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# SUN LIFE GLOBAL INVESTMENTS (CANADA) INC

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## SEMI-ANNUAL FINANCIAL STATEMENTS

for the period ended June 30, 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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# Sun Life Granite Balanced Class

## Statements of Financial Position

As at June 30, 2020 (unaudited) and December 31, 2019

	June 30, 2020 (\$)	December 31, 2019 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>210,218,519</b>	214,703,525
Cash	<b>772,731</b>	883,323
Due from investment dealers	<b>434,850</b>	228,020
Accrued interest	-	109
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>75,424</b>	85,484
	<b>211,501,524</b>	215,900,461
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>35,372</b>	12,472
Redemptions payable	<b>196,057</b>	265,095
Distributions payable	<b>141</b>	373
Due to investment dealers	-	41,256
Management fees payable	<b>224,435</b>	77,795
Income tax payable	<b>265,992</b>	277,567
Total liabilities (excluding net assets attributable to holders of redeemable securities)	<b>721,997</b>	674,558
<b>Net Assets Attributable to Holders of Redeemable Securities</b>	<b>210,779,527</b>	215,225,903
<b>Net Assets Attributable to Holders of Redeemable Securities per Series</b>		
Series A	<b>79,768,486</b>	79,387,902
Series AT5	<b>12,197,421</b>	13,439,131
Series F	<b>57,952,183</b>	55,064,758
Series FT5	<b>1,804,350</b>	2,218,911
Series O	<b>59,057,087</b>	65,115,201
<b>Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)</b>		
Series A	<b>12.42</b>	12.86
Series AT5	<b>13.11</b>	13.94
Series F	<b>13.40</b>	13.78
Series FT5	<b>13.95</b>	14.75
Series O	<b>12.72</b>	13.04

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott  
President

“signed” Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Investment Income</b>		
Interest income	<b>11,635</b>	11,839
Distributions from underlying funds	-	-
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	<b>(793,977)</b>	(5,032)
Change in unrealized appreciation (depreciation) in value of investments	<b>(4,272,206)</b>	17,414,064
<b>Net gains (losses) on investments</b>	<b>(5,054,548)</b>	17,420,871
<b>Total income (loss)</b>	<b>(5,054,548)</b>	17,420,871
<b>Expenses (note 5)</b>		
Management fees	<b>1,158,045</b>	958,431
Fixed annual administration fees	<b>183,161</b>	156,304
Independent review committee fees	<b>1,500</b>	1,476
Total operating expenses	<b>1,342,706</b>	1,116,211
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>(6,397,254)</b>	16,304,660
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>(6,397,254)</b>	16,304,660
Income taxes	<b>652,324</b>	28,081
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)</b>		
	<b>(7,049,578)</b>	16,276,579
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)</b>		
Series A	<b>(2,579,380)</b>	5,802,253
Series AT5	<b>(562,408)</b>	1,054,599
Series F	<b>(1,993,036)</b>	3,486,900
Series FT5	<b>(95,574)</b>	45,956
Series O	<b>(1,819,180)</b>	5,886,871
<b>Weighted Average Number of Securities Outstanding</b>		
Series A	<b>6,412,534</b>	5,520,847
Series AT5	<b>991,340</b>	893,087
Series F	<b>4,221,898</b>	3,064,765
Series FT5	<b>140,476</b>	48,999
Series O	<b>4,889,981</b>	4,949,654
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)</b>		
Series A	<b>(0.40)</b>	1.05
Series AT5	<b>(0.57)</b>	1.18
Series F	<b>(0.47)</b>	1.14
Series FT5	<b>(0.68)</b>	0.94
Series O	<b>(0.37)</b>	1.19

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 six months ended June 30 (unaudited)

	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)	\$ (2,579,380)	5,802,253	(562,408)	1,054,599	(1,993,036)	3,486,900
Redeemable Security Transactions						
Proceeds from redeemable securities issued	\$ 16,337,821	12,845,071	2,010,039	2,514,531	13,873,748	12,532,147
Redemption of redeemable securities	\$ (13,395,678)	(10,332,667)	(2,411,761)	(1,266,606)	(9,001,539)	(5,245,591)
Reinvestment of distributions to holders of redeemable securities	\$ 189,382	2,124,630	97,489	169,367	132,133	1,125,817
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 3,131,525	4,637,034	(304,233)	1,417,292	5,004,342	8,412,373
Distributions to Holders of Redeemable Securities						
From capital gains	\$ (171,561)	(2,116,031)	(30,478)	(390,439)	(123,881)	(1,207,000)
From net investment income	\$ -	-	-	(303,156)	-	-
Return of capital	\$ -	-	(344,591)	-	-	-
	\$ (171,561)	(2,116,031)	(375,069)	(693,595)	(123,881)	(1,207,000)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 380,584	8,323,256	(1,241,710)	1,778,296	2,887,425	10,692,273
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 79,768,486	71,172,527	12,197,421	12,654,449	57,952,183	45,166,942
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	1,328,317	1,045,144	145,259	183,042	1,024,263	953,613
Securities issued on reinvestment of distributions	15,049	174,376	7,217	12,121	9,795	86,517
Securities redeemed	(1,095,740)	(839,014)	(186,220)	(91,561)	(704,733)	(399,730)
Balance - end of period	6,421,575	5,689,876	930,388	910,798	4,324,193	3,387,792

  

	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)	\$ (95,574)	45,956	(1,819,180)	5,886,871	(7,049,578)	16,276,579
Redeemable Security Transactions						
Proceeds from redeemable securities issued	\$ 108,831	956,938	5,639,587	6,431,154	37,970,026	35,279,841
Redemption of redeemable securities	\$ (403,765)	(11,199)	(9,876,618)	(11,431,149)	(35,089,361)	(28,287,212)
Reinvestment of distributions to holders of redeemable securities	\$ 31,055	11,739	136,873	1,869,477	586,932	5,301,030
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (263,879)	957,478	(4,100,158)	(3,130,518)	3,467,597	12,293,659
Distributions to Holders of Redeemable Securities						
From capital gains	\$ (4,774)	(11,318)	(138,776)	(1,903,404)	(469,470)	(5,628,192)
From net investment income	\$ -	(19,568)	-	-	-	(322,724)
Return of capital	\$ (50,334)	-	-	-	(394,925)	-
	\$ (55,108)	(30,886)	(138,776)	(1,903,404)	(864,395)	(5,950,916)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ (414,561)	972,548	(6,058,114)	852,949	(4,446,376)	22,619,322
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 1,804,350	1,215,758	59,057,087	60,678,884	210,779,527	190,888,560
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	7,299	65,885	441,348	524,398	2,946,486	2,772,082
Securities issued on reinvestment of distributions	2,221	807	10,668	155,078	44,950	428,899
Securities redeemed	(30,631)	(760)	(804,053)	(931,242)	(2,821,377)	(2,262,307)
Balance - end of period	129,323	83,191	4,641,973	4,833,036	16,447,452	14,904,693

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

# Sun Life Granite Balanced Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	<b>(7,049,578)</b>	16,276,579
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>793,977</b>	5,032
Change in unrealized (appreciation) depreciation in value of investments	<b>4,272,206</b>	(17,414,064)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(17,170,394)</b>	(14,888,170)
Proceeds from sale of investments	<b>16,341,131</b>	10,214,198
Change in accrued interest	<b>109</b>	5,406
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>146,640</b>	121,201
Change in other payables and accrued expenses	<b>22,900</b>	18,363
Change in income tax payable	<b>(11,575)</b>	(138,464)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(2,654,584)</b>	(5,799,919)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable securities, net of reinvested distributions	<b>(277,695)</b>	(650,187)
Proceeds from redeemable securities issued	<b>37,980,086</b>	35,290,944
Redemption of redeemable securities	<b>(35,158,399)</b>	(28,017,448)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>2,543,992</b>	6,623,309
Net increase (decrease) in cash	<b>(110,592)</b>	823,390
Cash (bank indebtedness) at beginning of period	<b>883,323</b>	171,483
<b>Cash (bank indebtedness) at end of period</b>	<b>772,731</b>	994,873
Interest received	<b>11,744</b>	17,245
Income taxes paid	<b>(663,899)</b>	(166,545)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2020 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Balanced Portfolio, Series I	15,311,559	206,093,741	210,218,519	
		<b>206,093,741</b>	<b>210,218,519</b>	<b>99.7</b>
<b>Total Investments</b>		<b>206,093,741</b>	<b>210,218,519</b>	<b>99.7</b>
<b>Other Assets less Liabilities</b>			<b>561,008</b>	<b>0.3</b>
<b>Total Net Assets</b>			<b>210,779,527</b>	<b>100.0</b>

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Balanced Portfolio, Series I	15,311,559	206,093,741	210,218,519	
		<b>206,093,741</b>	<b>210,218,519</b>	<b>99.7</b>
<b>Total Investments</b>		<b>206,093,741</b>	<b>210,218,519</b>	<b>99.7</b>
<b>Other Assets less Liabilities</b>			<b>561,008</b>	<b>0.3</b>
<b>Total Net Assets</b>			<b>210,779,527</b>	<b>100.0</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

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

# Sun Life Granite Balanced Class (continued)

## (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.

### (iii) Other market risk

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

## (c) Liquidity risk

As at June 30, 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 (%)	
	June 30, 2020	December 31, 2019
<b>Exchange-Traded Funds</b>		
U.S. Equities	11.4	10.3
<b>Mutual Funds</b>		
Canadian Fixed Income	13.7	20.5
International Equities	13.0	12.8
Canadian Equities	6.8	10.9
Tactical Balanced	9.9	10.8
U.S. Equities	7.8	5.4
High Yield Fixed Income	3.0	1.0
U.S. Fixed Income	9.0	4.4
Canadian Focused Equities	3.7	3.8
Emerging Markets Equities	4.6	3.4
Global Fixed Income	-	1.1
International Fixed Income	3.2	-
Emerging Markets Bonds	3.3	4.7
Global Small/Mid Cap Equities	4.4	5.6
Canadian Money Market	0.8	-
Global Equities	5.0	4.9
<b>Other Assets less Liabilities</b>	<b>0.4</b>	<b>0.4</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2020 and December 31, 2019.

	June 30, 2020			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	210,218,519	-	-	210,218,519

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 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 securities on the relevant valuation dates and are classified as Level 1.

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Portfolio to gain exposure to the investment objectives and strategies of the Underlying Portfolio. The Underlying Portfolio is generally financed through the capital invested by the Fund, along with other investors, which entitles 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 June 30, 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 June 30, 2020 (unaudited) and December 31, 2019

	June 30, 2020 (\$)	December 31, 2019 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	72,538,206	77,979,432
Cash	316,378	327,491
Due from investment dealers	58,617	-
Accrued interest	7,241	9,414
Distributions receivable from underlying funds	-	-
Subscriptions receivable	4,925	22,162
	<b>72,925,367</b>	<b>78,338,499</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	12,276	4,558
Redemptions payable	9,000	17,982
Distributions payable	587	1,269
Due to investment dealers	-	18,586
Management fees payable	84,475	31,509
Income tax payable	42,017	70,129
Total liabilities (excluding net assets attributable to holders of redeemable securities)	148,355	144,033
<b>Net Assets Attributable to Holders of Redeemable Securities</b>	<b>72,777,012</b>	<b>78,194,466</b>
<b>Net Assets Attributable to Holders of Redeemable Securities per Series</b>		
Series A	32,492,487	34,198,288
Series AT5	1,357,894	1,449,203
Series AT8	2,326,511	3,506,894
Series F	16,764,508	16,388,168
Series FT5	294,257	580,158
Series FT8	289,822	347,434
Series O	19,251,533	21,724,321
<b>Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)</b>		
Series A	12.60	13.14
Series AT5	13.35	14.29
Series AT8	10.73	11.69
Series F	13.55	14.04
Series FT5	13.88	14.78
Series FT8	12.87	13.94
Series O	12.82	13.22

