
SLGI ASSET MANAGEMENT INC.

ANNUAL FINANCIAL STATEMENTS

for the period ended December 31, 2020

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 Global Growth Class

Sun Life MFS International Opportunities Class (formerly Sun Life MFS International Growth Class)

Sun Life MFS U.S. Growth Class

Sun Life Money Market Class



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Independent Auditors' Report

INDEPENDENT AUDITOR'S REPORT

To the Securityholders of:

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 Global Growth Class
Sun Life MFS International Opportunities Class (formerly Sun Life MFS International Growth Class)
Sun Life MFS U.S. Growth Class
Sun Life Money Market Class

(collectively, the "Funds")

Opinion

We have audited the financial statements of the Funds, which comprise the statements of financial position as at December 31, 2020 and 2019, and the statements of comprehensive income (loss), statements of changes in net assets attributable to holders of redeemable securities and statements of cash flows for the years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2020 and 2019, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Waterloo, Canada
March 30, 2021

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

Chartered Professional Accountants
Licensed Public Accountants

Sun Life Granite Balanced Class

Statements of Financial Position

As at December 31, 2020 and 2019

	December 31, 2020 (\$)	December 31, 2019 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	232,771,297	214,703,525
Cash	942,494	883,323
Due from investment dealers	24,588	228,020
Accrued interest	-	109
Distributions receivable from underlying funds	-	-
Subscriptions receivable	56,688	85,484
	233,795,067	215,900,461
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Accrued expenses	11,080	12,472
Redemptions payable	21,111	265,095
Distributions payable	88	373
Due to investment dealers	58,176	41,256
Management fees payable	68,623	77,795
Income tax payable	646,599	277,567
Total liabilities (excluding net assets attributable to holders of redeemable securities)	805,677	674,558
Net Assets Attributable to Holders of Redeemable Securities	232,989,390	215,225,903
Net Assets Attributable to Holders of Redeemable Securities per Series		
Series A	88,415,670	79,387,902
Series AT5	12,948,294	13,439,131
Series F	64,969,983	55,064,758
Series FT5	3,958,186	2,218,911
Series O	62,697,257	65,115,201
Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)		
Series A	13.61	12.86
Series AT5	13.99	13.94
Series F	14.76	13.78
Series FT5	14.98	14.75
Series O	14.07	13.04

Approved on behalf of the Board of Directors of the Corporation

“signed” Oricia Smith
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2020 (\$)	2019 (\$)
Investment Income		
Interest income	12,478	17,418
Distributions from underlying funds	8,508,318	7,478,987
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	(8,780)	221,453
Change in unrealized appreciation (depreciation) in value of investments	9,995,745	19,045,107
Net gains (losses) on investments	18,507,761	26,762,965
Total income (loss)	18,507,761	26,762,965
Expenses (note 5)		
Management fees	2,388,508	2,080,464
Fixed annual administration fees	378,264	336,956
Independent review committee fees	1,623	2,215
Total operating expenses	2,768,395	2,419,635
Fees waived/absorbed by the Manager	-	-
Operating Profit (Loss)	15,739,366	24,343,330
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	15,739,366	24,343,330
Income taxes	1,032,931	59,351
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)		
	14,706,435	24,283,979
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)		
Series A	5,264,407	8,400,815
Series AT5	621,909	1,503,394
Series F	4,106,239	5,543,320
Series FT5	221,355	118,799
Series O	4,492,525	8,717,651
Weighted Average Number of Securities Outstanding		
Series A	6,419,357	5,717,478
Series AT5	959,031	920,482
Series F	4,294,819	3,380,018
Series FT5	178,497	86,719
Series O	4,731,160	4,938,812
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)		
Series A	0.82	1.47
Series AT5	0.65	1.63
Series F	0.96	1.64
Series FT5	1.24	1.37
Series O	0.95	1.77

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 Securities

For the periods ended December 31

	Series A		Series AT5		Series F	
	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 79,387,902	62,849,271	13,439,131	10,876,153	55,064,758	34,474,669
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 5,264,407	8,400,815	621,909	1,503,394	4,106,239	5,543,320
Redeemable Security Transactions						
Proceeds from redeemable securities issued	\$ 29,279,633	27,322,401	3,460,160	4,358,867	22,946,723	26,355,560
Redemption of redeemable securities	\$ (25,513,440)	(19,206,860)	(4,039,293)	(2,475,733)	(17,124,223)	(11,211,639)
Reinvestment of distributions to holders of redeemable securities	\$ 378,241	2,649,096	195,380	276,254	254,285	1,463,392
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 4,144,434	10,764,637	(383,753)	2,159,388	6,076,785	16,607,313
Distributions to Holders of Redeemable Securities						
From capital gains	\$ (171,561)	(2,117,457)	(30,478)	(390,439)	(123,880)	(1,206,998)
From net investment income	\$ (209,512)	(509,364)	(30,880)	(86,996)	(153,919)	(353,546)
Return of capital	\$ -	-	(667,635)	(622,369)	-	-
	\$ (381,073)	(2,626,821)	(728,993)	(1,099,804)	(277,799)	(1,560,544)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 9,027,768	16,538,631	(490,837)	2,562,978	9,905,225	20,590,089
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 88,415,670	79,387,902	12,948,294	13,439,131	64,969,983	55,064,758
Redeemable Security Transactions						
Balance - beginning of period	6,173,949	5,309,370	964,132	807,196	3,994,868	2,747,392
Securities issued	2,317,310	2,189,837	251,628	315,557	1,666,623	1,977,217
Securities issued on reinvestment of distributions	28,787	213,751	14,646	19,605	17,904	109,626
Securities redeemed	(2,021,570)	(1,539,009)	(305,096)	(178,226)	(1,278,308)	(839,367)
Balance - end of period	6,498,476	6,173,949	925,310	964,132	4,401,087	3,994,868

	Series FT5		Series O		Total	
	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 2,218,911	243,210	65,115,201	59,825,935	215,225,903	168,269,238
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 221,355	118,799	4,492,525	8,717,651	14,706,435	24,283,979
Redeemable Security Transactions						
Proceeds from redeemable securities issued	\$ 2,487,870	2,014,286	8,673,349	13,584,534	66,847,735	73,635,648
Redemption of redeemable securities	\$ (896,987)	(115,711)	(15,579,890)	(16,973,211)	(63,153,833)	(49,983,154)
Reinvestment of distributions to holders of redeemable securities	\$ 75,761	49,129	283,580	2,282,231	1,187,247	6,720,102
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,666,644	1,947,704	(6,622,961)	(1,106,446)	4,881,149	30,372,596
Distributions to Holders of Redeemable Securities						
From capital gains	\$ (4,774)	(11,318)	(138,776)	(1,903,327)	(469,469)	(5,629,539)
From net investment income	\$ (9,409)	(14,309)	(148,732)	(418,612)	(552,452)	(1,382,827)
Return of capital	\$ (134,541)	(65,175)	-	-	(802,176)	(687,544)
	\$ (148,724)	(90,802)	(287,508)	(2,321,939)	(1,824,097)	(7,699,910)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 1,739,275	1,975,701	(2,417,944)	5,289,266	17,763,487	46,956,665
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 3,958,186	2,218,911	62,697,257	65,115,201	232,989,390	215,225,903
Redeemable Security Transactions						
Balance - beginning of period	150,434	17,259	4,994,010	5,084,802	16,277,393	13,966,019
Securities issued	173,049	137,770	668,934	1,086,650	5,077,544	5,707,031
Securities issued on reinvestment of distributions	5,404	3,350	21,092	186,734	87,833	533,066
Securities redeemed	(64,674)	(7,945)	(1,229,324)	(1,364,176)	(4,898,972)	(3,928,723)
Balance - end of period	264,213	150,434	4,454,712	4,994,010	16,543,798	16,277,393

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

Sun Life Granite Balanced Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2020 (\$)	2019 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	14,706,435	24,283,979
Adjustments for:		
Net realized (gain) loss on sale of investments	8,780	(221,453)
Change in unrealized (appreciation) depreciation in value of investments	(9,995,745)	(19,045,107)
Non-cash income distributions from underlying funds	(8,508,318)	(7,478,987)
Purchases of investments	(27,029,616)	(34,488,799)
Proceeds from sale of investments	27,677,479	14,548,373
Change in accrued interest	109	5,531
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(9,172)	25,338
Change in other payables and accrued expenses	(1,392)	3,702
Change in income tax payable	369,032	(107,194)
Net Cash Provided by (Used in) Operating Activities	(2,782,408)	(22,474,617)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable securities, net of reinvested distributions	(637,135)	(979,736)
Proceeds from redeemable securities issued	66,876,531	73,903,038
Redemption of redeemable securities	(63,397,817)	(49,736,845)
Net Cash Provided by (Used in) Financing Activities	2,841,579	23,186,457
Net increase (decrease) in cash	59,171	711,840
Cash (bank indebtedness) at beginning of period	883,323	171,483
Cash (bank indebtedness) at end of period	942,494	883,323
Interest received	12,587	22,949
Income taxes paid	(663,899)	(166,545)
Interest paid	-	-

Schedule of Investments

As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Granite Balanced Portfolio, Series I	15,825,093	214,378,568	232,771,297	
		214,378,568	232,771,297	99.9
Total Investments		214,378,568	232,771,297	99.9
Other Assets less Liabilities			218,093	0.1
Total Net Assets			232,989,390	100.0

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

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

(ii) Interest rate risk

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

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

Sun Life Granite Balanced Class (continued)

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2020 and December 31, 2019, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2020	December 31, 2019
Exchange-Traded Funds		
U.S. Equities	10.3	10.3
Mutual Funds		
Canadian Fixed Income	12.9	20.5
International Equities	13.1	12.8
Canadian Equities	9.2	10.9
Tactical Balanced	10.4	10.8
U.S. Equities	6.0	5.4
High Yield Fixed Income	3.2	1.0
U.S. Fixed Income	7.9	4.4
Canadian Focused Equities	4.0	3.8
Emerging Markets Equities	4.5	3.4
Global Fixed Income	-	1.1
International Fixed Income	4.0	-
Emerging Markets Bonds	3.0	4.7
Global Small/Mid Cap Equities	5.5	5.6
Canadian Money Market	0.5	-
Global Equities	5.1	4.9
Other Assets less Liabilities	0.4	0.4
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2020 and December 31, 2019.

	December 31, 2020			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	232,771,297	-	-	232,771,297

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

There were no transfers between fair value levels during the periods from January 1 to December 31, 2020 and January 1 to December 31, 2019.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Manager

SLGI Asset Management Inc. (formerly, Sun Life Global Investments (Canada) Inc.) (the "Manager") is the sponsor of the Fund. Investment by the Manager, from time to time, in the Fund is for the purposes of seed money investments. As at December 31, 2020 and December 31, 2019, the Manager held no seed positions in the Fund.

The following are transactions in the Fund by the Manager from January 1 to December 31, 2020 and January 1 to December 31, 2019. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2020		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	-	-	-

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

Interest in Underlying Funds

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

As at December 31, 2020 and December 31, 2019, there were no significant interests in the Underlying Portfolio.

Establishment of the Fund

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

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

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

Sun Life Granite Balanced Growth Class

Statements of Financial Position

As at December 31, 2020 and 2019

	December 31, 2020 (\$)	December 31, 2019 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	77,406,388	77,979,432
Cash	336,698	327,491
Due from investment dealers	-	-
Accrued interest	7,236	9,414
Distributions receivable from underlying funds	-	-
Subscriptions receivable	247,496	22,162
	77,997,818	78,338,499
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Accrued expenses	3,690	4,558
Redemptions payable	5,408	17,982
Distributions payable	467	1,269
Due to investment dealers	279,944	18,586
Management fees payable	25,976	31,509
Income tax payable	102,138	70,129
Total liabilities (excluding net assets attributable to holders of redeemable securities)	417,623	144,033
Net Assets Attributable to Holders of Redeemable Securities	77,580,195	78,194,466
Net Assets Attributable to Holders of Redeemable Securities per Series		
Series A	35,638,088	34,198,288
Series AT5	1,441,214	1,449,203
Series AT8	2,566,292	3,506,894
Series F	19,274,166	16,388,168
Series FT5	376,331	580,158
Series FT8	794,420	347,434
Series O	17,489,684	21,724,321
Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)		
Series A	13.94	13.14
Series AT5	14.38	14.29
Series AT8	11.38	11.69
Series F	15.06	14.04
Series FT5	15.05	14.78
Series FT8	13.72	13.94
Series O	14.32	13.22

Approved on behalf of the Board of Directors of the Corporation

“signed” Oricia Smith
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2020 (\$)	2019 (\$)
Investment Income		
Interest income	1,537	14,924
Distributions from underlying funds	2,663,529	2,672,317
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	370,786	487,576
Change in unrealized appreciation (depreciation) in value of investments	3,452,599	8,390,258
Net gains (losses) on investments	6,488,451	11,565,075
Total income (loss)	6,488,451	11,565,075
Expenses (note 5)		
Management fees	916,167	899,225
Fixed annual administration fees	129,865	132,029
Independent review committee fees	569	886
Total operating expenses	1,046,601	1,032,140
Fees waived/absorbed by the Manager	-	-
Operating Profit (Loss)	5,441,850	10,532,935
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	5,441,850	10,532,935
Income taxes	136,879	366
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	5,304,971	10,532,569
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)		
Series A	2,150,432	4,253,861
Series AT5	80,460	176,056
Series AT8	(67,699)	467,908
Series F	1,612,373	2,061,428
Series FT5	13,494	57,009
Series FT8	(84,036)	28,176
Series O	1,599,947	3,488,131
Weighted Average Number of Securities Outstanding		
Series A	2,576,969	2,565,045
Series AT5	99,375	90,886
Series AT8	244,612	301,938
Series F	1,236,661	1,079,425
Series FT5	28,227	28,274
Series FT8	43,898	19,300
Series O	1,426,846	1,770,254
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)		
Series A	0.83	1.66
Series AT5	0.81	1.94
Series AT8	(0.28)	1.55
Series F	1.30	1.91
Series FT5	0.48	2.02
Series FT8	(1.91)	1.46
Series O	1.12	1.97

