
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC

ANNUAL FINANCIAL STATEMENTS

for the period ended December 31, 2017

Sun Life BlackRock Canadian Balanced Class

Sun Life BlackRock Canadian Composite Equity Class

Sun Life BlackRock Canadian Equity Class

Sun Life Dynamic Equity Income Class

Sun Life Dynamic Strategic Yield Class

Sun Life Franklin Bissett Canadian Equity Class

Sun Life Granite Balanced Class

Sun Life Granite Balanced Growth Class

Sun Life Granite Conservative Class

Sun Life Granite Growth Class

Sun Life Granite Moderate Class

Sun Life MFS Canadian Equity Class

Sun Life MFS Dividend Income Class

Sun Life MFS Global Growth Class

Sun Life MFS International Growth Class

Sun Life MFS U.S. Growth Class

Sun Life Money Market Class

Sun Life Sentry Value Class

Sun Life Sionna Canadian Small Cap Equity Class

Sun Life Trimark Canadian Class



Table of Contents

Independent Auditors' Report	2
Sun Life BlackRock Canadian Balanced Class	3
Sun Life BlackRock Canadian Composite Equity Class	8
Sun Life BlackRock Canadian Equity Class	14
Sun Life Dynamic Equity Income Class	21
Sun Life Dynamic Strategic Yield Class	26
Sun Life Franklin Bissett Canadian Equity Class	32
Sun Life Granite Balanced Class	37
Sun Life Granite Balanced Growth Class	42
Sun Life Granite Conservative Class	47
Sun Life Granite Growth Class	52
Sun Life Granite Moderate Class	57
Sun Life MFS Canadian Equity Class	62
Sun Life MFS Dividend Income Class	68
Sun Life MFS Global Growth Class	74
Sun Life MFS International Growth Class	80
Sun Life MFS U.S. Growth Class	86
Sun Life Money Market Class	92
Sun Life Sentry Value Class	97
Sun Life Sionna Canadian Small Cap Equity Class	103
Sun Life Trimark Canadian Class	108
Notes to Financial Statements	113

Independent Auditors' Report

To the Shareholders of:

Sun Life BlackRock Canadian Balanced Class
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Sun Life Trimark Canadian Class

(collectively, the "Funds")

We have audited the accompanying financial statements of the Funds, which comprise the statements of financial position as at December 31, 2017 and 2016, and the statements of comprehensive income (loss), changes in net assets attributable to holders of redeemable shares, and cash flows for the periods then ended, and a summary of significant accounting policies and other explanatory information.

Management's responsibility for the financial statements

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

Auditors' responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with Canadian generally accepted auditing standards. Those standards require that we comply with ethical requirements and plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditors consider internal control relevant to the Funds' preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Funds' internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained in our audits is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as at December 31, 2017 and 2016, and their financial performance and their cash flows for the periods then ended in accordance with International Financial Reporting Standards.

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

Kitchener, Canada
March 28, 2018

Chartered Professional Accountants
Licensed Public Accountants

Sun Life BlackRock Canadian Balanced Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	1,758,144	1,722,713
Cash	228	-
Due from investment dealers	-	1,951
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	-	-
	1,758,372	1,724,664
Liabilities		
Current Liabilities		
Bank indebtedness	-	39
Accrued expenses	30	38
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	350	566
Management fees payable	522	1,969
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	902	2,612
Net Assets Attributable to Holders of Redeemable Shares	1,757,470	1,722,052
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	1,081,937	1,107,533
Series AT5	65,910	61,329
Series E	-	-
Series EF	-	-
Series F	191,693	176,802
Series O	417,930	376,388
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	12.33	11.65
Series AT5	14.89	14.78
Series E	-	-
Series EF	-	-
Series F	12.97	12.12
Series O	12.00	11.15

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	-	-
Distributions from underlying funds	39,938	39,356
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	23,117	3,861
Change in unrealized appreciation (depreciation) in value of investments	93,527	90,120
Net gains (losses) on investments	156,582	133,337
Total income (loss)	156,582	133,337
Expenses (note 5)		
Management fees	21,085	18,352
Administration fees	995	813
Independent review committee fees	36	9
Total operating expenses	22,116	19,174
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	134,466	114,163
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	134,466	114,163
Income taxes	756	(50)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	133,710	114,213
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	78,054	78,250
Series AT5	4,560	4,611
Series E	-	(4,109)
Series EF	-	(166)
Series F	15,245	9,836
Series O	35,851	25,791
Weighted Average Number of Shares Outstanding		
Series A	92,003	85,457
Series AT5	4,254	3,992
Series E	-	18,672
Series EF	-	1,009
Series F	14,608	10,426
Series O	35,879	26,183
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	0.85	0.92
Series AT5	1.07	1.16
Series E	-	(0.22)
Series EF	-	(0.16)
Series F	1.04	0.94
Series O	1.00	0.99

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

Sun Life BlackRock Canadian Balanced Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series E		Series EF	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 1,107,533	737,742	61,329	56,715	-	212,381	-	9,670
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 78,054	78,250	4,560	4,611	-	(4,109)	-	(166)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 176,689	431,074	23	-	-	-	-	-
Redemption of redeemable shares	\$ (280,307)	(139,334)	-	-	-	(208,260)	-	(9,504)
Reinvestment of distributions to holders of redeemable shares	\$ 16,013	14,347	4,099	3,712	-	10	-	1
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (87,605)	306,087	4,122	3,712	-	(208,250)	-	(9,503)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (2,623)	(616)	(145)	(38)	-	-	-	-
From net investment income	\$ (13,079)	(13,396)	(797)	(3,645)	-	-	-	-
Return of capital	\$ (343)	(534)	(3,159)	(26)	-	(22)	-	(1)
	\$ (16,045)	(14,546)	(4,101)	(3,709)	-	(22)	-	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (25,596)	369,791	4,581	4,614	-	(212,381)	-	(9,670)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 1,081,937	1,107,533	65,910	61,329	-	-	-	-
Redeemable Share Transactions								
Balance - beginning of period	95,036	67,515	4,150	3,900	-	21,322	-	1,009
Shares issued	14,760	38,251	2	-	-	-	-	-
Shares issued on reinvestment of distributions	1,302	1,236	275	250	-	1	-	-
Shares redeemed	(23,356)	(11,966)	-	-	-	(21,323)	-	(1,009)
Balance - end of period	87,742	95,036	4,427	4,150	-	-	-	-

	Series F		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 176,802	90,277	376,388	249,962	1,722,052	1,356,747
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 15,245	9,836	35,851	25,791	133,710	114,213
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 96	79,744	138,019	113,331	314,827	624,149
Redemption of redeemable shares	\$ (452)	(3,067)	(132,328)	(12,696)	(413,087)	(372,861)
Reinvestment of distributions to holders of redeemable shares	\$ 2,804	2,334	6,037	4,722	28,953	25,126
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 2,448	79,011	11,728	105,357	(69,307)	276,414
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (420)	(68)	(981)	(167)	(4,169)	(889)
From net investment income	\$ (2,317)	(2,138)	(5,056)	(4,555)	(21,249)	(23,734)
Return of capital	\$ (65)	(116)	-	-	(3,567)	(699)
	\$ (2,802)	(2,322)	(6,037)	(4,722)	(28,985)	(25,322)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 14,891	86,525	41,542	126,426	35,418	365,305
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 191,693	176,802	417,930	376,388	1,757,470	1,722,052
Redeemable Share Transactions						
Balance - beginning of period	14,591	8,038	33,764	24,335	147,541	126,119
Shares issued	9	6,621	11,718	10,191	26,489	55,063
Shares issued on reinvestment of distributions	218	193	508	425	2,303	2,105
Shares redeemed	(37)	(261)	(11,170)	(1,187)	(34,563)	(35,746)
Balance - end of period	14,781	14,591	34,820	33,764	141,770	147,541

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

Sun Life BlackRock Canadian Balanced Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	133,710	114,213
Adjustments for:		
Net realized (gain) loss on sale of investments	(23,117)	(3,861)
Change in unrealized (appreciation) depreciation in value of investments	(93,527)	(90,120)
Non-cash income distributions from underlying funds	(39,938)	(39,356)
Purchases of investments	(195,327)	(471,885)
Proceeds from sale of investments	318,213	163,715
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(1,447)	1,631
Change in other payables and accrued expenses	(8)	25
Change in income tax payable	-	-
Net Cash Provided by (Used in) Operating Activities	98,559	(325,638)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(32)	(196)
Proceeds from redeemable shares issued	314,827	624,149
Redemption of redeemable shares	(413,087)	(372,861)
Net Cash Provided by (Used in) Financing Activities	(98,292)	251,092
Net increase (decrease) in cash	267	(74,546)
Cash (bank indebtedness) at beginning of period	(39)	74,507
Cash (bank indebtedness) at end of period	228	(39)
Interest received	-	-
Income taxes paid	(756)	-
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life BlackRock Canadian Balanced Fund, Series I	132,237	1,589,744	1,758,144	
		1,589,744	1,758,144	100.04
Total Investments		1,589,744	1,758,144	100.04
Other Assets less Liabilities			(674)	(0.04)
Total Net Assets			1,757,470	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Underlying Fund is exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds.

The Underlying Fund also invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	December 31, 2017	December 31, 2016
AAA/Aaa	0.60	0.11
Total	0.60	0.11

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

Sun Life BlackRock Canadian Balanced Class (continued)

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

(b) Market risk

(i) Currency risk

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

(ii) Interest rate risk

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

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Exchange-Traded Funds		
Foreign Bonds	15.7	15.6
Industrials	1.7	2.0
Consumer Discretionary	3.0	2.9
Consumer Staples	2.6	2.8
Health Care	4.2	4.3
Real Estate	0.3	0.2
Information Technology	5.9	5.2
Telecommunication Services	-	0.1
Utilities	0.4	0.5
Mutual Funds		
Mutual Funds - Canadian Equities	42.0	42.6
Mutual Funds - Canadian Fixed Income	23.5	23.5
Other Assets less Liabilities	0.7	0.3
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	1,758,144	-	-	1,758,144
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	1,722,713	-	-	1,722,713

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

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

Sun Life BlackRock Canadian Balanced Class (continued)

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

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

	December 31, 2016	
	Shares	Market Value (\$)
Series A	13,540	157,795
Series AT5	822	12,142
Series F	1,916	23,212

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	420	-	2,427
Series AT5	32	-	810
Series EF	-	-	-
Series F	61	-	361

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	385	-	2,006
Series AT5	29	-	729
Series EF	1	9,504	-
Series F	9,558	-	295

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	1,758,144	1,722,713
Total financial assets at fair value through profit or loss	1,758,144	1,722,713
Financial assets at amortized cost		
Cash	228	-
Other receivables	-	1,951
Total financial assets at amortized cost	228	1,951
Total assets	1,758,372	1,724,664
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	902	2,612
Total liabilities (excluding net assets attributable to holders of redeemable shares)	902	2,612

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	156,582	133,337
Total net gains (losses)	156,582	133,337

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life BlackRock Canadian Composite Equity Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	13,332,645	7,649,844
Cash	-	1,534
Due from investment dealers	6,619	-
Accrued interest	-	-
Distributions receivable from underlying funds	878,902	196,700
Subscriptions receivable	25,259	440,112
	14,243,425	8,288,190
Liabilities		
Current Liabilities		
Bank indebtedness	30,759	-
Accrued expenses	32	104
Redemptions payable	-	12,229
Distributions payable	-	9,340
Due to investment dealers	879,012	625,307
Management fees payable	270	738
Income tax payable	3,366	4,198
Total liabilities (excluding net assets attributable to holders of redeemable shares)	913,439	651,916
Net Assets Attributable to Holders of Redeemable Shares	13,329,986	7,636,274
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	962,321	805,230
Series AT5	13,968	12,943
Series E	-	-
Series EF	-	-
Series F	29,958	24,279
Series I	12,194,800	6,501,099
Series O	128,939	292,723
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	11.94	11.37
Series AT5	14.40	14.41
Series E	-	-
Series EF	-	-
Series F	12.24	11.59
Series I	10.73	10.09
Series O	11.07	10.42

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	133	-
Distributions from underlying funds	878,901	196,700
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	122,526	6,197
Change in unrealized appreciation (depreciation) in value of investments	50,469	560,735
Net gains (losses) on investments	1,052,029	763,632
Total income (loss)	1,052,029	763,632
Expenses (note 5)		
Management fees	10,882	4,123
Administration fees	1,337	673
Independent review committee fees	25	24
Total operating expenses	12,244	4,820
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	1,039,785	758,812
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	1,039,785	758,812
Income taxes	4,387	4,198
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	1,035,398	754,614
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	67,871	72,480
Series AT5	1,003	2,145
Series E	-	(436)
Series EF	-	(152)
Series F	2,269	4,287
Series I	951,014	645,144
Series O	13,241	31,146
Weighted Average Number of Shares Outstanding		
Series A	85,672	36,325
Series AT5	921	855
Series E	-	2,933
Series EF	-	1,017
Series F	2,341	1,949
Series I	966,941	358,195
Series O	16,339	18,029
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	0.79	2.00
Series AT5	1.09	2.51
Series E	-	(0.15)
Series EF	-	(0.15)
Series F	0.97	2.20
Series I	0.98	1.80
Series O	0.81	1.73

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

Sun Life BlackRock Canadian Composite Equity Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series E		Series EF	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 805,230	212,630	12,943	10,794	-	25,496	-	9,195
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 67,871	72,480	1,003	2,145	-	(436)	-	(152)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 472,308	659,353	25	-	-	-	-	-
Redemption of redeemable shares	\$ (383,419)	(138,961)	-	-	-	(25,059)	-	(9,043)
Reinvestment of distributions to holders of redeemable shares	\$ 23,518	19,277	1,007	945	-	1	-	1
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 112,407	539,669	1,032	945	-	(25,058)	-	(9,042)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (667)	(1,635)	(8)	(78)	-	-	-	-
From net investment income	\$ (22,257)	(17,502)	(323)	(281)	-	-	-	-
Return of capital	\$ (263)	(412)	(679)	(582)	-	(2)	-	(1)
	\$ (23,187)	(19,549)	(1,010)	(941)	-	(2)	-	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 157,091	592,600	1,025	2,149	-	(25,496)	-	(9,195)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 962,321	805,230	13,968	12,943	-	-	-	-
Redeemable Share Transactions								
Balance - beginning of period	70,890	21,745	899	831	-	2,933	-	1,017
Shares issued	40,689	60,630	2	-	-	-	-	-
Shares issued on reinvestment of distributions	1,969	1,724	69	68	-	-	-	-
Shares redeemed	(32,968)	(13,209)	-	-	-	(2,933)	-	(1,017)
Balance - end of period	80,580	70,890	970	899	-	-	-	-