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott  
President

“signed” Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Investment Income</b>		
Interest income	1,382	11,463
Distributions from underlying funds	-	-
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	(137,155)	119,566
Change in unrealized appreciation (depreciation) in value of investments	(2,124,590)	7,476,944
<b>Net gains (losses) on investments</b>	<b>(2,260,363)</b>	<b>7,607,973</b>
<b>Total income (loss)</b>	<b>(2,260,363)</b>	<b>7,607,973</b>
<b>Expenses (note 5)</b>		
Management fees	450,858	428,693
Fixed annual administration fees	64,534	63,562
Independent review committee fees	526	597
Total operating expenses	515,918	492,852
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>(2,776,281)</b>	<b>7,115,121</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>(2,776,281)</b>	<b>7,115,121</b>
Income taxes	76,758	19,516
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)</b>	<b>(2,853,039)</b>	<b>7,095,605</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)</b>		
Series A	(1,432,628)	2,889,576
Series AT5	(67,600)	123,649
Series AT8	(331,110)	327,843
Series F	(373,471)	1,320,507
Series FT5	(22,617)	37,857
Series FT8	(148,952)	11,827
Series O	(476,661)	2,384,346
<b>Weighted Average Number of Securities Outstanding</b>		
Series A	2,606,846	2,540,247
Series AT5	98,214	95,310
Series AT8	265,892	302,379
Series F	1,230,371	1,017,945
Series FT5	34,283	26,824
Series FT8	50,886	13,867
Series O	1,556,192	1,843,496
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)</b>		
Series A	(0.55)	1.14
Series AT5	(0.69)	1.30
Series AT8	(1.25)	1.08
Series F	(0.30)	1.30
Series FT5	(0.66)	1.41
Series FT8	(2.93)	0.85
Series O	(0.31)	1.29

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 six months ended June 30 (unaudited)

	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)	\$ (1,432,628)	2,889,576	(67,600)	123,649	(331,110)	327,843	(373,471)	1,320,507
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 4,381,795	4,770,090	482,168	578,594	438,081	440,145	3,827,340	3,418,619
Redemption of redeemable securities	\$ (4,664,519)	(2,571,617)	(490,001)	(576,954)	(1,186,195)	(28,788)	(3,084,092)	(2,637,884)
Reinvestment of distributions to holders of redeemable securities	\$ 118,538	1,250,450	23,168	28,287	30,717	38,136	58,036	534,190
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (164,186)	3,448,923	15,335	29,927	(717,397)	449,493	801,284	1,314,925
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (108,987)	(1,244,628)	(4,501)	(59,109)	(12,149)	(148,392)	(51,473)	(536,568)
From net investment income	\$ -	-	-	(32,924)	-	(142,560)	-	-
Return of capital	\$ -	-	(34,543)	-	(119,727)	-	-	-
	\$ (108,987)	(1,244,628)	(39,044)	(92,033)	(131,876)	(290,952)	(51,473)	(536,568)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ (1,705,801)	5,093,871	(91,309)	61,543	(1,180,383)	486,384	376,340	2,098,864
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 32,492,487	33,855,677	1,357,894	1,120,276	2,326,511	3,647,204	16,764,508	14,039,349
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	355,704	380,650	36,841	40,779	36,810	36,696	305,092	258,318
Securities issued on reinvestment of distributions	9,279	101,034	1,731	2,003	2,732	3,218	4,252	40,635
Securities redeemed	(389,953)	(205,150)	(38,225)	(40,639)	(122,854)	(2,401)	(238,764)	(197,197)
Balance - end of period	2,577,896	2,663,185	101,741	79,072	216,751	309,989	1,237,684	1,039,227

  

	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)	\$ (22,617)	37,857	(148,952)	11,827	(476,661)	2,384,346	(2,853,039)	7,095,605
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 108,831	-	881,764	215,200	3,245,613	2,888,159	13,365,592	12,310,807
Redemption of redeemable securities	\$ (368,523)	(724)	(772,127)	(1,120)	(5,241,708)	(4,701,240)	(15,807,165)	(10,518,327)
Reinvestment of distributions to holders of redeemable securities	\$ 10,975	24,893	9,942	6,285	64,237	918,036	315,613	2,800,277
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (248,717)	24,169	119,579	220,365	(1,931,858)	(895,045)	(2,125,960)	4,592,757
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (2,146)	(15,218)	(3,766)	(2,697)	(64,269)	(918,036)	(247,291)	(2,924,648)
From net investment income	\$ -	(9,491)	-	(8,013)	-	-	-	(192,988)
Return of capital	\$ (12,421)	-	(24,473)	-	-	-	(191,164)	-
	\$ (14,567)	(24,709)	(28,239)	(10,710)	(64,269)	(918,036)	(438,455)	(3,117,636)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ (285,901)	37,317	(57,612)	221,482	(2,472,788)	571,265	(5,417,454)	8,570,726
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 294,257	401,227	289,822	286,504	19,251,533	22,456,803	72,777,012	75,807,040
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	7,290	-	62,503	15,417	258,950	234,542	1,063,190	966,402
Securities issued on reinvestment of distributions	794	1,731	769	450	4,968	75,550	24,525	224,621
Securities redeemed	(26,133)	(50)	(65,681)	(80)	(404,811)	(378,081)	(1,286,421)	(823,598)
Balance - end of period	21,194	27,541	22,521	20,541	1,501,838	1,773,357	5,679,625	5,912,912

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

# Sun Life Granite Balanced Growth Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	<b>(2,853,039)</b>	7,095,605
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>137,155</b>	(119,566)
Change in unrealized (appreciation) depreciation in value of investments	<b>2,124,590</b>	(7,476,944)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(6,190,071)</b>	(7,221,703)
Proceeds from sale of investments	<b>9,292,349</b>	6,120,753
Change in accrued interest	<b>2,173</b>	3,721
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>52,966</b>	53,552
Change in other payables and accrued expenses	<b>7,718</b>	7,800
Change in income tax payable	<b>(28,112)</b>	(19,170)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>2,545,729</b>	(1,555,952)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable securities, net of reinvested distributions	<b>(123,524)</b>	(317,607)
Proceeds from redeemable securities issued	<b>13,382,829</b>	12,533,575
Redemption of redeemable securities	<b>(15,816,147)</b>	(10,486,164)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(2,556,842)</b>	1,729,804
Net increase (decrease) in cash	<b>(11,113)</b>	173,852
Cash (bank indebtedness) at beginning of period	<b>327,491</b>	140,566
<b>Cash (bank indebtedness) at end of period</b>	<b>316,378</b>	314,418
Interest received	<b>3,555</b>	15,184
Income taxes paid	<b>(104,870)</b>	(38,686)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2020 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Balanced Growth Portfolio, Series I	4,999,704	70,634,730	72,538,206	
		<b>70,634,730</b>	<b>72,538,206</b>	<b>99.7</b>
<b>Total Investments</b>		<b>70,634,730</b>	<b>72,538,206</b>	<b>99.7</b>
<b>Other Assets less Liabilities</b>			<b>238,806</b>	<b>0.3</b>
<b>Total Net Assets</b>			<b>72,777,012</b>	<b>100.0</b>

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Balanced Growth Portfolio, Series I	4,999,704	70,634,730	72,538,206	
		<b>70,634,730</b>	<b>72,538,206</b>	<b>99.7</b>
<b>Total Investments</b>		<b>70,634,730</b>	<b>72,538,206</b>	<b>99.7</b>
<b>Other Assets less Liabilities</b>			<b>238,806</b>	<b>0.3</b>
<b>Total Net Assets</b>			<b>72,777,012</b>	<b>100.0</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

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

# Sun Life Granite Balanced Growth Class (continued)

## (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.

### (iii) Other market risk

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

## (c) Liquidity risk

As at June 30, 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 (%)	
	June 30, 2020	December 31, 2019
<b>Exchange-Traded Funds</b>		
U.S. Equities	13.1	12.1
<b>Mutual Funds</b>		
Canadian Fixed Income	8.6	14.1
International Equities	15.2	15.0
Tactical Balanced	9.7	10.2
Canadian Equities	8.6	12.8
U.S. Equities	8.7	6.3
Global Equities	5.7	5.8
International Fixed Income	2.3	-
High Yield Fixed Income	2.7	0.8
Canadian Focused Equities	4.3	4.5
Global Fixed Income	-	0.6
Emerging Markets Equities	5.2	3.8
Emerging Markets Bonds	3.1	4.5
U.S. Fixed Income	6.0	2.4
Global Small/Mid Cap Equities	5.4	6.5
Canadian Money Market	0.9	-
<b>Other Assets less Liabilities</b>	<b>0.5</b>	<b>0.6</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2020 and December 31, 2019.

	June 30, 2020			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	72,538,206	-	-	72,538,206

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 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 securities on the relevant valuation dates and are classified as Level 1.

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager, from time to time, in the Fund is for the purposes of seed money investments. As at June 30, 2020 and December 31, 2019, the Manager held the following positions in the Fund:

	June 30, 2020	
	Securities	Market Value (\$)
Series FT5	818	11,362

  

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

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

# Sun Life Granite Balanced Growth Class (continued)

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Portfolio to gain exposure to the investment objectives and strategies of the Underlying Portfolio. The Underlying Portfolio is generally financed through the capital invested by the Fund, along with other investors, which entitles 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 June 30, 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 June 30, 2020 (unaudited) and December 31, 2019

	June 30, 2020 (\$)	December 31, 2019 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	219,925,644	215,024,213
Cash	1,196,594	551,173
Due from investment dealers	72,878	-
Accrued interest	1,475	1,892
Distributions receivable from underlying funds	-	-
Subscriptions receivable	333,435	308,933
	<b>221,530,026</b>	215,886,211
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	37,189	11,803
Redemptions payable	392,590	13,368
Distributions payable	-	-
Due to investment dealers	233,409	329,574
Management fees payable	216,096	71,588
Income tax payable	290,081	616,088
Total liabilities (excluding net assets attributable to holders of redeemable securities)	1,169,365	1,042,421
<b>Net Assets Attributable to Holders of Redeemable Securities</b>	<b>220,360,661</b>	214,843,790
<b>Net Assets Attributable to Holders of Redeemable Securities per Series</b>		
Series A	88,159,045	90,343,250
Series AT5	10,652,530	10,808,615
Series F	71,250,127	55,025,937
Series FT5	2,639,356	2,441,061
Series O	47,659,603	56,224,927
<b>Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)</b>		
Series A	11.70	11.82
Series AT5	12.43	12.89
Series F	12.39	12.46
Series FT5	14.06	14.51
Series O	12.23	12.24

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott  
President

“signed” Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Investment Income</b>		
Interest income	74,226	10,547
Distributions from underlying funds	-	-
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	(709,472)	(135,307)
Change in unrealized appreciation (depreciation) in value of investments	11,217	13,622,048
<b>Net gains (losses) on investments</b>	<b>(624,029)</b>	13,497,288
<b>Total income (loss)</b>	<b>(624,029)</b>	13,497,288
<b>Expenses (note 5)</b>		
Management fees	1,110,862	835,815
Fixed annual administration fees	191,639	157,760
Independent review committee fees	1,564	1,485
Total operating expenses	1,304,065	995,060
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>(1,928,094)</b>	12,502,228
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>(1,928,094)</b>	12,502,228
Income taxes	398,015	37,403
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)</b>	<b>(2,326,109)</b>	12,464,825
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)</b>		
Series A	(1,202,265)	5,035,725
Series AT5	(118,114)	565,587
Series F	(780,807)	2,002,694
Series FT5	(16,595)	126,748
Series O	(208,328)	4,734,071
<b>Weighted Average Number of Securities Outstanding</b>		
Series A	7,652,524	6,725,932
Series AT5	867,038	669,823
Series F	5,248,038	2,451,122
Series FT5	174,935	137,737
Series O	4,161,399	5,462,964
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)</b>		
Series A	(0.16)	0.75
Series AT5	(0.14)	0.84
Series F	(0.15)	0.82
Series FT5	(0.09)	0.92
Series O	(0.05)	0.87

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 six months ended June 30 (unaudited)

	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)	\$ (1,202,265)	5,035,725	(118,114)	565,587	(780,807)	2,002,694
Redeemable Security Transactions						
Proceeds from redeemable securities issued	\$ 15,412,180	14,976,966	1,221,752	1,688,995	26,911,867	10,253,534
Redemption of redeemable securities	\$ (16,420,604)	(13,350,235)	(1,068,646)	(313,526)	(9,921,058)	(4,159,499)
Reinvestment of distributions to holders of redeemable securities	\$ 93,258	1,331,103	97,199	128,817	62,447	436,496
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (915,166)	2,957,834	250,305	1,504,286	17,053,256	6,530,531
Distributions to Holders of Redeemable Securities						
From capital gains	\$ (66,774)	(1,317,615)	(8,063)	(147,838)	(48,259)	(483,765)
From net investment income	\$ -	-	-	(216,393)	-	-
Return of capital	\$ -	-	(280,213)	-	-	-
	\$ (66,774)	(1,317,615)	(288,276)	(364,231)	(48,259)	(483,765)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ (2,184,205)	6,675,944	(156,085)	1,705,642	16,224,190	8,049,460
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 88,159,045	80,071,677	10,652,530	10,125,467	71,250,127	34,390,188
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	1,322,423	1,305,333	95,197	129,157	2,157,341	849,535
Securities issued on reinvestment of distributions	7,978	115,726	8,214	9,946	5,035	36,224
Securities redeemed	(1,441,227)	(1,162,646)	(85,340)	(24,144)	(828,854)	(345,955)
Balance - end of period	7,531,856	6,851,650	856,662	775,312	5,748,530	2,803,162