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 Securities

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series F	
	2020	2019	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 34,198,288	28,761,806	1,449,203	1,058,733	3,506,894	3,160,820	16,388,168	11,940,485
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 2,150,432	4,253,861	80,460	176,056	(67,699)	467,908	1,612,373	2,061,428
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 7,555,324	8,916,904	781,076	941,200	576,610	470,145	6,737,450	7,127,912
Redemption of redeemable securities	\$ (8,264,618)	(7,749,460)	(831,324)	(643,747)	(1,252,951)	(197,666)	(5,462,356)	(4,744,225)
Reinvestment of distributions to holders of redeemable securities	\$ 298,974	1,522,512	44,501	50,509	54,058	63,257	152,457	664,668
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (410,320)	2,689,956	(5,747)	347,962	(622,283)	335,736	1,427,551	3,048,355
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (108,987)	(1,244,309)	(4,501)	(59,109)	(12,149)	(148,392)	(51,473)	(536,568)
From net investment income	\$ (191,325)	(263,026)	(7,783)	(11,206)	(13,936)	(27,306)	(102,453)	(125,532)
Return of capital	\$ -	-	(70,418)	(63,233)	(224,535)	(281,872)	-	-
	\$ (300,312)	(1,507,335)	(82,702)	(133,548)	(250,620)	(457,570)	(153,926)	(662,100)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 1,439,800	5,436,482	(7,989)	390,470	(940,602)	346,074	2,885,998	4,447,683
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 35,638,088	34,198,288	1,441,214	1,449,203	2,566,292	3,506,894	19,274,166	16,388,168
Redeemable Security Transactions								
Balance - beginning of period	2,602,866	2,386,651	101,394	76,929	300,063	272,476	1,167,104	937,471
Securities issued	592,070	703,864	57,692	66,176	49,327	39,237	505,573	528,651
Securities issued on reinvestment of distributions	22,139	121,035	3,260	3,558	4,939	5,388	10,452	49,418
Securities redeemed	(659,903)	(608,684)	(62,135)	(45,269)	(128,746)	(17,038)	(403,363)	(348,436)
Balance - end of period	2,557,172	2,602,866	100,211	101,394	225,583	300,063	1,279,766	1,167,104

	Series FT5		Series FT8		Series O		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 580,158	363,910	347,434	65,022	21,724,321	21,885,538	78,194,466	67,236,314
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 13,494	57,009	(84,036)	28,176	1,599,947	3,488,131	5,304,971	10,532,569
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 159,171	166,868	1,517,261	298,700	4,147,802	3,628,587	21,474,694	21,550,316
Redemption of redeemable securities	\$ (369,367)	(2,105)	(963,911)	(34,877)	(9,982,353)	(7,277,935)	(27,126,880)	(20,650,015)
Reinvestment of distributions to holders of redeemable securities	\$ 17,772	34,711	33,359	17,159	158,343	1,085,319	759,464	3,438,135
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (192,424)	199,474	586,709	280,982	(5,676,208)	(2,564,029)	(4,892,722)	4,338,436
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (2,146)	(15,218)	(3,766)	(2,697)	(64,269)	(918,037)	(247,291)	(2,924,330)
From net investment income	\$ (2,030)	(4,484)	(4,278)	(2,686)	(94,107)	(167,282)	(415,912)	(601,522)
Return of capital	\$ (20,721)	(20,533)	(47,643)	(21,363)	-	-	(363,317)	(387,001)
	\$ (24,897)	(40,235)	(55,687)	(26,746)	(158,376)	(1,085,319)	(1,026,520)	(3,912,853)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ (203,827)	216,248	446,986	282,412	(4,234,637)	(161,217)	(614,271)	10,958,152
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 376,331	580,158	794,420	347,434	17,489,684	21,724,321	77,580,195	78,194,466
Redeemable Security Transactions								
Balance - beginning of period	39,243	25,860	24,930	4,754	1,642,731	1,841,346	5,878,331	5,545,487
Securities issued	10,674	11,128	110,720	21,448	325,790	291,563	1,651,846	1,662,067
Securities issued on reinvestment of distributions	1,282	2,399	2,534	1,232	11,539	88,199	56,145	271,229
Securities redeemed	(26,193)	(144)	(80,283)	(2,504)	(758,546)	(578,377)	(2,119,169)	(1,600,452)
Balance - end of period	25,006	39,243	57,901	24,930	1,221,514	1,642,731	5,467,153	5,878,331

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

Sun Life Granite Balanced Growth Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2020 (\$)	2019 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	5,304,971	10,532,569
Adjustments for:		
Net realized (gain) loss on sale of investments	(370,786)	(487,576)
Change in unrealized (appreciation) depreciation in value of investments	(3,452,599)	(8,390,258)
Non-cash income distributions from underlying funds	(2,663,529)	(2,672,317)
Purchases of investments	(8,873,543)	(12,439,040)
Proceeds from sale of investments	16,194,859	12,871,974
Change in accrued interest	2,178	2,991
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(5,533)	8,322
Change in other payables and accrued expenses	(868)	1,063
Change in income tax payable	32,009	(38,319)
Net Cash Provided by (Used in) Operating Activities	6,167,159	(610,591)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable securities, net of reinvested distributions	(267,858)	(474,598)
Proceeds from redeemable securities issued	21,249,360	21,908,622
Redemption of redeemable securities	(27,139,454)	(20,636,508)
Net Cash Provided by (Used in) Financing Activities	(6,157,952)	797,516
Net increase (decrease) in cash	9,207	186,925
Cash (bank indebtedness) at beginning of period	327,491	140,566
Cash (bank indebtedness) at end of period	336,698	327,491
Interest received	3,715	17,915
Income taxes paid	(104,870)	(38,685)
Interest paid	-	-

Schedule of Investments

As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Granite Balanced Growth Portfolio, Series I	4,912,757	69,925,723	77,406,388	
		69,925,723	77,406,388	99.8
Total Investments		69,925,723	77,406,388	99.8
Other Assets less Liabilities			173,807	0.2
Total Net Assets			77,580,195	100.0

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

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

(ii) Interest rate risk

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

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

Sun Life Granite Balanced Growth Class (continued)

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2020 and December 31, 2019, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2020	December 31, 2019
Exchange-Traded Funds		
U.S. Equities	12.3	12.1
Mutual Funds		
Canadian Fixed Income	8.0	14.1
International Equities	15.4	15.0
Tactical Balanced	10.1	10.2
Canadian Equities	10.7	12.8
U.S. Equities	7.0	6.3
Global Equities	5.8	5.8
International Fixed Income	3.1	-
High Yield Fixed Income	3.0	0.8
Canadian Focused Equities	4.6	4.5
Global Fixed Income	-	0.6
Emerging Markets Equities	4.9	3.8
Emerging Markets Bonds	2.8	4.5
U.S. Fixed Income	5.0	2.4
Global Small/Mid Cap Equities	6.3	6.5
Canadian Money Market	0.4	-
Other Assets less Liabilities	0.6	0.6
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2020 and December 31, 2019.

	December 31, 2020			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	77,406,388	-	-	77,406,388

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

There were no transfers between fair value levels during the periods from January 1 to December 31, 2020 and January 1 to December 31, 2019.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Manager

SLGI Asset Management Inc. (formerly, Sun Life Global Investments (Canada) Inc.) (the "Manager") is the sponsor of the Fund. Investment by the Manager, from time to time, in the Fund is for the purposes of seed money investments. As at December 31, 2020 and December 31, 2019, the Manager held the following positions in the Fund:

	December 31, 2020	
	Securities	Market Value (\$)
Series FT5	846	12,726

	December 31, 2019	
	Securities	Market Value (\$)
Series FT5	793	11,718

The following are transactions in the Fund by the Manager from January 1 to December 31, 2020 and January 1 to December 31, 2019. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2020		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	41	-	709
Series FT8	-	-	-

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

Interest in Underlying Funds

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

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

Sun Life Granite Balanced Growth Class (continued)

As at December 31, 2020 and December 31, 2019, there were no significant interests in the Underlying Portfolio.

Establishment of the Fund

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

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

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

Sun Life Granite Conservative Class

Statements of Financial Position

As at December 31, 2020 and 2019

	December 31, 2020 (\$)	December 31, 2019 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	245,698,174	215,024,213
Cash	1,330,346	551,173
Due from investment dealers	55,089	-
Accrued interest	-	1,892
Distributions receivable from underlying funds	-	-
Subscriptions receivable	128,725	308,933
	247,212,334	215,886,211
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Accrued expenses	11,899	11,803
Redemptions payable	3,871	13,368
Distributions payable	31	-
Due to investment dealers	409,329	329,574
Management fees payable	66,660	71,588
Income tax payable	705,156	616,088
Total liabilities (excluding net assets attributable to holders of redeemable securities)	1,196,946	1,042,421
Net Assets Attributable to Holders of Redeemable Securities	246,015,388	214,843,790
Net Assets Attributable to Holders of Redeemable Securities per Series		
Series A	95,705,005	90,343,250
Series AT5	11,632,973	10,808,615
Series F	86,787,417	55,025,937
Series FT5	2,964,318	2,441,061
Series O	48,925,675	56,224,927
Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)		
Series A	12.34	11.82
Series AT5	12.78	12.89
Series F	13.12	12.46
Series FT5	14.52	14.51
Series O	13.00	12.24

Approved on behalf of the Board of Directors of the Corporation

“signed” Oricia Smith
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2020 (\$)	2019 (\$)
Investment Income		
Interest income	77,991	17,909
Distributions from underlying funds	9,720,592	6,245,012
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	(322,493)	171,422
Change in unrealized appreciation (depreciation) in value of investments	5,227,908	12,232,555
Net gains (losses) on investments	14,703,998	18,666,898
Total income (loss)	14,703,998	18,666,898
Expenses (note 5)		
Management fees	2,309,055	1,847,843
Fixed annual administration fees	399,873	339,586
Independent review committee fees	1,697	2,230
Total operating expenses	2,710,625	2,189,659
Fees waived/absorbed by the Manager	-	-
Operating Profit (Loss)	11,993,373	16,477,239
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	11,993,373	16,477,239
Income taxes	813,090	414,416
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	11,180,283	16,062,823
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)		
Series A	3,833,128	6,252,900
Series AT5	490,922	721,518
Series F	3,849,435	2,780,548
Series FT5	146,986	172,757
Series O	2,859,812	6,135,100
Weighted Average Number of Securities Outstanding		
Series A	7,640,221	6,970,661
Series AT5	876,830	756,017
Series F	5,702,048	2,952,845
Series FT5	184,968	151,707
Series O	3,996,409	5,194,201
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)		
Series A	0.50	0.90
Series AT5	0.56	0.95
Series F	0.68	0.94
Series FT5	0.79	1.14
Series O	0.72	1.18

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 Securities

For the periods ended December 31

	Series A		Series AT5		Series F	
	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 90,343,250	73,395,733	10,808,615	8,419,825	55,025,937	26,340,728
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 3,833,128	6,252,900	490,922	721,518	3,849,435	2,780,548
Redeemable Security Transactions						
Proceeds from redeemable securities issued	\$ 31,939,156	33,732,462	2,322,414	3,142,569	49,275,275	34,516,081
Redemption of redeemable securities	\$ (30,405,633)	(23,075,393)	(1,564,832)	(1,006,522)	(21,332,521)	(8,545,529)
Reinvestment of distributions to holders of redeemable securities	\$ 261,665	1,628,907	175,084	197,242	198,373	584,616
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,795,188	12,285,976	932,666	2,333,289	28,141,127	26,555,168
Distributions to Holders of Redeemable Securities						
From capital gains	\$ (66,774)	(1,317,615)	(8,063)	(147,838)	(48,258)	(483,734)
From net investment income	\$ (199,787)	(273,744)	(24,392)	(32,939)	(180,824)	(166,773)
Return of capital	\$ -	-	(566,775)	(485,240)	-	-
	\$ (266,561)	(1,591,359)	(599,230)	(666,017)	(229,082)	(650,507)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 5,361,755	16,947,517	824,358	2,388,790	31,761,480	28,685,209
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 95,705,005	90,343,250	11,632,973	10,808,615	86,787,417	55,025,937
Redeemable Security Transactions						
Balance - beginning of period	7,642,682	6,593,237	838,591	660,353	4,415,008	2,263,358
Securities issued	2,691,039	2,898,556	182,221	240,197	3,903,203	2,805,198
Securities issued on reinvestment of distributions	21,450	138,750	14,035	15,542	15,279	47,067
Securities redeemed	(2,599,653)	(1,987,861)	(124,511)	(77,501)	(1,720,481)	(700,615)
Balance - end of period	7,755,518	7,642,682	910,336	838,591	6,613,009	4,415,008

	Series FT5		Series O		Total	
	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 2,441,061	847,408	56,224,927	62,215,093	214,843,790	171,218,787
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 146,986	172,757	2,859,812	6,135,100	11,180,283	16,062,823
Redeemable Security Transactions						
Proceeds from redeemable securities issued	\$ 1,251,153	1,545,357	10,038,811	11,607,399	94,826,809	84,543,868
Redemption of redeemable securities	\$ (746,923)	(69,788)	(20,197,874)	(23,732,652)	(74,247,783)	(56,429,884)
Reinvestment of distributions to holders of redeemable securities	\$ 16,864	103,148	141,553	1,277,480	793,539	3,791,393
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 521,094	1,578,717	(10,017,510)	(10,847,773)	21,372,565	31,905,377
Distributions to Holders of Redeemable Securities						
From capital gains	\$ (2,144)	(40,113)	(39,393)	(1,106,973)	(164,632)	(3,096,273)
From net investment income	\$ (6,223)	(7,412)	(102,161)	(170,520)	(513,387)	(651,388)
Return of capital	\$ (136,456)	(110,296)	-	-	(703,231)	(595,536)
	\$ (144,823)	(157,821)	(141,554)	(1,277,493)	(1,381,250)	(4,343,197)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 523,257	1,593,653	(7,299,252)	(5,990,166)	31,171,598	43,625,003
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 2,964,318	2,441,061	48,925,675	56,224,927	246,015,388	214,843,790
Redeemable Security Transactions						
Balance - beginning of period	168,209	59,603	4,591,764	5,487,803	17,656,254	15,064,354
Securities issued	86,709	106,292	813,343	972,853	7,676,515	7,023,096
Securities issued on reinvestment of distributions	1,164	7,102	11,066	109,767	62,994	318,228
Securities redeemed	(51,897)	(4,788)	(1,653,051)	(1,978,659)	(6,149,593)	(4,749,424)
Balance - end of period	204,185	168,209	3,763,122	4,591,764	19,246,170	17,656,254

