

---

# SUN LIFE GLOBAL INVESTMENTS (CANADA) INC.

---

## ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

for the financial year ended December 31, 2016

Sun Life Dynamic Equity Income Fund



# Sun Life Dynamic Equity Income Fund

*This 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 annual financial statements by calling 1-877-344-1434, by sending an email to us at [info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com) or by writing to us at Sun Life Global Investments (Canada) Inc., 150 King Street West, Toronto, Ontario, M5H 1J9. Our financial statements are available on our website at [www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com) and on SEDAR at [www.sedar.com](http://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

### Investment Objectives and Strategies

The fundamental objective of the Sun Life Dynamic Equity Income Fund\* (the "Fund") is to seek income and long-term capital growth primarily by investing directly in equity securities that pay a dividend or distribution, or indirectly by investing in mutual funds (including exchange-traded funds) that invest in such securities.

The Fund's sub-advisor is 1832 Asset Management L.P. (Dynamic Funds) (the "sub-advisor"). The sub-advisor currently intends to achieve the Fund's investment objectives by investing all, or substantially all, of the assets of the Fund in the Dynamic Equity Income Fund\* (the "Underlying Fund"), a mutual fund that is managed and advised by the sub-advisor. In pursuing the Underlying Fund's investment objectives, the sub-advisor seeks to invest primarily in a wide range of equity securities such as dividend or distribution paying equity securities and real estate investment trusts on a global basis, as well as in other types of equity and/or debt securities, including limited partnerships, master limited partnerships and high yield, corporate, convertible and government bonds and money market instruments. The Underlying Fund may also invest up to 49% of the Underlying Fund's assets in foreign securities and generally follows an investment approach emphasizing a suitably diversified portfolio of different businesses.

### Risk

There were no changes in the Fund's investment objective or strategy during the period which materially impacted the overall level of risk in the Fund. The risks associated with investing in the Fund remain as outlined in the Fund's Simplified Prospectus.

### Results of Operations

During the period, the net asset value of the Fund increased from \$19.9 million to \$41.5 million. The increase in net asset value was due to positive net sales, as well as positive performance during the period.

During the period, the Fund returned 13.8% for Series A units. This result lagged the Fund's benchmark, the S&P/TSX Composite Index, which returned 21.1%. 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 following commentary relates to the Underlying Fund.

The Underlying Fund underperformed its broad-based benchmark over the period, due to an underweight and security selection in the Materials sector, an underweight in Energy in addition to having an exposure to cash. Materials and Energy performed well over the period.

The Underlying Fund's allocation to Canadian dividend paying equities and Real Estate Investment Trusts ("REITs"), which includes private real estate, was lowered to 51.0% and 9.0% respectively. The U.S. remained an attractive opportunity to access sectors not well represented in Canada and the weighting was increased to 34.0% by the end of December. The Underlying Fund's cash weight was unchanged at 6.0%. Geographically, Canada was the most significant contributor to returns, with the U.S. making a smaller but positive impact.

The largest sector allocations were in Financials, followed by Industrials and Consumer Discretionary. Overall Financials and Real Estate were decreased while exposure to Industrials, Technology and Healthcare were increased over the period.

On a sector level, Real Estate was the only detractor, holdings in Financials, Technology and Utilities were the largest contributors to returns. Notable security detractors included Wells Fargo, CVS Health and Nike, Bank of Nova Scotia, TransCanada Corporation and Royal Bank of Canada were the top contributors.

### Recent Developments

The period got off to a difficult start as global growth concerns and falling oil prices weighed on the resources-dependent Canadian economy. China was the primary source of concern as weak economic data pointed to a slowing in the world's second-largest economy. The health of the U.S. economy was also in focus as disappointing consumer data

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

# Sun Life Dynamic Equity Income Fund

fuelled fears of a sharp slowdown in domestic activity. Markets took reassurance from the U.S. Federal Reserve (the “Fed”) which elected to defer interest rate increases while the People’s Bank of China cut the reserve requirement ratio by 50 basis points in February. Gold had its best first half of the year since 1979 fuelled initially by growth uncertainties and then by the threat of the U.K. leaving the European Union.

The Canadian economy faced another hurdle following the wild fires in Fort McMurray which led to a 1.6% contraction in Gross Domestic Product (“GDP”) for the second quarter – the largest decline in GDP since 2009. The Bank of Canada chose not to loosen monetary policy primarily because of the fiscal stimulus and infrastructure spending promises of the newly-elected Liberal government. The second half of the period was characterized by a sharp reversal in market sentiment as the U.S. economy strengthened and Chinese economic data was either in line with or beat expectations. This helped the commodities sector post positive returns in 2016 for the first time in six years and was a key factor behind the Canadian equity market’s world-beating performance among developed countries.