  

	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)	\$ (16,595)	126,748	(208,328)	4,734,071	(2,326,109)	12,464,825
Redeemable Security Transactions						
Proceeds from redeemable securities issued	\$ 1,002,417	1,485,357	5,635,681	5,773,213	50,183,897	34,178,065
Redemption of redeemable securities	\$ (736,999)	(52,545)	(13,992,677)	(8,532,997)	(42,139,984)	(26,408,802)
Reinvestment of distributions to holders of redeemable securities	\$ 16,757	58,292	39,393	1,106,960	309,054	3,061,668
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 282,175	1,491,104	(8,317,603)	(1,652,824)	8,352,967	10,830,931
Distributions to Holders of Redeemable Securities						
From capital gains	\$ (2,144)	(40,113)	(39,393)	(1,107,077)	(164,633)	(3,096,408)
From net investment income	\$ -	(51,425)	-	-	-	(267,818)
Return of capital	\$ (65,141)	-	-	-	(345,354)	-
	\$ (67,285)	(91,538)	(39,393)	(1,107,077)	(509,987)	(3,364,226)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 198,295	1,526,314	(8,565,324)	1,974,170	5,516,871	19,931,530
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 2,639,356	2,373,722	47,659,603	64,189,263	220,360,661	191,150,317
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	69,525	102,214	464,214	493,219	4,108,700	2,879,458
Securities issued on reinvestment of distributions	1,158	4,028	3,201	95,841	25,586	261,765
Securities redeemed	(51,203)	(3,610)	(1,161,506)	(728,304)	(3,568,130)	(2,264,659)
Balance - end of period	187,689	162,235	3,897,673	5,348,559	18,222,410	15,940,918

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

# Sun Life Granite Conservative Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	<b>(2,326,109)</b>	12,464,825
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>709,472</b>	135,307
Change in unrealized (appreciation) depreciation in value of investments	<b>(11,217)</b>	(13,622,048)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(25,557,569)</b>	(16,904,086)
Proceeds from sale of investments	<b>19,788,840</b>	10,970,753
Change in accrued interest	<b>417</b>	36,738
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>144,508</b>	103,476
Change in other payables and accrued expenses	<b>25,386</b>	20,803
Change in income tax payable	<b>(326,007)</b>	(423,631)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(7,552,279)</b>	(7,217,863)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable securities, net of reinvested distributions	<b>(200,933)</b>	(302,558)
Proceeds from redeemable securities issued	<b>50,159,395</b>	33,959,335
Redemption of redeemable securities	<b>(41,760,762)</b>	(26,295,609)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>8,197,700</b>	7,361,168
Net increase (decrease) in cash	<b>645,421</b>	143,305
Cash (bank indebtedness) at beginning of period	<b>551,173</b>	1,261,196
<b>Cash (bank indebtedness) at end of period</b>	<b>1,196,594</b>	1,404,501
Interest received	<b>74,643</b>	47,285
Income taxes paid	<b>(724,022)</b>	(461,034)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2020 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Conservative Portfolio, Series I	18,195,372	217,715,103	219,925,644	
		<b>217,715,103</b>	<b>219,925,644</b>	<b>99.8</b>
<b>Total Investments</b>		<b>217,715,103</b>	<b>219,925,644</b>	<b>99.8</b>
<b>Other Assets less Liabilities</b>			<b>435,017</b>	<b>0.2</b>
<b>Total Net Assets</b>			<b>220,360,661</b>	<b>100.0</b>

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Conservative Portfolio, Series I	18,195,372	217,715,103	219,925,644	
		<b>217,715,103</b>	<b>219,925,644</b>	<b>99.8</b>
<b>Total Investments</b>		<b>217,715,103</b>	<b>219,925,644</b>	<b>99.8</b>
<b>Other Assets less Liabilities</b>			<b>435,017</b>	<b>0.2</b>
<b>Total Net Assets</b>			<b>220,360,661</b>	<b>100.0</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

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

# Sun Life Granite Conservative Class (continued)

## (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.

### (iii) Other market risk

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

## (c) Liquidity risk

As at June 30, 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 (%)	
	June 30, 2020	December 31, 2019
<b>Exchange-Traded Funds</b>		
U.S. Equities	5.6	5.2
<b>Mutual Funds</b>		
Canadian Fixed Income	28.8	41.8
Tactical Balanced	11.4	11.9
U.S. Fixed Income	17.9	7.9
High Yield Fixed Income	3.3	1.3
International Equities	5.9	7.2
Canadian Equities	1.3	4.8
Global Fixed Income	-	2.2
International Fixed Income	5.2	-
U.S. Equities	5.2	2.8
Canadian Focused Equities	1.8	1.8
Emerging Markets Equities	2.6	1.5
Global Equities	1.8	2.0
Emerging Markets Bonds	3.9	5.0
Global Small/Mid Cap Equities	1.6	2.9
Canadian Money Market	3.2	1.3
<b>Other Assets less Liabilities</b>	0.5	0.4
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2020 and December 31, 2019.

	June 30, 2020			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	219,925,644	-	-	219,925,644

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 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 securities on the relevant valuation dates and are classified as Level 1.

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Portfolio to gain exposure to the investment objectives and strategies of the Underlying Portfolio. The Underlying Portfolio is generally financed through the capital invested by the Fund, along with other investors, which entitles 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 June 30, 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 June 30, 2020 (unaudited) and December 31, 2019

	June 30, 2020 (\$)	December 31, 2019 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>56,689,318</b>	62,160,375
Cash	<b>337,323</b>	307,774
Due from investment dealers	<b>28,127</b>	-
Accrued interest	<b>578</b>	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>19,715</b>	13,420
	<b>57,075,061</b>	62,481,569
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>9,552</b>	3,584
Redemptions payable	<b>3,000</b>	7,995
Distributions payable	<b>1,334</b>	3,753
Due to investment dealers	<b>26,458</b>	33,668
Management fees payable	<b>62,674</b>	21,597
Income tax payable	<b>44,372</b>	38,756
Total liabilities (excluding net assets attributable to holders of redeemable securities)	<b>147,390</b>	109,353
<b>Net Assets Attributable to Holders of Redeemable Securities</b>	<b>56,927,671</b>	62,372,216
<b>Net Assets Attributable to Holders of Redeemable Securities per Series</b>		
Series A	<b>23,411,908</b>	23,069,962
Series AT5	<b>401,791</b>	490,709
Series AT8	<b>606,858</b>	678,005
Series F	<b>15,496,678</b>	15,099,107
Series FT5	<b>150,068</b>	11,838
Series FT8	<b>11,356</b>	11,838
Series O	<b>16,849,012</b>	23,010,757
<b>Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)</b>		
Series A	<b>12.80</b>	13.48
Series AT5	<b>13.55</b>	14.68
Series AT8	<b>10.86</b>	11.96
Series F	<b>13.80</b>	14.45
Series FT5	<b>13.87</b>	14.93
Series FT8	<b>12.87</b>	14.09
Series O	<b>12.87</b>	13.42

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott  
President

“signed” Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Investment Income</b>		
Interest income	<b>3,309</b>	5,277
Distributions from underlying funds	-	-
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	<b>(231,520)</b>	36,710
Change in unrealized appreciation (depreciation) in value of investments	<b>(2,077,720)</b>	5,796,246
<b>Net gains (losses) on investments</b>	<b>(2,305,931)</b>	5,838,233
<b>Total income (loss)</b>	<b>(2,305,931)</b>	5,838,233
<b>Expenses (note 5)</b>		
Management fees	<b>314,843</b>	271,890
Fixed annual administration fees	<b>49,491</b>	46,394
Independent review committee fees	<b>406</b>	439
Total operating expenses	<b>364,740</b>	318,723
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>(2,670,671)</b>	5,519,510
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>(2,670,671)</b>	5,519,510
Income taxes	<b>116,365</b>	17,263
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)</b>	<b>(2,787,036)</b>	5,502,247
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)</b>		
Series A	<b>(1,072,013)</b>	1,969,978
Series AT5	<b>(31,401)</b>	13,143
Series AT8	<b>(33,491)</b>	82,209
Series F	<b>(734,396)</b>	1,055,488
Series FT5	<b>14,649</b>	1,115
Series FT8	<b>(504)</b>	1,116
Series O	<b>(929,880)</b>	2,379,198
<b>Weighted Average Number of Securities Outstanding</b>		
Series A	<b>1,760,724</b>	1,615,791
Series AT5	<b>31,923</b>	9,233
Series AT8	<b>56,507</b>	65,106
Series F	<b>1,071,970</b>	785,454
Series FT5	<b>5,419</b>	744
Series FT8	<b>858</b>	771
Series O	<b>1,494,209</b>	1,759,183
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)</b>		
Series A	<b>(0.61)</b>	1.22
Series AT5	<b>(0.98)</b>	1.42
Series AT8	<b>(0.59)</b>	1.26
Series F	<b>(0.69)</b>	1.34
Series FT5	<b>2.70</b>	1.50
Series FT8	<b>(0.59)</b>	1.45
Series O	<b>(0.62)</b>	1.35

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 six months ended June 30 (unaudited)

	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)	\$ (1,072,013)	1,969,978	(31,401)	13,143	(33,491)	82,209	(734,396)	1,055,488
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 4,990,339	4,574,256	1,872	1,296	29,421	42,685	4,370,202	3,124,395
Redemption of redeemable securities	\$ (3,580,951)	(2,303,096)	(58,429)	(2,700)	(47,021)	(126,479)	(3,242,286)	(830,120)
Reinvestment of distributions to holders of redeemable securities	\$ 76,953	779,064	12,104	4,292	9,047	2,059	52,940	389,916
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,486,341	3,050,224	(44,453)	2,888	(8,553)	(81,735)	1,180,856	2,684,191
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (72,382)	(774,232)	(1,511)	(5,184)	(2,097)	(32,251)	(48,889)	(393,714)
From net investment income	\$ -	-	-	(3,241)	-	(30,665)	-	-
Return of capital	\$ -	-	(11,553)	-	(27,006)	-	-	-
	\$ (72,382)	(774,232)	(13,064)	(8,425)	(29,103)	(62,916)	(48,889)	(393,714)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 341,946	4,245,970	(88,918)	7,606	(71,147)	(62,442)	397,571	3,345,965
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 23,411,908	22,306,562	401,791	135,490	606,858	729,187	15,496,678	12,478,511
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	396,959	357,061	151	89	2,612	3,525	326,280	228,372
Securities issued on reinvestment of distributions	5,541	61,616	880	299	816	154	3,789	28,924
Securities redeemed	(284,132)	(179,068)	(4,812)	(186)	(4,249)	(10,288)	(251,513)	(60,980)
Balance - end of period	1,829,225	1,714,694	29,642	9,337	55,887	60,748	1,123,126	899,913

  

	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)	\$ 14,649	1,115	(504)	1,116	(929,880)	2,379,198	(2,787,036)	5,502,247
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 125,350	-	-	-	705,545	1,884,152	10,222,729	9,626,784
Redemption of redeemable securities	\$ -	-	-	-	(5,937,410)	(1,688,969)	(12,866,097)	(4,951,364)
Reinvestment of distributions to holders of redeemable securities	\$ 375	692	543	853	64,924	846,918	216,886	2,023,794
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 125,725	692	543	853	(5,166,941)	1,042,101	(2,426,482)	6,699,214
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (37)	(413)	(37)	(413)	(64,924)	(846,964)	(189,877)	(2,053,171)
From net investment income	\$ -	(263)	-	(424)	-	-	-	(34,593)
Return of capital	\$ (2,107)	-	(484)	-	-	-	(41,150)	-
	\$ (2,144)	(676)	(521)	(837)	(64,924)	(846,964)	(231,027)	(2,087,764)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 138,230	1,131	(482)	1,132	(6,161,745)	2,574,335	(5,444,545)	10,113,697
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 150,068	11,224	11,356	11,224	16,849,012	22,700,335	56,927,671	58,372,533
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	-	-	-	54,491	152,468	790,494	741,515
Securities issued on reinvestment of distributions	27	48	42	61	4,983	68,925	16,078	160,027
Securities redeemed	-	-	-	-	(465,152)	(135,797)	(1,009,858)	(386,319)
Balance - end of period	10,821	765	883	799	1,308,911	1,772,058	4,358,495	4,458,314