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

Sun Life Granite Conservative Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2020 (\$)	2019 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	11,180,283	16,062,823
Adjustments for:		
Net realized (gain) loss on sale of investments	322,493	(171,422)
Change in unrealized (appreciation) depreciation in value of investments	(5,227,908)	(12,232,555)
Non-cash income distributions from underlying funds	(9,720,592)	(6,245,012)
Purchases of investments	(46,220,356)	(46,341,188)
Proceeds from sale of investments	30,197,068	20,705,987
Change in accrued interest	1,892	36,662
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(4,928)	23,896
Change in other payables and accrued expenses	96	3,984
Change in income tax payable	89,068	(46,618)
Net Cash Provided by (Used in) Operating Activities	(19,382,884)	(28,203,443)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable securities, net of reinvested distributions	(587,680)	(551,804)
Proceeds from redeemable securities issued	95,007,017	84,467,246
Redemption of redeemable securities	(74,257,280)	(56,422,022)
Net Cash Provided by (Used in) Financing Activities	20,162,057	27,493,420
Net increase (decrease) in cash	779,173	(710,023)
Cash (bank indebtedness) at beginning of period	551,173	1,261,196
Cash (bank indebtedness) at end of period	1,330,346	551,173
Interest received	79,883	54,571
Income taxes paid	(724,022)	(461,034)
Interest paid	-	-

Schedule of Investments

As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Granite Conservative Portfolio, Series I	19,814,369	238,270,942	245,698,174	
		238,270,942	245,698,174	99.9
Total Investments		238,270,942	245,698,174	99.9
Other Assets less Liabilities			317,214	0.1
Total Net Assets			246,015,388	100.0

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

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

(ii) Interest rate risk

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

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

Sun Life Granite Conservative Class (continued)

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2020 and December 31, 2019, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2020	December 31, 2019
Exchange-Traded Funds		
U.S. Equities	4.8	5.2
Mutual Funds		
Canadian Fixed Income	28.1	41.8
Tactical Balanced	11.7	11.9
U.S. Fixed Income	17.6	7.9
High Yield Fixed Income	3.6	1.3
International Equities	6.3	7.2
Canadian Equities	3.8	4.8
International Fixed Income	5.7	-
Global Fixed Income	-	2.2
U.S. Equities	3.6	2.8
Canadian Focused Equities	2.3	1.8
Emerging Markets Equities	2.3	1.5
Global Equities	2.1	2.0
Emerging Markets Bonds	3.7	5.0
Global Small/Mid Cap Equities	2.7	2.9
Canadian Money Market	1.3	1.3
Other Assets less Liabilities	0.4	0.4
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2020 and December 31, 2019.

	December 31, 2020			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	245,698,174	-	-	245,698,174

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

There were no transfers between fair value levels during the periods from January 1 to December 31, 2020 and January 1 to December 31, 2019.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Manager

SLGI Asset Management Inc. (formerly, Sun Life Global Investments (Canada) Inc.) (the "Manager") is the sponsor of the Fund. Investment by the Manager, from time to time, in the Fund is for the purposes of seed money investments. As at December 31, 2020 and December 31, 2019, the Manager held no seed positions in the Fund.

The following are transactions in the Fund by the Manager from January 1 to December 31, 2020 and January 1 to December 31, 2019. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2020		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	-	-	-

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

Interest in Underlying Funds

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

As at December 31, 2020 and December 31, 2019, there were no significant interests in the Underlying Portfolio.

Establishment of the Fund

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

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

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

Sun Life Granite Growth Class

Statements of Financial Position

As at December 31, 2020 and 2019

	December 31, 2020 (\$)	December 31, 2019 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	63,710,846	62,160,375
Cash	455,316	307,774
Due from investment dealers	-	-
Accrued interest	570	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	8,562	13,420
	64,175,294	62,481,569
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Accrued expenses	1,459	3,584
Redemptions payable	4,125	7,995
Distributions payable	-	3,753
Due to investment dealers	182,556	33,668
Management fees payable	20,270	21,597
Income tax payable	107,864	38,756
Total liabilities (excluding net assets attributable to holders of redeemable securities)	316,274	109,353
Net Assets Attributable to Holders of Redeemable Securities	63,859,020	62,372,216
Net Assets Attributable to Holders of Redeemable Securities per Series		
Series A	26,255,012	23,069,962
Series AT5	450,049	490,709
Series AT8	916,777	678,005
Series F	19,705,804	15,099,107
Series FT5	165,010	11,838
Series FT8	127,499	11,838
Series O	16,238,869	23,010,757
Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)		
Series A	14.32	13.48
Series AT5	14.77	14.68
Series AT8	11.64	11.96
Series F	15.53	14.45
Series FT5	15.21	14.93
Series FT8	13.88	14.09
Series O	14.56	13.42

Approved on behalf of the Board of Directors of the Corporation

“signed” Oricia Smith
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2020 (\$)	2019 (\$)
Investment Income		
Interest income	5,543	7,326
Distributions from underlying funds	1,705,420	2,102,397
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	235,582	309,518
Change in unrealized appreciation (depreciation) in value of investments	3,540,272	6,920,052
Net gains (losses) on investments	5,486,817	9,339,293
Total income (loss)	5,486,817	9,339,293
Expenses (note 5)		
Management fees	672,119	586,424
Fixed annual administration fees	102,250	99,269
Independent review committee fees	441	661
Total operating expenses	774,810	686,354
Fees waived/absorbed by the Manager	-	-
Operating Profit (Loss)	4,712,007	8,652,939
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	4,712,007	8,652,939
Income taxes	179,858	(3,554)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	4,532,149	8,656,493
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)		
Series A	1,830,003	3,007,737
Series AT5	18,170	38,221
Series AT8	57,332	118,797
Series F	1,408,553	1,782,228
Series FT5	33,977	1,713
Series FT8	7,619	1,713
Series O	1,176,495	3,706,084
Weighted Average Number of Securities Outstanding		
Series A	1,799,238	1,646,735
Series AT5	30,912	18,228
Series AT8	60,795	65,325
Series F	1,129,396	873,429
Series FT5	8,140	759
Series FT8	2,936	792
Series O	1,343,617	1,756,507
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)		
Series A	1.02	1.83
Series AT5	0.59	2.10
Series AT8	0.94	1.82
Series F	1.25	2.04
Series FT5	4.17	2.26
Series FT8	2.60	2.16
Series O	0.88	2.11

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 Securities

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series F	
	2020	2019	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 23,069,962	18,060,592	490,709	127,884	678,005	791,629	15,099,107	9,132,546
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 1,830,003	3,007,737	18,170	38,221	57,332	118,797	1,408,553	1,782,228
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 8,200,419	10,078,174	4,072	353,240	333,939	204,771	8,454,493	6,574,993
Redemption of redeemable securities	\$ (6,842,886)	(8,085,876)	(61,129)	(22,366)	(107,389)	(346,953)	(5,253,137)	(2,389,905)
Reinvestment of distributions to holders of redeemable securities	\$ 190,444	1,024,245	24,352	17,648	20,664	10,433	136,074	550,490
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,547,977	3,016,543	(32,705)	348,522	247,214	(131,749)	3,337,430	4,735,578
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (72,381)	(774,232)	(1,511)	(5,184)	(2,097)	(32,251)	(48,888)	(393,714)
From net investment income	\$ (120,549)	(240,678)	(2,067)	(5,129)	(4,253)	(7,172)	(90,398)	(157,531)
Return of capital	\$ -	-	(22,547)	(13,605)	(59,424)	(61,249)	-	-
	\$ (192,930)	(1,014,910)	(26,125)	(23,918)	(65,774)	(100,672)	(139,286)	(551,245)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 3,185,050	5,009,370	(40,660)	362,825	238,772	(113,624)	4,606,697	5,966,561
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 26,255,012	23,069,962	450,049	490,709	916,777	678,005	19,705,804	15,099,107
Redeemable Security Transactions								
Balance - beginning of period	1,710,857	1,475,085	33,423	9,135	56,708	67,357	1,044,570	703,597
Securities issued	631,418	776,382	294	24,596	29,816	17,100	605,187	472,630
Securities issued on reinvestment of distributions	13,786	79,431	1,750	1,194	1,866	838	9,092	39,668
Securities redeemed	(522,749)	(620,041)	(5,003)	(1,502)	(9,649)	(28,587)	(389,769)	(171,325)
Balance - end of period	1,833,312	1,710,857	30,464	33,423	78,741	56,708	1,269,080	1,044,570

	Series FT5		Series FT8		Series O		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 11,838	10,093	11,838	10,092	23,010,757	20,126,000	62,372,216	48,258,836
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 33,977	1,713	7,619	1,713	1,176,495	3,706,084	4,532,149	8,656,493
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 125,439	-	132,178	-	1,186,738	5,427,695	18,437,278	22,638,873
Redemption of redeemable securities	\$ -	-	(21,753)	-	(9,137,669)	(6,249,022)	(21,423,963)	(17,094,122)
Reinvestment of distributions to holders of redeemable securities	\$ 706	1,104	1,862	1,438	142,047	1,087,187	516,149	2,692,545
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 126,145	1,104	112,287	1,438	(7,808,884)	265,860	(2,470,536)	8,237,296
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (37)	(413)	(37)	(413)	(64,923)	(846,918)	(189,874)	(2,053,125)
From net investment income	\$ (764)	(124)	(591)	(123)	(74,576)	(240,269)	(293,198)	(651,026)
Return of capital	\$ (6,149)	(535)	(3,617)	(869)	-	-	(91,737)	(76,258)
	\$ (6,950)	(1,072)	(4,245)	(1,405)	(139,499)	(1,087,187)	(574,809)	(2,780,409)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 153,172	1,745	115,661	1,746	(6,771,888)	2,884,757	1,486,804	14,113,380
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 165,010	11,838	127,499	11,838	16,238,869	23,010,757	63,859,020	62,372,216
Redeemable Security Transactions								
Balance - beginning of period	793	717	841	738	1,714,589	1,686,462	4,561,781	3,943,091
Securities issued	10,001	-	9,860	-	89,946	423,844	1,376,522	1,714,552
Securities issued on reinvestment of distributions	56	76	148	103	10,279	86,828	36,977	208,138
Securities redeemed	-	-	(1,665)	-	(699,185)	(482,545)	(1,628,020)	(1,304,000)
Balance - end of period	10,850	793	9,184	841	1,115,629	1,714,589	4,347,260	4,561,781

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

Sun Life Granite Growth Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2020 (\$)	2019 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	4,532,149	8,656,493
Adjustments for:		
Net realized (gain) loss on sale of investments	(235,582)	(309,518)
Change in unrealized (appreciation) depreciation in value of investments	(3,540,272)	(6,920,052)
Non-cash income distributions from underlying funds	(1,705,420)	(2,102,397)
Purchases of investments	(11,323,821)	(11,633,770)
Proceeds from sale of investments	15,403,512	6,824,504
Change in accrued interest	(570)	3,539
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(1,327)	7,471
Change in other payables and accrued expenses	(2,125)	1,115
Change in income tax payable	69,108	(10,390)
Net Cash Provided by (Used in) Operating Activities	3,195,652	(5,483,005)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable securities, net of reinvested distributions	(62,413)	(88,554)
Proceeds from redeemable securities issued	18,442,136	22,642,967
Redemption of redeemable securities	(21,427,833)	(17,088,127)
Net Cash Provided by (Used in) Financing Activities	(3,048,110)	5,466,286
Net increase (decrease) in cash	147,542	(16,719)
Cash (bank indebtedness) at beginning of period	307,774	324,493
Cash (bank indebtedness) at end of period	455,316	307,774
Interest received	4,973	10,865
Income taxes paid	(110,750)	(6,836)
Interest paid	-	-

Schedule of Investments

As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Granite Growth Portfolio, Series I	3,910,248	56,685,301	63,710,846	
		56,685,301	63,710,846	99.8
Total Investments		56,685,301	63,710,846	99.8
Other Assets less Liabilities			148,174	0.2
Total Net Assets			63,859,020	100.0

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

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

(ii) Interest rate risk

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

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

Sun Life Granite Growth Class (continued)

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2020 and December 31, 2019, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2020	December 31, 2019
Exchange-Traded Funds		
U.S. Equities	13.9	14.0
Mutual Funds		
International Equities	17.6	17.1
Canadian Equities	12.4	15.0
Tactical Balanced	9.4	9.5
Canadian Fixed Income	3.0	7.6
Global Equities	6.9	6.8
International Fixed Income	2.4	-
U.S. Equities	7.9	7.2
Canadian Focused Equities	5.3	5.1
High Yield Fixed Income	2.7	0.5
Emerging Markets Equities	5.4	4.2
Emerging Markets Bonds	2.5	4.2
U.S. Fixed Income	2.0	0.4
Global Fixed Income	-	0.1
Global Small/Mid Cap Equities	7.3	7.6
Canadian Money Market	0.4	-
Other Assets less Liabilities	0.9	0.7
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2020 and December 31, 2019.

	December 31, 2020			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	63,710,846	-	-	63,710,846

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

There were no transfers between fair value levels during the periods from January 1 to December 31, 2020 and January 1 to December 31, 2019.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Manager

SLGI Asset Management Inc. (formerly, Sun Life Global Investments (Canada) Inc.) (the "Manager") is the sponsor of the Fund. Investment by the Manager, from time to time, in the Fund is for the purposes of seed money investments. As at December 31, 2020 and December 31, 2019, the Manager held the following positions in the Fund:

	December 31, 2020	
	Securities	Market Value (\$)
Series FT5	846	12,861
Series FT8	926	12,861

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

The following are transactions in the Fund by the Manager from January 1 to December 31, 2020 and January 1 to December 31, 2019. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2020		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	-	-	-
Series FT5	41	-	705
Series FT8	41	-	1,086

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

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

Sun Life Granite Growth Class (continued)

Interest in Underlying Funds

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

As at December 31, 2020 and December 31, 2019, there were no significant interests in the Underlying Portfolio.