	Series F		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 24,279	10,943	6,501,099	266,456	292,723	79,771	7,636,274	615,285
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 2,269	4,287	951,014	645,144	13,241	31,146	1,035,398	754,614
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 3,410	9,043	5,931,079	5,710,556	62,734	224,159	6,469,556	6,603,111
Redemption of redeemable shares	\$ -	-	(1,197,407)	(112,079)	(239,759)	(42,353)	(1,820,585)	(327,495)
Reinvestment of distributions to holders of redeemable shares	\$ 740	730	296,257	134,839	2,661	6,946	324,183	162,739
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 4,150	9,773	5,029,929	5,733,316	(174,364)	188,752	4,973,154	6,438,355
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (18)	(146)	(5,191)	(2,505)	(216)	(579)	(6,100)	(4,943)
From net investment income	\$ (722)	(528)	(282,051)	(141,312)	(2,445)	(6,367)	(307,798)	(165,990)
Return of capital	\$ -	(50)	-	-	-	-	(942)	(1,047)
	\$ (740)	(724)	(287,242)	(143,817)	(2,661)	(6,946)	(314,840)	(171,980)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 5,679	13,336	5,693,701	6,234,643	(163,784)	212,952	5,693,712	7,020,989
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 29,958	24,279	12,194,800	6,501,099	128,939	292,723	13,329,986	7,636,274
Redeemable Share Transactions								
Balance - beginning of period	2,097	1,104	644,484	31,059	28,113	8,998	746,483	67,687
Shares issued	290	927	576,833	611,556	5,813	22,514	623,627	695,627
Shares issued on reinvestment of distributions	61	66	27,679	13,408	241	677	30,019	15,943
Shares redeemed	-	-	(112,898)	(11,539)	(22,517)	(4,076)	(168,383)	(32,774)
Balance - end of period	2,448	2,097	1,136,098	644,484	11,650	28,113	1,231,746	746,483

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

Sun Life BlackRock Canadian Composite Equity Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	1,035,398	754,614
Adjustments for:		
Net realized (gain) loss on sale of investments	(122,526)	(6,197)
Change in unrealized (appreciation) depreciation in value of investments	(50,469)	(560,735)
Non-cash income distributions from underlying funds	(878,901)	(196,700)
Purchases of investments	(6,026,621)	(5,870,442)
Proceeds from sale of investments	1,642,802	205,867
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	(682,202)	(180,292)
Change in management fees payable	(468)	682
Change in other payables and accrued expenses	(72)	97
Change in income tax payable	(832)	4,198
Net Cash Provided by (Used in) Operating Activities	(5,083,891)	(5,848,908)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	3	61
Proceeds from redeemable shares issued	6,884,409	6,165,326
Redemption of redeemable shares	(1,832,814)	(315,602)
Net Cash Provided by (Used in) Financing Activities	5,051,598	5,849,785
Net increase (decrease) in cash	(32,293)	877
Cash (bank indebtedness) at beginning of period	1,534	657
Cash (bank indebtedness) at end of period	(30,759)	1,534
Interest received	133	-
Income taxes paid	5,219	-
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life BlackRock Canadian Composite Equity Fund, Series I	1,187,901	12,778,734	13,332,645	
		12,778,734	13,332,645	100.02
Total Investments		12,778,734	13,332,645	100.02
Other Assets less Liabilities			(2,659)	(0.02)
Total Net Assets			13,329,986	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

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

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

Sun Life BlackRock Canadian Composite Equity Class (continued)

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	December 31, 2017		December 31, 2016	
	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
United States Dollar	5,432	0.04	2,548	0.03
Total	5,432	0.04	2,548	0.03

As at December 31, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$272 (\$127 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

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

As at December 31, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$663,471 (\$382,491 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Equities		
Financials	34.6	34.9
Energy	18.9	20.7
Materials	11.3	11.9
Industrials	9.4	8.7
Consumer Discretionary	5.2	5.0
Telecommunication Services	4.6	4.8
Utilities	3.9	3.0
Consumer Staples	3.6	3.8
Information Technology	3.2	2.7
Real Estate	2.8	2.9
Health Care	0.8	0.5
Other Assets less Liabilities	1.7	1.1
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

	December 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	13,332,645	-	-	13,332,645
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	7,649,844	-	-	7,649,844

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

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

Sun Life BlackRock Canadian Composite Equity Class (continued)

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

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

	December 31, 2016	
	Shares	Market Value (\$)
Series A	15,795	179,509
Series AT5	899	12,950
Series F	2,097	24,292
Series I	1,047	10,568

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	468	-	4,598
Series AT5	34	-	995
Series EF	-	-	-
Series F	64	-	625
Series I	-	-	273
Series O	-	-	-
Series E	-	-	-

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	9,571	-	4,983
Series AT5	30	-	915
Series EF	1	9,043	-
Series F	9,099	-	674
Series I	-	-	293
Series O	-	11,366	68
Series E	1	9,161	-

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	13,332,645	7,649,844
Total financial assets at fair value through profit or loss	13,332,645	7,649,844
Financial assets at amortized cost		
Cash	-	1,534
Other receivables	910,780	636,812
Total financial assets at amortized cost	910,780	638,346
Total assets	14,243,425	8,288,190
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	913,439	651,916
Total liabilities (excluding net assets attributable to holders of redeemable shares)	913,439	651,916

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	1,052,029	763,632
Total net gains (losses)	1,052,029	763,632

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

Sun Life BlackRock Canadian Composite Equity Class (continued)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series I Shares	May 01, 2015	May 01, 2015
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life BlackRock Canadian Equity Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	4,810,815	2,489,465
Cash	-	-
Due from investment dealers	2,961	66,124
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	12,500	66,205
	4,826,276	2,621,794
Liabilities		
Current Liabilities		
Bank indebtedness	6,097	4,380
Accrued expenses	22	90
Redemptions payable	3,961	66,913
Distributions payable	-	1,261
Due to investment dealers	5,973	64,022
Management fees payable	335	1,365
Income tax payable	3,347	414
Total liabilities (excluding net assets attributable to holders of redeemable shares)	19,735	138,445
Net Assets Attributable to Holders of Redeemable Shares	4,806,541	2,483,349
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	704,891	538,757
Series AT5	14,689	13,294
Series AT8	37,682	176,154
Series E	-	-
Series EF	-	-
Series F	52,748	204,831
Series I	3,726,701	1,313,349
Series O	269,830	236,964
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	12.77	11.86
Series AT5	15.41	15.03
Series AT8	13.44	13.53
Series E	-	-
Series EF	-	-
Series F	13.43	12.33
Series I	11.11	10.12
Series O	12.16	11.09

Approved on behalf of Trustee

"signed" Rick Headrick _____ President	"signed" Paul Sergi _____ Chief Financial Officer
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Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	137	104
Distributions from underlying funds	203,442	55,941
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	61,484	23,822
Change in unrealized appreciation (depreciation) in value of investments	148,890	198,974
Net gains (losses) on investments	413,953	278,841
Total income (loss)	413,953	278,841
Expenses (note 5)		
Management fees	12,570	12,316
Administration fees	827	947
Independent review committee fees	18	12
Total operating expenses	13,415	13,275
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	400,538	265,566
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	400,538	265,566
Income taxes	3,931	414
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	396,607	265,152
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	58,761	64,115
Series AT5	1,373	1,562
Series AT8	11,257	21,302
Series E	-	(470)
Series EF	-	(354)
Series F	11,129	13,623
Series I	286,272	112,365
Series O	27,815	53,009
Weighted Average Number of Shares Outstanding		
Series A	48,622	46,197
Series AT5	910	842
Series AT8	6,454	12,936
Series E	-	1,267
Series EF	-	1,018
Series F	7,855	7,359
Series I	228,713	75,283
Series O	21,091	39,293
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	1.21	1.39
Series AT5	1.51	1.86
Series AT8	1.74	1.65
Series E	-	(0.37)
Series EF	-	(0.35)
Series F	1.42	1.85
Series I	1.25	1.49
Series O	1.32	1.35

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

Sun Life BlackRock Canadian Equity Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 538,757	514,444	13,294	11,728	176,154	172,769	-	12,257
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 58,761	64,115	1,373	1,562	11,257	21,302	-	(470)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 279,364	110,524	26	-	3,909	-	-	-
Redemption of redeemable shares	\$ (171,997)	(150,337)	-	-	(147,225)	-	-	(11,786)
Reinvestment of distributions to holders of redeemable shares	\$ 14,917	17,949	1,023	1,066	2,031	1,981	-	1
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 122,284	(21,864)	1,049	1,066	(141,285)	1,981	-	(11,785)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (3,128)	(7,220)	(86)	(172)	(1,131)	(2,523)	-	-
From net investment income	\$ (11,546)	(10,314)	(241)	(254)	(623)	(3,453)	-	-
Return of capital	\$ (237)	(404)	(700)	(636)	(6,690)	(13,922)	-	(2)
	\$ (14,911)	(17,938)	(1,027)	(1,062)	(8,444)	(19,898)	-	(2)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 166,134	24,313	1,395	1,566	(138,472)	3,385	-	(12,257)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 704,891	538,757	14,689	13,294	37,682	176,154	-	-
Redeemable Share Transactions								
Balance - beginning of period	45,434	47,385	884	811	13,023	12,875	-	1,267
Shares issued	22,691	9,500	2	-	283	-	-	-
Shares issued on reinvestment of distributions	1,179	1,601	67	73	150	148	-	-
Shares redeemed	(14,113)	(13,052)	-	-	(10,653)	-	-	(1,267)
Balance - end of period	55,191	45,434	953	884	2,803	13,023	-	-

	Series EF		Series F		Series I		Series O	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	9,469	204,831	53,566	1,313,349	380,503	236,964	422,313
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ -	(354)	11,129	13,623	286,272	112,365	27,815	53,009
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ -	-	57	137,624	2,477,049	932,235	62,691	175,900
Redemption of redeemable shares	\$ -	(9,115)	(163,263)	-	(351,227)	(110,493)	(57,512)	(414,258)
Reinvestment of distributions to holders of redeemable shares	\$ -	1	2,258	4,954	73,850	30,867	5,774	10,861
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ -	(9,114)	(160,948)	142,578	2,199,672	852,609	10,953	(227,497)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ -	-	(1,326)	(928)	(11,554)	(6,959)	(1,480)	(6,321)
From net investment income	\$ -	-	(864)	(3,921)	(61,038)	(25,169)	(4,422)	(4,540)
Return of capital	\$ -	(1)	(74)	(87)	-	-	-	-
	\$ -	(1)	(2,264)	(4,936)	(72,592)	(32,128)	(5,902)	(10,861)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ -	(9,469)	(152,083)	151,265	2,413,352	932,846	32,866	(185,349)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ -	-	52,748	204,831	3,726,701	1,313,349	269,830	236,964
Redeemable Share Transactions								
Balance - beginning of period	-	1,018	16,617	4,799	129,759	41,811	21,369	42,321
Shares issued	-	-	5	11,404	231,517	95,857	5,318	16,213
Shares issued on reinvestment of distributions	-	-	174	414	6,741	3,159	483	1,070
Shares redeemed	-	(1,018)	(12,867)	-	(32,433)	(11,068)	(4,973)	(38,235)
Balance - end of period	-	-	3,929	16,617	335,584	129,759	22,197	21,369

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

Sun Life BlackRock Canadian Equity Class (continued)

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

For the periods ended December 31

	Total	
	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 2,483,349	1,577,049
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 396,607	265,152
Redeemable Share Transactions		
Proceeds from redeemable shares issued	\$ 2,823,096	1,356,283
Redemption of redeemable shares	\$ (891,224)	(695,989)
Reinvestment of distributions to holders of redeemable shares	\$ 99,853	67,680
Capitalized distributions	\$ -	-
	\$ 2,031,725	727,974
Distributions to Holders of Redeemable Shares		
From capital gains	\$ (18,705)	(24,123)
From net investment income	\$ (78,734)	(47,651)
Return of capital	\$ (7,701)	(15,052)
	\$ (105,140)	(86,826)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,323,192	906,300
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 4,806,541	2,483,349
Redeemable Share Transactions		
Balance - beginning of period	227,086	152,287
Shares issued	259,816	132,974
Shares issued on reinvestment of distributions	8,794	6,465
Shares redeemed	(75,039)	(64,640)
Balance - end of period	420,657	227,086

Statements of Cash Flows

For the periods ended December 31

	2017	2016		2017	2016
	(\$)	(\$)		(\$)	(\$)
Cash Flows from Operating Activities			Cash (bank indebtedness) at end of period	(6,097)	(4,380)
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	396,607	265,152	Interest received	137	104
Adjustments for:			Income taxes paid	(998)	-
Net realized (gain) loss on sale of investments	(61,484)	(23,822)	Interest paid	-	-
Change in unrealized (appreciation) depreciation in value of investments	(148,890)	(198,974)			
Non-cash income distributions from underlying funds	(203,442)	(55,941)			
Purchases of investments	(2,772,428)	(1,142,477)			
Proceeds from sale of investments	870,008	494,659			
Change in accrued interest	-	-			
Change in distributions receivable from underlying funds	-	-			
Change in management fees payable	(1,030)	1,115			
Change in other payables and accrued expenses	(68)	72			
Change in income tax payable	2,933	414			
Net Cash Provided by (Used in) Operating Activities	(1,917,794)	(659,802)			
Cash Flows from Financing Activities					
Distributions paid to holders of redeemable shares, net of reinvested distributions	(6,548)	(17,886)			
Proceeds from redeemable shares issued	2,876,801	1,306,555			
Redemption of redeemable shares	(954,176)	(629,426)			
Net Cash Provided by (Used in) Financing Activities	1,916,077	659,243			
Net increase (decrease) in cash	(1,717)	(559)			
Cash (bank indebtedness) at beginning of period	(4,380)	(3,821)			

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

Sun Life BlackRock Canadian Equity Class (continued)

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life BlackRock Canadian Equity Fund, Series I	344,688	4,527,874	4,810,815	
		4,527,874	4,810,815	100.09
Total Investments		4,527,874	4,810,815	100.09
Other Assets less Liabilities			(4,274)	(0.09)
Total Net Assets			4,806,541	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

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

The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	December 31, 2017	December 31, 2016
AAA/Aaa	0.15	-
A/A	-	0.03
Total	0.15	0.03

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

(b) Market risk

(i) Currency risk

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

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	December 31, 2017		December 31, 2016	
	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
United States Dollar	1,350	0.03	580	0.02
Total	1,350	0.03	580	0.02

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

Sun Life BlackRock Canadian Equity Class (continued)

As at December 31, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$68 (\$29 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

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

(iii) Other market risk

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

As at December 31, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$164,906 (\$87,016 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Exchange-Traded Funds		
Industrials	3.3	3.6
Consumer Discretionary	5.3	4.9
Consumer Staples	4.3	4.4
Health Care	7.0	6.9
Information Technology	9.8	8.8
Real Estate	0.3	0.5
Utilities	0.6	0.9
Equities		
Energy	13.0	14.4
Materials	7.8	8.3
Industrials	6.5	6.0
Consumer Discretionary	3.6	3.5
Consumer Staples	2.5	2.7
Health Care	0.6	0.3
Financials	23.7	24.4
Information Technology	2.2	1.9
Real Estate	1.9	2.1
Telecommunication Services	3.2	3.3
Utilities	2.7	2.1
Other Assets less Liabilities	1.7	1.0
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	4,810,815	-	-	4,810,815
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	2,489,465	-	-	2,489,465

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

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

Sun Life BlackRock Canadian Equity Class (continued)

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

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

	December 31, 2016	
	Shares	Market Value (\$)
Series A	14,420	171,021
Series AT5	884	13,296
Series AT8	982	13,290
Series F	2,001	24,674
Series I	1,053	10,661

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	460	-	4,199
Series AT5	36	-	1,011
Series AT8	36	-	1,437
Series E	-	-	-
Series EF	-	-	-
Series F	67	-	611
Series I	-	-	265

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	10,163	-	5,490
Series AT5	31	-	1,035
Series AT8	32	-	1,415
Series E	1	9,762	-
Series EF	1	9,115	-
Series F	9,174	-	789
Series I	-	-	341