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

# Sun Life Granite Growth Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	<b>(2,787,036)</b>	5,502,247
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>231,520</b>	(36,710)
Change in unrealized (appreciation) depreciation in value of investments	<b>2,077,720</b>	(5,796,246)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(6,715,583)</b>	(6,478,823)
Proceeds from sale of investments	<b>9,842,063</b>	2,155,762
Change in accrued interest	<b>(578)</b>	2,816
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>41,077</b>	36,375
Change in other payables and accrued expenses	<b>5,968</b>	6,092
Change in income tax payable	<b>5,616</b>	10,427
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>2,700,767</b>	(4,598,060)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable securities, net of reinvested distributions	<b>(16,560)</b>	(66,987)
Proceeds from redeemable securities issued	<b>10,216,434</b>	9,637,868
Redemption of redeemable securities	<b>(12,871,092)</b>	(4,941,837)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(2,671,218)</b>	4,629,044
Net increase (decrease) in cash	<b>29,549</b>	30,984
Cash (bank indebtedness) at beginning of period	<b>307,774</b>	324,493
<b>Cash (bank indebtedness) at end of period</b>	<b>337,323</b>	355,477
Interest received	<b>2,731</b>	8,093
Income taxes paid	<b>(110,749)</b>	(6,836)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2020 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Growth Portfolio, Series I	3,854,135	55,281,765	56,689,318	
		<b>55,281,765</b>	<b>56,689,318</b>	<b>99.6</b>
<b>Total Investments</b>		<b>55,281,765</b>	<b>56,689,318</b>	<b>99.6</b>
<b>Other Assets less Liabilities</b>			<b>238,353</b>	<b>0.4</b>
<b>Total Net Assets</b>			<b>56,927,671</b>	<b>100.0</b>

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Growth Portfolio, Series I	3,854,135	55,281,765	56,689,318	
		<b>55,281,765</b>	<b>56,689,318</b>	<b>99.6</b>
<b>Total Investments</b>		<b>55,281,765</b>	<b>56,689,318</b>	<b>99.6</b>
<b>Other Assets less Liabilities</b>			<b>238,353</b>	<b>0.4</b>
<b>Total Net Assets</b>			<b>56,927,671</b>	<b>100.0</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

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

# Sun Life Granite Growth Class (continued)

## (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.

### (iii) Other market risk

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

## (c) Liquidity risk

As at June 30, 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 (%)	
	June 30, 2020	December 31, 2019
<b>Exchange-Traded Funds</b>		
U.S. Equities	14.8	14.0
<b>Mutual Funds</b>		
International Equities	17.4	17.1
Canadian Equities	10.5	15.0
Tactical Balanced	8.7	9.5
Canadian Fixed Income	3.9	7.6
Global Equities	6.7	6.8
International Fixed Income	1.5	-
U.S. Equities	9.9	7.2
Canadian Focused Equities	5.1	5.1
High Yield Fixed Income	2.4	0.5
Emerging Markets Equities	5.7	4.2
Emerging Markets Bonds	2.7	4.2
U.S. Fixed Income	3.1	0.4
Global Fixed Income	-	0.1
Global Small/Mid Cap Equities	6.1	7.6
Canadian Money Market	0.6	-
<b>Other Assets less Liabilities</b>	<b>0.9</b>	<b>0.7</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2020 and December 31, 2019.

	June 30, 2020			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	56,689,318	-	-	56,689,318

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 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 securities on the relevant valuation dates and are classified as Level 1.

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager, from time to time, in the Fund is for the purposes of seed money investments. As at June 30, 2020 and December 31, 2019, the Manager held the following positions in the Fund:

	June 30, 2020	
	Securities	Market Value (\$)
Series FT5	819	11,357
Series FT8	883	11,356

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

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 units of the Underlying Portfolio to gain exposure to the investment objectives and strategies of the Underlying Portfolio. The Underlying Portfolio is generally financed through the capital invested by the Fund, along with other investors, which entitles 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 June 30, 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 June 30, 2020 (unaudited) and December 31, 2019

	June 30, 2020 (\$)	December 31, 2019 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	126,642,737	140,480,949
Cash	-	100,655
Due from investment dealers	1,874,068	6,745
Accrued interest	148	153
Distributions receivable from underlying funds	-	-
Subscriptions receivable	36,027	213,248
	<b>128,552,980</b>	<b>140,801,750</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	1,255,292	-
Accrued expenses	21,790	8,171
Redemptions payable	284,711	77,500
Distributions payable	660	1,197
Due to investment dealers	-	206,159
Management fees payable	130,092	48,339
Income tax payable	172,340	338,603
Total liabilities (excluding net assets attributable to holders of redeemable securities)	1,864,885	679,969
<b>Net Assets Attributable to Holders of Redeemable Securities</b>	<b>126,688,095</b>	<b>140,121,781</b>
<b>Net Assets Attributable to Holders of Redeemable Securities per Series</b>		
Series A	50,007,762	52,918,693
Series AT5	6,644,456	8,671,992
Series F	25,132,338	24,102,366
Series FT5	5,749,788	7,390,313
Series O	39,153,751	47,038,417
<b>Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)</b>		
Series A	12.23	12.59
Series AT5	12.94	13.68
Series F	13.18	13.49
Series FT5	13.97	14.68
Series O	12.66	12.91

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott  
President

“signed” Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Investment Income</b>		
Interest income	4,486	4,894
Distributions from underlying funds	-	-
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	(306,720)	94,198
Change in unrealized appreciation (depreciation) in value of investments	(2,193,873)	10,770,551
<b>Net gains (losses) on investments</b>	<b>(2,496,107)</b>	<b>10,869,643</b>
<b>Total income (loss)</b>	<b>(2,496,107)</b>	<b>10,869,643</b>
<b>Expenses (note 5)</b>		
Management fees	685,475	629,438
Fixed annual administration fees	114,715	108,268
Independent review committee fees	938	1,019
Total operating expenses	801,128	738,725
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>(3,297,235)</b>	<b>10,130,918</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>(3,297,235)</b>	<b>10,130,918</b>
Income taxes	263,887	60,602
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)</b>	<b>(3,561,122)</b>	<b>10,070,316</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)</b>		
Series A	(1,516,946)	3,702,985
Series AT5	(353,320)	617,847
Series F	(345,385)	1,405,329
Series FT5	(253,270)	346,547
Series O	(1,092,201)	3,997,608
<b>Weighted Average Number of Securities Outstanding</b>		
Series A	4,163,164	3,982,690
Series AT5	572,194	581,152
Series F	1,811,301	1,356,947
Series FT5	456,657	377,071
Series O	3,421,153	3,776,235
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)</b>		
Series A	(0.36)	0.93
Series AT5	(0.62)	1.06
Series F	(0.19)	1.04
Series FT5	(0.55)	0.92
Series O	(0.32)	1.06

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 six months ended June 30 (unaudited)

	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)	\$ (1,516,946)	3,702,985	(353,320)	617,847	(345,385)	1,405,329
Redeemable Security Transactions						
Proceeds from redeemable securities issued	\$ 6,842,089	7,170,939	615,997	1,108,733	5,009,023	5,467,447
Redemption of redeemable securities	\$ (8,250,854)	(7,200,557)	(2,163,057)	(789,203)	(3,640,663)	(2,877,596)
Reinvestment of distributions to holders of redeemable securities	\$ 90,388	1,242,617	79,279	135,853	40,566	421,388
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (1,318,377)	1,212,999	(1,467,781)	455,383	1,408,926	3,011,239
Distributions to Holders of Redeemable Securities						
From capital gains	\$ (75,608)	(1,233,196)	(12,344)	(204,673)	(33,569)	(435,226)
From net investment income	\$ -	-	-	(194,793)	-	-
Return of capital	\$ -	-	(194,091)	-	-	-
	\$ (75,608)	(1,233,196)	(206,435)	(399,466)	(33,569)	(435,226)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ (2,910,931)	3,682,788	(2,027,536)	673,764	1,029,972	3,981,342
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 50,007,762	48,992,836	6,644,456	8,396,869	25,132,338	19,439,524
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	565,360	593,369	48,211	80,942	391,806	425,109
Securities issued on reinvestment of distributions	7,304	103,060	5,853	9,996	3,056	32,802
Securities redeemed	(688,621)	(592,411)	(174,800)	(57,324)	(275,520)	(223,609)
Balance - end of period	4,088,644	3,982,567	513,321	612,877	1,906,580	1,483,099

  

	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)	\$ (253,270)	346,547	(1,092,201)	3,997,608	(3,561,122)	10,070,316
Redeemable Security Transactions						
Proceeds from redeemable securities issued	\$ 50,298	5,144,715	5,701,184	2,907,497	18,218,591	21,799,331
Redemption of redeemable securities	\$ (1,270,310)	(56,643)	(12,492,370)	(4,505,710)	(27,817,254)	(15,429,709)
Reinvestment of distributions to holders of redeemable securities	\$ 8,216	105,371	65,368	1,156,694	283,817	3,061,923
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (1,211,796)	5,193,443	(6,725,818)	(441,519)	(9,314,846)	9,431,545
Distributions to Holders of Redeemable Securities						
From capital gains	\$ (10,550)	(57,819)	(66,647)	(1,180,182)	(198,718)	(3,111,096)
From net investment income	\$ -	(151,901)	-	-	-	(346,694)
Return of capital	\$ (164,909)	-	-	-	(359,000)	-
	\$ (175,459)	(209,720)	(66,647)	(1,180,182)	(557,718)	(3,457,790)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ (1,640,525)	5,330,270	(7,884,666)	2,375,907	(13,433,686)	16,044,071
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 5,749,788	7,310,628	39,153,751	46,562,880	126,688,095	130,702,737
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	3,568	356,841	467,450	237,780	1,476,395	1,694,041
Securities issued on reinvestment of distributions	585	7,299	5,112	96,289	21,910	249,446
Securities redeemed	(96,054)	(3,876)	(1,025,858)	(367,605)	(2,260,853)	(1,244,825)
Balance - end of period	411,571	500,320	3,091,556	3,728,178	10,011,672	10,307,041

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

# Sun Life Granite Moderate Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	<b>(3,561,122)</b>	10,070,316
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>306,720</b>	(94,198)
Change in unrealized (appreciation) depreciation in value of investments	<b>2,193,873</b>	(10,770,551)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(9,893,883)</b>	(13,359,551)
Proceeds from sale of investments	<b>19,158,020</b>	8,244,583
Change in accrued interest	<b>5</b>	(1,879)
Change in distributions receivable from underlying funds	-	2,373
Change in management fees payable	<b>81,753</b>	78,293
Change in other payables and accrued expenses	<b>13,619</b>	19,641
Change in income tax payable	<b>(166,263)</b>	(213,918)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>8,132,722</b>	(6,024,891)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable securities, net of reinvested distributions	<b>(274,438)</b>	(390,453)
Proceeds from redeemable securities issued	<b>18,395,812</b>	21,796,319
Redemption of redeemable securities	<b>(27,610,043)</b>	(15,427,009)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>(9,488,669)</b>	5,978,857
Net increase (decrease) in cash	<b>(1,355,947)</b>	(46,034)
Cash (bank indebtedness) at beginning of period	<b>100,655</b>	574,280
<b>Cash (bank indebtedness) at end of period</b>	<b>(1,255,292)</b>	528,246
Interest received	<b>4,491</b>	3,015
Income taxes paid	<b>(430,150)</b>	(274,520)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2020 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Moderate Portfolio, Series I	9,332,415	123,165,072	126,642,737	
		<b>123,165,072</b>	<b>126,642,737</b>	<b>100.0</b>
<b>Total Investments</b>		<b>123,165,072</b>	<b>126,642,737</b>	<b>100.0</b>
<b>Other Assets less Liabilities</b>			<b>45,358</b>	<b>0</b>
<b>Total Net Assets</b>			<b>126,688,095</b>	<b>100.0</b>

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Granite Moderate Portfolio, Series I	9,332,415	123,165,072	126,642,737	
		<b>123,165,072</b>	<b>126,642,737</b>	<b>100.0</b>
<b>Total Investments</b>		<b>123,165,072</b>	<b>126,642,737</b>	<b>100.0</b>
<b>Other Assets less Liabilities</b>			<b>45,358</b>	<b>0.0</b>
<b>Total Net Assets</b>			<b>126,688,095</b>	<b>100.0</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

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

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



# Sun Life Granite Moderate Class (continued)

## (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.

### (iii) Other market risk

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

## (c) Liquidity risk

As at June 30, 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 (%)	
	June 30, 2020	December 31, 2019
<b>Exchange-Traded Funds</b>		
U.S. Equities	9.6	9.0
<b>Mutual Funds</b>		
Canadian Fixed Income	18.3	26.3
Tactical Balanced	10.3	11.1
Canadian Equities	5.0	8.9
International Equities	10.5	11.3
High Yield Fixed Income	2.9	1.0
Global Fixed Income	-	1.4
U.S. Equities	6.9	4.6
Global Equities	3.8	3.7
International Fixed Income	3.9	-
Canadian Focused Equities	3.1	3.2
Emerging Markets Bonds	3.6	4.7
U.S. Fixed Income	11.6	6.0
Emerging Markets Equities	3.7	2.8
Canadian Money Market	2.8	1.2
Global Small/Mid Cap Equities	3.5	4.6
<b>Other Assets less Liabilities</b>	<b>0.5</b>	<b>0.2</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2020 and December 31, 2019.