Establishment of the Fund

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

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

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

Sun Life Granite Moderate Class

Statements of Financial Position

As at December 31, 2020 and 2019

	December 31, 2020 (\$)	December 31, 2019 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	137,557,309	140,480,949
Cash	93,135	100,655
Due from investment dealers	154,862	6,745
Accrued interest	-	153
Distributions receivable from underlying funds	-	-
Subscriptions receivable	200,685	213,248
	138,005,991	140,801,750
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Accrued expenses	6,638	8,171
Redemptions payable	114,292	77,500
Distributions payable	2,954	1,197
Due to investment dealers	-	206,159
Management fees payable	40,333	48,339
Income tax payable	418,941	338,603
Total liabilities (excluding net assets attributable to holders of redeemable securities)	583,158	679,969
Net Assets Attributable to Holders of Redeemable Securities	137,422,833	140,121,781
Net Assets Attributable to Holders of Redeemable Securities per Series		
Series A	56,506,884	52,918,693
Series AT5	6,968,885	8,671,992
Series F	28,757,669	24,102,366
Series FT5	6,700,476	7,390,313
Series O	38,488,919	47,038,417
Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)		
Series A	13.21	12.59
Series AT5	13.62	13.68
Series F	14.31	13.49
Series FT5	14.79	14.68
Series O	13.81	12.91

Approved on behalf of the Board of Directors of the Corporation

“signed” Oricia Smith
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2020 (\$)	2019 (\$)
Investment Income		
Interest income	9,088	6,874
Distributions from underlying funds	5,412,074	4,254,265
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	405,305	371,591
Change in unrealized appreciation (depreciation) in value of investments	3,716,179	11,525,630
Net gains (losses) on investments	9,542,646	16,158,360
Total income (loss)	9,542,646	16,158,360
Expenses (note 5)		
Management fees	1,401,802	1,347,713
Fixed annual administration fees	231,243	230,015
Independent review committee fees	1,013	1,534
Total operating expenses	1,634,058	1,579,262
Fees waived/absorbed by the Manager	-	-
Operating Profit (Loss)	7,908,588	14,579,098
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	7,908,588	14,579,098
Income taxes	510,488	295,655
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)		
	7,398,100	14,283,443
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)		
Series A	2,708,285	5,059,445
Series AT5	191,533	852,348
Series F	1,900,204	2,103,279
Series FT5	239,112	573,115
Series O	2,358,966	5,695,256
Weighted Average Number of Securities Outstanding		
Series A	4,180,053	4,055,185
Series AT5	541,515	616,855
Series F	1,871,202	1,483,857
Series FT5	428,058	435,026
Series O	3,162,634	3,732,169
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)		
Series A	0.65	1.25
Series AT5	0.35	1.38
Series F	1.02	1.42
Series FT5	0.56	1.32
Series O	0.75	1.53

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 Securities

For the periods ended December 31

	Series A		Series AT5		Series F	
	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 52,918,693	45,310,048	8,671,992	7,723,105	24,102,366	15,458,182
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 2,708,285	5,059,445	191,533	852,348	1,900,204	2,103,279
Redeemable Security Transactions						
Proceeds from redeemable securities issued	\$ 16,389,227	16,627,171	1,470,241	2,076,684	9,811,179	13,979,072
Redemption of redeemable securities	\$ (15,506,106)	(14,102,645)	(3,121,763)	(1,554,355)	(7,051,766)	(7,429,485)
Reinvestment of distributions to holders of redeemable securities	\$ 221,609	1,444,309	157,193	223,423	104,473	511,339
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,104,730	3,968,835	(1,494,329)	745,752	2,863,886	7,060,926
Distributions to Holders of Redeemable Securities						
From capital gains	\$ (75,608)	(1,233,196)	(12,344)	(204,780)	(33,568)	(435,226)
From net investment income	\$ (149,216)	(186,439)	(18,432)	(31,645)	(75,180)	(84,795)
Return of capital	\$ -	-	(369,535)	(412,788)	(39)	-
	\$ (224,824)	(1,419,635)	(400,311)	(649,213)	(108,787)	(520,021)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 3,588,191	7,608,645	(1,703,107)	948,887	4,655,303	8,644,184
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 56,506,884	52,918,693	6,968,885	8,671,992	28,757,669	24,102,366
Redeemable Security Transactions						
Balance - beginning of period	4,204,601	3,878,549	634,057	579,263	1,787,238	1,248,797
Securities issued	1,314,863	1,356,969	112,333	151,471	737,203	1,066,452
Securities issued on reinvestment of distributions	17,139	117,762	11,978	16,399	7,464	38,873
Securities redeemed	(1,257,685)	(1,148,679)	(246,760)	(113,076)	(522,796)	(566,884)
Balance - end of period	4,278,918	4,204,601	511,608	634,057	2,009,109	1,787,238

	Series FT5		Series O		Total	
	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 7,390,313	1,980,358	47,038,417	44,186,973	140,121,781	114,658,666
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 239,112	573,115	2,358,966	5,695,256	7,398,100	14,283,443
Redeemable Security Transactions						
Proceeds from redeemable securities issued	\$ 1,468,415	6,225,504	7,887,555	6,469,450	37,026,617	45,377,881
Redemption of redeemable securities	\$ (2,071,341)	(1,106,692)	(18,789,607)	(9,287,356)	(46,540,583)	(33,480,533)
Reinvestment of distributions to holders of redeemable securities	\$ 15,307	120,761	162,039	1,319,188	660,621	3,619,020
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (587,619)	5,239,573	(10,740,013)	(1,498,718)	(8,853,345)	15,516,368
Distributions to Holders of Redeemable Securities						
From capital gains	\$ (10,550)	(52,946)	(66,647)	(1,179,438)	(198,717)	(3,105,586)
From net investment income	\$ (17,740)	(25,217)	(101,804)	(165,656)	(362,372)	(493,752)
Return of capital	\$ (313,040)	(324,570)	-	-	(682,614)	(737,358)
	\$ (341,330)	(402,733)	(168,451)	(1,345,094)	(1,243,703)	(4,336,696)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ (689,837)	5,409,955	(8,549,498)	2,851,444	(2,698,948)	25,463,115
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 6,700,476	7,390,313	38,488,919	47,038,417	137,422,833	140,121,781
Redeemable Security Transactions						
Balance - beginning of period	503,472	140,056	3,644,852	3,761,714	10,774,220	9,608,379
Securities issued	99,557	430,541	632,143	518,828	2,896,099	3,524,261
Securities issued on reinvestment of distributions	1,048	8,349	12,115	108,880	49,744	290,263
Securities redeemed	(150,941)	(75,474)	(1,502,044)	(744,570)	(3,680,226)	(2,648,683)
Balance - end of period	453,136	503,472	2,787,066	3,644,852	10,039,837	10,774,220

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

Sun Life Granite Moderate Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2020 (\$)	2019 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	7,398,100	14,283,443
Adjustments for:		
Net realized (gain) loss on sale of investments	(405,305)	(371,591)
Change in unrealized (appreciation) depreciation in value of investments	(3,716,179)	(11,525,630)
Non-cash income distributions from underlying funds	(5,412,074)	(4,254,265)
Purchases of investments	(19,537,177)	(23,531,949)
Proceeds from sale of investments	31,640,099	13,808,123
Change in accrued interest	153	5,455
Change in distributions receivable from underlying funds	-	2,373
Change in management fees payable	(8,006)	13,688
Change in other payables and accrued expenses	(1,533)	8,171
Change in income tax payable	80,338	21,135
Net Cash Provided by (Used in) Operating Activities	10,038,416	(11,541,047)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable securities, net of reinvested distributions	(581,325)	(716,479)
Proceeds from redeemable securities issued	37,039,180	45,230,234
Redemption of redeemable securities	(46,503,791)	(33,446,333)
Net Cash Provided by (Used in) Financing Activities	(10,045,936)	11,067,422
Net increase (decrease) in cash	(7,520)	(473,625)
Cash (bank indebtedness) at beginning of period	100,655	574,280
Cash (bank indebtedness) at end of period	93,135	100,655
Interest received	9,241	12,329
Income taxes paid	(430,150)	(274,520)
Interest paid	-	-

Schedule of Investments

As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Granite Moderate Portfolio, Series I	9,625,989	128,169,592	137,557,309	
		128,169,592	137,557,309	100.1
Total Investments		128,169,592	137,557,309	100.1
Other Assets less Liabilities			(134,476)	(0.1)
Total Net Assets			137,422,833	100.0

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

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

(ii) Interest rate risk

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

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

Sun Life Granite Moderate Class (continued)

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2020 and December 31, 2019, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2020	December 31, 2019
Exchange-Traded Funds		
U.S. Equities	8.7	9.0
Mutual Funds		
Canadian Fixed Income	17.6	26.3
Tactical Balanced	10.9	11.1
Canadian Equities	7.2	8.9
International Equities	11.0	11.3
High Yield Fixed Income	3.2	1.0
Global Fixed Income	-	1.4
U.S. Equities	5.5	4.6
Global Equities	3.9	3.7
International Fixed Income	4.6	-
Canadian Focused Equities	3.3	3.2
Emerging Markets Bonds	3.4	4.7
U.S. Fixed Income	11.1	6.0
Emerging Markets Equities	3.5	2.8
Canadian Money Market	1.1	1.2
Global Small/Mid Cap Equities	4.5	4.6
Other Assets less Liabilities	0.5	0.2
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2020 and December 31, 2019.

	December 31, 2020			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	137,557,309	-	-	137,557,309

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

There were no transfers between fair value levels during the periods from January 1 to December 31, 2020 and January 1 to December 31, 2019.

Mutual funds

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

Interest in Underlying Funds

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

As at December 31, 2020 and December 31, 2019, there were no significant interests in the Underlying Portfolio.

Establishment of the Fund

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

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

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

Sun Life MFS Global Growth Class

Statements of Financial Position

As at December 31, 2020 and 2019

	December 31, 2020 (\$)	December 31, 2019 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	63,254,131	33,085,320
Cash	200,821	147,139
Due from investment dealers	254,562	-
Accrued interest	-	709
Distributions receivable from underlying funds	-	-
Subscriptions receivable	168,361	1,862
	63,877,875	33,235,030
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Accrued expenses	2,879	1,837
Redemptions payable	3,400	2,246
Distributions payable	4	420
Due to investment dealers	20,794	71,575
Management fees payable	21,194	13,295
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable securities)	48,271	89,373
Net Assets Attributable to Holders of Redeemable Securities	63,829,604	33,145,657
Net Assets Attributable to Holders of Redeemable Securities per Series		
Series A	24,715,269	12,951,606
Series AT5	2,200,570	1,713,665
Series AT8	1,242,758	699,446
Series F	22,938,513	8,086,321
Series FT5	1,493,064	666,780
Series FT8	477,977	355,252
Series O	10,761,453	8,672,587
Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)		
Series A	23.92	20.52
Series AT5	24.98	22.54
Series AT8	19.95	18.57
Series F	25.62	21.74
Series FT5	19.90	17.75
Series FT8	18.26	16.80
Series O	23.56	19.80

Approved on behalf of the Board of Directors of the Corporation

“signed” Oricia Smith
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2020 (\$)	2019 (\$)
Investment Income		
Interest income	102,454	5,123
Distributions from underlying funds	1,006,007	563,787
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	794,704	389,486
Change in unrealized appreciation (depreciation) in value of investments	7,028,852	5,911,683
Net gains (losses) on investments	8,932,017	6,870,079
Total income (loss)	8,932,017	6,870,079
Expenses (note 5)		
Management fees	569,110	324,251
Fixed annual administration fees	77,043	44,891
Independent review committee fees	304	299
Total operating expenses	646,457	369,441
Fees waived/absorbed by the Manager	-	-
Operating Profit (Loss)	8,285,560	6,500,638
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	8,285,560	6,500,638
Income taxes	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	8,285,560	6,500,638
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)		
Series A	3,223,314	2,595,084
Series AT5	282,044	271,842
Series AT8	154,196	165,708
Series F	2,714,391	1,280,367
Series FT5	149,037	108,733
Series FT8	69,334	67,577
Series O	1,693,244	2,011,327
Weighted Average Number of Securities Outstanding		
Series A	829,005	588,879
Series AT5	77,410	59,037
Series AT8	46,745	39,588
Series F	681,414	266,203
Series FT5	45,060	31,635
Series FT8	24,055	16,717
Series O	447,882	436,064
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)		
Series A	3.89	4.41
Series AT5	3.64	4.60
Series AT8	3.30	4.19
Series F	3.98	4.81
Series FT5	3.31	3.44
Series FT8	2.88	4.04
Series O	3.78	4.61

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 Securities

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series F	
	2020	2019	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 12,951,606	8,792,797	1,713,665	815,624	699,446	538,916	8,086,321	3,330,919
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 3,223,314	2,595,084	282,044	271,842	154,196	165,708	2,714,391	1,280,367
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 12,924,997	4,324,611	678,841	889,006	518,703	290,928	20,461,524	4,429,043
Redemption of redeemable securities	\$ (4,383,386)	(2,762,256)	(423,440)	(224,880)	(71,111)	(230,395)	(8,316,983)	(949,535)
Reinvestment of distributions to holders of redeemable securities	\$ 51,477	274,342	43,744	43,104	15,524	5,959	33,374	109,816
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 8,593,088	1,836,697	299,145	707,230	463,116	66,492	12,177,915	3,589,324
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (51,491)	(272,777)	(6,282)	(24,218)	(2,437)	(20,035)	(38,951)	(114,167)
From net investment income	\$ (1,248)	(195)	(111)	(26)	(63)	(11)	(1,163)	(122)
Return of capital	\$ -	-	(87,891)	(56,787)	(71,500)	(51,624)	-	-
	\$ (52,739)	(272,972)	(94,284)	(81,031)	(74,000)	(71,670)	(40,114)	(114,289)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 11,763,663	4,158,809	486,905	898,041	543,312	160,530	14,852,192	4,755,402
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 24,715,269	12,951,606	2,200,570	1,713,665	1,242,758	699,446	22,938,513	8,086,321
Redeemable Security Transactions								
Balance - beginning of period	631,276	530,625	76,038	42,809	37,663	33,367	372,013	191,838
Securities issued	606,066	232,281	29,848	41,596	27,550	16,996	933,668	223,710
Securities issued on reinvestment of distributions	2,645	15,526	1,948	2,039	817	336	1,613	5,792
Securities redeemed	(206,564)	(147,156)	(19,730)	(10,406)	(3,728)	(13,036)	(411,973)	(49,327)
Balance - end of period	1,033,423	631,276	88,104	76,038	62,302	37,663	895,321	372,013