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	4,810,815	2,489,465
Total financial assets at fair value through profit or loss	4,810,815	2,489,465
Financial assets at amortized cost		
Cash	-	-
Other receivables	15,461	132,329
Total financial assets at amortized cost	15,461	132,329
Total assets	4,826,276	2,621,794
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	19,735	138,445
Total liabilities (excluding net assets attributable to holders of redeemable shares)	19,735	138,445

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	413,953	278,841
Total net gains (losses)	413,953	278,841

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

Sun Life BlackRock Canadian Equity Class (continued)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series AT8 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series I Shares	May 01, 2015	May 01, 2015
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life Dynamic Equity Income Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	17,616,513	6,607,339
Cash	-	56,248
Due from investment dealers	-	1,462
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	253,475	335
	17,869,988	6,665,384
Liabilities		
Current Liabilities		
Bank indebtedness	16,964	-
Accrued expenses	259	493
Redemptions payable	-	12,176
Distributions payable	2,774	12
Due to investment dealers	259,294	39,016
Management fees payable	2,302	4,240
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	281,593	55,937
Net Assets Attributable to Holders of Redeemable Shares	17,588,395	6,609,447
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	3,089,253	1,385,473
Series AT5	1,298,663	1,172,403
Series E	-	-
Series EF	-	-
Series F	859,127	119,986
Series I	11,669,396	3,159,828
Series O	671,956	771,757
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	12.03	11.42
Series AT5	14.49	14.43
Series E	-	-
Series EF	-	-
Series F	12.60	11.82
Series I	11.24	10.44
Series O	11.89	11.06

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	99	147
Distributions from underlying funds	2,029,720	335,808
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	123,727	20,649
Change in unrealized appreciation (depreciation) in value of investments	(723,842)	157,210
Net gains (losses) on investments	1,429,704	513,814
Total income (loss)	1,429,704	513,814
Expenses (note 5)		
Management fees	73,806	22,413
Administration fees	7,946	2,828
Independent review committee fees	104	20
Total operating expenses	81,856	25,261
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	1,347,848	488,553
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	1,347,848	488,553
Income taxes	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	1,347,848	488,553
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	236,563	130,115
Series AT5	128,084	27,810
Series E	-	(2,827)
Series EF	-	(73)
Series F	54,239	13,935
Series I	844,146	252,806
Series O	84,816	66,787
Weighted Average Number of Shares Outstanding		
Series A	198,493	84,753
Series AT5	83,363	12,751
Series E	-	19,314
Series EF	-	1,050
Series F	34,667	8,430
Series I	608,336	167,287
Series O	58,889	42,386
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	1.19	1.54
Series AT5	1.54	2.18
Series E	-	(0.15)
Series EF	-	(0.07)
Series F	1.56	1.65
Series I	1.39	1.51
Series O	1.44	1.58

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

Sun Life Dynamic Equity Income Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series E		Series EF	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 1,385,473	688,388	1,172,403	79,899	-	198,892	-	9,971
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 236,563	130,115	128,084	27,810	-	(2,827)	-	(73)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 2,110,651	878,582	97,732	1,083,224	-	-	-	-
Redemption of redeemable shares	\$ (643,045)	(311,445)	(92,490)	(16,315)	-	(196,051)	-	(9,898)
Reinvestment of distributions to holders of redeemable shares	\$ 147,037	59,930	116,763	53,967	-	12	-	1
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,614,643	627,067	122,005	1,120,876	-	(196,039)	-	(9,897)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (7,315)	(8,577)	(4,422)	(809)	-	-	-	-
From net investment income	\$ (139,629)	(50,905)	(58,897)	(43,113)	-	-	-	-
Return of capital	\$ (482)	(615)	(60,510)	(12,260)	-	(26)	-	(1)
	\$ (147,426)	(60,097)	(123,829)	(56,182)	-	(26)	-	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,703,780	697,085	126,260	1,092,504	-	(198,892)	-	(9,971)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 3,089,253	1,385,473	1,298,663	1,172,403	-	-	-	-
Redeemable Share Transactions								
Balance - beginning of period	121,354	65,466	81,238	5,729	-	20,597	-	1,050
Shares issued	175,792	78,866	6,619	72,896	-	-	-	-
Shares issued on reinvestment of distributions	12,226	5,323	7,958	3,737	-	1	-	-
Shares redeemed	(52,574)	(28,301)	(6,190)	(1,124)	-	(20,598)	-	(1,050)
Balance - end of period	256,798	121,354	89,625	81,238	-	-	-	-

	Series F		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 119,986	76,647	3,159,828	407,266	771,757	309,041	6,609,447	1,770,104
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 54,239	13,935	844,146	252,806	84,816	66,787	1,347,848	488,553
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 728,450	29,691	9,136,905	2,915,398	183,637	757,499	12,257,375	5,664,394
Redemption of redeemable shares	\$ (43,557)	(295)	(1,471,493)	(415,644)	(368,254)	(361,571)	(2,618,839)	(1,311,219)
Reinvestment of distributions to holders of redeemable shares	\$ 39,724	5,367	541,452	121,126	33,364	31,336	878,340	271,739
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 724,617	34,763	8,206,864	2,620,880	(151,253)	427,264	10,516,876	4,624,914
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (971)	(879)	(17,890)	(4,970)	(2,967)	(3,104)	(33,565)	(18,339)
From net investment income	\$ (38,691)	(4,409)	(523,552)	(116,154)	(30,397)	(28,231)	(791,166)	(242,812)
Return of capital	\$ (53)	(71)	-	-	-	-	(61,045)	(12,973)
	\$ (39,715)	(5,359)	(541,442)	(121,124)	(33,364)	(31,335)	(885,776)	(274,124)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 739,141	43,339	8,509,568	2,752,562	(99,801)	462,716	10,978,948	4,839,343
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 859,127	119,986	11,669,396	3,159,828	671,956	771,757	17,588,395	6,609,447
Redeemable Share Transactions								
Balance - beginning of period	10,155	7,125	302,741	43,270	69,778	30,935	585,266	174,172
Shares issued	58,328	2,593	820,533	287,536	15,428	68,465	1,076,700	510,356
Shares issued on reinvestment of distributions	3,155	463	48,256	11,662	2,817	2,866	74,412	24,052
Shares redeemed	(3,438)	(26)	(132,867)	(39,727)	(31,488)	(32,488)	(226,557)	(123,314)
Balance - end of period	68,200	10,155	1,038,663	302,741	56,535	69,778	1,509,821	585,266

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

Sun Life Dynamic Equity Income Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	1,347,848	488,553
Adjustments for:		
Net realized (gain) loss on sale of investments	(123,727)	(20,649)
Change in unrealized (appreciation) depreciation in value of investments	723,842	(157,210)
Non-cash income distributions from underlying funds	(2,029,720)	(335,808)
Purchases of investments	(11,671,021)	(5,081,897)
Proceeds from sale of investments	2,313,192	800,686
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(1,938)	3,873
Change in other payables and accrued expenses	(234)	449
Change in income tax payable	-	-
Net Cash Provided by (Used in) Operating Activities	(9,441,758)	(4,302,003)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(4,674)	(2,388)
Proceeds from redeemable shares issued	12,004,235	5,664,389
Redemption of redeemable shares	(2,631,015)	(1,300,055)
Net Cash Provided by (Used in) Financing Activities	9,368,546	4,361,946
Net increase (decrease) in cash	(73,212)	59,943
Cash (bank indebtedness) at beginning of period	56,248	(3,695)
Cash (bank indebtedness) at end of period	(16,964)	56,248
Interest received	99	147
Income taxes paid	-	-
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Dynamic Equity Income Fund, Series I	1,529,583	18,158,699	17,616,513	
		18,158,699	17,616,513	100.16
Total Investments		18,158,699	17,616,513	100.16
Other Assets less Liabilities			(28,118)	(0.16)
Total Net Assets			17,588,395	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

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

(b) Market risk

(i) Currency risk

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

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

Sun Life Dynamic Equity Income Class (continued)

(ii) Interest rate risk

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

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Financials	17.3	19.1
Industrials	10.4	11.2
Consumer Discretionary	8.2	10.5
Real Estate	7.6	8.8
Information Technology	7.5	8.7
Utilities	7.2	7.9
Telecommunication Services	7.2	8.1
Health Care	6.9	5.2
Energy Infrastructure	6.5	6.0
Consumer Staples	6.1	4.8
Energy	3.0	-
Private Equity - Real Estate	1.9	2.6
Materials	1.4	0.9
Other Assets less Liabilities	8.8	6.2
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	6,607,339	-	-	6,607,339

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	December 31, 2017	
	Shares	Market Value (\$)
Series A	-	-
Series AT5	-	-
Series F	-	-
Series I	1,157	13,001

	December 31, 2016	
	Shares	Market Value (\$)
Series A	15,242	174,011
Series AT5	926	13,358
Series F	2,147	25,363
Series I	1,101	11,490

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	249	186,579	661
Series AT5	19	14,324	332
Series EF	-	-	-
Series F	35	27,349	96
Series I	-	-	631

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	409	-	7,929
Series AT5	31	-	1,213
Series EF	1	9,898	-
Series F	9,956	-	1,154
Series I	-	-	522

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

Sun Life Dynamic Equity Income Class (continued)

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, the Fund had significant interests in the Underlying Fund as noted in the following tables:

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

Underlying Fund	As at December 31, 2016	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life Dynamic Equity Income Fund	100	16

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	17,616,513	6,607,339
Total financial assets at fair value through profit or loss	17,616,513	6,607,339
Financial assets at amortized cost		
Cash	-	56,248
Other receivables	253,475	1,797
Total financial assets at amortized cost	253,475	58,045
Total assets	17,869,988	6,665,384
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	281,593	55,937
Total liabilities (excluding net assets attributable to holders of redeemable shares)	281,593	55,937

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	1,429,704	513,814
Total net gains (losses)	1,429,704	513,814

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series I Shares	May 01, 2015	May 01, 2015
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life Dynamic Strategic Yield Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	27,780,975	23,177,620
Cash	-	93,306
Due from investment dealers	639	200,765
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	32,526	108,895
	27,814,140	23,580,586
Liabilities		
Current Liabilities		
Bank indebtedness	16,291	-
Accrued expenses	87	2,964
Redemptions payable	6,081	-
Distributions payable	-	696
Due to investment dealers	12,771	142,439
Management fees payable	4,070	15,470
Income tax payable	32,807	11,293
Total liabilities (excluding net assets attributable to holders of redeemable shares)	72,107	172,862
Net Assets Attributable to Holders of Redeemable Shares	27,742,033	23,407,724
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	7,157,060	7,288,188
Series AT5	495,821	382,820
Series E	-	-
Series EF	-	-
Series F	424,362	393,594
Series I	8,013,450	4,879,421
Series O	11,651,340	10,463,701
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	11.06	10.62
Series AT5	13.26	13.38
Series E	-	-
Series EF	-	-
Series F	11.62	11.03
Series I	10.44	9.80
Series O	10.88	10.23

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	660	435
Distributions from underlying funds	1,165,320	1,070,533
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	24,524	(55,352)
Change in unrealized appreciation (depreciation) in value of investments	832,158	(102,891)
Net gains (losses) on investments	2,022,662	912,725
Total income (loss)	2,022,662	912,725
Expenses (note 5)		
Management fees	163,537	173,235
Administration fees	32,169	32,258
Independent review committee fees	403	139
Total operating expenses	196,109	205,632
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	1,826,553	707,093
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	1,826,553	707,093
Income taxes	32,748	11,293
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	1,793,805	695,800
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	410,578	176,438
Series AT5	30,611	4,045
Series E	-	(71,664)
Series EF	-	(218)
Series F	27,368	12,998
Series I	484,154	180,092
Series O	841,094	394,109
Weighted Average Number of Shares Outstanding		
Series A	657,230	727,556
Series AT5	37,401	25,527
Series E	-	312,888
Series EF	-	1,037
Series F	33,149	29,554
Series I	587,846	331,716
Series O	1,030,747	1,053,594
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	0.62	0.24
Series AT5	0.82	0.16
Series E	-	(0.23)
Series EF	-	(0.21)
Series F	0.83	0.44
Series I	0.82	0.54
Series O	0.82	0.37

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

Sun Life Dynamic Strategic Yield Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series E		Series EF	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 7,288,188	5,285,640	382,820	333,404	-	3,134,409	-	10,007
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 410,578	176,438	30,611	4,045	-	(71,664)	-	(218)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 2,032,211	4,319,696	153,237	92,667	-	30,952	-	-
Redemption of redeemable shares	\$ (2,574,323)	(2,485,144)	(47,585)	(19,329)	-	(3,093,499)	-	(9,789)
Reinvestment of distributions to holders of redeemable shares	\$ 125,575	466,560	10,737	10,204	-	174	-	1
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (416,537)	2,301,112	116,389	83,542	-	(3,062,373)	-	(9,788)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ -	(428,237)	-	(16,592)	-	-	-	-
From net investment income	\$ (123,940)	(44,292)	(8,721)	(2,359)	-	-	-	-
Return of capital	\$ (1,229)	(2,473)	(25,278)	(19,220)	-	(372)	-	(1)
	\$ (125,169)	(475,002)	(33,999)	(38,171)	-	(372)	-	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (131,128)	2,002,548	113,001	49,416	-	(3,134,409)	-	(10,007)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 7,157,060	7,288,188	495,821	382,820	-	-	-	-
Redeemable Share Transactions								
Balance - beginning of period	685,817	475,675	28,603	22,559	-	310,164	-	1,037
Shares issued	184,163	401,065	11,400	6,718	-	3,107	-	-
Shares issued on reinvestment of distributions	11,323	45,431	798	754	-	17	-	-
Shares redeemed	(234,478)	(236,354)	(3,414)	(1,428)	-	(313,288)	-	(1,037)
Balance - end of period	646,825	685,817	37,387	28,603	-	-	-	-

	Series F		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 393,594	160,760	4,879,421	1,279,306	10,463,701	10,355,303	23,407,724	20,558,829
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 27,368	12,998	484,154	180,092	841,094	394,109	1,793,805	695,800
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 103,845	315,862	3,460,292	4,197,617	1,884,959	1,984,338	7,634,544	10,941,132
Redemption of redeemable shares	\$ (100,442)	(96,043)	(811,079)	(776,932)	(1,538,242)	(2,269,189)	(5,071,671)	(8,749,925)
Reinvestment of distributions to holders of redeemable shares	\$ 7,196	11,567	139,572	112,135	201,721	580,567	484,801	1,181,208
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 10,599	231,386	2,788,785	3,532,820	548,438	295,716	3,047,674	3,372,415
Distributions to Holders of Redeemable Shares								
From capital gains	\$ -	(9,011)	-	(82,928)	-	(518,573)	-	(1,055,341)
From net investment income	\$ (7,120)	(2,409)	(138,910)	(29,869)	(201,893)	(62,854)	(480,584)	(141,783)
Return of capital	\$ (79)	(130)	-	-	-	-	(26,586)	(22,196)
	\$ (7,199)	(11,550)	(138,910)	(112,797)	(201,893)	(581,427)	(507,170)	(1,219,320)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 30,768	232,834	3,134,029	3,600,115	1,187,639	108,398	4,334,309	2,848,895
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 424,362	393,594	8,013,450	4,879,421	11,651,340	10,463,701	27,742,033	23,407,724
Redeemable Share Transactions								
Balance - beginning of period	35,668	14,090	497,852	127,669	1,022,273	987,864	2,270,213	1,939,058
Shares issued	8,944	29,207	336,150	438,516	174,918	198,587	715,575	1,077,200
Shares issued on reinvestment of distributions	618	1,088	13,376	11,935	18,536	59,596	44,651	118,821
Shares redeemed	(8,711)	(8,717)	(79,658)	(80,268)	(145,102)	(223,774)	(471,363)	(864,866)
Balance - end of period	36,519	35,668	767,720	497,852	1,070,625	1,022,273	2,559,076	2,270,213

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

Sun Life Dynamic Strategic Yield Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	1,793,805	695,800
Adjustments for:		
Net realized (gain) loss on sale of investments	(24,524)	55,352
Change in unrealized (appreciation) depreciation in value of investments	(832,158)	102,891
Non-cash income distributions from underlying funds	(1,165,320)	(1,070,533)
Purchases of investments	(6,276,193)	(5,652,830)
Proceeds from sale of investments	3,765,298	3,863,766
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(11,400)	12,132
Change in other payables and accrued expenses	(2,877)	2,361
Change in income tax payable	21,514	11,293
Net Cash Provided by (Used in) Operating Activities	(2,731,855)	(1,979,768)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(23,065)	(37,626)
Proceeds from redeemable shares issued	7,710,913	10,832,322
Redemption of redeemable shares	(5,065,590)	(8,751,476)
Net Cash Provided by (Used in) Financing Activities	2,622,258	2,043,220
Net increase (decrease) in cash	(109,597)	63,452
Cash (bank indebtedness) at beginning of period	93,306	29,854
Cash (bank indebtedness) at end of period	(16,291)	93,306
Interest received	660	435
Income taxes paid	(11,234)	-
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Dynamic Strategic Yield Fund, Series I	2,478,829	27,159,422	27,780,975	
		27,159,422	27,780,975	100.14
Total Investments		27,159,422	27,780,975	100.14
Other Assets less Liabilities			(38,942)	(0.14)
Total Net Assets			27,742,033	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Dynamic Strategic Yield Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life Dynamic Strategic Yield Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in Note 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 Fund. As at December 31, 2017 and December 31, 2016, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Underlying Fund is exposed indirectly to credit risk as a result of its investment in underlying externally managed funds.