	June 30, 2020			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	126,642,737	-	-	126,642,737

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

There were no transfers between fair value levels during the periods from January 1 to June 30, 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 securities on the relevant valuation dates and are classified as Level 1.

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Portfolio to gain exposure to the investment objectives and strategies of the Underlying Portfolio. The Underlying Portfolio is generally financed through the capital invested by the Fund, along with other investors, which entitles 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 June 30, 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 June 30, 2020 (unaudited) and December 31, 2019

	June 30, 2020 (\$)	December 31, 2019 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>45,198,627</b>	33,085,320
Cash	<b>1,804,789</b>	147,139
Due from investment dealers	-	-
Accrued interest	<b>3,207</b>	709
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>51,623</b>	1,862
	<b>47,058,246</b>	33,235,030
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>6,907</b>	1,837
Redemptions payable	<b>36,759</b>	2,246
Distributions payable	<b>487</b>	420
Due to investment dealers	<b>1,547,284</b>	71,575
Management fees payable	<b>51,076</b>	13,295
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable securities)	<b>1,642,513</b>	89,373
<b>Net Assets Attributable to Holders of Redeemable Securities</b>	<b>45,415,733</b>	33,145,657
<b>Net Assets Attributable to Holders of Redeemable Securities per Series</b>		
Series A	<b>17,343,495</b>	12,951,606
Series AT5	<b>1,582,260</b>	1,713,665
Series AT8	<b>742,138</b>	699,446
Series F	<b>15,758,478</b>	8,086,321
Series FT5	<b>646,224</b>	666,780
Series FT8	<b>384,769</b>	355,252
Series O	<b>8,958,369</b>	8,672,587
<b>Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)</b>		
Series A	<b>20.69</b>	20.52
Series AT5	<b>22.13</b>	22.54
Series AT8	<b>17.94</b>	18.57
Series F	<b>22.04</b>	21.74
Series FT5	<b>17.53</b>	17.75
Series FT8	<b>16.32</b>	16.80
Series O	<b>20.17</b>	19.80

Approved on behalf of the Board of Directors of the Corporation

“signed” Jordy Chilcott  
President

“signed” Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Investment Income</b>		
Interest income	<b>98,881</b>	537
Distributions from underlying funds	-	-
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	<b>463,389</b>	141,116
Change in unrealized appreciation (depreciation) in value of investments	<b>6,635</b>	3,527,002
<b>Net gains (losses) on investments</b>	<b>568,905</b>	3,668,655
<b>Total income (loss)</b>	<b>568,905</b>	3,668,655
<b>Expenses (note 5)</b>		
Management fees	<b>233,709</b>	141,272
Fixed annual administration fees	<b>31,774</b>	19,786
Independent review committee fees	<b>274</b>	198
Total operating expenses	<b>265,757</b>	161,256
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>303,148</b>	3,507,399
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>303,148</b>	3,507,399
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)</b>	<b>303,148</b>	3,507,399
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)</b>		
Series A	<b>248,603</b>	1,443,997
Series AT5	<b>12,281</b>	125,923
Series AT8	<b>8,233</b>	101,263
Series F	<b>(137,359)</b>	625,335
Series FT5	<b>9,786</b>	43,979
Series FT8	<b>4,831</b>	34,956
Series O	<b>156,773</b>	1,131,946
<b>Weighted Average Number of Securities Outstanding</b>		
Series A	<b>739,251</b>	564,987
Series AT5	<b>77,008</b>	43,138
Series AT8	<b>37,906</b>	41,293
Series F	<b>565,099</b>	228,315
Series FT5	<b>37,090</b>	25,348
Series FT8	<b>23,249</b>	15,127
Series O	<b>440,806</b>	435,806
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)</b>		
Series A	<b>0.34</b>	2.56
Series AT5	<b>0.16</b>	2.92
Series AT8	<b>0.22</b>	2.45
Series F	<b>(0.24)</b>	2.74
Series FT5	<b>0.26</b>	1.74
Series FT8	<b>0.21</b>	2.31
Series O	<b>0.36</b>	2.60

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 six months ended June 30 (unaudited)

	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)	\$ 248,603	1,443,997	12,281	125,923	8,233	101,263	(137,359)	625,335
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 5,856,699	2,269,086	294,225	171,923	74,536	210,718	13,921,957	1,581,312
Redemption of redeemable securities	\$ (1,714,948)	(1,394,642)	(411,196)	(59,935)	(10,581)	(135,984)	(6,108,631)	(553,366)
Reinvestment of distributions to holders of redeemable securities	\$ 53,026	271,968	22,580	29,305	1,364	5,190	35,141	107,481
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 4,194,777	1,146,412	(94,391)	141,293	65,319	79,924	7,848,467	1,135,427
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	\$ -	-	-	(21,000)	-	(27,149)	-	-
Return of capital	\$ -	-	(43,013)	-	(28,423)	-	-	-
	\$ (51,491)	(272,777)	(49,295)	(45,218)	(30,860)	(47,184)	(38,951)	(114,167)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 4,391,889	2,317,632	(131,405)	221,998	42,692	134,003	7,672,157	1,646,595
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 17,343,495	11,110,429	1,582,260	1,037,622	742,138	672,919	15,758,478	4,977,514
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	292,850	126,758	13,652	8,195	4,273	12,598	661,835	85,561
Securities issued on reinvestment of distributions	2,594	15,517	1,025	1,438	71	299	1,571	5,787
Securities redeemed	(88,386)	(77,393)	(19,216)	(2,926)	(648)	(7,837)	(320,411)	(29,962)
Balance - end of period	838,334	595,507	71,499	49,516	41,359	38,427	715,008	253,224

  

	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)	\$ 9,786	43,979	4,831	34,956	156,773	1,131,946	303,148	3,507,399
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ -	563,464	41,796	124,104	941,740	636,234	21,130,953	5,556,841
Redemption of redeemable securities	\$ (12,564)	(2,000)	-	(32,741)	(812,731)	(538,012)	(9,070,651)	(2,716,680)
Reinvestment of distributions to holders of redeemable securities	\$ 1,037	5,470	80	53	31,158	200,078	144,386	619,545
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (11,527)	566,934	41,876	91,416	160,167	298,300	12,204,688	3,459,706
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	\$ -	(11,513)	-	(8,937)	-	-	-	(68,599)
Return of capital	\$ (16,468)	-	(15,806)	-	-	-	(103,710)	-
	\$ (18,815)	(11,828)	(17,190)	(15,391)	(31,158)	(200,078)	(237,760)	(706,643)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ (20,556)	599,085	29,517	110,981	285,782	1,230,168	12,270,076	6,260,462
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 646,224	609,591	384,769	259,258	8,958,369	7,895,845	45,415,733	26,563,178
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	-	36,222	2,416	8,429	48,432	37,827	1,023,458	315,590
Securities issued on reinvestment of distributions	61	346	5	3	1,661	12,107	6,988	35,497
Securities redeemed	(758)	(120)	-	(2,234)	(43,981)	(32,251)	(473,400)	(152,723)
Balance - end of period	36,871	37,156	23,572	16,471	444,109	443,028	2,170,752	1,433,329

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

# Sun Life MFS Global Growth Class (continued)

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	<b>303,148</b>	3,507,399
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(463,389)</b>	(141,116)
Change in unrealized (appreciation) depreciation in value of investments	<b>(6,635)</b>	(3,527,002)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(15,929,356)</b>	(3,398,787)
Proceeds from sale of investments	<b>5,761,782</b>	906,666
Change in accrued interest	<b>(2,498)</b>	37
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>37,781</b>	19,234
Change in other payables and accrued expenses	<b>5,070</b>	2,734
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(10,294,097)</b>	(2,630,835)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable securities, net of reinvested distributions	<b>(93,307)</b>	(87,098)
Proceeds from redeemable securities issued	<b>21,081,192</b>	5,556,558
Redemption of redeemable securities	<b>(9,036,138)</b>	(2,708,080)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>11,951,747</b>	2,761,380
Net increase (decrease) in cash	<b>1,657,650</b>	130,545
Cash (bank indebtedness) at beginning of period	<b>147,139</b>	48,029
<b>Cash (bank indebtedness) at end of period</b>	<b>1,804,789</b>	178,574
Interest received	<b>96,383</b>	574
Income taxes paid	-	-
Interest paid	-	-

## Schedule of Investments

As at June 30, 2020 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS Global Growth Fund, Series I	1,648,334	37,529,149	45,198,627	
		<b>37,529,149</b>	<b>45,198,627</b>	<b>99.5</b>
<b>Total Investments</b>		<b>37,529,149</b>	<b>45,198,627</b>	<b>99.5</b>
<b>Other Assets less Liabilities</b>			<b>217,106</b>	<b>0.5</b>
<b>Total Net Assets</b>			<b>45,415,733</b>	<b>100.0</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2020 and December 31, 2019 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2020	December 31, 2019
AAA/Aaa	0.9	1.2
<b>Total</b>	<b>0.9</b>	<b>1.2</b>

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

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

# Sun Life MFS Global Growth Class (continued)

## (b) Market risk

### (i) Currency risk

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

The following table summarizes the Fund's proportionate exposure to currency risk as at June 30, 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 (%)
	June 30, 2020		December 31, 2019	
United States				
Dollar	30,584,329	67.3	22,952,287	69.2
Euro	4,018,006	8.8	2,755,201	8.3
British Pound	2,722,666	6.0	2,136,242	6.5
Swiss Franc	2,423,312	5.3	1,952,429	5.9
Korean Won	1,519,940	3.3	900,871	2.7
Hong Kong Dollar	940,304	2.1	-	-
Japanese Yen	927,684	2.0	1,027,817	3.1
Chinese Renminbi	399,212	0.9	319,067	1.0
Indian Rupee	190,650	0.4	138,514	0.4
Danish Krone	20,159	-	12,888	-
Brazilian Real	104	-	247	-
<b>Total</b>	<b>43,746,366</b>	<b>96.1</b>	<b>32,195,563</b>	<b>97.1</b>

As at June 30, 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 Securities of the Fund would have increased or decreased respectively by \$2,187,318 (\$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 (\$)
June 30, 2020	404,800	-	-	404,800
December 31, 2019	400,420	-	-	400,420

As at June 30, 2020, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Securities of the Fund would have decreased or increased respectively by \$590 (\$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 June 30, 2020, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Securities of the Fund would have increased or decreased respectively by \$2,235,153 (\$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 June 30, 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 (%)	
	June 30, 2020	December 31, 2019
<b>Short-Term Investments</b>		
Treasury Bills	0.9	0.8
Promissory Notes	-	0.4
<b>Equities</b>		
Materials	3.1	6.4
Industrials	9.7	12.3
Consumer Discretionary	13.5	15.2
Consumer Staples	14.0	12.4
Health Care	13.5	12.4
Financials	8.0	9.0
Information Technology	23.2	21.5
Communication Services	13.4	9.5
<b>Other Assets less Liabilities</b>	0.7	0.1
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

# Sun Life MFS Global Growth Class (continued)

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2020 and December 31, 2019.

June 30, 2020				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	45,198,627	-	-	45,198,627

  

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 June 30, 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 securities on the relevant valuation dates and are classified as Level 1.