	Series FT5		Series FT8		Series O		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 666,780	10,506	355,252	148,277	8,672,587	6,665,677	33,145,657	20,302,716
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 149,037	108,733	69,334	67,577	1,693,244	2,011,327	8,285,560	6,500,638
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 891,534	576,142	87,431	198,272	1,595,751	1,313,729	37,158,781	12,021,731
Redemption of redeemable securities	\$ (173,462)	(9,165)	(296)	(32,741)	(1,200,129)	(1,318,145)	(14,568,807)	(5,527,117)
Reinvestment of distributions to holders of redeemable securities	\$ 3,644	6,398	240	122	31,704	200,208	179,707	639,949
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 721,716	573,375	87,375	165,653	427,326	195,792	22,769,681	7,134,563
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (2,347)	(315)	(1,384)	(6,454)	(31,158)	(200,078)	(134,050)	(638,044)
From net investment income	\$ (76)	(10)	(24)	(5)	(546)	(131)	(3,231)	(500)
Return of capital	\$ (42,046)	(25,509)	(32,576)	(19,796)	-	-	(234,013)	(153,716)
	\$ (44,469)	(25,834)	(33,984)	(26,255)	(31,704)	(200,209)	(371,294)	(792,260)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 826,284	656,274	122,725	206,975	2,088,866	2,006,910	30,683,947	12,842,941
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 1,493,064	666,780	477,977	355,252	10,761,453	8,672,587	63,829,604	33,145,657
Redeemable Security Transactions								
Balance - beginning of period	37,568	708	21,151	10,273	437,997	425,345	1,613,706	1,234,965
Securities issued	46,685	36,982	5,034	13,105	78,368	75,214	1,727,219	639,884
Securities issued on reinvestment of distributions	195	401	14	8	1,684	12,113	8,916	36,215
Securities redeemed	(9,410)	(523)	(17)	(2,235)	(61,237)	(74,675)	(712,659)	(297,358)
Balance - end of period	75,038	37,568	26,182	21,151	456,812	437,997	2,637,182	1,613,706

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

Sun Life MFS Global Growth Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2020 (\$)	2019 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	8,285,560	6,500,638
Adjustments for:		
Net realized (gain) loss on sale of investments	(794,704)	(389,486)
Change in unrealized (appreciation) depreciation in value of investments	(7,028,852)	(5,911,683)
Non-cash income distributions from underlying funds	(1,006,007)	(563,787)
Purchases of investments	(28,687,267)	(7,914,210)
Proceeds from sale of investments	7,042,676	2,019,475
Change in accrued interest	709	775
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	7,899	6,183
Change in other payables and accrued expenses	1,042	835
Change in income tax payable	-	-
Net Cash Provided by (Used in) Operating Activities	(22,178,944)	(6,251,260)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable securities, net of reinvested distributions	(192,003)	(151,891)
Proceeds from redeemable securities issued	36,992,282	12,028,132
Redemption of redeemable securities	(14,567,653)	(5,525,871)
Net Cash Provided by (Used in) Financing Activities	22,232,626	6,350,370
Net increase (decrease) in cash	53,682	99,110
Cash (bank indebtedness) at beginning of period	147,139	48,029
Cash (bank indebtedness) at end of period	200,821	147,139
Interest received	103,163	5,898
Income taxes paid	-	-
Interest paid	-	-

Schedule of Investments

As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life MFS Global Growth Fund, Series I	2,003,926	48,562,436	63,254,131	
		48,562,436	63,254,131	99.1
Total Investments		48,562,436	63,254,131	99.1
Other Assets less Liabilities			575,473	0.9
Total Net Assets			63,829,604	100.0

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

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

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2020 and December 31, 2019 are noted below:

Rating	Percentage of Net Assets (%)	
	December 31, 2020	December 31, 2019
AAA/Aaa	0.4	1.2
Total	0.4	1.2

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

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

Sun Life MFS Global Growth Class (continued)

(b) Market risk

(i) Currency risk

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

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2020 and December 31, 2019. 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 (%)
	December 31, 2020		December 31, 2019	
United States				
Dollar	44,298,005	69.4	22,952,287	69.2
Euro	5,022,463	7.9	2,755,201	8.3
Swiss Franc	3,344,112	5.2	1,952,429	5.9
British Pound	3,034,814	4.8	2,136,242	6.5
Korean Won	1,929,286	3.0	900,871	2.7
Japanese Yen	1,595,426	2.5	1,027,817	3.1
Hong Kong Dollar	1,406,976	2.2	-	-
Chinese Renminbi	514,580	0.8	319,067	1.0
Indian Rupee	8,028	-	138,514	0.4
Danish Krone	332	-	12,888	-
Brazilian Real	104	-	247	-
Total	61,154,126	95.8	32,195,563	97.1

As at December 31, 2020, 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 \$3,057,706 (\$1,609,777 as at December 31, 2019). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

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

The following 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 (\$)
December 31, 2020	270,780	-	-	270,780
December 31, 2019	400,420	-	-	400,420

As at December 31, 2020, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$459 (\$646 as at December 31, 2019). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

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

As at December 31, 2020, 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 \$3,136,793 (\$1,633,149 as at December 31, 2019). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2020 and December 31, 2019, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2020	December 31, 2019
Short-Term Investments		
Treasury Bills	0.4	0.8
Promissory Notes	-	0.4
Equities		
Materials	1.8	6.4
Industrials	8.3	12.3
Consumer Discretionary	14.9	15.2
Consumer Staples	13.2	12.4
Health Care	13.6	12.4
Financials	9.1	9.0
Information Technology	23.5	21.5
Communication Services	14.0	9.5
Other Assets less Liabilities	1.2	0.1
Total	100.0	100.0

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

Sun Life MFS Global Growth Class (continued)

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2020 and December 31, 2019.

	December 31, 2020			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	63,254,131	-	-	63,254,131

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

There were no transfers between fair value levels during the periods from January 1 to December 31, 2020 and January 1 to December 31, 2019.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Manager

SLGI Asset Management Inc. (formerly, Sun Life Global Investments (Canada) Inc.) (the "Manager") is the sponsor of the Fund. Investment by the Manager, from time to time, in the Fund is for the purposes of seed money investments. As at December 31, 2020 and December 31, 2019, the Manager held the following positions in the Fund:

	December 31, 2020	
	Securities	Market Value (\$)
Series FT5	-	-

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

The following are transactions in the Fund by the Manager from January 1 to December 31, 2020 and January 1 to December 31, 2019. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2020		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	47	15,632	687

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

Interest in Underlying Funds

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

As at December 31, 2020 and December 31, 2019, there were no significant interests in the Underlying Fund.

Establishment of the Fund

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

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

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

Sun Life MFS International Opportunities Class

(formerly Sun Life MFS International Growth Class)

Statements of Financial Position

As at December 31, 2020 and 2019

	December 31, 2020 (\$)	December 31, 2019 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	33,290,109	17,729,592
Cash	255,428	235,390
Due from investment dealers	-	-
Accrued interest	1,129	1,443
Distributions receivable from underlying funds	-	-
Subscriptions receivable	40,708	450
	33,587,374	17,966,875
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Accrued expenses	1,505	982
Redemptions payable	-	-
Distributions payable	3	297
Due to investment dealers	56,205	5,504
Management fees payable	8,750	7,118
Income tax payable	38,283	29,603
Total liabilities (excluding net assets attributable to holders of redeemable securities)	104,746	43,504
Net Assets Attributable to Holders of Redeemable Securities	33,482,628	17,923,371
Net Assets Attributable to Holders of Redeemable Securities per Series		
Series A	8,706,774	5,829,378
Series AT5	233,241	226,021
Series AT8	574,311	511,310
Series F	14,617,911	8,523,975
Series FT5	374,267	12,149
Series FT8	167,110	69,003
Series O	8,809,014	2,751,535
Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)		
Series A	17.15	15.50
Series AT5	17.73	16.87
Series AT8	14.10	13.86
Series F	18.60	16.62
Series FT5	16.06	15.11
Series FT8	14.66	14.25
Series O	17.75	15.71

Approved on behalf of the Board of Directors of the Corporation

“signed” Oricia Smith
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2020 (\$)	2019 (\$)
Investment Income		
Interest income	4,225	2,417
Distributions from underlying funds	433,500	300,082
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	(73,236)	60,108
Change in unrealized appreciation (depreciation) in value of investments	3,197,419	2,296,614
Net gains (losses) on investments	3,561,908	2,659,221
Total income (loss)	3,561,908	2,659,221
Expenses (note 5)		
Management fees	249,858	172,241
Fixed annual administration fees	40,754	22,763
Independent review committee fees	164	144
Total operating expenses	290,776	195,148
Fees waived/absorbed by the Manager	-	-
Operating Profit (Loss)	3,271,132	2,464,073
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	3,271,132	2,464,073
Income taxes	44,526	28,396
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	3,226,606	2,435,677
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)		
Series A	810,886	894,749
Series AT5	21,394	42,232
Series AT8	25,870	92,107
Series F	1,177,943	897,217
Series FT5	11,417	2,016
Series FT8	12,514	15,080
Series O	1,166,582	492,276
Weighted Average Number of Securities Outstanding		
Series A	454,066	363,495
Series AT5	12,927	14,784
Series AT8	29,224	37,473
Series F	596,076	323,166
Series FT5	2,766	773
Series FT8	6,561	6,244
Series O	423,631	173,017
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)		
Series A	1.79	2.46
Series AT5	1.65	2.86
Series AT8	0.89	2.46
Series F	1.98	2.78
Series FT5	4.13	2.61
Series FT8	1.91	2.42
Series O	2.75	2.85

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

Sun Life MFS International Opportunities Class (continued)

(formerly Sun Life MFS International Growth Class)

Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series F	
	2020	2019	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 5,829,378	4,554,056	226,021	247,352	511,310	493,882	8,523,975	3,673,159
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 810,886	894,749	21,394	42,232	25,870	92,107	1,177,943	897,217
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 4,740,210	2,287,994	9,008	3,000	266,123	95,581	7,915,742	5,267,470
Redemption of redeemable securities	\$ (2,673,592)	(1,899,591)	(23,183)	(66,758)	(202,517)	(117,122)	(2,996,405)	(1,216,943)
Reinvestment of distributions to holders of redeemable securities	\$ 5,265	357,172	11,069	31,212	6,325	29,141	4,905	201,506
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 2,071,883	745,575	(3,106)	(32,546)	69,931	7,600	4,924,242	4,252,033
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (4,754)	(363,893)	(159)	(19,169)	(367)	(41,233)	(7,210)	(296,813)
From net investment income	\$ (619)	(1,109)	(17)	(43)	(41)	(97)	(1,039)	(1,621)
Return of capital	\$ -	-	(10,892)	(11,805)	(32,392)	(40,949)	-	-
	\$ (5,373)	(365,002)	(11,068)	(31,017)	(32,800)	(82,279)	(8,249)	(298,434)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 2,877,396	1,275,322	7,220	(21,331)	63,001	17,428	6,093,936	4,850,816
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 8,706,774	5,829,378	233,241	226,021	574,311	511,310	14,617,911	8,523,975
Redeemable Security Transactions								
Balance - beginning of period	376,121	323,011	13,400	15,345	36,892	36,136	512,906	245,711
Securities issued	308,159	158,010	552	189	19,711	6,949	464,055	331,903
Securities issued on reinvestment of distributions	352	25,649	681	1,949	492	2,152	304	13,538
Securities redeemed	(177,055)	(130,549)	(1,480)	(4,083)	(16,350)	(8,345)	(191,329)	(78,246)
Balance - end of period	507,577	376,121	13,153	13,400	40,745	36,892	785,936	512,906

	Series FT5		Series FT8		Series O		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 12,149	10,101	69,003	96,385	2,751,535	2,204,012	17,923,371	11,278,947
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 11,417	2,016	12,514	15,080	1,166,582	492,276	3,226,606	2,435,677
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 351,833	-	106,071	-	5,473,265	877,775	18,862,252	8,531,820
Redemption of redeemable securities	\$ (279)	-	(14,328)	(29,971)	(582,368)	(822,528)	(6,492,672)	(4,152,913)
Reinvestment of distributions to holders of redeemable securities	\$ 2,161	1,373	1,520	1,734	3,025	187,945	34,270	810,083
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 353,715	1,373	93,263	(28,237)	4,893,922	243,192	12,403,850	5,188,990
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (9)	(784)	(50)	(7,438)	(2,399)	(187,421)	(14,948)	(916,751)
From net investment income	\$ (27)	(2)	(12)	(13)	(626)	(524)	(2,381)	(3,409)
Return of capital	\$ (2,978)	(555)	(7,608)	(6,774)	-	-	(53,870)	(60,083)
	\$ (3,014)	(1,341)	(7,670)	(14,225)	(3,025)	(187,945)	(71,199)	(980,243)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 362,118	2,048	98,107	(27,382)	6,057,479	547,523	15,559,257	6,644,424
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 374,267	12,149	167,110	69,003	8,809,014	2,751,535	33,482,628	17,923,371
Redeemable Security Transactions								
Balance - beginning of period	804	707	4,842	6,938	175,132	157,407	1,120,097	785,255
Securities issued	22,372	-	7,588	-	359,985	60,991	1,182,422	558,042
Securities issued on reinvestment of distributions	144	97	116	126	196	13,666	2,285	57,177
Securities redeemed	(18)	-	(1,150)	(2,222)	(38,980)	(56,932)	(426,362)	(280,377)
Balance - end of period	23,302	804	11,396	4,842	496,333	175,132	1,878,442	1,120,097

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

Sun Life MFS International Opportunities Class (continued)

(formerly Sun Life MFS International Growth Class)

Statements of Cash Flows

For the periods ended December 31

	2020 (\$)	2019 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	3,226,606	2,435,677
Adjustments for:		
Net realized (gain) loss on sale of investments	73,236	(60,108)
Change in unrealized (appreciation) depreciation in value of investments	(3,197,419)	(2,296,614)
Non-cash income distributions from underlying funds	(433,500)	(300,082)
Purchases of investments	(15,460,344)	(6,507,804)
Proceeds from sale of investments	3,508,211	2,471,019
Change in accrued interest	314	364
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	1,632	2,916
Change in other payables and accrued expenses	523	434
Change in income tax payable	8,680	12,535
Net Cash Provided by (Used in) Operating Activities	(12,272,061)	(4,241,663)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable securities, net of reinvested distributions	(37,223)	(170,254)
Proceeds from redeemable securities issued	18,821,994	8,534,045
Redemption of redeemable securities	(6,492,672)	(4,152,913)
Net Cash Provided by (Used in) Financing Activities	12,292,099	4,210,878
Net increase (decrease) in cash	20,038	(30,785)
Cash (bank indebtedness) at beginning of period	235,390	266,175
Cash (bank indebtedness) at end of period	255,428	235,390
Interest received	4,539	2,781
Income taxes paid	(35,846)	(15,861)
Interest paid	-	-

Schedule of Investments

As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life MFS International Opportunities Fund, Series I	1,583,050	28,638,809	33,290,109	
		28,638,809	33,290,109	99.4
Total Investments		28,638,809	33,290,109	99.4
Other Assets less Liabilities			192,519	0.6
Total Net Assets			33,482,628	100.0

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS International Opportunities 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 Opportunities Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in note 8 to the financial statements.