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

Sun Life Dynamic Strategic Yield Class (continued)

The Underlying Fund also invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	December 31, 2017	December 31, 2016
AAA/Aaa	0.13	1.12
AA/Aa	5.90	2.91
A/A	6.09	7.16
BBB/Bbb	5.54	6.18
BB/Ba	0.22	0.38
Not Rated	0.40	-
Total	18.28	17.75

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

(b) Market risk

(i) Currency risk

The Fund is exposed to currency risk as a result of its investment in the Underlying Fund. The Underlying Fund holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. The Fund is therefore exposed to currency risk, as the value of the securities denominated in other currencies will fluctuate due to changes in exchange rates. However, the Underlying Fund also holds foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and minimize the currency risk exposure to the Fund.

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	December 31, 2017		December 31, 2016	
	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
United States Dollar	7,241,007	26.10	10,583,804	45.22
British Pound	430,051	1.55	(5,058)	(0.02)
Hong Kong Dollar	154,668	0.56	-	-
Euro	68,087	0.25	49,554	0.21
Japanese Yen	920	-	-	-
Total	7,894,733	28.46	10,628,300	45.41

As at December 31, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$394,737 (\$531,415 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

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

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

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
December 31, 2017	-	2,288,653	1,961,180	4,249,833
December 31, 2016	-	2,182,262	1,957,870	4,140,132

As at December 31, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$240,501 (\$200,116 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

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

As at December 31, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$849,282 (\$657,192 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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

Sun Life Dynamic Strategic Yield Class (continued)

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Bonds		
Corporate Bonds	15.3	11.5
Foreign Bonds	-	6.4
Equities		
Energy	6.6	4.1
Materials	4.0	0.9
Industrials	4.9	3.8
Consumer Discretionary	3.2	5.0
Consumer Staples	4.5	4.0
Health Care	3.9	6.2
Financials	14.8	12.0
Real Estate	2.1	4.7
Information Technology	8.5	6.6
Telecommunication Services	4.1	5.1
Utilities	4.5	4.3
Mutual Funds		
Canadian Fixed Income	5.0	4.9
Global Equities	-	-
Income and Real Property	1.0	2.0
High Yield Fixed Income	4.9	5.1
Other Assets less Liabilities	12.7	13.4
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	27,780,975	-	-	27,780,975

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	23,177,620	-	-	23,177,620

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	December 31, 2017	
	Shares	Market Value (\$)
Series F	952	11,060
Series I	1,119	11,675

	December 31, 2016	
	Shares	Market Value (\$)
Series F	933	10,287
Series I	1,099	10,767

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	-	-
Series F	28	-	192
Series I	-	-	202

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	1	9,789	-
Series F	9,814	-	564
Series I	-	-	586

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

Sun Life Dynamic Strategic Yield Class (continued)

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	27,780,975	23,177,620
Total financial assets at fair value through profit or loss	27,780,975	23,177,620
Financial assets at amortized cost		
Cash	-	93,306
Other receivables	33,165	309,660
Total financial assets at amortized cost	33,165	402,966
Total assets	27,814,140	23,580,586
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	72,107	172,862
Total liabilities (excluding net assets attributable to holders of redeemable shares)	72,107	172,862

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	2,022,662	912,725
Total net gains (losses)	2,022,662	912,725

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series I Shares	May 01, 2015	May 01, 2015
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life Franklin Bissett Canadian Equity Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	7,734,778	4,202,588
Cash	-	101
Due from investment dealers	-	9,605
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	863	14,332
	7,735,641	4,226,626
Liabilities		
Current Liabilities		
Bank indebtedness	15,396	-
Accrued expenses	184	351
Redemptions payable	-	10,495
Distributions payable	-	225
Due to investment dealers	888	11,603
Management fees payable	696	1,580
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	17,164	24,254
Net Assets Attributable to Holders of Redeemable Shares	7,718,477	4,202,372
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	1,052,327	735,512
Series AT5	13,723	10,889
Series E	-	-
Series F	372,089	74,486
Series I	5,929,386	3,290,808
Series O	350,952	90,677
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	10.81	10.48
Series AT5	14.08	14.34
Series E	-	-
Series F	11.17	10.69
Series I	11.57	10.93
Series O	11.51	10.90

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	1,483	-
Distributions from underlying funds	123,810	82,087
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	256,933	(18,414)
Change in unrealized appreciation (depreciation) in value of investments	112,535	342,429
Net gains (losses) on investments	494,761	406,102
Total income (loss)	494,761	406,102
Expenses (note 5)		
Management fees	26,697	10,294
Administration fees	6,591	2,056
Independent review committee fees	38	12
Total operating expenses	33,326	12,362
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	461,435	393,740
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	461,435	393,740
Income taxes	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	461,435	393,740
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	48,226	63,952
Series AT5	610	1,867
Series E	-	(149)
Series F	36,159	10,885
Series I	354,600	315,484
Series O	21,840	1,701
Weighted Average Number of Shares Outstanding		
Series A	80,710	44,320
Series AT5	871	725
Series E	-	1,017
Series F	63,302	5,160
Series I	425,928	152,226
Series O	20,341	1,162
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	0.60	1.44
Series AT5	0.70	2.57
Series E	-	(0.15)
Series F	0.57	2.11
Series I	0.83	2.07
Series O	1.07	1.46

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

Sun Life Franklin Bissett Canadian Equity Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series E		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 735,512	198,736	10,889	9,020	-	9,026	74,486	9,099
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 48,226	63,952	610	1,867	-	(149)	36,159	10,885
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 958,772	583,759	2,227	-	-	-	2,422,924	54,500
Redemption of redeemable shares	\$ (690,152)	(111,020)	-	-	-	(8,876)	(2,155,970)	-
Reinvestment of distributions to holders of redeemable shares	\$ 17,251	14,994	862	699	-	-	1,174	1,481
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 285,871	487,733	3,089	699	-	(8,876)	268,128	55,981
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (123)	-	(2)	-	-	-	(540)	-
From net investment income	\$ (16,865)	(14,373)	(220)	(213)	-	-	(6,045)	(1,456)
Return of capital	\$ (294)	(536)	(643)	(484)	-	(1)	(99)	(23)
	\$ (17,282)	(14,909)	(865)	(697)	-	(1)	(6,684)	(1,479)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 316,815	536,776	2,834	1,869	-	(9,026)	297,603	65,387
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 1,052,327	735,512	13,723	10,889	-	-	372,089	74,486
Redeemable Share Transactions								
Balance - beginning of period	70,215	22,398	759	709	-	1,017	6,970	1,017
Shares issued	89,785	59,325	155	-	-	-	226,651	5,814
Shares issued on reinvestment of distributions	1,592	1,434	61	50	-	-	104	139
Shares redeemed	(64,251)	(12,942)	-	-	-	(1,017)	(200,404)	-
Balance - end of period	97,341	70,215	975	759	-	-	33,321	6,970

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 3,290,808	580,796	90,677	9,103	4,202,372	815,780
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 354,600	315,484	21,840	1,701	461,435	393,740
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 2,875,480	2,638,878	315,419	80,000	6,574,822	3,357,137
Redemption of redeemable shares	\$ (591,727)	(244,125)	(76,984)	(127)	(3,514,833)	(364,148)
Reinvestment of distributions to holders of redeemable shares	\$ 96,167	64,047	5,658	1,773	121,112	82,994
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 2,379,920	2,458,800	244,093	81,646	3,181,101	3,075,983
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (896)	-	(24)	-	(1,585)	-
From net investment income	\$ (95,046)	(64,272)	(5,634)	(1,773)	(123,810)	(82,087)
Return of capital	\$ -	-	-	-	(1,036)	(1,044)
	\$ (95,942)	(64,272)	(5,658)	(1,773)	(126,431)	(83,131)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,638,578	2,710,012	260,275	81,574	3,516,105	3,386,592
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 5,929,386	3,290,808	350,952	90,677	7,718,477	4,202,372
Redeemable Share Transactions						
Balance - beginning of period	300,962	64,259	8,319	1,008	387,225	90,408
Shares issued	255,662	256,013	28,312	7,160	600,565	328,312
Shares issued on reinvestment of distributions	8,320	5,857	492	163	10,569	7,643
Shares redeemed	(52,275)	(25,167)	(6,630)	(12)	(323,560)	(39,138)
Balance - end of period	512,669	300,962	30,493	8,319	674,799	387,225

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

Sun Life Franklin Bissett Canadian Equity Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	461,435	393,740
Adjustments for:		
Net realized (gain) loss on sale of investments	(256,933)	18,414
Change in unrealized (appreciation) depreciation in value of investments	(112,535)	(342,429)
Non-cash income distributions from underlying funds	(123,810)	(82,087)
Purchases of investments	(8,325,331)	(3,314,988)
Proceeds from sale of investments	5,285,309	337,586
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(884)	1,483
Change in other payables and accrued expenses	(167)	334
Change in income tax payable	-	-
Net Cash Provided by (Used in) Operating Activities	(3,072,916)	(2,987,947)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(5,544)	88
Proceeds from redeemable shares issued	6,588,291	3,342,809
Redemption of redeemable shares	(3,525,328)	(354,368)
Net Cash Provided by (Used in) Financing Activities	3,057,419	2,988,529
Net increase (decrease) in cash	(15,497)	582
Cash (bank indebtedness) at beginning of period	101	(481)
Cash (bank indebtedness) at end of period	(15,396)	101
Interest received	1,483	-
Income taxes paid	-	-
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Franklin Bissett Canadian Equity Fund, Series O	49,674	7,345,967	7,734,778	
		7,345,967	7,734,778	100.21
Total Investments		7,345,967	7,734,778	100.21
Other Assets less Liabilities			(16,301)	(0.21)
Total Net Assets			7,718,477	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

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

(b) Market risk

(i) Currency risk

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

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

Sun Life Franklin Bissett Canadian Equity Class (continued)

(ii) Interest rate risk

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

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Equities		
Financials	36.8	39.1
Energy	15.9	21.3
Industrials	13.3	14.2
Consumer Discretionary	9.0	6.9
Consumer Staples	7.3	7.8
Materials	5.1	2.9
Telecommunication Services	3.2	1.3
Utilities	2.9	1.9
Information Technology	2.4	1.6
Real Estate	0.5	-
Other Assets less Liabilities	3.6	3.0
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	7,734,778	-	-	7,734,778
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	4,202,588	-	-	4,202,588

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

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

	December 31, 2016	
	Shares	Market Value (\$)
Series AT5	759	10,889
Series A	11,436	119,794
Series F	1,040	11,110
Series I	26,961	294,800
Series O	1,020	11,117

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	29	-	745
Series A	266	124,479	27
Series E	-	-	-
Series F	15	11,375	3
Series I	-	-	5,149
Series O	-	11,756	3

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	25	-	674
Series A	9,156	-	2,341
Series E	-	8,876	-
Series F	26	-	217
Series I	-	-	5,762
Series O	-	86	217

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

Sun Life Franklin Bissett Canadian Equity Class (continued)

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	7,734,778	4,202,588
Total financial assets at fair value through profit or loss	7,734,778	4,202,588
Financial assets at amortized cost		
Cash	-	101
Other receivables	863	23,937
Total financial assets at amortized cost	863	24,038
Total assets	7,735,641	4,226,626
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	17,164	24,254
Total liabilities (excluding net assets attributable to holders of redeemable shares)	17,164	24,254

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	494,761	406,102
Total net gains (losses)	494,761	406,102

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	March 25, 2015	March 27, 2015
Series AT5 Shares	March 25, 2015	March 27, 2015
Series F Shares	March 25, 2015	March 27, 2015
Series I Shares	March 25, 2015	March 27, 2015
Series O Shares	March 25, 2015	March 27, 2015

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

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

Sun Life Granite Balanced Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	132,334,569	84,512,156
Cash	324,373	145,280
Due from investment dealers	-	8,007
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	132,236	317,620
	132,791,178	84,983,063
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Accrued expenses	6,451	14,365
Redemptions payable	6,755	46,945
Distributions payable	52	1,870
Due to investment dealers	489,669	790,011
Management fees payable	35,177	77,152
Income tax payable	329,756	218,453
Total liabilities (excluding net assets attributable to holders of redeemable shares)	867,860	1,148,796
Net Assets Attributable to Holders of Redeemable Shares	131,923,318	83,834,267
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	53,415,505	33,608,336
Series AT5	9,372,394	5,796,190
Series E	-	-
Series EF	-	-
Series F	20,611,919	9,104,050
Series O	48,523,500	35,325,691
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	12.55	11.88
Series AT5	15.06	15.00
Series E	-	-
Series EF	-	-
Series F	13.16	12.32
Series O	12.23	11.35