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager, from time to time, in the Fund is for the purposes of seed money investments. As at June 30, 2020 and December 31, 2019, the Manager held the following positions in the Fund:

June 30, 2020		
	Securities	Market Value (\$)
Series FT5	789	13,827

  

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

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles 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 June 30, 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 June 30, 2020 (unaudited) and December 31, 2019

	June 30, 2020 (\$)	December 31, 2019 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	23,742,328	17,729,592
Cash	199,246	235,390
Due from investment dealers	120,765	-
Accrued interest	1,130	1,443
Distributions receivable from underlying funds	-	-
Subscriptions receivable	5,023	450
	<b>24,068,492</b>	<b>17,966,875</b>
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	3,796	982
Redemptions payable	72,300	-
Distributions payable	286	297
Due to investment dealers	-	5,504
Management fees payable	22,784	7,118
Income tax payable	14,361	29,603
Total liabilities (excluding net assets attributable to holders of redeemable securities)	113,527	43,504
<b>Net Assets Attributable to Holders of Redeemable Securities</b>	<b>23,954,965</b>	<b>17,923,371</b>
<b>Net Assets Attributable to Holders of Redeemable Securities per Series</b>		
Series A	7,169,164	5,829,378
Series AT5	203,345	226,021
Series AT8	277,041	511,310
Series F	8,919,672	8,523,975
Series FT5	12,058	12,149
Series FT8	56,266	69,003
Series O	7,317,419	2,751,535
<b>Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)</b>		
Series A	15.26	15.50
Series AT5	16.17	16.87
Series AT8	13.06	13.86
Series F	16.45	16.62
Series FT5	14.56	15.11
Series FT8	13.51	14.25
Series O	15.63	15.71

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott  
President

"signed" Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Investment Income</b>		
Interest income	3,354	989
Distributions from underlying funds	-	49,353
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	(165,682)	13,499
Change in unrealized appreciation (depreciation) in value of investments	110,832	1,525,483
<b>Net gains (losses) on investments</b>	<b>(51,496)</b>	<b>1,589,324</b>
<b>Total income (loss)</b>	<b>(51,496)</b>	<b>1,589,324</b>
<b>Expenses (note 5)</b>		
Management fees	110,963	78,585
Fixed annual administration fees	17,373	10,275
Independent review committee fees	151	101
Total operating expenses	128,487	88,961
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>(179,983)</b>	<b>1,500,363</b>
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>(179,983)</b>	<b>1,500,363</b>
Income taxes	20,604	7,133
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)</b>	<b>(200,587)</b>	<b>1,493,230</b>
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)</b>		
Series A	(101,643)	580,861
Series AT5	(4,088)	30,425
Series AT8	(23,000)	65,011
Series F	(212,031)	486,759
Series FT5	(114)	1,311
Series FT8	(2,652)	11,928
Series O	142,941	316,935
<b>Weighted Average Number of Securities Outstanding</b>		
Series A	426,252	353,315
Series AT5	13,100	16,057
Series AT8	31,629	38,303
Series F	545,532	270,858
Series FT5	814	753
Series FT8	4,466	6,990
Series O	366,013	174,167
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)</b>		
Series A	(0.24)	1.64
Series AT5	(0.31)	1.89
Series AT8	(0.73)	1.70
Series F	(0.39)	1.80
Series FT5	(0.14)	1.74
Series FT8	(0.59)	1.71
Series O	0.39	1.82

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 six months ended June 30 (unaudited)

	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)	\$ (101,643)	580,861	(4,088)	30,425	(23,000)	65,011	(212,031)	486,759
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 2,837,807	1,494,287	4,500	-	1,380	93,961	2,961,445	1,331,890
Redemption of redeemable securities	\$ (1,398,361)	(1,175,968)	(23,183)	(16,758)	(200,849)	(112,345)	(2,353,226)	(625,263)
Reinvestment of distributions to holders of redeemable securities	\$ 6,737	354,372	5,757	25,804	5,587	21,174	6,719	198,784
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,446,183	672,691	(12,926)	9,046	(193,882)	2,790	614,938	905,411
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	\$ -	-	-	(6,530)	-	(20,918)	-	-
Return of capital	\$ -	-	(5,503)	-	(17,020)	-	-	-
	\$ (4,754)	(363,893)	(5,662)	(25,699)	(17,387)	(62,151)	(7,210)	(296,813)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 1,339,786	889,659	(22,676)	13,772	(234,269)	5,650	395,697	1,095,357
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 7,169,164	5,443,715	203,345	261,124	277,041	499,532	8,919,672	4,768,516
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	191,667	103,614	296	7	115	6,820	183,457	86,034
Securities issued on reinvestment of distributions	459	25,580	361	1,623	431	1,572	425	13,481
Securities redeemed	(98,345)	(81,453)	(1,480)	(1,030)	(16,228)	(7,992)	(154,567)	(40,610)
Balance - end of period	469,902	370,752	12,577	15,945	21,210	36,536	542,221	304,616

  

	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)	\$ (114)	1,311	(2,652)	11,928	142,941	316,935	(200,587)	1,493,230
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ -	-	6,014	-	4,802,148	538,343	10,613,294	3,458,481
Redemption of redeemable securities	\$ -	-	(14,328)	-	(379,206)	(647,488)	(4,369,153)	(2,577,822)
Reinvestment of distributions to holders of redeemable securities	\$ 340	1,072	773	1,250	2,400	187,421	28,313	789,877
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 340	1,072	(7,541)	1,250	4,425,342	78,276	6,272,454	1,670,536
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	\$ -	(272)	-	(3,889)	-	-	-	(31,609)
Return of capital	\$ (308)	-	(2,494)	-	-	-	(25,325)	-
	\$ (317)	(1,056)	(2,544)	(11,327)	(2,399)	(187,421)	(40,273)	(948,360)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ (91)	1,327	(12,737)	1,851	4,565,884	207,790	6,031,594	2,215,406
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 12,058	11,428	56,266	98,236	7,317,419	2,411,802	23,954,965	13,494,353
Redeemable Security Transactions								
Balance - beginning of period	804	707	4,842	6,938	175,132	157,407	1,120,097	785,255
Securities issued	-	-	414	-	319,687	37,865	695,636	234,340
Securities issued on reinvestment of distributions	24	76	59	91	161	13,633	1,920	56,056
Securities redeemed	-	-	(1,150)	-	(26,678)	(45,159)	(298,448)	(176,244)
Balance - end of period	828	783	4,165	7,029	468,302	163,746	1,519,205	899,407

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 six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	<b>(200,587)</b>	1,493,230
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>165,682</b>	(13,499)
Change in unrealized (appreciation) depreciation in value of investments	<b>(110,832)</b>	(1,525,483)
Non-cash income distributions from underlying funds	-	(49,353)
Purchases of investments	<b>(8,737,401)</b>	(2,140,375)
Proceeds from sale of investments	<b>2,543,546</b>	1,579,542
Change in accrued interest	<b>313</b>	(145)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>15,666</b>	10,126
Change in other payables and accrued expenses	<b>2,814</b>	1,332
Change in income tax payable	<b>(15,242)</b>	(8,728)
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(6,336,041)</b>	(653,353)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable securities, net of reinvested distributions	<b>(11,971)</b>	(158,586)
Proceeds from redeemable securities issued	<b>10,608,721</b>	3,381,164
Redemption of redeemable securities	<b>(4,296,853)</b>	(2,556,502)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>6,299,897</b>	666,076
Net increase (decrease) in cash	<b>(36,144)</b>	12,723
Cash (bank indebtedness) at beginning of period	<b>235,390</b>	266,175
<b>Cash (bank indebtedness) at end of period</b>	<b>199,246</b>	278,898
Interest received	<b>3,667</b>	844
Income taxes paid	<b>(35,846)</b>	(15,861)
Interest paid	-	-

## Schedule of Investments

As at June 30, 2020 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS International Opportunities Fund, Series I	1,269,182	22,177,615	23,742,328	
		<b>22,177,615</b>	<b>23,742,328</b>	<b>99.1</b>
<b>Total Investments</b>		<b>22,177,615</b>	<b>23,742,328</b>	<b>99.1</b>
<b>Other Assets less Liabilities</b>			<b>212,637</b>	<b>0.9</b>
<b>Total Net Assets</b>			<b>23,954,965</b>	<b>100.0</b>

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS International Opportunities Fund, Series I	1,269,182	22,177,615	23,742,328	
		<b>22,177,615</b>	<b>23,742,328</b>	<b>99.1</b>
<b>Total Investments</b>		<b>22,177,615</b>	<b>23,742,328</b>	<b>99.1</b>
<b>Other Assets less Liabilities</b>			<b>212,637</b>	<b>0.9</b>
<b>Total Net Assets</b>			<b>23,954,965</b>	<b>100.0</b>

## 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 June 30, 2020 and December 31, 2019 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2020	December 31, 2019
AAA/Aaa	0.4	1.1
AA/Aa	-	0.3
<b>Total</b>	<b>0.4</b>	<b>1.4</b>

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)

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

### (b) Market risk

#### (i) Currency risk

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

The following table summarizes the Fund's proportionate exposure to currency risk as at June 30, 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 (%)
	June 30, 2020		December 31, 2019	
Euro	8,734,654	36.5	6,311,101	35.1
Swiss Franc	3,901,748	16.3	2,471,524	13.8
United States				
Dollar	2,827,750	11.8	2,874,299	16.0
British Pound	2,456,809	10.3	2,015,109	11.2
Japanese Yen	2,049,173	8.6	1,597,822	8.9
Hong Kong Dollar	1,636,795	6.8	819,005	4.6
Korean Won	455,534	1.9	223,593	1.3
Danish Krone	376,763	1.6	149,043	0.8
Singapore Dollar	273,262	1.1	242,247	1.4
Indian Rupee	247,807	1.0	183,718	1.0
Australian Dollar	230,014	1.0	254,672	1.4
Mexican Peso	201,981	0.8	206,298	1.2
New Taiwan				
Dollar	168,164	0.7	61,855	0.4
Czech Koruna	42,071	0.2	44,817	0.3
<b>Total</b>	<b>23,602,525</b>	<b>98.6</b>	<b>17,455,103</b>	<b>97.4</b>

As at June 30, 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 Securities of the Fund would have increased or decreased respectively by \$1,180,126 (\$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 (\$)
June 30, 2020	88,938	-	-	88,938
December 31, 2019	241,573	-	-	241,573

As at June 30, 2020, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Securities of the Fund would have decreased or increased respectively by \$192 (\$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 June 30, 2020, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Securities of the Fund would have increased or decreased respectively by \$1,160,441 (\$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 June 30, 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 (%)	
	June 30, 2020	December 31, 2019
<b>Short-Term Investments</b>		
Treasury Bills	0.4	1.0
Term Deposit Receipts	-	0.2
Promissory Note	-	0.1
<b>Equities</b>		
Energy	0.4	0.9
Materials	8.9	8.8
Industrials	10.5	11.3
Consumer Discretionary	8.3	9.5
Consumer Staples	20.7	21.0
Health Care	18.2	16.6
Financials	8.3	9.5
Information Technology	16.0	16.2
Communication Services	5.3	3.1
Utilities	0.3	0.2
<b>Other Assets less Liabilities</b>	2.7	1.6
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2020 and December 31, 2019.

	June 30, 2020			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	23,742,328	-	-	23,742,328

  

	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 June 30, 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 securities on the relevant valuation dates and are classified as Level 1.