Energy led the gains in commodities with the price of natural gas up more than 60.0% on the year and oil up about 45.0%. The jump in oil prices was further supported by a December agreement among Organization of the Petroleum Exporting Countries (“OPEC”) and non-OPEC oil producers to curtail oil output; the first such deal since 2001. The period ended on another positive note as Prime Minister Trudeau agreed to new pipelines as Donald Trump – an Energy and Keystone pipeline supporter – won the U.S. presidential election. This surprise U.S. election victory further buoyed sentiment as markets anticipated tax cuts and fiscal stimulus under the new administration. With global growth fears waning and U.S. growth expanding, the Fed increased interest rates by a quarter percentage point in December to bring the period to an end.

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 1832 Asset Management L.P. to act as a sub-advisor for the Fund.

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

## 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 annual financial statements (audited).

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, F, I and O. The date of creation for Series A, F, and I units was January 17, 2013 and the date of creation for Series O units was April 1, 2014.

Series A units are available to all investors.

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,

# Sun Life Dynamic Equity Income Fund

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.

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 December 31, 2016.

### The Fund's Net Asset Value per Unit (\$)<sup>(1)</sup>

#### Sun Life Dynamic Equity Income Fund – Series A

	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)
Net asset value, beginning of period	10.16	10.48	10.41	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	0.97	0.24	0.86	0.68
Total expenses	(0.23)	(0.22)	(0.23)	(0.20)
Realized gains (losses) for the period	0.02	0.04	0.06	0.19
Unrealized gains (losses) for the period	0.66	0.11	–	0.55
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.42</b>	<b>0.17</b>	<b>0.69</b>	<b>1.22</b>
<b>Distributions:</b>				
From income (excluding dividends)	(0.21)	–	–	–
From dividends	–	–	(0.16)	(0.18)
From capital gains	–	(0.07)	(0.53)	(0.14)
Return of capital	(0.27)	(0.41)	(0.04)	(0.16)
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.48)</b>	<b>(0.48)</b>	<b>(0.73)</b>	<b>(0.48)</b>
<b>Net asset value, end of period</b>	<b>11.06</b>	<b>10.16</b>	<b>10.48</b>	<b>10.41</b>

#### Sun Life Dynamic Equity Income Fund – Series F

	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)
Net asset value, beginning of period	10.64	10.85	10.58	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	1.11	0.25	0.84	0.67
Total expenses	(0.11)	(0.12)	(0.13)	(0.10)
Realized gains (losses) for the period	0.03	0.05	0.05	0.14
Unrealized gains (losses) for the period	0.78	0.22	0.17	0.57
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.81</b>	<b>0.40</b>	<b>0.93</b>	<b>1.28</b>
<b>Distributions:</b>				
From income (excluding dividends)	(0.36)	–	–	–
From dividends	–	–	(0.14)	(0.17)
From capital gains	–	(0.04)	(0.47)	(0.11)
Return of capital	(0.47)	(0.44)	(0.04)	(0.14)
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.83)</b>	<b>(0.48)</b>	<b>(0.65)</b>	<b>(0.42)</b>
<b>Net asset value, end of period</b>	<b>11.39</b>	<b>10.64</b>	<b>10.85</b>	<b>10.58</b>

#### Sun Life Dynamic Equity Income Fund – Series I

	2016 (\$)	2015 (\$)	2014 (\$)	2013 (\$)
Net asset value, beginning of period	10.62	10.91	10.55	10.00
<b>Increase (decrease) from operations:</b>				
Total revenue	1.04	0.26	0.85	0.71
Total expenses	(0.01)	(0.01)	(0.01)	(0.01)
Realized gains (losses) for the period	0.02	0.04	0.05	0.22
Unrealized gains (losses) for the period	0.64	0.04	0.08	0.82
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.69</b>	<b>0.33</b>	<b>0.97</b>	<b>1.74</b>
<b>Distributions:</b>				
From income (excluding dividends)	(0.29)	–	–	–
From dividends	–	–	(0.15)	(0.21)
From capital gains	–	(0.10)	(0.49)	(0.16)
Return of capital	(0.38)	(0.58)	(0.04)	(0.18)
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.67)</b>	<b>(0.68)</b>	<b>(0.68)</b>	<b>(0.55)</b>
<b>Net asset value, end of period</b>	<b>11.64</b>	<b>10.62</b>	<b>10.91</b>	<b>10.55</b>