(a) Credit risk

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

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2020 and December 31, 2019 are noted below:

Rating	Percentage of Net Assets (%)	
	December 31, 2020	December 31, 2019
AAA/Aaa	0.6	1.1
AA/Aa	0.2	0.3
Total	0.8	1.4

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 Opportunities Class (continued)

(formerly Sun Life MFS International Growth 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, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2020 and December 31, 2019. 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 (%)
	December 31, 2020		December 31, 2019	
Euro	12,025,210	35.9	6,311,101	35.1
Swiss Franc	4,801,608	14.3	2,471,524	13.8
United States Dollar	4,087,651	12.2	2,874,299	16.0
British Pound	3,247,331	9.7	2,015,109	11.2
Hong Kong Dollar	3,073,383	9.2	819,005	4.6
Japanese Yen	2,596,113	7.8	1,597,822	8.9
Korean Won	724,856	2.2	223,593	1.3
New Taiwan Dollar	496,308	1.5	61,855	0.4
Danish Krone	472,949	1.4	149,043	0.8
Singapore Dollar	424,509	1.3	242,247	1.4
Indian Rupee	382,901	1.1	183,718	1.0
Mexican Peso	364,398	1.1	206,298	1.2
Australian Dollar	205,129	0.6	254,672	1.4
Czech Koruna	64,407	0.2	44,817	0.3
Total	32,966,753	98.5	17,455,103	97.4

As at December 31, 2020, 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 \$1,648,338 (\$872,755 as at December 31, 2019). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

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

The following 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 (\$)
December 31, 2020	259,028	-	-	259,028
December 31, 2019	241,573	-	-	241,573

As at December 31, 2020, 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 \$305 (\$232 as at December 31, 2019). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

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

As at December 31, 2020, 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 \$1,630,417 (\$870,209 as at December 31, 2019). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2020 and December 31, 2019, 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 Opportunities Class (continued)

(formerly Sun Life MFS International Growth Class)

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2020	December 31, 2019
Short-Term Investments		
Treasury Bills	0.8	1.0
Term Deposit Receipts	-	0.2
Promissory Note	-	0.1
Equities		
Energy	0.5	0.9
Materials	8.0	8.8
Industrials	9.7	11.3
Consumer Discretionary	14.7	9.5
Consumer Staples	18.4	21.0
Health Care	13.4	16.6
Financials	9.6	9.5
Information Technology	17.6	16.2
Communication Services	4.9	3.1
Utilities	0.6	0.2
Other Assets less Liabilities	1.8	1.6
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2020 and December 31, 2019.

	December 31, 2020			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	33,290,109	-	-	33,290,109

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

There were no transfers between fair value levels during the periods from January 1 to December 31, 2020 and January 1 to December 31, 2019.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Manager

SLGI Asset Management Inc. (formerly, Sun Life Global Investments (Canada) Inc.) (the "Manager") is the sponsor of the Fund. Investment by the Manager, from time to time, in the Fund is for the purposes of seed money investments. As at December 31, 2020 and December 31, 2019, the Manager held the following positions in the Fund:

	December 31, 2020	
	Securities	Market Value (\$)
Series FT5	850	13,659
Series FT8	931	13,659

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

The following are transactions in the Fund by the Manager from January 1 to December 31, 2020 and January 1 to December 31, 2019. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2020		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	43	-	634
Series FT8	43	-	1,023

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

Interest in Underlying Funds

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

As at December 31, 2020 and December 31, 2019, there were no significant interests in the Underlying Fund.

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

Sun Life MFS International Opportunities Class (continued)

(formerly Sun Life MFS International Growth Class)

Establishment of the Fund

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

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

Fund Name Change

Effective June 1, 2020, the Fund changed its name from the Sun Life MFS International Growth Class to the Sun Life MFS International Opportunities Class.

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

Sun Life MFS U.S. Growth Class

Statements of Financial Position

As at December 31, 2020 and 2019

	December 31, 2020 (\$)	December 31, 2019 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	101,057,557	50,930,086
Cash	506,012	272,864
Due from investment dealers	-	-
Accrued interest	-	65
Distributions receivable from underlying funds	-	-
Subscriptions receivable	280,927	239,312
	101,844,496	51,442,327
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Accrued expenses	4,618	2,816
Redemptions payable	152,896	155,198
Distributions payable	-	947
Due to investment dealers	277,395	233,064
Management fees payable	34,230	21,305
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable securities)	469,139	413,330
Net Assets Attributable to Holders of Redeemable Securities	101,375,357	51,028,997
Net Assets Attributable to Holders of Redeemable Securities per Series		
Series A	38,855,504	19,104,619
Series AT5	2,233,052	1,780,146
Series AT8	2,357,922	1,054,909
Series F	42,799,554	20,214,410
Series FT5	537,345	310,458
Series FT8	645,189	93,562
Series O	13,946,791	8,470,893
Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)		
Series A	32.19	25.61
Series AT5	34.03	28.35
Series AT8	27.37	23.46
Series F	34.89	27.47
Series FT5	23.17	19.08
Series FT8	21.36	18.10
Series O	30.57	23.84

Approved on behalf of the Board of Directors of the Corporation

“signed” Oricia Smith
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2020 (\$)	2019 (\$)
Investment Income		
Interest income	12,903	4,483
Distributions from underlying funds	-	115,712
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	3,356,612	2,151,608
Change in unrealized appreciation (depreciation) in value of investments	15,270,271	8,769,734
Net gains (losses) on investments	18,639,786	11,041,537
Total income (loss)	18,639,786	11,041,537
Expenses (note 5)		
Management fees	948,577	544,439
Fixed annual administration fees	126,391	72,967
Independent review committee fees	484	500
Total operating expenses	1,075,452	617,906
Fees waived/absorbed by the Manager	-	-
Operating Profit (Loss)	17,564,334	10,423,631
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	17,564,334	10,423,631
Income taxes	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	17,564,334	10,423,631
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)		
Series A	6,167,729	3,870,239
Series AT5	475,743	210,144
Series AT8	327,320	244,110
Series F	7,614,203	4,003,832
Series FT5	65,238	35,459
Series FT8	63,386	17,042
Series O	2,850,715	2,042,805
Weighted Average Number of Securities Outstanding		
Series A	952,503	695,190
Series AT5	63,244	38,851
Series AT8	59,880	41,677
Series F	1,013,280	688,919
Series FT5	10,413	11,688
Series FT8	20,715	3,798
Series O	416,825	353,429
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)		
Series A	6.48	5.57
Series AT5	7.52	5.41
Series AT8	5.47	5.86
Series F	7.51	5.81
Series FT5	6.27	3.03
Series FT8	3.06	4.49
Series O	6.84	5.78

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 Securities

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series F	
	2020	2019	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 19,104,619	13,035,473	1,780,146	616,286	1,054,909	767,983	20,214,410	6,034,948
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 6,167,729	3,870,239	475,743	210,144	327,320	244,110	7,614,203	4,003,832
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 25,908,033	6,984,502	973,800	1,055,346	1,313,933	484,376	33,024,095	20,835,244
Redemption of redeemable securities	\$ (12,322,176)	(4,789,943)	(923,996)	(70,462)	(250,447)	(365,596)	(18,000,157)	(10,560,402)
Reinvestment of distributions to holders of redeemable securities	\$ 136,431	297,539	28,889	28,542	36,246	11,042	100,575	150,339
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 13,722,288	2,492,098	78,693	1,013,426	1,099,732	129,822	15,124,513	10,425,181
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (139,132)	(292,205)	(12,334)	(13,192)	(7,891)	(19,221)	(153,572)	(248,496)
From net investment income	\$ -	(986)	-	(93)	-	(55)	-	(1,055)
Return of capital	\$ -	-	(89,196)	(46,425)	(116,148)	(67,730)	-	-
	\$ (139,132)	(293,191)	(101,530)	(59,710)	(124,039)	(87,006)	(153,572)	(249,551)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 19,750,885	6,069,146	452,906	1,163,860	1,303,013	286,926	22,585,144	14,179,462
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 38,855,504	19,104,619	2,233,052	1,780,146	2,357,922	1,054,909	42,799,554	20,214,410
Redeemable Security Transactions								
Balance - beginning of period	745,969	639,520	62,791	26,147	44,961	38,348	735,941	279,112
Securities issued	891,277	295,523	32,765	38,242	49,671	22,203	1,046,935	861,982
Securities issued on reinvestment of distributions	5,369	13,325	936	1,044	1,389	482	3,684	5,947
Securities redeemed	(435,358)	(202,399)	(30,875)	(2,642)	(9,884)	(16,072)	(559,777)	(411,100)
Balance - end of period	1,207,257	745,969	65,617	62,791	86,137	44,961	1,226,783	735,941

	Series FT5		Series FT8		Series O		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 310,458	30,604	93,562	52,752	8,470,893	6,148,711	51,028,997	26,686,757
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 65,238	35,459	63,386	17,042	2,850,715	2,042,805	17,564,334	10,423,631
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 530,960	290,411	613,214	39,227	6,068,081	2,825,713	68,432,116	32,514,819
Redemption of redeemable securities	\$ (359,994)	(37,251)	(97,618)	(10,937)	(3,442,898)	(2,546,336)	(35,397,286)	(18,380,927)
Reinvestment of distributions to holders of redeemable securities	\$ 1,526	1,739	6,267	1,277	64,180	147,313	374,114	637,791
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 172,492	254,899	521,863	29,567	2,689,363	426,690	33,408,944	14,771,683
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (677)	(870)	(2,723)	(1,133)	(64,180)	(146,874)	(380,509)	(721,991)
From net investment income	\$ -	(16)	-	(4)	-	(439)	-	(2,648)
Return of capital	\$ (10,166)	(9,618)	(30,899)	(4,662)	-	-	(246,409)	(128,435)
	\$ (10,843)	(10,504)	(33,622)	(5,799)	(64,180)	(147,313)	(626,918)	(853,074)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 226,887	279,854	551,627	40,810	5,475,898	2,322,182	50,346,360	24,342,240
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 537,345	310,458	645,189	93,562	13,946,791	8,470,893	101,375,357	51,028,997
Redeemable Security Transactions								
Balance - beginning of period	16,275	1,951	5,171	3,449	355,336	330,773	1,966,444	1,319,300
Securities issued	24,217	16,276	29,935	2,272	222,644	133,293	2,297,444	1,369,791
Securities issued on reinvestment of distributions	73	100	329	75	2,705	7,377	14,485	28,350
Securities redeemed	(17,373)	(2,052)	(5,231)	(625)	(124,451)	(116,107)	(1,182,949)	(750,997)
Balance - end of period	23,192	16,275	30,204	5,171	456,234	355,336	3,095,424	1,966,444

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

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

Statements of Cash Flows

For the periods ended December 31

	2020 (\$)	2019 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	17,564,334	10,423,631
Adjustments for:		
Net realized (gain) loss on sale of investments	(3,356,612)	(2,151,608)
Change in unrealized (appreciation) depreciation in value of investments	(15,270,271)	(8,769,734)
Non-cash income distributions from underlying funds	-	(115,712)
Purchases of investments	(44,933,176)	(24,405,404)
Proceeds from sale of investments	13,476,919	10,929,229
Change in accrued interest	65	3,287
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	12,925	11,250
Change in other payables and accrued expenses	1,802	1,541
Change in income tax payable	-	-
Net Cash Provided by (Used in) Operating Activities	(32,504,014)	(14,073,520)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable securities, net of reinvested distributions	(253,751)	(216,119)
Proceeds from redeemable securities issued	68,390,501	32,338,396
Redemption of redeemable securities	(35,399,588)	(18,227,560)
Net Cash Provided by (Used in) Financing Activities	32,737,162	13,894,717
Net increase (decrease) in cash	233,148	(178,803)
Cash (bank indebtedness) at beginning of period	272,864	451,667
Cash (bank indebtedness) at end of period	506,012	272,864
Interest received	12,968	7,770
Income taxes paid	-	-
Interest paid	-	-

Schedule of Investments

As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life MFS U.S. Growth Fund, Series I	1,687,812	74,320,658	101,057,557	
		74,320,658	101,057,557	99.7
Total Investments		74,320,658	101,057,557	99.7
Other Assets less Liabilities			317,800	0.3
Total Net Assets			101,375,357	100.0

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

As at December 31, 2020 and December 31, 2019, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

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

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2020 and December 31, 2019 are noted below:

Rating	Percentage of Net Assets (%)	
	December 31, 2020	December 31, 2019
AAA/Aaa	0.5	1.2
AA/Aa	0.8	0.3
Total	1.3	1.5

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

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

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

(b) Market risk

(i) Currency risk

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

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2020 and December 31, 2019. 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 (%)
	December 31, 2020		December 31, 2019	
United States				
Dollar	98,194,500	96.9	49,774,814	97.5
Euro	447	-	109,030	0.2
Total	98,194,947	96.9	49,883,844	97.7

As at December 31, 2020, 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 \$4,909,747 (\$2,494,192 as at December 31, 2019). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

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

The following 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 (\$)
December 31, 2020	1,265,741	-	-	1,265,741
December 31, 2019	789,743	-	-	789,743

As at December 31, 2020, 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 \$2,359 (\$955 as at December 31, 2019). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

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

As at December 31, 2020, 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 \$4,992,633 (\$2,493,006 as at December 31, 2019). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2020 and December 31, 2019, 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 U.S. 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 (%)	
	December 31, 2020	December 31, 2019
Short-Term Investments		
Treasury Bills	1.2	0.5
Promissory Note	-	0.7
Bearer Deposit Notes	-	0.1
Term Deposit Receipts	-	0.3
Equities		
Communication Services	17.8	14.0
Consumer Discretionary	12.2	12.0
Consumer Staples	2.5	3.4
Energy	-	0.3
Financials	2.3	3.8
Health Care	11.2	13.5
Industrials	7.4	7.5
Information Technology	41.3	38.4
Materials	2.3	3.1
Real Estate	1.5	1.6
Other Assets less Liabilities	0.3	0.8
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2020 and December 31, 2019.