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	11,277	-
Distributions from underlying funds	6,553,172	3,093,957
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	391,156	(98,630)
Change in unrealized appreciation (depreciation) in value of investments	3,029,305	717,310
Net gains (losses) on investments	9,984,910	3,712,637
Total income (loss)	9,984,910	3,712,637
Expenses (note 5)		
Management fees	1,124,491	595,112
Administration fees	201,099	109,793
Independent review committee fees	2,282	348
Total operating expenses	1,327,872	705,253
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	8,657,038	3,007,384
Finance Cost		
Interest expense	-	(5,439)
Net income (loss) before income taxes	8,657,038	3,001,945
Income taxes	401,435	212,884
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	8,255,603	2,789,061
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	2,924,560	1,180,641
Series AT5	521,979	185,503
Series E	-	(336,322)
Series EF	-	(11,153)
Series F	1,106,767	223,504
Series O	3,702,297	1,546,888
Weighted Average Number of Shares Outstanding		
Series A	3,511,627	2,006,501
Series AT5	520,826	284,065
Series E	-	862,356
Series EF	-	32,065
Series F	1,116,440	310,060
Series O	3,561,837	2,341,491
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	0.83	0.59
Series AT5	1.00	0.65
Series E	-	(0.39)
Series EF	-	(0.35)
Series F	0.99	0.72
Series O	1.04	0.66

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

Sun Life Granite Balanced Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series E		Series EF	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 33,608,336	10,960,533	5,796,190	2,742,000	-	9,257,736	-	317,323
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 2,924,560	1,180,641	521,979	185,503	-	(336,322)	-	(11,153)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 30,011,003	29,763,770	3,967,045	3,484,548	-	104,981	-	-
Redemption of redeemable shares	\$ (13,129,545)	(8,295,133)	(568,336)	(390,714)	-	(9,025,516)	-	(306,156)
Reinvestment of distributions to holders of redeemable shares	\$ 584,587	709,518	157,845	127,029	-	743	-	11
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 17,466,045	22,178,155	3,556,554	3,220,863	-	(8,919,792)	-	(306,145)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (332,094)	(530,065)	(59,298)	(89,901)	-	-	-	-
From net investment income	\$ (245,378)	(172,952)	(43,341)	(29,995)	-	-	-	-
Return of capital	\$ (5,964)	(7,976)	(399,690)	(232,280)	-	(1,622)	-	(25)
	\$ (583,436)	(710,993)	(502,329)	(352,176)	-	(1,622)	-	(25)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 19,807,169	22,647,803	3,576,204	3,054,190	-	(9,257,736)	-	(317,323)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 53,415,505	33,608,336	9,372,394	5,796,190	-	-	-	-
Redeemable Share Transactions								
Balance - beginning of period	2,829,126	922,383	386,600	173,431	-	860,950	-	32,097
Shares issued	2,449,089	2,558,888	262,777	230,050	-	9,870	-	-
Shares issued on reinvestment of distributions	47,704	62,842	10,477	8,473	-	70	-	1
Shares redeemed	(1,070,540)	(714,987)	(37,594)	(25,354)	-	(870,890)	-	(32,098)
Balance - end of period	4,255,379	2,829,126	622,260	386,600	-	-	-	-

	Series F		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 9,104,050	690,748	35,325,691	17,749,122	83,834,267	41,717,462
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 1,106,767	223,504	3,702,297	1,546,888	8,255,603	2,789,061
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 12,456,474	8,653,444	20,763,768	19,030,150	67,198,290	61,036,893
Redemption of redeemable shares	\$ (2,047,833)	(460,687)	(11,267,028)	(3,001,369)	(27,012,742)	(21,479,575)
Reinvestment of distributions to holders of redeemable shares	\$ 182,976	83,037	578,197	717,692	1,503,605	1,638,030
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 10,591,617	8,275,794	10,074,937	16,746,473	41,689,153	41,195,348
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (91,979)	(37,516)	(356,652)	(533,452)	(840,023)	(1,190,934)
From net investment income	\$ (94,722)	(46,805)	(222,773)	(183,340)	(606,214)	(433,092)
Return of capital	\$ (3,814)	(1,675)	-	-	(409,468)	(243,578)
	\$ (190,515)	(85,996)	(579,425)	(716,792)	(1,855,705)	(1,867,604)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 11,507,869	8,413,302	13,197,809	17,576,569	48,089,051	42,116,805
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 20,611,919	9,104,050	48,523,500	35,325,691	131,923,318	83,834,267
Redeemable Share Transactions						
Balance - beginning of period	739,336	56,691	3,113,473	1,595,279	7,068,535	3,640,831
Shares issued	970,792	714,002	1,760,317	1,721,735	5,442,975	5,234,545
Shares issued on reinvestment of distributions	14,217	6,983	49,158	67,378	121,556	145,747
Shares redeemed	(157,661)	(38,340)	(954,589)	(270,919)	(2,220,384)	(1,952,588)
Balance - end of period	1,566,684	739,336	3,968,359	3,113,473	10,412,682	7,068,535

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

Sun Life Granite Balanced Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	8,255,603	2,789,061
Adjustments for:		
Net realized (gain) loss on sale of investments	(391,156)	98,630
Change in unrealized (appreciation) depreciation in value of investments	(3,029,305)	(717,310)
Non-cash income distributions from underlying funds	(6,553,172)	(3,093,957)
Purchases of investments	(48,041,283)	(42,115,130)
Proceeds from sale of investments	9,900,168	4,009,925
Change in accrued interest	-	911
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(41,975)	69,084
Change in other payables and accrued expenses	(7,914)	12,859
Change in income tax payable	111,303	118,959
Net Cash Provided by (Used in) Operating Activities	(39,797,731)	(38,826,968)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(353,918)	(230,065)
Proceeds from redeemable shares issued	67,383,674	61,030,673
Redemption of redeemable shares	(27,052,932)	(21,434,555)
Net Cash Provided by (Used in) Financing Activities	39,976,824	39,366,053
Net increase (decrease) in cash	179,093	539,085
Cash (bank indebtedness) at beginning of period	145,280	(393,805)
Cash (bank indebtedness) at end of period	324,373	145,280
Interest received	11,277	911
Income taxes paid	(290,132)	(93,925)
Interest paid	-	(5,439)

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Granite Balanced Portfolio, Series I	9,743,594	129,347,928	132,334,569	
		129,347,928	132,334,569	100.31
Total Investments		129,347,928	132,334,569	100.31
Other Assets less Liabilities			(411,251)	(0.31)
Total Net Assets			131,923,318	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

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

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

Sun Life Granite Balanced Class (continued)

(ii) Interest rate risk

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

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Exchange-Traded Funds		
U.S. Equities	10.0	10.0
Mutual Funds		
Canadian Fixed Income	19.0	22.5
International Equities	13.8	13.7
Canadian Equities	12.6	11.3
Tactical Balanced	10.8	13.7
U.S. Equities	6.6	4.9
High Yield Fixed Income	5.1	4.8
U.S. Fixed Income	4.3	-
Canadian Focused Equities	4.1	2.7
Emerging Markets Equities	3.1	1.8
Global Fixed Income	2.5	4.2
U.S. Small/Mid Cap Equities	1.9	1.6
Global Small/Mid Cap Equities	1.9	1.0
Real Estate Equities	1.7	1.8
Canadian Small/Mid Cap Equities	1.3	0.5
Global Equities	1.1	3.9
Energy Equities	-	1.5
Canadian Money Market	-	0.3
Other Assets less Liabilities	0.2	(0.2)
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	132,334,569	-	-	132,334,569

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	84,512,156	-	-	84,512,156

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	December 31, 2017	
	Shares	Market Value (\$)
Series F	-	-

	December 31, 2016	
	Shares	Market Value (\$)
Series F	846	10,417

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	-	-
Series F	14	11,044	97

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	1	9,585	-
Series F	9,610	-	326

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

Sun Life Granite Balanced Class (continued)

Interest in Underlying Portfolios

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Portfolio.

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	132,334,569	84,512,156
Total financial assets at fair value through profit or loss	132,334,569	84,512,156
Financial assets at amortized cost		
Cash	324,373	145,280
Other receivables	132,236	325,627
Total financial assets at amortized cost	456,609	470,907
Total assets	132,791,178	84,983,063
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	867,860	1,148,796
Total liabilities (excluding net assets attributable to holders of redeemable shares)	867,860	1,148,796

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	9,984,910	3,712,637
Total net gains (losses)	9,984,910	3,712,637

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life Granite Balanced Growth Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	64,316,245	47,892,059
Cash	-	-
Due from investment dealers	18,066	88,998
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	23,174	5,472
	64,357,485	47,986,529
Liabilities		
Current Liabilities		
Bank indebtedness	31,436	92,585
Accrued expenses	3,157	8,252
Redemptions payable	-	-
Distributions payable	1,110	28
Due to investment dealers	7,453	29,374
Management fees payable	16,277	40,088
Income tax payable	142,624	141,726
Total liabilities (excluding net assets attributable to holders of redeemable shares)	202,057	312,053
Net Assets Attributable to Holders of Redeemable Shares	64,155,428	47,674,476
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	24,410,316	16,699,926
Series AT5	1,366,352	718,531
Series AT8	3,069,015	2,686,198
Series E	-	-
Series EF	-	-
Series F	7,582,108	3,314,677
Series O	27,727,637	24,255,144
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	12.84	12.07
Series AT5	15.45	15.27
Series AT8	13.46	13.72
Series E	-	-
Series EF	-	-
Series F	13.46	12.51
Series O	12.41	11.43

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	1,251	-
Distributions from underlying funds	3,049,646	1,865,636
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	481,377	(87,522)
Change in unrealized appreciation (depreciation) in value of investments	2,179,384	560,061
Net gains (losses) on investments	5,711,658	2,338,175
Total income (loss)	5,711,658	2,338,175
Expenses (note 5)		
Management fees	558,630	308,331
Administration fees	106,398	67,542
Independent review committee fees	1,196	217
Total operating expenses	666,224	376,090
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	5,045,434	1,962,085
Finance Cost		
Interest expense	-	(22)
Net income (loss) before income taxes	5,045,434	1,962,063
Income taxes	178,297	137,711
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	4,867,137	1,824,352
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	1,544,349	665,096
Series AT5	80,584	21,647
Series AT8	252,143	53,490
Series E	-	(170,805)
Series EF	-	(410)
Series F	466,974	118,533
Series O	2,523,087	1,136,801
Weighted Average Number of Shares Outstanding		
Series A	1,693,667	985,851
Series AT5	67,274	42,221
Series AT8	229,315	131,326
Series E	-	367,061
Series EF	-	1,006
Series F	425,136	173,005
Series O	2,165,183	1,735,387
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	0.91	0.67
Series AT5	1.20	0.51
Series AT8	1.10	0.41
Series E	-	(0.47)
Series EF	-	(0.41)
Series F	1.10	0.69
Series O	1.17	0.66

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

Sun Life Granite Balanced Growth Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 16,699,926	5,027,679	718,531	642,434	2,686,198	1,547,135	-	4,073,887
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 1,544,349	665,096	80,584	21,647	252,143	53,490	-	(170,805)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 11,785,191	13,314,657	662,992	195,343	1,039,188	2,455,841	-	13,150
Redemption of redeemable shares	\$ (5,618,772)	(2,299,381)	(67,802)	(122,681)	(726,090)	(1,203,325)	-	(3,915,987)
Reinvestment of distributions to holders of redeemable shares	\$ 304,951	449,310	39,173	45,270	116,171	50,890	-	203
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 6,471,370	11,464,586	634,363	117,932	429,269	1,303,406	-	(3,902,634)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (200,964)	(356,245)	(8,168)	(24,899)	(32,506)	(42,344)	-	-
From net investment income	\$ (100,628)	(96,721)	(5,594)	(4,172)	(12,741)	(15,670)	-	-
Return of capital	\$ (3,737)	(4,469)	(53,364)	(34,411)	(253,348)	(159,819)	-	(448)
	\$ (305,329)	(457,435)	(67,126)	(63,482)	(298,595)	(217,833)	-	(448)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 7,710,390	11,672,247	647,821	76,097	382,817	1,139,063	-	(4,073,887)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 24,410,316	16,699,926	1,366,352	718,531	3,069,015	2,686,198	-	-
Redeemable Share Transactions								
Balance - beginning of period	1,384,811	412,776	47,098	39,572	195,952	102,567	-	372,789
Shares issued	944,090	1,127,322	43,160	12,686	76,247	174,418	-	1,252
Shares issued on reinvestment of distributions	24,547	39,468	2,548	2,998	8,523	3,669	-	19
Shares redeemed	(452,689)	(194,755)	(4,388)	(8,158)	(52,686)	(84,702)	-	(374,060)
Balance - end of period	1,900,759	1,384,811	88,418	47,098	228,036	195,952	-	-

	Series EF		Series F		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	9,923	3,314,677	1,451,268	24,255,144	17,078,295	47,674,476	29,830,621
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ -	(410)	466,974	118,533	2,523,087	1,136,801	4,867,137	1,824,352
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ -	-	4,198,191	2,485,801	8,550,130	9,187,976	26,235,692	27,652,768
Redemption of redeemable shares	\$ -	(9,513)	(388,211)	(737,419)	(7,600,726)	(3,147,924)	(14,401,601)	(11,436,230)
Reinvestment of distributions to holders of redeemable shares	\$ -	1	67,172	74,154	393,797	729,230	921,264	1,349,058
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ -	(9,512)	3,877,152	1,822,536	1,343,201	6,769,282	12,755,355	17,565,596
Distributions to Holders of Redeemable Shares								
From capital gains	\$ -	-	(44,551)	(57,628)	(279,357)	(588,811)	(565,546)	(1,069,927)
From net investment income	\$ -	-	(31,278)	(19,195)	(114,438)	(140,423)	(264,679)	(276,181)
Return of capital	\$ -	(1)	(866)	(837)	-	-	(311,315)	(199,985)
	\$ -	(1)	(76,695)	(77,660)	(393,795)	(729,234)	(1,141,540)	(1,546,093)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ -	(9,923)	4,267,431	1,863,409	3,472,493	7,176,849	16,480,952	17,843,855
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ -	-	7,582,108	3,314,677	27,727,637	24,255,144	64,155,428	47,674,476
Redeemable Share Transactions								
Balance - beginning of period	-	1,006	265,085	116,129	2,123,592	1,511,112	4,016,538	2,555,951
Shares issued	-	-	322,824	203,629	716,271	830,035	2,102,592	2,349,342
Shares issued on reinvestment of distributions	-	-	5,158	6,328	33,387	68,737	74,163	121,219
Shares redeemed	-	(1,006)	(29,618)	(61,001)	(638,742)	(286,292)	(1,178,123)	(1,009,974)
Balance - end of period	-	-	563,449	265,085	2,234,508	2,123,592	5,015,170	4,016,538

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

Sun Life Granite Balanced Growth Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	4,867,137	1,824,352
Adjustments for:		
Net realized (gain) loss on sale of investments	(481,377)	87,522
Change in unrealized (appreciation) depreciation in value of investments	(2,179,384)	(560,061)
Non-cash income distributions from underlying funds	(3,049,646)	(1,865,636)
Purchases of investments	(27,783,269)	(20,589,706)
Proceeds from sale of investments	17,118,501	4,960,394
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(23,811)	35,694
Change in other payables and accrued expenses	(5,095)	7,898
Change in income tax payable	898	69,980
Net Cash Provided by (Used in) Operating Activities	(11,536,046)	(16,029,563)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(219,194)	(197,007)
Proceeds from redeemable shares issued	26,217,990	27,682,296
Redemption of redeemable shares	(14,401,601)	(11,436,230)
Net Cash Provided by (Used in) Financing Activities	11,597,195	16,049,059
Net increase (decrease) in cash	61,149	19,496
Cash (bank indebtedness) at beginning of period	(92,585)	(112,081)
Cash (bank indebtedness) at end of period	(31,436)	(92,585)
Interest received	1,251	-
Income taxes paid	(177,399)	(67,731)
Interest paid	-	(22)

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Granite Balanced Growth Portfolio, Series I	4,451,228	62,204,342	64,316,245	
		62,204,342	64,316,245	100.25
Total Investments		62,204,342	64,316,245	100.25
Other Assets less Liabilities			(160,817)	(0.25)
Total Net Assets			64,155,428	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

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

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

Sun Life Granite Balanced Growth Class (continued)

(ii) Interest rate risk

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

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Exchange-Traded Funds		
U.S. Equities	11.6	11.4
Mutual Funds		
Canadian Fixed Income	12.9	18.5
International Equities	16.4	15.0
Tactical Balanced	10.2	13.3
Canadian Equities	14.9	12.5
U.S. Equities	7.7	5.4
Global Equities	1.1	4.9
High Yield Fixed Income	4.2	3.8
Canadian Focused Equities	4.8	3.0
Global Fixed Income	2.0	3.0
Emerging Markets Equities	3.4	2.2
U.S. Small/Mid Cap Equities	2.3	1.9
U.S. Fixed Income	2.4	-
Real Estate Equities	2.2	1.8
Energy Equities	-	1.5
Global Small/Mid Cap Equities	2.2	1.2
Canadian Small/Mid Cap Equities	1.5	0.8
Canadian Money Market	-	-
Other Assets less Liabilities	0.2	(0.2)
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	64,316,245	-	-	64,316,245

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	47,892,059	-	-	47,892,059

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	December 31, 2017	
	Shares	Market Value (\$)
Series F	-	-

	December 31, 2016	
	Shares	Market Value (\$)
Series F	832	10,414

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	-	-	-
Series EF	-	-	-
Series F	15	11,089	118

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	7	12,584	686
Series EF	1	9,513	-
Series F	9,538	-	422

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

Sun Life Granite Balanced Growth Class (continued)

Interest in Underlying Portfolios

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Portfolio.