# Sun Life Dynamic Equity Income Fund

## Sun Life Dynamic Equity Income Fund – Series O

	2016	2015	2014
	(\$)	(\$)	(\$)
Net asset value, beginning of period	9.60	9.88	10.00
<b>Increase (decrease) from operations:</b>			
Total revenue	0.93	0.24	0.70
Total expenses	(0.02)	(0.02)	(0.01)
Realized gains (losses) for the period	0.02	0.03	0.06
Unrealized gains (losses) for the period	0.56	(0.10)	(0.70)
<b>Total increase (decrease) from operations<sup>(2)</sup></b>	<b>1.49</b>	<b>0.15</b>	<b>0.05</b>
<b>Distributions:</b>			
From income (excluding dividends)	(0.27)	–	–
From dividends	–	–	(0.15)
From capital gains	–	(0.09)	(0.50)
Return of capital	(0.36)	(0.54)	(0.04)
<b>Total annual distributions<sup>(3)</sup></b>	<b>(0.63)</b>	<b>(0.63)</b>	<b>(0.69)</b>
<b>Net asset value, end of period</b>	<b>10.48</b>	<b>9.60</b>	<b>9.88</b>

<sup>(1)</sup> This information is derived from the Fund's audited annual financial statements.

<sup>(2)</sup> 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.

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

## Ratios and Supplemental Data

### Sun Life Dynamic Equity Income Fund – Series A

	2016	2015	2014	2013
Total net asset value (\$) <sup>(1)</sup>	14,417,492	8,200,231	9,758,195	4,878,867
Number of units outstanding <sup>(1)</sup>	1,303,841	807,182	930,756	468,459
Management expense ratio after absorption (%) <sup>(2)</sup>	2.18	2.17	2.17	2.17
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	2.18	2.17	3.70	6.80
Trading expense ratio (%) <sup>(3)</sup>	0.07	0.08	0.11	0.08
Portfolio turnover rate (%) <sup>(4)(5)</sup>	7.02	15.68	12.00	181.47
Net asset value per unit (\$) <sup>(1)</sup>	11.06	10.16	10.48	10.41

### Sun Life Dynamic Equity Income Fund – Series F

	2016	2015	2014	2013
Total net asset value (\$) <sup>(1)</sup>	191,904	38,700	98,897	79,648
Number of units outstanding <sup>(1)</sup>	16,848	3,637	9,114	7,530
Management expense ratio after absorption (%) <sup>(2)</sup>	1.07	1.12	1.17	1.13
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	1.07	1.12	1.99	3.49
Trading expense ratio (%) <sup>(3)</sup>	0.07	0.08	0.11	0.08
Portfolio turnover rate (%) <sup>(4)(5)</sup>	7.02	15.68	12.00	181.47
Net asset value per unit (\$) <sup>(1)</sup>	11.39	10.64	10.85	10.58

## Sun Life Dynamic Equity Income Fund – Series I

	2016	2015	2014	2013
Total net asset value (\$) <sup>(1)</sup>	24,857,719	8,538,281	6,000,175	3,995,071
Number of units outstanding <sup>(1)</sup>	2,135,300	804,018	550,190	378,796
Management expense ratio after absorption (%) <sup>(2)</sup>	0.09	0.09	0.09	0.12
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	0.09	0.09	0.13	0.31
Trading expense ratio (%) <sup>(3)</sup>	0.07	0.08	0.11	0.08
Portfolio turnover rate (%) <sup>(4)(5)</sup>	7.02	15.68	12.00	181.47
Net asset value per unit (\$) <sup>(1)</sup>	11.64	10.62	10.91	10.55

## Sun Life Dynamic Equity Income Fund – Series O

	2016	2015	2014
Total net asset value (\$) <sup>(1)</sup>	2,041,652	858,724	464,076
Number of units outstanding <sup>(1)</sup>	194,838	89,457	46,955
Management expense ratio after absorption (%) <sup>(2)</sup>	0.21	0.20	0.20
Management expense ratio before waivers or absorption (%) <sup>(2)</sup>	0.21	0.20	0.33
Trading expense ratio (%) <sup>(3)</sup>	0.07	0.08	0.11
Portfolio turnover rate (%) <sup>(4)(5)</sup>	7.02	15.68	12.00
Net asset value per unit (\$) <sup>(1)</sup>	10.48	9.60	9.88

<sup>(1)</sup> This information is provided as at December 31 of the period shown, as applicable.