	December 31, 2020			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	101,057,557	-	-	101,057,557

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

There were no transfers between fair value levels during the periods from January 1 to December 31, 2020 and January 1 to December 31, 2019.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Manager

SLGI Asset Management Inc. (formerly, Sun Life Global Investments (Canada) Inc.) (the "Manager") is the sponsor of the Fund. Investment by the Manager, from time to time, in the Fund is for the purposes of seed money investments. As at December 31, 2020 and December 31, 2019, the Manager held the following positions in the Fund:

	December 31, 2020	
	Securities	Market Value (\$)
Series FT8	-	-

	December 31, 2019	
	Securities	Market Value (\$)
Series FT8	794	14,371

The following are transactions in the Fund by the Manager from January 1 to December 31, 2020 and January 1 to December 31, 2019. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2020		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series FT5	-	-	-
Series FT8	22	16,355	589

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

Interest in Underlying Funds

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

As at December 31, 2020 and December 31, 2019, there were no significant interests in the Underlying Fund.

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

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

Establishment of the Fund

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

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

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

Sun Life Money Market Class

Statements of Financial Position

As at December 31, 2020 and 2019

	December 31, 2020 (\$)	December 31, 2019 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	30,434,779	12,013,282
Cash	511,271	491,512
Due from investment dealers	-	-
Accrued interest	4,900	2,930
Distributions receivable from underlying funds	6,223	1,890
Subscriptions receivable	-	-
	30,957,173	12,509,614
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Accrued expenses	-	-
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	24,723	-
Management fees payable	1,119	1,715
Income tax payable	39,713	31,415
Total liabilities (excluding net assets attributable to holders of redeemable securities)	65,555	33,130
Net Assets Attributable to Holders of Redeemable Securities	30,891,618	12,476,484
Net Assets Attributable to Holders of Redeemable Securities per Series		
Series A	23,114,547	8,868,136
Series F	6,349,663	1,860,706
Series O	1,427,408	1,747,642
Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)		
Series A	10.26	10.25
Series F	10.46	10.43
Series O	10.63	10.56

Approved on behalf of the Board of Directors of the Corporation

“signed” Oricia Smith
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2020 (\$)	2019 (\$)
Investment Income		
Interest income	1,910	3,941
Distributions from underlying funds	232,278	215,699
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	-	-
Change in unrealized appreciation (depreciation) in value of investments	-	-
Net gains (losses) on investments	234,188	219,640
Total income (loss)	234,188	219,640
Expenses (note 5)		
Management fees	240,922	114,064
Fixed annual administration fees	16,779	6,877
Independent review committee fees	225	154
Total operating expenses	257,926	121,095
Fees waived/absorbed by the Manager	(147,421)	(68,106)
Operating Profit (Loss)	123,683	166,651
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	123,683	166,651
Income taxes	67,686	31,055
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	55,997	135,596
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)		
Series A	31,255	81,927
Series F	15,938	32,907
Series O	8,804	20,762
Weighted Average Number of Securities Outstanding		
Series A	2,173,296	815,524
Series F	698,048	244,962
Series O	148,990	127,787
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)		
Series A	0.01	0.10
Series F	0.02	0.13
Series O	0.06	0.16

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 Securities

For the periods ended December 31

	Series A		Series F		Series O		Total	
	2020	2019	2020	2019	2020	2019	2020	2019
Net Assets Attributable to Holders of Redeemable Securities at beginning of period	\$ 8,868,136	6,566,013	1,860,706	2,741,064	1,747,642	1,176,754	12,476,484	10,483,831
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)	\$ 31,255	81,927	15,938	32,907	8,804	20,762	55,997	135,596
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 30,442,182	29,193,219	18,842,268	5,633,984	2,389,951	3,153,979	51,674,401	37,981,182
Redemption of redeemable securities	\$ (16,247,286)	(26,973,023)	(14,369,249)	(6,547,249)	(2,718,989)	(2,603,853)	(33,335,524)	(36,124,125)
Reinvestment of distributions to holders of redeemable securities	\$ 20,400	-	-	-	-	-	20,400	-
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 14,215,296	2,220,196	4,473,019	(913,265)	(329,038)	550,126	18,359,277	1,857,057
Distributions to Holders of Redeemable Securities								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ -	-	-	-	-	-	-	-
Return of capital	\$ (140)	-	-	-	-	-	(140)	-
	\$ (140)	-	-	-	-	-	(140)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 14,246,411	2,302,123	4,488,957	(880,358)	(320,234)	570,888	18,415,134	1,992,653
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 23,114,547	8,868,136	6,349,663	1,860,706	1,427,408	1,747,642	30,891,618	12,476,484
Redeemable Security Transactions								
Balance - beginning of period	865,554	647,243	178,429	266,199	165,426	113,119	1,209,409	1,026,561
Securities issued	2,967,379	2,861,282	1,801,832	544,148	225,390	300,699	4,994,601	3,706,129
Securities issued on reinvestment of distributions	1,987	-	-	-	-	-	1,987	-
Securities redeemed	(1,582,812)	(2,642,971)	(1,373,470)	(631,918)	(256,498)	(248,392)	(3,212,780)	(3,523,281)
Balance - end of period	2,252,108	865,554	606,791	178,429	134,318	165,426	2,993,217	1,209,409

Statements of Cash Flows

For the periods ended December 31

	2020	2019		2020	2019
	(\$)	(\$)		(\$)	(\$)
Cash Flows from Operating Activities			Net increase (decrease) in cash	19,759	364,646
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	55,997	135,596	Cash (bank indebtedness) at beginning of period	491,512	126,866
Adjustments for:			Cash (bank indebtedness) at end of period	511,271	491,512
Net realized (gain) loss on sale of investments	-	-	Interest received	-	8,030
Change in unrealized (appreciation) depreciation in value of investments	-	-	Income taxes paid	(59,388)	(36,970)
Non-cash income distributions from underlying funds	(232,278)	(215,699)	Interest paid	(60)	-
Purchases of investments	(42,323,373)	(32,493,073)			
Proceeds from sale of investments	24,158,877	31,080,643			
Change in accrued interest	(1,970)	4,089			
Change in distributions receivable from underlying funds	(4,333)	1,593			
Change in management fees payable	(596)	361			
Change in other payables and accrued expenses	-	(2)			
Change in income tax payable	8,298	(5,915)			
Net Cash Provided by (Used in) Operating Activities	(18,339,378)	(1,492,407)			
Cash Flows from Financing Activities					
Distributions paid to holders of redeemable securities, net of reinvested distributions	20,260	-			
Proceeds from redeemable securities issued	51,674,401	37,981,182			
Redemption of redeemable securities	(33,335,524)	(36,124,129)			
Net Cash Provided by (Used in) Financing Activities	18,359,137	1,857,053			

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

Sun Life Money Market Class (continued)

Schedule of Investments

As at December 31, 2020

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Money Market Fund, Series I	3,043,478	30,434,779	30,434,779	
		30,434,779	30,434,779	98.5
Total Investments		30,434,779	30,434,779	98.5
Other Assets less Liabilities			456,839	1.5
Total Net Assets			30,891,618	100.0

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

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

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2020 and December 31, 2019 are noted below:

Rating	Percentage of Net Assets (%)	
	December 31, 2020	December 31, 2019
AAA/Aaa	55.9	60.5
AA/Aa	42.5	35.5
Total	98.4	96.0

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

(b) Market risk

(i) Currency risk

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

(ii) Interest rate risk

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

The following 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 (\$)
December 31, 2020	30,395,566	-	-	30,395,566
December 31, 2019	11,971,738	-	-	11,971,738

As at December 31, 2020, 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 \$67,323 (\$26,422 as at December 31, 2019). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2020 and December 31, 2019, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

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

Sun Life Money Market Class (continued)

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2020	December 31, 2019
Short-Term Investments		
Treasury Bills	51.4	44.2
Bankers' Acceptances	23.7	26.4
Discount Commercial Paper	10.2	13.9
Promissory Notes	4.6	6.4
Bearer Deposit Notes	8.4	5.2
Other Assets less Liabilities	1.7	3.9
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2020 and December 31, 2019.

	December 31, 2020			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	30,434,779	-	-	30,434,779

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

There were no transfers between fair value levels during the periods from January 1 to December 31, 2020 and January 1 to December 31, 2019.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Manager

SLGI Asset Management Inc. (formerly, Sun Life Global Investments (Canada) Inc.) (the "Manager") is the sponsor of the Fund. Investment by the Manager, from time to time, in the Fund is for the purposes of seed money investments. As at December 31, 2020 and December 31, 2019, the Manager held the following positions in the Fund:

Series A	December 31, 2020	
	Securities	Market Value (\$)
	975,905	10,016,200

Series A	December 31, 2019	
	Securities	Market Value (\$)
	-	-

The following are transactions in the Fund by the Manager from January 1 to December 31, 2020 and January 1 to December 31, 2019. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

Series A	December 31, 2020		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
	10,000,000	-	-

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

Interest in Underlying Funds

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

As at December 31, 2020 and December 31, 2019, there were no significant interests in the Underlying Fund.

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

Sun Life Money Market Class (continued)

Establishment of the Fund

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

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

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

Notes to the Financial Statements

As at and for the periods as disclosed in the financial statements (see note 1)

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”.

SLGI Asset Management Inc. (formerly, Sun Life Global Investments (Canada) Inc.) (the “Manager”) is the Manager of the Funds. As of July 20, 2020, Sun Life Global Investments (Canada) Inc. changed its name to SLGI Asset Management Inc. The Manager has its registered office at 1 York Street, Toronto, Ontario, Canada, M5J 0B6.

Valuation, accounting and custodial duties of the Funds are provided by RBC Investor Services Trust. Securityholder recordkeeping duties are provided by International Financial Data Services (Canada) Limited.

Each Fund may issue an unlimited number of series of redeemable securities and may issue an unlimited number of redeemable securities of each series. Securities means shares of a mutual fund. Each individual series of redeemable securities is sold under differing purchasing options and may have lower or higher management fees reflecting the extent of investment advice provided. The management fee rates for each of the Funds and their various series are provided in note 5.

Below is a list of the series of redeemable securities. The description of each series is not exhaustive. For more details, please refer to each Fund's current Simplified Prospectus and/or Fund Facts. The management fee for each Fund and Series is included in Note 5.

Series A: Available to all investors. Investors choose a sales charge option when securities of this series of a Fund are purchased. Sales charge options include front end, deferred, and low load. The management fee is charged directly to this series of a Fund.

Series AT5 and Series AT8: Available to all investors. This series is designed to provide investors with a fixed monthly distribution based on a target annualized distribution rate. The Manager reserves the right to adjust the amount of the monthly distribution if the Manager considers it appropriate, without notice. There can be no assurance that the securities will make any distributions in any particular month. Investors choose a sales charge option when securities of this series of a Fund are purchased. Sales charge options include front end, deferred, and low load. The management fee is charged directly to this series of a Fund.

Series F: Available to investors who have a fee-based account with their dealer and whose dealer has signed an agreement with the Manager. There are no sales charges payable to the investor's representative's firm for this series. The management fee is charged directly to this series of a Fund. The Manager does not pay any commissions to dealers in respect of this series of securities, and thus the Manager generally charges a lower management fee.

Series FT5 and Series FT8: Available to investors who have a fee-based account with their dealer and whose dealer has signed an agreement with the Manager. This series is designed to provide investors with a fixed monthly distribution based on a target annualized distribution rate. The Manager reserves the right to adjust the amount of the monthly distribution if the Manager considers it appropriate, without notice. There can be no assurance that the securities will make any distributions in any particular month. There are no sales charges payable to the investor's representative's firm for this series. The management fee is charged directly to this series of a Fund. The Manager does not pay any commissions to dealers in respect of this series of securities, and thus the Manager generally charges a lower management fee.

Series O: Available to investors whose dealer has signed a Series O dealer agreement with the Manager. Only the front end sales charge option is available for this series. Investors in this series pay a management fee directly to the Manager. The management fee is paid from the redemption of securities held in the investor's account.

The financial statements of the Funds include the Schedule of Investments for each Fund as at December 31, 2020, the Statements of Financial Position as at December 31, 2020 and 2019, and the Statements of Comprehensive Income (Loss), Statements of Changes in Net Assets Attributable to Holders of Redeemable Securities and Statements of Cash Flows for the periods ended December 31, 2020 and 2019. For details on each Fund's date of origin, refer to the Establishment of the Fund disclosure within the Fund Specific Notes to the financial statements of each Fund.

The financial statements of the Funds for the period ended December 31, 2020 were authorized on March 22, 2021 for issue in accordance with the resolution approved by the Board of Directors of the Corporation.

2. Significant Accounting Policies

Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”) as issued by the International Accounting Standards Board.

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

Notes to the Financial Statements

As at and for the periods as disclosed in the financial statements (see note 1)

Financial instruments

(a) Classification and recognition of financial instruments

Financial instruments include financial assets and liabilities such as debt and equity securities, open-ended investment funds and derivatives, cash and other receivables and payables. The Funds classify and measure financial instruments in accordance with IFRS 9, *Financial Instruments* ("IFRS 9").

All financial assets and financial liabilities are recognized in the Statements of Financial Position when the Fund becomes a party to the contractual requirements of the instrument. Financial instruments are derecognized when the right to receive cash flows from the instrument has expired or the Fund has transferred substantially all risks and rewards of ownership. As such, investment purchase and sale transactions are recorded as of the trade date. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that a Fund commits to purchase or sell the asset.