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	64,316,245	47,892,059
Total financial assets at fair value through profit or loss	64,316,245	47,892,059
Financial assets at amortized cost		
Cash	-	-
Other receivables	41,240	94,470
Total financial assets at amortized cost	41,240	94,470
Total assets	64,357,485	47,986,529
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	202,057	312,053
Total liabilities (excluding net assets attributable to holders of redeemable shares)	202,057	312,053

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	5,711,658	2,338,175
Total net gains (losses)	5,711,658	2,338,175

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series AT8 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life Granite Conservative Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	193,080,773	126,477,470
Cash	171,240	337,302
Due from investment dealers	-	847
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	599,172	214,131
	193,851,185	127,029,750
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Accrued expenses	9,406	21,640
Redemptions payable	31,066	43,112
Distributions payable	2,239	116
Due to investment dealers	490,209	281,275
Management fees payable	37,721	95,786
Income tax payable	912,566	530,713
Total liabilities (excluding net assets attributable to holders of redeemable shares)	1,483,207	972,642
Net Assets Attributable to Holders of Redeemable Shares	192,367,978	126,057,108
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	74,129,411	56,150,773
Series AT5	7,017,836	3,979,509
Series E	-	-
Series EF	-	-
Series F	20,406,251	6,310,069
Series O	90,814,480	59,616,757
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	11.59	11.22
Series AT5	13.90	14.16
Series E	-	-
Series EF	-	-
Series F	12.01	11.53
Series O	11.60	11.05

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	2,901	15,344
Distributions from underlying funds	8,665,371	4,445,678
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	245,221	(29,631)
Change in unrealized appreciation (depreciation) in value of investments	1,001,808	(218,710)
Net gains (losses) on investments	9,915,301	4,212,681
Total income (loss)	9,915,301	4,212,681
Expenses (note 5)		
Management fees	1,267,342	809,286
Administration fees	301,128	191,497
Independent review committee fees	3,408	615
Total operating expenses	1,571,878	1,001,398
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	8,343,423	3,211,283
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	8,343,423	3,211,283
Income taxes	1,035,683	514,326
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	7,307,740	2,696,957
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	2,538,455	1,090,780
Series AT5	194,175	34,862
Series E	-	(279,609)
Series EF	-	(3,567)
Series F	430,346	121,503
Series O	4,144,764	1,732,988
Weighted Average Number of Shares Outstanding		
Series A	5,802,083	3,872,236
Series AT5	359,675	191,202
Series E	-	1,593,213
Series EF	-	22,385
Series F	924,697	366,717
Series O	6,913,894	4,649,549
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	0.44	0.28
Series AT5	0.54	0.18
Series E	-	(0.18)
Series EF	-	(0.16)
Series F	0.47	0.33
Series O	0.60	0.37

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

Sun Life Granite Conservative Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series E		Series EF	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 56,150,773	19,000,504	3,979,509	2,357,210	-	16,675,838	-	221,547
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 2,538,455	1,090,780	194,175	34,862	-	(279,609)	-	(3,567)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 37,224,558	49,365,728	4,189,668	2,412,464	-	1,110,547	-	-
Redemption of redeemable shares	\$ (21,803,062)	(13,299,339)	(1,174,415)	(713,289)	-	(17,505,470)	-	(217,973)
Reinvestment of distributions to holders of redeemable shares	\$ 549,286	942,491	134,886	93,633	-	1,090	-	5
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 15,970,782	37,008,880	3,150,139	1,792,808	-	(16,393,833)	-	(217,968)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (369,546)	(783,530)	(27,168)	(46,952)	-	-	-	-
From net investment income	\$ (146,502)	(145,637)	(14,492)	(10,381)	-	-	-	-
Return of capital	\$ (14,551)	(20,224)	(264,327)	(148,038)	-	(2,396)	-	(12)
	\$ (530,599)	(949,391)	(305,987)	(205,371)	-	(2,396)	-	(12)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 17,978,638	37,150,269	3,038,327	1,622,299	-	(16,675,838)	-	(221,547)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 74,129,411	56,150,773	7,017,836	3,979,509	-	-	-	-
Redeemable Share Transactions								
Balance - beginning of period	5,007,094	1,685,623	281,267	157,340	-	1,572,081	-	22,392
Shares issued	3,247,565	4,422,337	297,202	166,150	-	106,129	-	-
Shares issued on reinvestment of distributions	45,738	86,473	9,593	6,506	-	104	-	1
Shares redeemed	(1,901,670)	(1,187,339)	(83,116)	(48,729)	-	(1,678,314)	-	(22,393)
Balance - end of period	6,398,727	5,007,094	504,946	281,267	-	-	-	-

	Series F		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 6,310,069	1,900,548	59,616,757	45,703,818	126,057,108	85,859,465
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 430,346	121,503	4,144,764	1,732,988	7,307,740	2,696,957
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 18,142,910	5,245,461	44,198,444	24,202,839	103,755,580	82,337,039
Redemption of redeemable shares	\$ (4,470,627)	(951,371)	(17,145,629)	(12,023,077)	(44,593,733)	(44,710,519)
Reinvestment of distributions to holders of redeemable shares	\$ 85,425	78,850	586,297	1,091,403	1,355,894	2,207,472
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 13,757,708	4,372,940	27,639,112	13,271,165	60,517,741	39,833,992
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (50,737)	(66,727)	(407,123)	(936,435)	(854,574)	(1,833,644)
From net investment income	\$ (39,507)	(16,397)	(179,030)	(154,779)	(379,531)	(327,194)
Return of capital	\$ (1,628)	(1,798)	-	-	(280,506)	(172,468)
	\$ (91,872)	(84,922)	(586,153)	(1,091,214)	(1,514,611)	(2,333,306)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 14,096,182	4,409,521	31,197,723	13,912,939	66,310,870	40,197,643
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 20,406,251	6,310,069	90,814,480	59,616,757	192,367,978	126,057,108
Redeemable Share Transactions						
Balance - beginning of period	547,307	165,335	5,399,132	4,187,371	11,234,800	7,790,142
Shares issued	1,525,356	457,697	3,879,743	2,209,943	8,949,866	7,362,256
Shares issued on reinvestment of distributions	7,207	7,064	51,916	103,060	114,454	203,208
Shares redeemed	(380,561)	(82,789)	(1,500,965)	(1,101,242)	(3,866,312)	(4,120,806)
Balance - end of period	1,699,309	547,307	7,829,826	5,399,132	16,432,808	11,234,800

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

Sun Life Granite Conservative Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	7,307,740	2,696,957
Adjustments for:		
Net realized (gain) loss on sale of investments	(245,221)	29,631
Change in unrealized (appreciation) depreciation in value of investments	(1,001,808)	218,710
Non-cash income distributions from underlying funds	(8,665,371)	(4,445,678)
Purchases of investments	(73,987,736)	(47,129,128)
Proceeds from sale of investments	17,506,614	11,169,549
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(58,065)	84,476
Change in other payables and accrued expenses	(12,234)	18,510
Change in income tax payable	381,853	237,941
Net Cash Provided by (Used in) Operating Activities	(58,774,228)	(37,119,032)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(156,594)	(126,004)
Proceeds from redeemable shares issued	103,370,539	82,284,612
Redemption of redeemable shares	(44,605,779)	(44,693,689)
Net Cash Provided by (Used in) Financing Activities	58,608,166	37,464,919
Net increase (decrease) in cash	(166,062)	345,887
Cash (bank indebtedness) at beginning of period	337,302	(8,585)
Cash (bank indebtedness) at end of period	171,240	337,302
Interest received	2,901	15,344
Income taxes paid	(653,830)	(276,385)
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Granite Conservative Portfolio, Series I	16,260,255	194,347,286	193,080,773	
		194,347,286	193,080,773	100.37
Total Investments		194,347,286	193,080,773	100.37
Other Assets less Liabilities			(712,795)	(0.37)
Total Net Assets			192,367,978	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

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

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

Sun Life Granite Conservative Class (continued)

(ii) Interest rate risk

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

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Exchange-Traded Funds		
U.S. Equities	4.8	5.0
Mutual Funds		
Canadian Fixed Income	41.1	41.5
Tactical Balanced	11.8	14.1
U.S. Fixed Income	7.6	-
High Yield Fixed Income	7.4	7.0
International Equities	6.9	6.0
Canadian Equities	5.7	5.5
Global Fixed Income	3.6	9.4
U.S. Equities	3.1	3.1
Canadian Focused Equities	1.9	1.2
Emerging Markets Equities	1.4	-
Real Estate Equities	1.1	0.4
Global Equities	0.9	1.4
U.S. Small/Mid Cap Equities	0.9	1.0
Global Small/Mid Cap Equities	0.8	0.6
Canadian Small/Mid Cap Equities	0.6	0.2
Canadian Money Market	-	2.5
Energy Equities	-	1.0
Other Assets less Liabilities	0.4	0.1
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	193,080,773	-	-	193,080,773

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	126,477,470	-	-	126,477,470

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	December 31, 2017	
	Shares	Market Value (\$)
Series F	-	-

	December 31, 2016	
	Shares	Market Value (\$)
Series F	885	10,209

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	-	-
Series F	23	10,682	64

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	1	9,758	-
Series F	9,783	-	223

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

Sun Life Granite Conservative Class (continued)

Interest in Underlying Portfolios

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Portfolio.

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	193,080,773	126,477,470
Total financial assets at fair value through profit or loss	193,080,773	126,477,470
Financial assets at amortized cost		
Cash	171,240	337,302
Other receivables	599,172	214,978
Total financial assets at amortized cost	770,412	552,280
Total assets	193,851,185	127,029,750
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	1,483,207	972,642
Total liabilities (excluding net assets attributable to holders of redeemable shares)	1,483,207	972,642

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	9,915,301	4,212,681
Total net gains (losses)	9,915,301	4,212,681

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life Granite Growth Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	40,546,730	21,257,077
Cash	539,680	2,385
Due from investment dealers	-	13,602
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	214,591	54,376
	41,301,001	21,327,440
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Accrued expenses	1,956	3,595
Redemptions payable	1,000	1,000
Distributions payable	426	94
Due to investment dealers	565,908	6,625
Management fees payable	10,424	20,945
Income tax payable	77,047	44,851
Total liabilities (excluding net assets attributable to holders of redeemable shares)	656,761	77,110
Net Assets Attributable to Holders of Redeemable Shares	40,644,240	21,250,330
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	17,195,639	10,016,630
Series AT5	143,436	60,907
Series AT8	504,230	157,770
Series E	-	-
Series EF	-	-
Series F	5,606,379	1,512,499
Series O	17,194,556	9,502,524
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	13.07	12.22
Series AT5	15.76	15.42
Series AT8	13.67	13.86
Series E	-	-
Series EF	-	-
Series F	13.71	12.68
Series O	12.48	11.43

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	87	360
Distributions from underlying funds	1,927,206	892,548
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	151,822	(48,132)
Change in unrealized appreciation (depreciation) in value of investments	1,205,240	321,594
Net gains (losses) on investments	3,284,355	1,166,370
Total income (loss)	3,284,355	1,166,370
Expenses (note 5)		
Management fees	322,638	174,647
Administration fees	57,204	28,694
Independent review committee fees	654	91
Total operating expenses	380,496	203,432
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	2,903,859	962,938
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	2,903,859	962,938
Income taxes	91,928	43,757
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	2,811,931	919,181
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	1,143,518	509,746
Series AT5	7,420	4,123
Series AT8	27,383	5,002
Series E	-	(114,912)
Series EF	-	(454)
Series F	293,562	67,056
Series O	1,340,048	448,620
Weighted Average Number of Shares Outstanding		
Series A	1,075,091	623,676
Series AT5	7,203	5,374
Series AT8	25,347	16,365
Series E	-	227,903
Series EF	-	1,007
Series F	255,747	91,925
Series O	1,116,830	558,704
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	1.06	0.82
Series AT5	1.03	0.77
Series AT8	1.08	0.31
Series E	-	(0.50)
Series EF	-	(0.45)
Series F	1.15	0.73
Series O	1.20	0.80

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

Sun Life Granite Growth Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 10,016,630	3,412,294	60,907	63,897	157,770	328,806	-	2,461,278
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 1,143,518	509,746	7,420	4,123	27,383	5,002	-	(114,912)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 8,962,782	7,857,140	80,512	56,952	503,083	-	-	5,500
Redemption of redeemable shares	\$ (2,927,299)	(1,761,036)	(5,400)	(63,052)	(151,445)	(147,002)	-	(2,351,708)
Reinvestment of distributions to holders of redeemable shares	\$ 224,323	301,565	7,203	5,874	3,383	3,158	-	123
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 6,259,806	6,397,669	82,315	(226)	355,021	(143,844)	-	(2,346,085)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (140,273)	(232,195)	(832)	(2,199)	(4,072)	(11,166)	-	-
From net investment income	\$ (82,099)	(70,884)	(685)	(4,688)	(2,429)	(21,028)	-	(281)
Return of capital	\$ (1,943)	-	(5,689)	-	(29,443)	-	-	-
	\$ (224,315)	(303,079)	(7,206)	(6,887)	(35,944)	(32,194)	-	(281)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 7,179,009	6,604,336	82,529	(2,990)	346,460	(171,036)	-	(2,461,278)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 17,195,639	10,016,630	143,436	60,907	504,230	157,770	-	-
Redeemable Share Transactions								
Balance - beginning of period	819,988	278,379	3,952	3,916	11,386	21,686	-	227,523
Shares issued	710,096	663,009	5,034	3,736	36,246	-	-	525
Shares issued on reinvestment of distributions	17,780	26,329	461	387	244	226	-	12
Shares redeemed	(232,137)	(147,729)	(345)	(4,087)	(10,982)	(10,526)	-	(228,060)
Balance - end of period	1,315,727	819,988	9,102	3,952	36,894	11,386	-	-