<sup>(2)</sup> 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.

<sup>(3)</sup> 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.

<sup>(4)</sup> 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.

<sup>(5)</sup> Percentages are annualized.

## 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.

# Sun Life Dynamic Equity Income Fund

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

	Maximum Annual Management Fee Rate (%)	As a Percentage of Management Fees	
		Dealer Compensation (%) <sup>1</sup>	General Administration, Investment Advice and Profit (%)
Series A Units	1.75	44	56
Series F Units	0.75	–	100
Series I Units	–	–	–
Series O Units <sup>2</sup>	0.75	–	100

<sup>1</sup> Includes sales and trailing commissions.

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

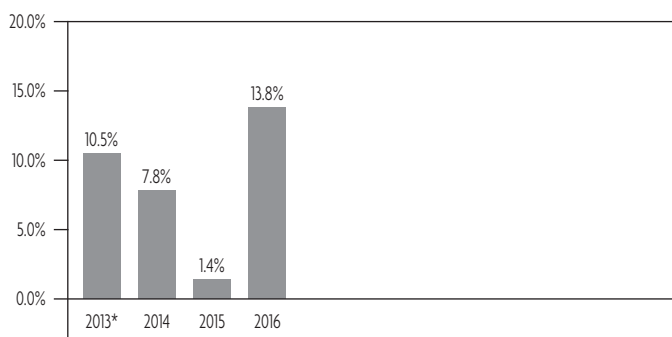
## PAST PERFORMANCE

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.

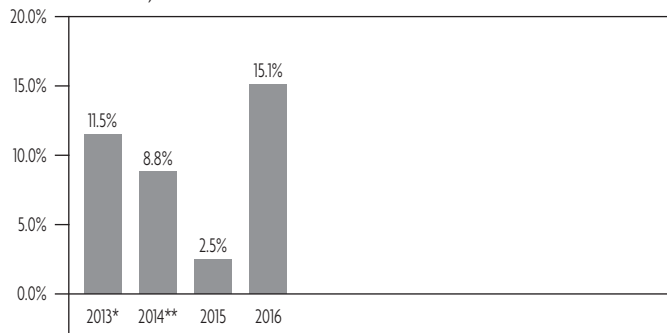
### Year-by-Year Returns

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.

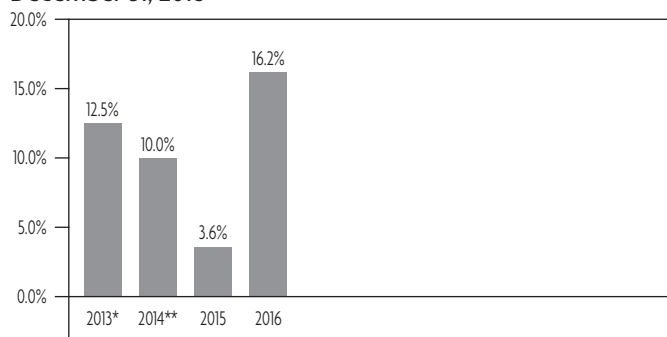
**Series A Units – Annual return for the period ended December 31, 2016**



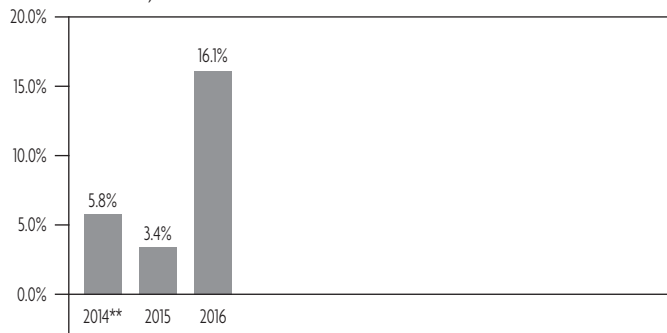
**Series F Units – Annual return for the period ended December 31, 2016**



**Series I Units – Annual return for the period ended December 31, 2016**



**Series O Units – Annual return for the period ended December 31, 2016**



\* for the period January 17, 2013 to December 31, 2013

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

### Annual Compound Returns

The following table compares the historical annual compound total returns of Series A, F, I and O units of the Fund with the S&P/TSX Composite Index.

The S&P/TSX Composite Index covers approximately 95% of the Canadian equities market, and has been the primary gauge for Canadian-based, Toronto Stock Exchange-listed companies since 1977.