In accordance with IFRS 9, financial instruments are classified into one of three categories based on the entity's business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Those categories are:

- Amortized cost - Assets held within a business model whose objective is to collect cash flows and where the contractual cash flows of the assets are Solely Payments of Principal and Interest ("SPPI criterion"). Items in this category include cash and cash equivalents, receivables, and other financial assets.
- Fair value through other comprehensive income ("FVOCI") - Financial assets such as debt instruments that meet the SPPI criterion and are held within a business model with objectives that include both collecting the associated contractual cash flows and selling financial assets. Gains and losses are reclassified to profit or loss upon derecognition.
- Fair value through profit or loss ("FVTPL") - A financial asset is measured at FVTPL unless it is measured at amortized cost or FVOCI. Derivative contracts are measured at FVTPL. For all instruments classified as FVTPL, the gains and losses are recognized in profit or loss.

Financial liabilities are measured at amortized cost, except for the following items:

- Financial liabilities at FVTPL such as derivatives;
- 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 securityholders. As a result, each Fund's obligation for net assets attributable to holders of redeemable securities 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 the Financial Statements

As at and for the periods as disclosed in the financial statements (see note 1)

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

(d) Cash

Cash consists of cash on hand. It is valued at fair value or at recorded cost, plus or minus any foreign exchange between recognition of the asset by the Fund and the current valuation date, which approximates fair value.

(e) Distributions from underlying funds

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

(f) Transaction costs

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

(g) Redeemable security valuation and valuation date

Redeemable securities are issued and redeemed on a continuous basis at their NAV which is determined, for every series of redeemable securities 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 security 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 securities of that series outstanding at the close of business on the valuation day.

(h) Investment transactions

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

(i) Revenue recognition

Income, realized gain (loss) and unrealized gain (loss) are allocated among the series of a Fund on a pro-rata basis.

Notes to the Financial Statements

As at and for the periods as disclosed in the financial statements (see note 1)

(j) Foreign currency translation

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

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

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

(k) Increase (decrease) in net assets attributable to holders of redeemable securities per security

Increase (decrease) in net assets attributable to holders of redeemable securities per security in the Statements of Comprehensive Income (Loss) represents the increase (decrease) in net assets attributable to holders of redeemable securities for the period, divided by the weighted average number of securities outstanding during the period.

(l) Multi-series structured funds

The realized and unrealized capital gains or losses, income, and common expenses (other than series-specific fixed operating expenses and fixed management fees) of the Funds are allocated on each valuation date to the securityholders in proportion to the respective prior day's NAV, which includes securityholder trade(s) dated for that day, of each series at the date on which the allocation is made. The fixed management fees and operating expenses are charged directly to the Funds. Additional details of the calculation are disclosed in note 5.

3. Critical Accounting Judgments

The preparation of financial statements requires management to use judgment in applying its accounting policies. The following discusses the most significant accounting judgments that the Funds have made in preparing the financial statements:

Assessment as investment entity

The Manager has determined that each of the Funds meets the characteristics of an investment entity as defined by IFRS 10, *Consolidated Financial Statements*, and as such, subsidiaries are accounted for at fair value. Associates are investments over which the Funds have significant influence or joint control, all of which have been recorded at FVTPL.

4. Redeemable Securities of the Funds

The redeemable securities offered by each Fund have been outlined in the Fund Specific Notes to the financial statements. The outstanding redeemable securities represent the capital of the Funds. Each redeemable security has no par value, and the value of each redeemable security is its NAV. Settlement of the cost for redeemable securities is completed as per securities regulations in place at the time of issue. Distributions made by the Funds and re-invested by securityholders in additional redeemable securities also constitute issued capital of the Funds.

Redeemable securities are redeemed at the NAV per security of the Fund. A right to redeem redeemable securities 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 securityholder security redemption requirements upon the securityholder'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 Securities.

The Funds' redeemable securities 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 securities 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.

Notes to the Financial Statements

As at and for the periods as disclosed in the financial statements (see note 1)

5. Management Fees and Expenses

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

	Maximum Annual Management Fees					
	Series A securities	Series AT5 securities	Series AT8 securities	Series F securities	Series FT5 securities	Series FT8 securities
Sun Life Granite Balanced Class	1.75%	1.75%	-	0.75%	0.75%	-
Sun Life Granite Balanced Growth Class	1.80%	1.80%	1.80%	0.80%	0.80%	0.80%
Sun Life Granite Conservative Class	1.45%	1.45%	-	0.70%	0.70%	-
Sun Life Granite Growth Class	1.85%	1.85%	1.85%	0.85%	0.85%	0.85%
Sun Life Granite Moderate Class	1.70%	1.70%	-	0.70%	0.70%	-
Sun Life MFS Global Growth Class	1.80%	1.80%	1.80%	0.80%	0.80%	0.80%
Sun Life MFS International Opportunities Class (formerly Sun Life MFS International Growth Class)	1.80%	1.80%	1.80%	0.80%	0.80%	0.80%
Sun Life MFS U.S. Growth Class	1.80%	1.80%	1.80%	0.80%	0.80%	0.80%
Sun Life Money Market Class*	0.55%	-	-	0.45%	-	-

* 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.

For Series O securities, securityholders 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 securities*
Sun Life Granite Balanced Class	0.75%
Sun Life Granite Balanced Growth Class	0.80%
Sun Life Granite Conservative Class	0.70%
Sun Life Granite Growth Class	0.85%
Sun Life Granite Moderate Class	0.70%
Sun Life MFS Global Growth Class	0.80%
Sun Life MFS International Opportunities Class (formerly Sun Life MFS International Growth Class)	0.80%
Sun Life MFS U.S. Growth Class	0.80%
Sun Life Money Market Class**	0.45%

* Each Series O investor pays a management fee directly to the Manager and is eligible for management fee reductions, if applicable, based on the value of securities held in a Private Client account. Series O management fees are paid, after subtracting any management fee reductions, by a redemption of Series O securities in the investor's account.

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

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

Each Fund pays certain operating expenses directly, in addition to the fixed annual administration fees. These direct operating expenses are certain taxes, borrowing costs and fees and expenses payable to or in connection with the Funds' Independent Review Committee ("IRC"), which are allocated to the series to which they apply in a manner that, in the Manager's view, is considered fair and reasonable. The fees and expenses of IRC members are allocated among all of the investment funds managed by the Manager for which the IRC has been appointed. Each Fund may also pay costs in connection with brokerage commissions, prime broker fees including borrowing costs for short sales, and other portfolio transaction costs, including any tax applicable to such costs.

Notes to the Financial Statements

As at and for the periods as disclosed in the financial statements (see note 1)

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

	Annual Administration Fees						
	Series A securities	Series AT5 securities	Series AT8 securities	Series F securities	Series FT5 securities	Series FT8 securities	Series O securities
Sun Life Granite Balanced Class	0.20%	0.20%	-	0.15%	0.15%	-	0.15%
Sun Life Granite Balanced Growth Class	0.20%	0.20%	0.20%	0.15%	0.15%	0.15%	0.15%
Sun Life Granite Conservative Class	0.20%	0.20%	-	0.15%	0.15%	-	0.15%
Sun Life Granite Growth Class	0.20%	0.20%	0.20%	0.15%	0.15%	0.15%	0.15%
Sun Life Granite Moderate Class	0.20%	0.20%	-	0.15%	0.15%	-	0.15%
Sun Life MFS Global Growth Class	0.20%	0.20%	0.20%	0.15%	0.15%	0.15%	0.15%
Sun Life MFS International Opportunities Class (formerly Sun Life MFS International Growth Class)	0.20%	0.20%	0.20%	0.15%	0.15%	0.15%	0.15%
Sun Life MFS U.S. Growth Class	0.20%	0.20%	0.20%	0.15%	0.15%	0.15%	0.15%
Sun Life Money Market Class*	0.05%	-	-	0.05%	-	-	0.05%

* 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.

6. Taxation of the Corporation and Allocation to Securityholders

The Corporation is a qualified mutual fund corporation, as defined for Canadian income tax purposes. Taxable dividends received from taxable Canadian corporations are subject to a tax rate of 38 1/3%. Such taxes are fully refundable upon payment of taxable dividends to securityholders 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 securityholders of dividends out of net investment income. Interest income and foreign dividends, net of applicable expenses, are taxed at full corporate rates applicable to mutual fund corporations with credits, subject to certain limitations, for foreign taxes paid. All tax on net realized taxable capital gains is refundable when the capital gains are distributed to securityholders as capital gains dividends or through redemption of securities at the request of securityholders. Income taxes, if any, are allocated to the classes of securities of the Corporation on a fair and reasonable basis.

The current tax liability for the period is measured at the amount expected to be paid to the taxation authorities based on the current period's taxable income. The tax rates and tax laws used to compute the amount are those that are enacted or substantively enacted at the date of the financial statements.

Temporary differences between the carrying values of assets and liabilities for accounting and income tax purposes give rise to deferred income tax assets and liabilities. When the market value of a security in the Corporation exceeds its cost base, a future income tax liability arises. As capital gains taxes payable by the Corporation are refundable under the provisions of the *Income Tax Act* (Canada), the future income tax liability is offset by these future refundable taxes. If the cost base exceeds the market value of the security, a future income tax asset is generated. A full valuation allowance is taken to offset this asset given the uncertainty that such future income tax assets will ultimately be realized. Future income tax liabilities or tax assets are calculated using substantively enacted tax rates and tax laws expected to apply in the period that the temporary differences are expected to reverse.

Unused capital and non-capital losses represent future income tax assets to the Corporation for which a full valuation allowance has been established for the reasons noted above. Tax losses apply to the Corporation, not the Funds. Net capital losses may be carried forward indefinitely to reduce future net realized capital gains. Non-capital losses may be applied against future years' taxable income.

The Corporation has no accumulated net capital losses and no accumulated non-capital losses as at December 31, 2020.

7. Related Party Transactions

The Manager is responsible for the provision of all general management and administrative services required by the Funds in their day-to-day operations, including providing or arranging for the provision of investment advice, bookkeeping, recordkeeping and other administrative services for the Funds. From time to time, the Manager may provide seed capital to a Fund.

For its services, the Manager receives a management fee that is calculated as a percentage of the average NAV of each Fund. This fee is calculated daily and payable monthly. The dollar amount, including all applicable taxes, of each Fund's management fees that the Manager receives is reported in the line item "Management fees" on the Statements of Comprehensive Income (Loss).

An operating expense incurred by the Manager on behalf of each Fund is considered a fund administration expense. Under the terms of the Funds' simplified prospectus, each Fund is responsible for the payment of its administration and operating expenses. The Manager recovers these expenses from each Fund through fixed administration fees and the amounts of these charges are disclosed in the line item "Fixed Annual Administration Fees" in each Fund's Statements of Comprehensive Income (Loss).

Notes to the Financial Statements

As at and for the periods as disclosed in the financial statements (see note 1)

Certain mutual funds managed by the Manager (“SLGI Funds”) may have direct or indirect holdings in Sun Life Financial Inc. or its affiliates or other funds managed by SLGI Asset Management Inc., or its affiliates. For a listing of each Fund’s holdings, please see the Schedule of Investments included within each Fund’s financial statements. Funds managed by SLGI Asset Management Inc., or its affiliates, may invest in securities of the SLGI Funds.

If applicable, the Fund, or underlying Trust Fund, relied on standing instructions from the IRC in respect of one or more of the following transactions:

- (a) Trades in securities of Sun Life Financial Inc.; and/or
- (b) Purchases of securities from or sales of securities to a related dealer, where it acted as principal.

The relevant standing instructions require that securities transactions with related parties conducted by the Manager (i) are free from any influence by an entity related to the Manager and without taking into account any consideration relevant to an entity related to the Manager; (ii) represent the business judgment of the Manager uninfluenced by considerations other than the best interests of the Fund; (iii) comply with the applicable policies and procedures of the Manager; and (iv) achieve a fair and reasonable result for the Fund.

Fees and expenses payable to or in connection with the Funds’ IRC are allocated to the series to which they apply in a manner that, in the Manager’s view, is considered fair and reasonable. The amounts of these charges are disclosed in the line item “Independent review committee fees” in each Fund’s Statements of Comprehensive Income (Loss).

The Manager has a distribution agreement with Sun Life Financial Investment Services (Canada) Inc. (the “Dealer”), a company under common control under which the Dealer may distribute the funds offered by the Manager in the jurisdictions in which the Dealer is so authorized.

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

8. Financial Risk Management

Each Fund is exposed indirectly through underlying investments to various types of risks that are associated with its investment strategies, financial instruments, and markets in which it invests. These risks include credit risk, market risk (which includes currency risk, interest rate risk and other market risk), liquidity risk and concentration risk. Additionally, a risk related to the current global uncertainty with respect to the spread of the coronavirus and its effect on the broader global economy has been identified, which may have a significant impact to the volatility of the market. While the precise impact remains unknown, rapid spread of the virus may have a material adverse effect on global economic activity and disrupt global supply chains, operations, and mobility of people, which could affect interest rates, credit ratings, credit risk, inflation, business, financial conditions, and other factors relevant to performance of the Funds.

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.

Notes to the Financial Statements

As at and for the periods as disclosed in the financial statements (see note 1)

(ii) Interest rate risk

Interest rate risk arises from the possibility that changes in interest rates will affect future cash flows or fair values of financial instruments. Interest rate risk arises when the Funds invest in interest-bearing financial instruments. The Funds are exposed to the risk that the value of such financial instruments will fluctuate due to changes in the prevailing levels of market interest rates.

(iii) Other market risk

Other market risk is the risk that the fair value or future cash flows of a financial instrument will fluctuate because of changes in market prices. The investments of the Funds are subject to normal market fluctuations and the risks inherent in investment in financial markets. The maximum risk resulting from financial instruments held by the Funds is determined by the fair value of the financial instruments.

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

(c) Liquidity risk

The Funds are exposed to daily cash redemptions of redeemable securities. The securities of the Funds are redeemed on demand at the current NAV per security at the option of the securityholder. 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 securities approximate their fair values due to their short-term nature.

9. Comparative Balances

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

ANNUAL FINANCIAL STATEMENTS

Sun Life 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 Global Growth Class
Sun Life MFS International Opportunities Class (formerly Sun Life MFS International Growth Class)
Sun Life MFS U.S. Growth Class
Sun Life Money Market 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 or www.sedar.com.

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