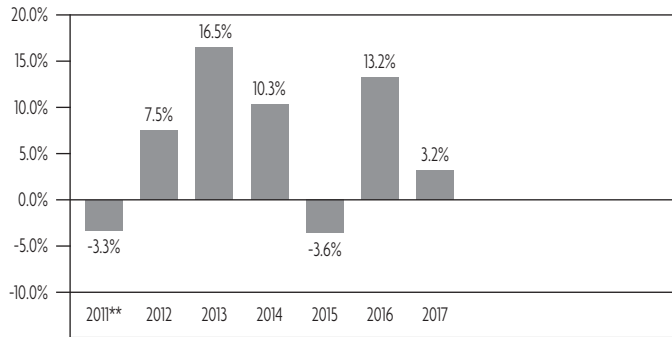
The following bar chart shows the Fund's annual performance for the period shown. The chart shows, in percentage terms, how much an investment made on the first day of each financial year would have grown or decreased by the last day of each period.

Series A Units – Annual return for the period ended December 31 and the six month period ended June 30, 2017

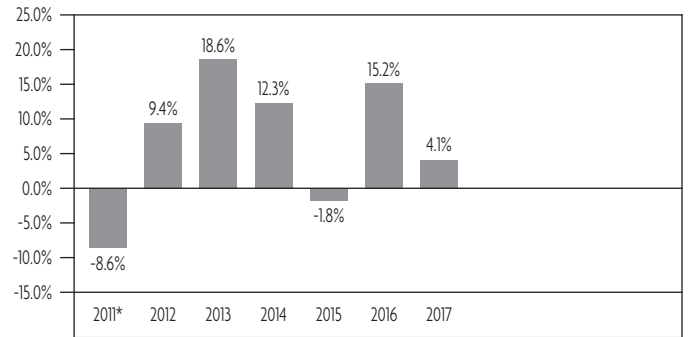


Sun Life BlackRock Canadian Equity Fund

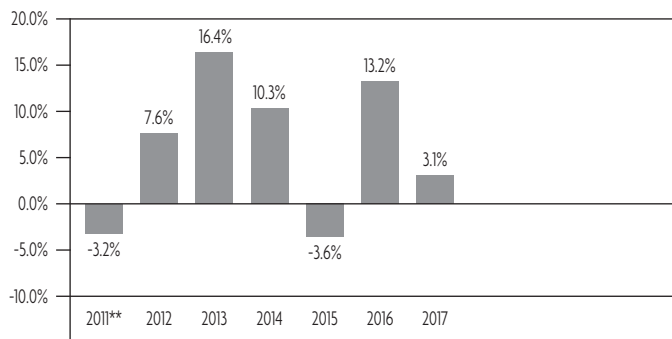
Series T5 Units – Annual return for the period ended December 31 and the six month period ended June 30, 2017



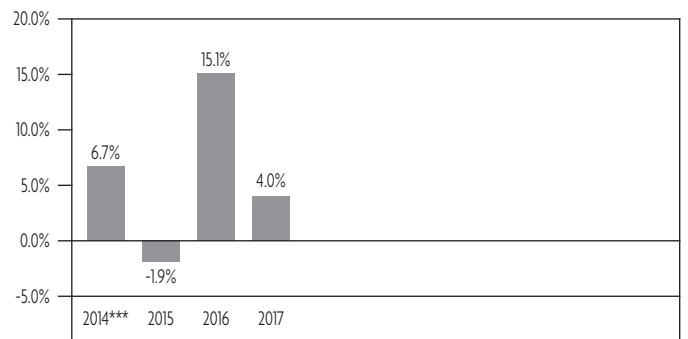
Series I Units – Annual return for the period ended December 31 and the six month period ended June 30, 2017



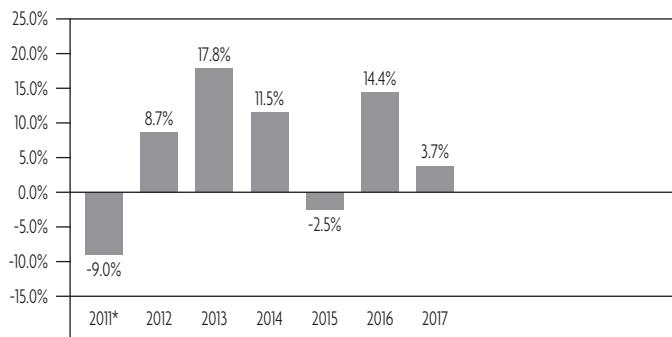
Series T8 Units – Annual return for the period ended December 31 and the six month period ended June 30, 2017



Series O Units – Annual return for the period ended December 31 and the six month period ended June 30, 2017



Series F Units – Annual return for the period ended December 31 and the six month period ended June 30, 2017



* for the period of April 15, 2011 to December 31, 2011.