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager, from time to time, in the Fund is for the purposes of seed money investments. As at June 30, 2020 and December 31, 2019, the Manager held the following positions in the Fund:

	June 30, 2020	
	Securities	Market Value (\$)
Series FT5	828	12,058
Series FT8	893	12,058

  

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

### Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles 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 June 30, 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

### 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 June 30, 2020 (unaudited) and December 31, 2019

	June 30, 2020 (\$)	December 31, 2019 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>76,780,844</b>	50,930,086
Cash	<b>187,109</b>	272,864
Due from investment dealers	<b>140,063</b>	-
Accrued interest	<b>4,930</b>	65
Distributions receivable from underlying funds	-	-
Subscriptions receivable	<b>105,131</b>	239,312
	<b>77,218,077</b>	51,442,327
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	<b>11,739</b>	2,816
Redemptions payable	<b>68,233</b>	155,198
Distributions payable	<b>1,056</b>	947
Due to investment dealers	<b>74,429</b>	233,064
Management fees payable	<b>87,720</b>	21,305
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable securities)	<b>243,177</b>	413,330
<b>Net Assets Attributable to Holders of Redeemable Securities</b>	<b>76,974,900</b>	51,028,997
<b>Net Assets Attributable to Holders of Redeemable Securities per Series</b>		
Series A	<b>28,865,244</b>	19,104,619
Series AT5	<b>1,843,824</b>	1,780,146
Series AT8	<b>1,345,378</b>	1,054,909
Series F	<b>32,424,162</b>	20,214,410
Series FT5	<b>220,938</b>	310,458
Series FT8	<b>375,287</b>	93,562
Series O	<b>11,900,067</b>	8,470,893
<b>Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)</b>		
Series A	<b>29.03</b>	25.61
Series AT5	<b>31.36</b>	28.35
Series AT8	<b>25.57</b>	23.46
Series F	<b>31.30</b>	27.47
Series FT5	<b>21.22</b>	19.08
Series FT8	<b>19.83</b>	18.10
Series O	<b>27.29</b>	23.84

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott  
President

"signed" Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Investment Income</b>		
Interest income	<b>4,742</b>	2,326
Distributions from underlying funds	-	-
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	<b>727,736</b>	607,351
Change in unrealized appreciation (depreciation) in value of investments	<b>7,982,759</b>	6,277,926
<b>Net gains (losses) on investments</b>	<b>8,715,237</b>	6,887,603
<b>Total income (loss)</b>	<b>8,715,237</b>	6,887,603
<b>Expenses (note 5)</b>		
Management fees	<b>372,718</b>	244,789
Fixed annual administration fees	<b>49,951</b>	33,245
Independent review committee fees	<b>433</b>	331
Total operating expenses	<b>423,102</b>	278,365
Fees waived/absorbed by the Manager	-	-
<b>Operating Profit (Loss)</b>	<b>8,292,135</b>	6,609,238
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>8,292,135</b>	6,609,238
Income taxes	-	-
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)</b>	<b>8,292,135</b>	6,609,238
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)</b>		
Series A	<b>2,832,238</b>	2,524,474
Series AT5	<b>270,602</b>	115,170
Series AT8	<b>152,392</b>	169,628
Series F	<b>3,565,407</b>	2,433,092
Series FT5	<b>31,222</b>	11,798
Series FT8	<b>13,870</b>	10,113
Series O	<b>1,426,404</b>	1,344,963
<b>Weighted Average Number of Securities Outstanding</b>		
Series A	<b>809,681</b>	674,259
Series AT5	<b>64,580</b>	26,493
Series AT8	<b>48,260</b>	42,806
Series F	<b>862,756</b>	666,261
Series FT5	<b>6,103</b>	7,078
Series FT8	<b>16,589</b>	3,477
Series O	<b>396,322</b>	364,404
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)</b>		
Series A	<b>3.50</b>	3.74
Series AT5	<b>4.19</b>	4.35
Series AT8	<b>3.16</b>	3.96
Series F	<b>4.13</b>	3.65
Series FT5	<b>5.12</b>	1.67
Series FT8	<b>0.84</b>	2.91
Series O	<b>3.60</b>	3.69

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

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

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

For the six months ended June 30 (unaudited)

	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)	\$ 2,832,238	2,524,474	270,602	115,170	152,392	169,628	3,565,407	2,433,092
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 13,135,031	3,495,725	664,614	142,147	301,331	292,149	13,084,325	14,706,129
Redemption of redeemable securities	\$ (6,208,637)	(2,158,059)	(830,839)	(60,462)	(121,103)	(361,596)	(4,395,501)	(2,668,083)
Reinvestment of distributions to holders of redeemable securities	\$ 141,125	292,782	16,682	18,350	11,777	9,014	109,093	143,422
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 7,067,519	1,630,448	(149,543)	100,035	192,005	(60,433)	8,797,917	12,181,468
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (139,132)	(292,124)	(12,334)	(13,192)	(7,891)	(19,221)	(153,572)	(248,496)
From net investment income	\$ -	-	-	(15,882)	-	(35,298)	-	-
Return of capital	\$ -	-	(45,047)	-	(46,037)	-	-	-
	\$ (139,132)	(292,124)	(57,381)	(29,074)	(53,928)	(54,519)	(153,572)	(248,496)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 9,760,625	3,862,798	63,678	186,131	290,469	54,676	12,209,752	14,366,064
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 28,865,244	16,898,271	1,843,824	802,417	1,345,378	822,659	32,424,162	20,401,012
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	482,237	154,434	23,500	5,322	12,367	13,692	454,300	629,263
Securities issued on reinvestment of distributions	5,369	13,283	541	707	471	405	3,684	5,923
Securities redeemed	(239,269)	(95,432)	(28,032)	(2,279)	(5,179)	(15,897)	(157,929)	(108,530)
Balance - end of period	994,306	711,805	58,800	29,897	52,620	36,548	1,035,996	805,768

  

	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)	\$ 31,222	11,798	13,870	10,113	1,426,404	1,344,963	8,292,135	6,609,238
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 203,250	220,170	329,166	600	2,986,378	1,302,152	30,704,095	20,159,072
Redemption of redeemable securities	\$ (320,671)	(22,508)	(48,994)	(648)	(983,608)	(967,700)	(12,909,353)	(6,239,056)
Reinvestment of distributions to holders of redeemable securities	\$ 288	1,320	3,045	756	64,180	146,874	346,190	612,518
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (117,133)	198,982	283,217	708	2,066,950	481,326	18,140,932	14,532,534
Distributions to Holders of Redeemable Securities								
From capital gains	\$ (677)	(870)	(2,723)	(1,133)	(64,180)	(146,874)	(380,509)	(721,910)
From net investment income	\$ -	(3,189)	-	(2,127)	-	-	-	(56,496)
Return of capital	\$ (2,932)	-	(12,639)	-	-	-	(106,655)	-
	\$ (3,609)	(4,059)	(15,362)	(3,260)	(64,180)	(146,874)	(487,164)	(778,406)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ (89,520)	206,721	281,725	7,561	3,429,174	1,679,415	25,945,903	20,363,366
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 220,938	237,325	375,287	60,313	11,900,067	7,828,126	76,974,900	47,050,123
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	9,767	12,476	16,529	37	118,317	65,914	1,117,017	881,138
Securities issued on reinvestment of distributions	14	77	166	45	2,705	7,359	12,950	27,799
Securities redeemed	(15,644)	(1,290)	(2,943)	(38)	(40,358)	(46,069)	(489,354)	(269,535)
Balance - end of period	10,412	13,214	18,923	3,493	436,000	357,977	2,607,057	1,958,702

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

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

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Cash Flows from Operating Activities</b>		
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	<b>8,292,135</b>	6,609,238
Adjustments for:		
Net realized (gain) loss on sale of investments	<b>(727,736)</b>	(607,351)
Change in unrealized (appreciation) depreciation in value of investments	<b>(7,982,759)</b>	(6,277,926)
Non-cash income distributions from underlying funds	-	-
Purchases of investments	<b>(20,878,786)</b>	(17,123,120)
Proceeds from sale of investments	<b>3,439,825</b>	3,146,262
Change in accrued interest	<b>(4,865)</b>	2,381
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	<b>66,415</b>	38,163
Change in other payables and accrued expenses	<b>8,923</b>	5,397
Change in income tax payable	-	-
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(17,786,848)</b>	(14,206,956)
<b>Cash Flows from Financing Activities</b>		
Distributions paid to holders of redeemable securities, net of reinvested distributions	<b>(140,865)</b>	(166,080)
Proceeds from redeemable securities issued	<b>30,838,276</b>	20,189,495
Redemption of redeemable securities	<b>(12,996,318)</b>	(5,756,574)
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>17,701,093</b>	14,266,841
Net increase (decrease) in cash	<b>(85,755)</b>	59,885
Cash (bank indebtedness) at beginning of period	<b>272,864</b>	451,667
<b>Cash (bank indebtedness) at end of period</b>	<b>187,109</b>	511,552
Interest received	-	4,707
Income taxes paid	-	-
Interest paid	<b>123</b>	-

## Schedule of Investments

As at June 30, 2020 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life MFS U.S. Growth Fund, Series I	1,437,951	57,331,457	76,780,844	
		<b>57,331,457</b>	<b>76,780,844</b>	<b>99.7</b>
<b>Total Investments</b>		<b>57,331,457</b>	<b>76,780,844</b>	<b>99.7</b>
<b>Other Assets less Liabilities</b>			<b>194,056</b>	<b>0.3</b>
<b>Total Net Assets</b>			<b>76,974,900</b>	<b>100.0</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

As at June 30, 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 June 30, 2020 and December 31, 2019 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2020	December 31, 2019
AAA/Aaa	1.0	1.2
AA/Aa	1.3	0.3
<b>Total</b>	<b>2.3</b>	<b>1.5</b>

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

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

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

## (b) Market risk

### (i) Currency risk

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

The following table summarizes the Fund's proportionate exposure to currency risk as at June 30, 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 (%)
	June 30, 2020		December 31, 2019	
United States				
Dollar	74,283,969	96.5	49,774,814	97.5
Euro	696	-	109,030	0.2
<b>Total</b>	<b>74,284,665</b>	<b>96.5</b>	<b>49,883,844</b>	<b>97.7</b>

As at June 30, 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 Securities of the Fund would have increased or decreased respectively by \$3,714,233 (\$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 (\$)
June 30, 2020	1,768,048	-	-	1,768,048
December 31, 2019	789,743	-	-	789,743

As at June 30, 2020, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Securities of the Fund would have decreased or increased respectively by \$3,088 (\$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 June 30, 2020, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Securities of the Fund would have increased or decreased respectively by \$3,723,257 (\$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 June 30, 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 (%)	
	June 30, 2020	December 31, 2019
<b>Short-Term Investments</b>		
Treasury Bills	2.3	0.5
Promissory Note	-	0.7
Bearer Deposit Notes	-	0.1
Term Deposit Receipts	-	0.3
<b>Equities</b>		
Communication Services	15.1	14.0
Consumer Discretionary	11.8	12.0
Consumer Staples	2.0	3.4
Energy	-	0.3
Financials	3.4	3.8
Health Care	12.9	13.5
Industrials	6.7	7.5
Information Technology	40.7	38.4
Materials	2.2	3.1
Real Estate	2.0	1.6
<b>Other Assets less Liabilities</b>	<b>0.9</b>	<b>0.8</b>
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

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

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

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2020 and December 31, 2019.

June 30, 2020				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	76,780,844	-	-	76,780,844

  

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 June 30, 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 securities on the relevant valuation dates and are classified as Level 1.

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager, from time to time, in the Fund is for the purposes of seed money investments. As at June 30, 2020 and December 31, 2019, the Manager held the following positions in the Fund:

June 30, 2020		
	Securities	Market Value (\$)
Series FT8	-	-

  

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

## Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles 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 June 30, 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 Money Market Class

## Statements of Financial Position

As at June 30, 2020 (unaudited) and December 31, 2019

	June 30, 2020 (\$)	December 31, 2019 (\$)
<b>Assets</b>		
<b>Current Assets</b>		
Investments (non-derivative financial assets) (note 2)	<b>33,821,820</b>	12,013,282
Cash	<b>524,970</b>	491,512
Due from investment dealers	-	-
Accrued interest	<b>8,979</b>	2,930
Distributions receivable from underlying funds	<b>20,463</b>	1,890
Subscriptions receivable	<b>1,642</b>	-
	<b>34,377,874</b>	12,509,614
<b>Liabilities</b>		
<b>Current Liabilities</b>		
Bank indebtedness	-	-
Accrued expenses	-	-
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	<b>56,363</b>	-
Management fees payable	<b>14,742</b>	1,715
Income tax payable	<b>13,576</b>	31,415
Total liabilities (excluding net assets attributable to holders of redeemable securities)	<b>84,681</b>	33,130
<b>Net Assets Attributable to Holders of Redeemable Securities</b>	<b>34,293,193</b>	12,476,484
<b>Net Assets Attributable to Holders of Redeemable Securities per Series</b>		
Series A	<b>23,338,436</b>	8,868,136
Series F	<b>9,384,325</b>	1,860,706
Series O	<b>1,570,432</b>	1,747,642
<b>Net Assets Attributable to Holders of Redeemable Securities per Security (note 4)</b>		
Series A	<b>10.27</b>	10.25
Series F	<b>10.47</b>	10.43
Series O	<b>10.62</b>	10.56

Approved on behalf of the Board of Directors of the Corporation

"signed" Jordy Chilcott  
President

"signed" Kari Holdsworth  
Chief Financial Officer

## Statements of Comprehensive Income (Loss)

For the six months ended June 30 (unaudited)