	Series EF		Series F		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	9,920	1,512,499	861,122	9,502,524	4,314,381	21,250,330	11,451,698
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ -	(454)	293,562	67,056	1,340,048	448,620	2,811,931	919,181
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ -	-	4,007,999	968,482	9,444,729	6,316,529	22,999,105	15,204,603
Redemption of redeemable shares	\$ -	(9,466)	(199,534)	(371,474)	(3,093,328)	(1,577,005)	(6,377,006)	(6,280,743)
Reinvestment of distributions to holders of redeemable shares	\$ -	1	46,203	38,206	207,973	199,744	489,085	548,671
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ -	(9,465)	3,854,668	635,214	6,559,374	4,939,268	17,111,184	9,472,531
Distributions to Holders of Redeemable Shares								
From capital gains	\$ -	-	(27,975)	(40,180)	(125,500)	(135,177)	(298,652)	(420,917)
From net investment income	\$ -	(1)	(26,063)	(10,713)	(81,890)	(64,568)	(193,166)	(172,163)
Return of capital	\$ -	-	(312)	-	-	-	(37,387)	-
	\$ -	(1)	(54,350)	(50,893)	(207,390)	(199,745)	(529,205)	(593,080)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ -	(9,920)	4,093,880	651,377	7,692,032	5,188,143	19,393,910	9,798,632
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ -	-	5,606,379	1,512,499	17,194,556	9,502,524	40,644,240	21,250,330
Redeemable Share Transactions								
Balance - beginning of period	-	1,007	119,296	68,419	831,708	384,284	1,786,330	985,214
Shares issued	-	-	301,082	78,690	786,917	573,155	1,839,375	1,319,115
Shares issued on reinvestment of distributions	-	-	3,476	3,246	17,470	18,737	39,431	48,937
Shares redeemed	-	(1,007)	(14,880)	(31,059)	(258,136)	(144,468)	(516,480)	(566,936)
Balance - end of period	-	-	408,974	119,296	1,377,959	831,708	3,148,656	1,786,330

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

Sun Life Granite Growth Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	2,811,931	919,181
Adjustments for:		
Net realized (gain) loss on sale of investments	(151,822)	48,132
Change in unrealized (appreciation) depreciation in value of investments	(1,205,240)	(321,594)
Non-cash income distributions from underlying funds	(1,927,206)	(892,548)
Purchases of investments	(19,925,779)	(11,202,552)
Proceeds from sale of investments	4,493,279	2,442,068
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(10,521)	18,442
Change in other payables and accrued expenses	(1,639)	3,310
Change in income tax payable	32,196	25,299
Net Cash Provided by (Used in) Operating Activities	(15,884,801)	(8,960,262)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(39,788)	(44,382)
Proceeds from redeemable shares issued	22,838,890	15,160,894
Redemption of redeemable shares	(6,377,006)	(6,289,502)
Net Cash Provided by (Used in) Financing Activities	16,422,096	8,827,010
Net increase (decrease) in cash	537,295	(133,252)
Cash (bank indebtedness) at beginning of period	2,385	135,637
Cash (bank indebtedness) at end of period	539,680	2,385
Interest received	87	360
Income taxes paid	(59,732)	(18,458)
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Granite Growth Portfolio, Series I	2,775,045	39,336,103	40,546,730	
		39,336,103	40,546,730	99.76
Total Investments		39,336,103	40,546,730	99.76
Other Assets less Liabilities			97,510	0.24
Total Net Assets			40,644,240	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

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

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

Sun Life Granite Growth Class (continued)

(ii) Interest rate risk

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

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Exchange-Traded Funds		
U.S. Equities	13.2	12.2
Mutual Funds		
International Equities	18.7	16.6
Canadian Equities	16.8	13.6
Tactical Balanced	9.8	12.7
Canadian Fixed Income	6.6	10.9
Global Equities	1.3	6.7
U.S. Equities	8.8	6.0
Real Estate Equities	2.7	3.7
Canadian Focused Equities	5.5	3.4
High Yield Fixed Income	3.5	3.2
Emerging Markets Equities	3.8	2.8
U.S. Small/Mid Cap Equities	2.6	2.1
U.S. Fixed Income	0.4	-
Energy Equities	-	1.5
Global Fixed Income	1.5	1.5
Global Small/Mid Cap Equities	2.4	1.2
Canadian Small/Mid Cap Equities	1.8	1.0
Canadian Money Market	-	0.5
Other Assets less Liabilities	0.6	0.4
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	40,546,730	-	-	40,546,730

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	21,257,077	-	-	21,257,077

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	December 31, 2017	
	Shares	Market Value (\$)
Series AT5	956	15,064
Series AT8	-	-
Series F	-	-

	December 31, 2016	
	Shares	Market Value (\$)
Series AT5	891	13,735
Series AT8	991	13,740
Series F	826	10,474

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

Sun Life Granite Growth Class (continued)

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	37	-	974
Series AT8	20	14,604	658
Series EF	-	-	-
Series F	15	11,196	145

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	33	-	1,250
Series AT8	33	-	1,686
Series EF	1	9,466	-
Series F	9,491	-	419

Interest in Underlying Portfolios

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Portfolio.

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	40,546,730	21,257,077
Total financial assets at fair value through profit or loss	40,546,730	21,257,077
Financial assets at amortized cost		
Cash	539,680	2,385
Other receivables	214,591	67,978
Total financial assets at amortized cost	754,271	70,363
Total assets	41,301,001	21,327,440
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	656,761	77,110
Total liabilities (excluding net assets attributable to holders of redeemable shares)	656,761	77,110

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	3,284,355	1,166,370
Total net gains (losses)	3,284,355	1,166,370

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series AT8 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life Granite Moderate Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	98,859,917	72,338,406
Cash	70,153	88,443
Due from investment dealers	-	50,163
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	411,280	136,543
	99,341,350	72,613,555
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Accrued expenses	4,795	12,347
Redemptions payable	92	8,003
Distributions payable	27	131
Due to investment dealers	410,476	148,868
Management fees payable	24,955	62,910
Income tax payable	351,154	252,938
Total liabilities (excluding net assets attributable to holders of redeemable shares)	791,499	485,197
Net Assets Attributable to Holders of Redeemable Shares	98,549,851	72,128,358
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	42,756,718	31,369,581
Series AT5	7,026,318	4,904,854
Series E	-	-
Series EF	-	-
Series F	6,507,862	3,663,822
Series O	42,258,953	32,190,101
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	12.32	11.75
Series AT5	14.80	14.83
Series E	-	-
Series EF	-	-
Series F	12.91	12.18
Series O	12.15	11.36

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	2,340	5,102
Distributions from underlying funds	4,689,869	2,650,437
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	388,245	20,439
Change in unrealized appreciation (depreciation) in value of investments	2,280,719	551,027
Net gains (losses) on investments	7,361,173	3,227,005
Total income (loss)	7,361,173	3,227,005
Expenses (note 5)		
Management fees	867,654	518,491
Administration fees	163,114	100,622
Independent review committee fees	1,836	321
Total operating expenses	1,032,604	619,434
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	6,328,569	2,607,571
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	6,328,569	2,607,571
Income taxes	417,214	248,841
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	5,911,355	2,358,730
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	2,182,894	1,005,311
Series AT5	369,786	65,352
Series E	-	(219,036)
Series EF	-	(27,837)
Series F	321,104	125,082
Series O	3,037,571	1,409,858
Weighted Average Number of Shares Outstanding		
Series A	3,119,563	2,009,262
Series AT5	416,527	148,378
Series E	-	736,256
Series EF	-	105,299
Series F	360,932	178,912
Series O	3,316,605	2,259,468
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	0.70	0.50
Series AT5	0.89	0.44
Series E	-	(0.30)
Series EF	-	(0.26)
Series F	0.89	0.70
Series O	0.92	0.62

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

Sun Life Granite Moderate Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series E		Series EF	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 31,369,581	10,804,784	4,904,854	1,777,605	-	7,554,615	-	1,022,381
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 2,182,894	1,005,311	369,786	65,352	-	(219,036)	-	(27,837)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 19,614,645	25,560,200	2,809,341	3,384,175	-	755,519	-	70,050
Redemption of redeemable shares	\$ (10,404,578)	(5,998,465)	(807,220)	(213,084)	-	(8,090,758)	-	(1,064,458)
Reinvestment of distributions to holders of redeemable shares	\$ 417,488	575,875	133,283	73,384	-	312	-	119
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 9,627,555	20,137,610	2,135,404	3,244,475	-	(7,334,927)	-	(994,289)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (272,045)	(418,450)	(43,153)	(36,376)	-	-	-	-
From net investment income	\$ (143,838)	(150,950)	(23,748)	(23,795)	-	-	-	-
Return of capital	\$ (7,429)	(8,724)	(316,825)	(122,407)	-	(652)	-	(255)
	\$ (423,312)	(578,124)	(383,726)	(182,578)	-	(652)	-	(255)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 11,387,137	20,564,797	2,121,464	3,127,249	-	(7,554,615)	-	(1,022,381)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 42,756,718	31,369,581	7,026,318	4,904,854	-	-	-	-
Redeemable Share Transactions								
Balance - beginning of period	2,671,442	921,701	330,913	114,117	-	701,557	-	103,386
Shares issued	1,628,306	2,213,327	188,480	226,086	-	71,417	-	7,252
Shares issued on reinvestment of distributions	34,611	51,005	8,975	4,923	-	29	-	12
Shares redeemed	(863,846)	(514,591)	(53,621)	(14,213)	-	(773,003)	-	(110,650)
Balance - end of period	3,470,513	2,671,442	474,747	330,913	-	-	-	-

	Series F		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 3,663,822	160,109	32,190,101	13,214,008	72,128,358	34,533,502
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 321,104	125,082	3,037,571	1,409,858	5,911,355	2,358,730
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 3,591,741	3,608,790	15,605,321	23,983,799	41,621,048	57,362,533
Redemption of redeemable shares	\$ (1,066,924)	(228,683)	(8,573,949)	(6,418,496)	(20,852,671)	(22,013,944)
Reinvestment of distributions to holders of redeemable shares	\$ 54,481	49,722	438,964	572,425	1,044,216	1,271,837
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 2,579,298	3,429,829	7,470,336	18,137,728	21,812,593	36,620,426
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (33,992)	(31,848)	(296,789)	(416,774)	(645,979)	(903,448)
From net investment income	\$ (21,095)	(17,652)	(142,266)	(154,719)	(330,947)	(347,116)
Return of capital	\$ (1,275)	(1,698)	-	-	(325,529)	(133,736)
	\$ (56,362)	(51,198)	(439,055)	(571,493)	(1,302,455)	(1,384,300)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,844,040	3,503,713	10,068,852	18,976,093	26,421,493	37,594,856
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 6,507,862	3,663,822	42,258,953	32,190,101	98,549,851	72,128,358
Redeemable Share Transactions						
Balance - beginning of period	301,028	13,322	2,834,432	1,188,904	6,137,815	3,042,987
Shares issued	283,476	302,251	1,331,748	2,169,537	3,432,010	4,989,870
Shares issued on reinvestment of distributions	4,328	4,256	37,515	53,069	85,429	113,294
Shares redeemed	(84,666)	(18,801)	(724,586)	(577,078)	(1,726,719)	(2,008,336)
Balance - end of period	504,166	301,028	3,479,109	2,834,432	7,928,535	6,137,815

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

Sun Life Granite Moderate Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	5,911,355	2,358,730
Adjustments for:		
Net realized (gain) loss on sale of investments	(388,245)	(20,439)
Change in unrealized (appreciation) depreciation in value of investments	(2,280,719)	(551,027)
Non-cash income distributions from underlying funds	(4,689,869)	(2,650,437)
Purchases of investments	(28,629,199)	(40,107,023)
Proceeds from sale of investments	9,778,292	5,577,776
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(37,955)	55,769
Change in other payables and accrued expenses	(7,552)	11,102
Change in income tax payable	98,216	179,755
Net Cash Provided by (Used in) Operating Activities	(20,245,676)	(35,145,794)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(258,343)	(113,021)
Proceeds from redeemable shares issued	41,346,311	57,258,163
Redemption of redeemable shares	(20,860,582)	(22,009,816)
Net Cash Provided by (Used in) Financing Activities	20,227,386	35,135,326
Net increase (decrease) in cash	(18,290)	(10,468)
Cash (bank indebtedness) at beginning of period	88,443	98,911
Cash (bank indebtedness) at end of period	70,153	88,443
Interest received	2,340	5,102
Income taxes paid	(318,998)	(69,086)
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Granite Moderate Portfolio, Series I	7,370,236	96,401,046	98,859,917	
		96,401,046	98,859,917	100.31
Total Investments		96,401,046	98,859,917	100.31
Other Assets less Liabilities			(310,066)	(0.31)
Total Net Assets			98,549,851	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

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

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

Sun Life Granite Moderate Class (continued)

(ii) Interest rate risk

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

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Portfolio's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Exchange-Traded Funds		
U.S. Equities	8.1	8.2
Mutual Funds		
Canadian Fixed Income	25.4	29.7
Tactical Balanced	11.0	14.1
Canadian Equities	10.1	10.5
International Equities	11.5	10.1
High Yield Fixed Income	6.8	6.1
Global Fixed Income	2.8	5.0
U.S. Equities	5.5	4.4
Global Equities	1.1	2.4
Canadian Focused Equities	3.3	2.2
Real Estate Equities	1.7	1.5
U.S. Small/Mid Cap Equities	1.6	1.4
U.S. Fixed Income	5.7	-
Emerging Markets Equities	2.5	1.2
Energy Equities	-	1.0
Canadian Money Market	-	0.9
Global Small/Mid Cap Equities	1.5	0.6
Canadian Small/Mid Cap Equities	1.1	0.5
Other Assets less Liabilities	0.3	0.2
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	98,859,917	-	-	98,859,917

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	72,338,406	-	-	72,338,406

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	December 31, 2017	
	Shares	Market Value (\$)
Series F	-	-

	December 31, 2016	
	Shares	Market Value (\$)
Series F	851	10,360

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	-	-
Series F	15	10,929	84

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	1	9,663	-
Series F	9,688	-	256

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

Sun Life Granite Moderate Class (continued)

Interest in Underlying Portfolios

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Portfolio.