** for the period of September 1, 2011 to December 31, 2011.

*** for the period April 1, 2014 to December 31, 2014.

Sun Life BlackRock Canadian Equity Fund

SUMMARY OF INVESTMENT PORTFOLIO⁽¹⁾

as at June 30, 2017 (unaudited)

Top 25 Investments

Holdings	Percentage of Net Asset Value of the Fund (%)
1 iShares Global Tech ETF ⁽²⁾	9.3
2 iShares Global Healthcare ETF ⁽²⁾	7.5
3 iShares S&P Global Consumer Discretionary Index ETF ⁽²⁾	5.3
4 iShares Global Consumer Staples ETF ⁽²⁾	4.7
5 Royal Bank of Canada	4.5
6 The Toronto-Dominion Bank	3.9
7 iShares S&P Global Industrials Index ETF ⁽²⁾	3.4
8 The Bank of Nova Scotia	3.0
9 Enbridge Inc.	2.8
10 Canadian National Railway Co.	2.6
11 Suncor Energy Inc.	2.1
12 Bank of Montreal	2.0
13 TransCanada Corporation	1.8
14 BCE Inc.	1.7
15 Manulife Financial Corp.	1.6
16 Canadian Imperial Bank of Commerce	1.5
17 Brookfield Asset Management Inc.	1.4
18 Canadian Natural Resources Ltd.	1.3
19 Canadian Pacific Railway Ltd.	1.0
20 iShares Global Utilities ETF ⁽²⁾	0.9
21 Sun Life Financial Inc.	0.9
22 TELUS Corp.	0.9
23 Alimentation Couche-Tard Inc.	0.9
24 Barrick Gold Corp.	0.8
25 Waste Connections Inc.	0.7
	66.5
Total Net Asset Value (000's)	\$ 164,815

Sector Allocation

	Percentage of Net Asset Value of the Fund (%)
Financials	23.4
Energy	13.1
Information Technology	11.6
Industrials	9.7
Consumer Discretionary	8.8
Health Care	7.9
Materials	7.8
Consumer Staples	7.3
Telecommunication Services	3.3
Utilities	3.3
Real Estate	2.2
Cash and Cash Equivalents ⁽³⁾	1.6
	100.0

⁽¹⁾ All information is as at June 30, 2017. The summary of investment portfolio may change due to ongoing portfolio transactions of the Fund. You may obtain quarterly updates to these holdings free of charge by calling us at 1-877-344-1434, visiting our website at www.sunlifeglobalinvestments.com or by sending an email to us at info@sunlifeglobalinvestments.com.

⁽²⁾ The Fund invests in other investment funds. The prospectus of the underlying investment fund and other information can be found on SEDAR at www.sedar.com.

⁽³⁾ Cash and Cash Equivalents, for the purpose of this chart, includes other assets less liabilities.

Forward-Looking Statements

This management report of fund performance may contain forward-looking statements about the Fund, including its strategy, results of operations, performance and condition. Forward-looking statements include statements that are predictive in nature, or that depend upon or refer to future events or conditions. They are based on current beliefs, expectations and projections about future events and are inherently subject to, among other things, risks, uncertainties and assumptions about the Fund and various economic factors. Many factors could cause the Fund's actual results, performance or achievements to be materially different from any future results, performance or achievements that may be expressed or implied by such forward-looking statements. These factors could include, among other things, general economic, political and market factors, including interest and foreign exchange rates, business competition, technological changes, changes in government regulations or in tax laws. Although the forward-looking statements contained in this report are based upon what management currently believes to be reasonable assumptions, the Manager cannot assure current or prospective investors that actual results, performance or achievements will be consistent with these forward-looking statements. The words "may", "could", "would", "should", "believe", "plan", "anticipate", "expect", "intend", "forecast", "objective", and similar expressions are intended to identify forward-looking statements.

SEMI-ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

Sun Life BlackRock Canadian Equity Fund

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 or www.sedar.com.

Sun Life Global Investments (Canada) Inc.
1 York Street, Toronto, Ontario, M5J 0B6
Telephone: 1-877-344-1434 | Facsimile: 416-979-2859
info@sunlifeglobalinvestments.com
www.sunlifeglobalinvestments.com



I L L U M I N A T I N G