	2020 (\$)	2019 (\$)
<b>Investment Income</b>		
Interest income	<b>1,035</b>	1,821
Distributions from underlying funds	<b>176,981</b>	107,427
<b>Changes in fair value on financial assets and financial liabilities at fair value through profit or loss</b>		
Net realized gain (loss) on sale of investments	-	-
Change in unrealized appreciation (depreciation) in value of investments	-	-
<b>Net gains (losses) on investments</b>	<b>178,016</b>	109,248
<b>Total income (loss)</b>	<b>178,016</b>	109,248
<b>Expenses (note 5)</b>		
Management fees	<b>140,909</b>	55,351
Fixed annual administration fees	<b>7,932</b>	3,355
Independent review committee fees	<b>207</b>	99
Total operating expenses	<b>149,048</b>	58,805
Fees waived/absorbed by the Manager	<b>(83,089)</b>	(33,479)
<b>Operating Profit (Loss)</b>	<b>112,057</b>	83,922
<b>Finance Cost</b>		
Interest expense	-	-
<b>Net income (loss) before income taxes</b>	<b>112,057</b>	83,922
Income taxes	<b>41,550</b>	9,536
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations (Excluding Distributions)</b>	<b>70,507</b>	74,386
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Series (Excluding Distributions)</b>		
Series A	<b>45,926</b>	44,103
Series F	<b>17,278</b>	19,998
Series O	<b>7,303</b>	10,285
<b>Weighted Average Number of Securities Outstanding</b>		
Series A	<b>2,073,906</b>	778,827
Series F	<b>662,162</b>	279,795
Series O	<b>141,942</b>	117,439
<b>Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities from Operations per Security (Excluding Distributions)</b>		
Series A	<b>0.02</b>	0.06
Series F	<b>0.03</b>	0.07
Series O	<b>0.05</b>	0.09

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 six months ended June 30 (unaudited)

	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)	\$ 45,926	44,103	17,278	19,998	7,303	10,285	70,507	74,386
Redeemable Security Transactions								
Proceeds from redeemable securities issued	\$ 24,387,852	13,165,212	15,216,871	4,602,356	1,724,925	1,559,255	41,329,648	19,326,823
Redemption of redeemable securities	\$ (9,973,858)	(10,070,917)	(7,710,530)	(3,338,564)	(1,909,438)	(1,523,446)	(19,593,826)	(14,932,927)
Reinvestment of distributions to holders of redeemable securities	\$ 10,380	13,574	-	-	-	-	10,380	13,574
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 14,424,374	3,107,869	7,506,341	1,263,792	(184,513)	35,809	21,746,202	4,407,470
Distributions to Holders of Redeemable Securities								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ -	-	-	-	-	-	-	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ -	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Securities for the period	\$ 14,470,300	3,151,972	7,523,619	1,283,790	(177,210)	46,094	21,816,709	4,481,856
Net Assets Attributable to Holders of Redeemable Securities at end of period	\$ 23,338,436	9,717,985	9,384,325	4,024,854	1,570,432	1,222,848	34,293,193	14,965,687
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	2,377,540	1,293,954	1,455,358	445,056	162,772	149,361	3,995,670	1,888,371
Securities issued on reinvestment of distributions	1,011	1,334	-	-	-	-	1,011	1,334
Securities redeemed	(971,594)	(989,905)	(737,160)	(323,067)	(180,286)	(145,893)	(1,889,040)	(1,458,865)
Balance - end of period	2,272,511	952,626	896,627	388,188	147,912	116,587	3,317,050	1,457,401

## Statements of Cash Flows

For the six months ended June 30 (unaudited)

	2020	2019		2020	2019
	(\$)	(\$)		(\$)	(\$)
<b>Cash Flows from Operating Activities</b>			Net increase (decrease) in cash	<b>33,458</b>	236,879
Increase (decrease) in net assets attributable to holders of redeemable securities from operations (excluding distributions)	<b>70,507</b>	74,386	Cash (bank indebtedness) at beginning of period	<b>491,512</b>	126,866
Adjustments for:			<b>Cash (bank indebtedness) at end of period</b>	<b>524,970</b>	363,745
Net realized (gain) loss on sale of investments	-	-	Interest received	-	5,909
Change in unrealized (appreciation) depreciation in value of investments	-	-	Income taxes paid	<b>(59,389)</b>	(36,969)
Non-cash income distributions from underlying funds	<b>(176,981)</b>	(107,427)	Interest paid	<b>(5,014)</b>	-
Purchases of investments	<b>(35,741,454)</b>	(15,778,288)			
Proceeds from sale of investments	<b>14,166,260</b>	11,658,052			
Change in accrued interest	<b>(6,049)</b>	4,088			
Change in distributions receivable from underlying funds	<b>(18,573)</b>	1,782			
Change in management fees payable	<b>13,027</b>	4,233			
Change in other payables and accrued expenses	-	20			
Change in income tax payable	<b>(17,839)</b>	(27,433)			
<b>Net Cash Provided by (Used in) Operating Activities</b>	<b>(21,711,102)</b>	(4,170,587)			
<b>Cash Flows from Financing Activities</b>					
Distributions paid to holders of redeemable securities, net of reinvested distributions	<b>10,380</b>	13,574			
Proceeds from redeemable securities issued	<b>41,328,006</b>	19,326,823			
Redemption of redeemable securities	<b>(19,593,826)</b>	(14,932,931)			
<b>Net Cash Provided by (Used in) Financing Activities</b>	<b>21,744,560</b>	4,407,466			

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

# Sun Life Money Market Class (continued)

## Schedule of Investments

As at June 30, 2020 (unaudited)

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
<b>MUTUAL FUNDS</b>				
Sun Life Money Market Fund, Series I	3,382,182	33,821,820	33,821,820	
		<b>33,821,820</b>	<b>33,821,820</b>	<b>98.6</b>
<b>Total Investments</b>		<b>33,821,820</b>	<b>33,821,820</b>	<b>98.6</b>
<b>Other Assets less Liabilities</b>			<b>471,373</b>	<b>1.4</b>
<b>Total Net Assets</b>			<b>34,293,193</b>	<b>100.0</b>

## Fund Specific Notes to the Financial Statements

### Financial Risk Management

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

#### (a) Credit risk

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

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at June 30, 2020 and December 31, 2019 are noted below:

Rating	Percentage of Net Assets (%)	
	June 30, 2020	December 31, 2019
AAA/Aaa	61.5	60.5
AA/Aa	34.8	35.5
<b>Total</b>	<b>96.3</b>	<b>96.0</b>

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

#### (b) Market risk

##### (i) Currency risk

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

##### (ii) Interest rate risk

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

The following table summarizes the Fund's exposure to interest rate risk, categorized by the earlier of the contractual re-pricing or maturity dates.

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
June 30, 2020	33,060,694	-	-	33,060,694
December 31, 2019	11,971,738	-	-	11,971,738

As at June 30, 2020, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Securities of the Fund would have decreased or increased respectively by \$52,196 (\$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 June 30, 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 (%)	
	June 30, 2020	December 31, 2019
<b>Short-Term Investments</b>		
Treasury Bills	55.1	44.2
Bankers' Acceptances	22.3	26.4
Discount Commercial Paper	12.5	13.9
Promissory Notes	2.1	6.4
Bearer Deposit Notes	4.3	5.2
Other Assets less Liabilities	3.7	3.9
<b>Total</b>	<b>100.0</b>	<b>100.0</b>

## Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at June 30, 2020 and December 31, 2019.

	June 30, 2020			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	33,821,820	-	-	33,821,820

  

	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 June 30, 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 securities on the relevant valuation dates and are classified as Level 1.

## Related Party Transactions

### Seed Capital Investment by the Manager

Sun Life Global Investments (Canada) Inc. (the "Manager") is the issuer of the Fund. Investment by the Manager, from time to time, in the Fund is for the purposes of seed money investments. As at June 30, 2020 and December 31, 2019, the Manager held the following positions in the Fund:

	June 30, 2020	
	Securities	Market Value (\$)
Series A	975,905	10,022,446

  

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

### Interest in Underlying Funds

The Fund invests in redeemable units of the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles 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 June 30, 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 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)

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## 1. Establishment of the Funds

Sun Life Global Investments Corporate Class Inc. (the “Corporation”) is a mutual fund corporation incorporated by articles of incorporation under the laws of the Province of Ontario as of June 17, 2013. Each class of shares of the mutual fund corporation is herein referred to as a “Fund”.

Sun Life Global Investments (Canada) Inc. (the “Manager”) is the Manager of the Funds. The Manager has its registered office at 1 York Street, Toronto, Ontario, Canada, M5J 0B6.

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

The financial statements of the Funds include the Schedule of Investments for each Fund as at June 30, 2020, the Statements of Financial Position as at June 30, 2020 and December 31, 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 six months ended June 30, 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 six months ended June 30, 2020 were authorized on August 21, 2020 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 redeemable securityholders.

### 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.

# Notes to the Financial Statements

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

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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).

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.

# Notes to the Financial Statements

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

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**(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.

**(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.

# Notes to the Financial Statements

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

## 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.

## 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	1.80%	1.80%	-	0.80%	0.80%	-
Sun Life Granite Balanced Growth Class	1.85%	1.85%	1.85%	0.85%	0.85%	0.85%
Sun Life Granite Conservative Class	1.50%	1.50%	-	0.75%	0.75%	-
Sun Life Granite Growth Class	1.90%	1.90%	1.90%	0.90%	0.90%	0.90%
Sun Life Granite Moderate Class	1.75%	1.75%	-	0.75%	0.75%	-
Sun Life MFS Global Growth Class	1.85%	1.85%	1.85%	0.85%	0.85%	0.85%
Sun Life MFS International Opportunities Class (formerly Sun Life MFS International Growth Class)	1.85%	1.85%	1.85%	0.85%	0.85%	0.85%
Sun Life MFS U.S. Growth Class	1.85%	1.85%	1.85%	0.85%	0.85%	0.85%
Sun Life Money Market Class*	1.00%	-	-	0.75%	-	-

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



# Notes to the Financial Statements

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

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	0.80%
Sun Life Granite Balanced Growth Class	0.85%
Sun Life Granite Conservative Class	0.75%
Sun Life Granite Growth Class	0.90%
Sun Life Granite Moderate Class	0.75%
Sun Life MFS Global Growth Class	0.85%
Sun Life MFS International Opportunities Class (formerly Sun Life MFS International Growth Class)	0.85%
Sun Life MFS U.S. Growth Class	0.85%
Sun Life Money Market Class**	0.75%

\* 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.

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.

# Notes to the Financial Statements

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

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## 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 June 30, 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).

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 Sun Life Global Investments (Canada) 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 Sun Life Global Investments (Canada) 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 Independent Review Committee ("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).

# Notes to the Financial Statements

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

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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.

The value of investments within a Fund’s portfolio can fluctuate on a daily basis as a result of corporate developments, changes in interest rates, changes in the level of inflation, and other political and economic developments. The level of risk depends on the Fund’s investment objectives and the type of securities in which it invests.

These risks and related risk management practices employed by the Funds are discussed below and for each Fund specifically in the “Financial Risk Management” section in the Fund Specific Notes to the financial statements. Additional risks that may be associated with investments in the Funds are described in the simplified prospectus of the Funds.

### (a) Credit risk

Credit risk is the risk that the counterparty to a financial instrument will fail to discharge an obligation or commitment that it has entered into with a Fund. The Funds’ main credit risk concentration is spread between short-term debt securities, fixed income securities, and derivative contracts, and represents the maximum credit risk exposure of the Funds. The Funds limit their exposure to credit risk by placing their cash and cash equivalents, derivative instruments and fixed income securities with high credit quality counterparties.

All transactions in listed securities are settled upon delivery using approved brokers/dealers. The risk of default is considered minimal, as delivery of securities sold is only made once the broker/dealer has received payment. Payment is made on a purchase once the securities have been received by the broker/dealer. The trade will fail if either party fails to meet its obligation.

### (b) Market risk

#### (i) Currency risk

Currency risk is the risk that the value of investments denominated in currencies, other than the Canadian dollar (the functional currency of the Funds), will fluctuate due to changes in foreign exchange rates. The “Financial Risk Management” section in the Fund Specific Notes to the financial statements identifies all investments denominated in foreign currencies. Equities in foreign markets and foreign bonds are exposed to currency risk as the prices denominated in foreign currencies are converted into the Canadian dollar in determining fair value. The Funds could be exposed to currency risk if the value of the foreign currency changes unfavourably.

#### (ii) Interest rate risk

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

#### (iii) Other market risk

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

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

### (c) Liquidity risk

The Funds are exposed to daily cash redemptions of redeemable 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.

# Notes to the Financial Statements

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

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## (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.







## SEMI-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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