# Sun Life Dynamic Equity Income Fund

The Series A units outperformed the benchmark since inception and over the past three years but underperformed the benchmark over the past year.

	1 Year	3 Year	5 Year	10 Year	Performance Start Date <sup>(1)(2)</sup>
Sun Life Dynamic Equity Income Fund – Series A	13.8%	7.6%	N/A	N/A	8.4%
Sun Life Dynamic Equity Income Fund – Series F	15.1%	8.7%	N/A	N/A	9.5%
Sun Life Dynamic Equity Income Fund – Series I	16.2%	9.8%	N/A	N/A	10.6%
S&P/TSX Composite Index	21.1%	7.1%	N/A	N/A	8.2%
Sun Life Dynamic Equity Income Fund – Series O	16.1%	N/A	N/A	N/A	9.1%
S&P/TSX Composite Index	21.1%	N/A	N/A	N/A	5.5%

<sup>(1)</sup> The performance start date for Series A, F and I units was January 17, 2013.

<sup>(2)</sup> The performance start date for Series O units was April 1, 2014.

## SUMMARY OF INVESTMENT PORTFOLIO<sup>(1)</sup>

as at December 31, 2016

### Top 25 Investments<sup>(2)</sup>

Holdings	Percentage of Net Asset Value of the Fund (%)
1 Cash	5.9
2 Royal Bank of Canada	4.0
3 Bank of Nova Scotia	3.9
4 TransCanada Corporation	3.6
5 Canadian Imperial Bank of Commerce	3.0
6 The Toronto-Dominion Bank	2.8
7 McDonald's Corporation	2.6
8 Verizon Communications Inc.	2.6
9 Canadian National Railway	2.5
10 Innergex Renewable Energy Inc.	2.5
11 Sun Life Financial Inc.	2.3
12 Canadian Pacific Railway Ltd.	2.3
13 Comcast Corporation, Class A	2.2
14 Johnson & Johnson	2.1
15 Fortis Inc.	2.1
16 Microsoft Corp.	2.1
17 Honeywell International Inc.	2.0
18 Visa Inc.	2.0
19 TELUS Corp.	2.0
20 American Tower Corporation	1.9
21 Pfizer Inc.	1.9
22 Manulife Financial	1.8
23 BCE Inc.	1.8
24 Pizza Pizza Royalty Corp.	1.8
25 Rogers Communications, Class B	1.8
	<b>63.5</b>
<b>Total Net Asset Value (000's)</b>	<b>\$ 41,509</b>

### Sector Allocation<sup>(2)</sup>

	Percentage of Net Asset Value of the Fund (%)
Financials	19.1
Industrials	11.2
Consumer Discretionary	10.5
Real Estate	8.8
Information Technology	8.7
Telecommunication Services	8.1
Utilities	7.9
Cash and Cash Equivalents <sup>(3)</sup>	6.2
Energy Infrastructure	6.0
Health Care	5.2
Consumer Staples	4.8
Private Equity – Real Estate	2.6
Materials	0.9
	<b>100.0</b>

### Asset Mix<sup>(2)</sup>

	Percentage of Net Asset Value of the Fund (%)
Canadian Equities	59.7
U.S. Equities	34.1
Cash and Cash Equivalents <sup>(3)</sup>	6.2
	<b>100.0</b>

<sup>(1)</sup> All information is as at December 31, 2016. 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](http://www.sunlifeglobalinvestments.com) or by sending an email to us at [info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com).

<sup>(2)</sup> The Fund invests substantially all of its assets directly in the Dynamic Equity Income Fund, Series O. The summary of investment portfolio for the Fund presents the investments as a percentage of the net asset value of the Dynamic Equity Income Fund, Series O.

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



# Sun Life Dynamic Equity Income Fund

---

## 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.*

## ANNUAL MANAGEMENT REPORT OF FUND PERFORMANCE

### Sun Life Dynamic Equity Income 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](http://www.sunlifeglobalinvestments.com) or [www.sedar.com](http://www.sedar.com).

Sun Life Global Investments (Canada) Inc.  
150 King Street West, Toronto, Ontario, M5H 1J9  
Telephone: 1-877-344-1434 | Facsimile: 416-979-2859  
[info@sunlifeglobalinvestments.com](mailto:info@sunlifeglobalinvestments.com)  
[www.sunlifeglobalinvestments.com](http://www.sunlifeglobalinvestments.com)



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