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	98,859,917	72,338,406
Total financial assets at fair value through profit or loss	98,859,917	72,338,406
Financial assets at amortized cost		
Cash	70,153	88,443
Other receivables	411,280	186,706
Total financial assets at amortized cost	481,433	275,149
Total assets	99,341,350	72,613,555
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	791,499	485,197
Total liabilities (excluding net assets attributable to holders of redeemable shares)	791,499	485,197

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	7,361,173	3,227,005
Total net gains (losses)	7,361,173	3,227,005

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life MFS Canadian Equity Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	931,550	860,843
Cash	-	-
Due from investment dealers	13,380	1,567
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	83	83
	945,013	862,493
Liabilities		
Current Liabilities		
Bank indebtedness	13,509	2,854
Accrued expenses	41	135
Redemptions payable	-	-
Distributions payable	-	1
Due to investment dealers	173	83
Management fees payable	449	1,527
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	14,172	4,600
Net Assets Attributable to Holders of Redeemable Shares	930,841	857,893
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	582,644	627,124
Series AT5	227,746	130,602
Series E	-	-
Series EF	-	-
Series F	26,072	24,252
Series O	94,379	75,915
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	11.66	11.11
Series AT5	13.99	14.02
Series E	-	-
Series EF	-	-
Series F	12.21	11.51
Series O	11.14	10.39

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	-	3
Distributions from underlying funds	10,011	14,093
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	18,197	(616)
Change in unrealized appreciation (depreciation) in value of investments	47,833	88,849
Net gains (losses) on investments	76,041	102,329
Total income (loss)	76,041	102,329
Expenses (note 5)		
Management fees	16,249	12,389
Administration fees	1,456	1,105
Independent review committee fees	17	4
Total operating expenses	17,722	13,498
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	58,319	88,831
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	58,319	88,831
Income taxes	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	58,319	88,831
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	34,590	68,248
Series AT5	14,418	8,239
Series E	-	(379)
Series EF	-	(339)
Series F	1,779	3,431
Series O	7,532	9,631
Weighted Average Number of Shares Outstanding		
Series A	50,596	50,815
Series AT5	12,625	3,423
Series E	-	1,063
Series EF	-	1,026
Series F	2,109	1,961
Series O	9,140	5,870
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	0.68	1.34
Series AT5	1.14	2.41
Series E	-	(0.36)
Series EF	-	(0.33)
Series F	0.84	1.75
Series O	0.82	1.64

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

Sun Life MFS Canadian Equity Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series E		Series EF	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 627,124	492,874	130,602	11,696	-	9,929	-	9,150
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 34,590	68,248	14,418	8,239	-	(379)	-	(339)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 109,030	128,649	100,050	114,604	-	-	-	-
Redemption of redeemable shares	\$ (187,808)	(62,364)	(13,380)	-	-	(9,550)	-	(8,811)
Reinvestment of distributions to holders of redeemable shares	\$ 6,207	38,767	7,658	1,544	-	1	-	1
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (72,571)	105,052	94,328	116,148	-	(9,549)	-	(8,810)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ -	(28,384)	-	(664)	-	-	-	-
From net investment income	\$ (6,266)	(10,273)	(2,449)	(2,179)	-	-	-	-
Return of capital	\$ (233)	(393)	(9,153)	(2,638)	-	(1)	-	(1)
	\$ (6,499)	(39,050)	(11,602)	(5,481)	-	(1)	-	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (44,480)	134,250	97,144	118,906	-	(9,929)	-	(9,150)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 582,644	627,124	227,746	130,602	-	-	-	-
Redeemable Share Transactions								
Balance - beginning of period	56,465	46,481	9,314	829	-	1,063	-	1,026
Shares issued	9,590	11,990	7,358	8,368	-	-	-	-
Shares issued on reinvestment of distributions	529	3,899	551	117	-	-	-	-
Shares redeemed	(16,600)	(5,905)	(943)	-	-	(1,063)	-	(1,026)
Balance - end of period	49,984	56,465	16,280	9,314	-	-	-	-

	Series F		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 24,252	12,004	75,915	44,763	857,893	580,416
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 1,779	3,431	7,532	9,631	58,319	88,831
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 40	8,811	30,358	64,117	239,478	316,181
Redemption of redeemable shares	\$ -	-	(19,427)	(42,594)	(220,615)	(123,319)
Reinvestment of distributions to holders of redeemable shares	\$ 310	1,656	1,017	3,800	15,192	45,769
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 350	10,467	11,948	25,323	34,055	238,631
Distributions to Holders of Redeemable Shares						
From capital gains	\$ -	(1,203)	-	(2,558)	-	(32,809)
From net investment income	\$ (280)	(397)	(1,016)	(1,244)	(10,011)	(14,093)
Return of capital	\$ (29)	(50)	-	-	(9,415)	(3,083)
	\$ (309)	(1,650)	(1,016)	(3,802)	(19,426)	(49,985)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,820	12,248	18,464	31,152	72,948	277,477
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 26,072	24,252	94,379	75,915	930,841	857,893
Redeemable Share Transactions						
Balance - beginning of period	2,106	1,103	7,307	4,612	75,192	55,114
Shares issued	4	841	2,852	6,738	19,804	27,937
Shares issued on reinvestment of distributions	25	162	92	410	1,197	4,588
Shares redeemed	-	-	(1,780)	(4,453)	(19,323)	(12,447)
Balance - end of period	2,135	2,106	8,471	7,307	76,870	75,192

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

Sun Life MFS Canadian Equity Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	58,319	88,831
Adjustments for:		
Net realized (gain) loss on sale of investments	(18,197)	616
Change in unrealized (appreciation) depreciation in value of investments	(47,833)	(88,849)
Non-cash income distributions from underlying funds	(10,011)	(14,093)
Purchases of investments	(237,620)	(257,287)
Proceeds from sale of investments	231,231	78,977
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(1,078)	1,302
Change in other payables and accrued expenses	(94)	115
Change in income tax payable	-	-
Net Cash Provided by (Used in) Operating Activities	(25,283)	(190,388)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(4,235)	(4,215)
Proceeds from redeemable shares issued	239,478	316,148
Redemption of redeemable shares	(220,615)	(123,319)
Net Cash Provided by (Used in) Financing Activities	14,628	188,614
Net increase (decrease) in cash	(10,655)	(1,774)
Cash (bank indebtedness) at beginning of period	(2,854)	(1,080)
Cash (bank indebtedness) at end of period	(13,509)	(2,854)
Interest received	-	3
Income taxes paid	-	-
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life MFS Canadian Equity Fund, Series I	46,881	829,452	931,550	
		829,452	931,550	100.08
Total Investments		829,452	931,550	100.08
Other Assets less Liabilities			(709)	(0.08)
Total Net Assets			930,841	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Underlying Fund had no significant investments in debt instruments and/or derivatives. As a result, the Fund did not have any significant exposure to credit risk. Credit risk from other financial instruments is minimal.

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

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

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

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)		Holdings Exposed to Currency Risk (\$CAD)	
	December 31, 2017	Percentage of Net Assets (%)	December 31, 2016	Percentage of Net Assets (%)
United States Dollar	254	0.03	248	0.03
Total	254	0.03	248	0.03

As at December 31, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$13 (\$12 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Fund. As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in publicly traded equities. As at December 31, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$46,140 (\$42,449 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Equities		
Energy	20.4	22.5
Materials	11.5	11.7
Industrials	14.6	12.3
Consumer Discretionary	5.9	6.1
Consumer Staples	4.2	3.6
Health Care	0.3	0.1
Financials	32.5	33.1
Real Estate	1.7	2.1
Information Technology	4.4	4.1
Telecommunication Services	2.7	2.3
Utilities	0.9	1.1
Other Assets less Liabilities	0.9	1.0
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	931,550	-	-	931,550
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	860,843	-	-	860,843

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

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

Sun Life MFS Canadian Equity Class (continued)

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

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

	December 31, 2016	
	Shares	Market Value (\$)
Series F	2,106	24,252
Series A	16,551	183,818
Series AT5	946	13,267
Series O	1,117	11,607

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series F	64	-	280
Series A	479	-	2,102
Series AT5	35	-	831
Series E	-	-	-
Series EF	-	-	-
Series O	-	101	134

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series F	8,867	-	1,600
Series A	9,974	423	12,205
Series AT5	31	-	1,513
Series E	1	9,550	-
Series EF	1	8,811	-
Series O	-	91	766

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	931,550	860,843
Total financial assets at fair value through profit or loss	931,550	860,843
Financial assets at amortized cost		
Cash	-	-
Other receivables	13,463	1,650
Total financial assets at amortized cost	13,463	1,650
Total assets	945,013	862,493
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	14,172	4,600
Total liabilities (excluding net assets attributable to holders of redeemable shares)	14,172	4,600

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	76,041	102,329
Total net gains (losses)	76,041	102,329

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

Sun Life MFS Canadian Equity Class (continued)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life MFS Dividend Income Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	16,582,403	10,718,363
Cash	-	3,515
Due from investment dealers	-	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	122,899	146,127
	16,705,302	10,868,005
Liabilities		
Current Liabilities		
Bank indebtedness	26,591	-
Accrued expenses	141	468
Redemptions payable	2,500	1,581
Distributions payable	-	2,713
Due to investment dealers	119,644	145,335
Management fees payable	949	3,333
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	149,825	153,430
Net Assets Attributable to Holders of Redeemable Shares	16,555,477	10,714,575
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	1,862,308	1,622,817
Series AT5	46,834	44,283
Series E	-	-
Series EF	-	-
Series F	148,132	1,014,029
Series I	13,300,051	7,095,170
Series O	1,198,152	938,276
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	12.04	11.65
Series AT5	14.48	14.74
Series E	-	-
Series EF	-	-
Series F	12.62	12.07
Series I	10.51	9.96
Series O	11.18	10.60

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	1	44
Distributions from underlying funds	476,003	214,170
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	143,768	(8,445)
Change in unrealized appreciation (depreciation) in value of investments	589,971	1,119,429
Net gains (losses) on investments	1,209,743	1,325,198
Total income (loss)	1,209,743	1,325,198
Expenses (note 5)		
Management fees	38,061	32,150
Administration fees	5,700	4,432
Independent review committee fees	73	44
Total operating expenses	43,834	36,626
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	1,165,909	1,288,572
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	1,165,909	1,288,572
Income taxes	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	1,165,909	1,288,572
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	110,139	263,532
Series AT5	3,174	8,497
Series E	-	(24,063)
Series EF	-	(401)
Series F	35,265	3,802
Series I	926,780	860,953
Series O	90,551	176,252
Weighted Average Number of Shares Outstanding		
Series A	147,672	142,312
Series AT5	5,688	4,242
Series E	-	61,012
Series EF	-	1,024
Series F	43,172	5,261
Series I	1,032,152	484,630
Series O	98,939	102,570
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	0.75	1.85
Series AT5	0.56	2.00
Series E	-	(0.39)
Series EF	-	(0.39)
Series F	0.82	0.72
Series I	0.90	1.78
Series O	0.92	1.72

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

Sun Life MFS Dividend Income Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series E		Series EF	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 1,622,817	1,082,487	44,283	96,748	-	542,076	-	9,182
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 110,139	263,532	3,174	8,497	-	(24,063)	-	(401)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 728,114	750,836	63,568	-	-	9,050	-	-
Redemption of redeemable shares	\$ (596,000)	(473,965)	(62,939)	(60,967)	-	(527,036)	-	(8,781)
Reinvestment of distributions to holders of redeemable shares	\$ 50,880	51,223	4,413	4,783	-	23	-	1
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 182,994	328,094	5,042	(56,184)	-	(517,963)	-	(8,780)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (2,605)	(18,489)	(157)	(1,138)	-	-	-	-
From net investment income	\$ (50,856)	(32,456)	(1,277)	(885)	-	-	-	-
Return of capital	\$ (181)	(351)	(4,231)	(2,755)	-	(50)	-	(1)
	\$ (53,642)	(51,296)	(5,665)	(4,778)	-	(50)	-	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 239,491	540,330	2,551	(52,465)	-	(542,076)	-	(9,182)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 1,862,308	1,622,817	46,834	44,283	-	-	-	-
Redeemable Share Transactions								
Balance - beginning of period	139,339	104,459	3,004	7,020	-	60,647	-	1,024
Shares issued	61,058	73,091	4,250	-	-	1,068	-	-
Shares issued on reinvestment of distributions	4,230	4,680	302	346	-	3	-	-
Shares redeemed	(49,975)	(42,891)	(4,322)	(4,362)	-	(61,718)	-	(1,024)
Balance - end of period	154,652	139,339	3,234	3,004	-	-	-	-

	Series F		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 1,014,029	56,038	7,095,170	2,245,106	938,276	1,099,649	10,714,575	5,131,286
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 35,265	3,802	926,780	860,953	90,551	176,252	1,165,909	1,288,572
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 132,689	1,008,781	6,343,830	4,588,038	300,852	401,286	7,569,053	6,757,991
Redemption of redeemable shares	\$ (1,034,087)	(54,790)	(1,068,442)	(597,384)	(131,527)	(738,912)	(2,892,995)	(2,461,835)
Reinvestment of distributions to holders of redeemable shares	\$ 7,566	20,605	375,150	174,502	34,063	31,391	472,072	282,528
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (893,832)	974,596	5,650,538	4,165,156	203,388	(306,235)	5,148,130	4,578,684
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (1,546)	(108)	(12,867)	(34,280)	(1,414)	(12,604)	(18,589)	(66,619)
From net investment income	\$ (4,039)	(20,277)	(359,570)	(141,765)	(32,649)	(18,786)	(448,391)	(214,169)
Return of capital	\$ (1,745)	(22)	-	-	-	-	(6,157)	(3,179)
	\$ (7,330)	(20,407)	(372,437)	(176,045)	(34,063)	(31,390)	(473,137)	(283,967)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (865,897)	957,991	6,204,881	4,850,064	259,876	(161,373)	5,840,902	5,583,289
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 148,132	1,014,029	13,300,051	7,095,170	1,198,152	938,276	16,555,477	10,714,575
Redeemable Share Transactions								
Balance - beginning of period	84,001	5,273	712,690	258,831	88,489	118,841	1,027,523	556,095
Shares issued	10,750	82,292	620,367	501,635	27,604	41,099	724,029	699,185
Shares issued on reinvestment of distributions	575	1,709	35,765	18,228	3,054	3,194	43,926	28,160
Shares redeemed	(83,586)	(5,273)	(103,549)	(66,004)	(11,953)	(74,645)	(253,385)	(255,917)
Balance - end of period	11,740	84,001	1,265,273	712,690	107,194	88,489	1,542,093	1,027,523

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

Sun Life MFS Dividend Income Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	1,165,909	1,288,572
Adjustments for:		
Net realized (gain) loss on sale of investments	(143,768)	8,445
Change in unrealized (appreciation) depreciation in value of investments	(589,971)	(1,119,429)
Non-cash income distributions from underlying funds	(476,003)	(214,170)
Purchases of investments	(7,048,719)	(5,766,429)
Proceeds from sale of investments	2,368,730	1,627,284
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(2,384)	2,702
Change in other payables and accrued expenses	(327)	374
Change in income tax payable	-	-
Net Cash Provided by (Used in) Operating Activities	(4,726,533)	(4,172,651)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(3,778)	103
Proceeds from redeemable shares issued	7,592,281	6,664,041
Redemption of redeemable shares	(2,892,076)	(2,478,541)
Net Cash Provided by (Used in) Financing Activities	4,696,427	4,185,603
Net increase (decrease) in cash	(30,106)	12,952
Cash (bank indebtedness) at beginning of period	3,515	(9,437)
Cash (bank indebtedness) at end of period	(26,591)	3,515
Interest received	1	44
Income taxes paid	-	-
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life MFS Dividend Income Fund, Series I	1,221,810	15,309,108	16,582,403	
		15,309,108	16,582,403	100.16
Total Investments		15,309,108	16,582,403	100.16
Other Assets less Liabilities			(26,926)	(0.16)
Total Net Assets			16,555,477	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Underlying Fund had no significant investments in debt instruments and/or derivatives. As a result, the Fund did not have any significant exposure to credit risk. Credit risk from other financial instruments is minimal.

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

(b) Market risk

(i) Currency risk

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

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

Sun Life MFS Dividend Income Class (continued)

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)		Holdings Exposed to Currency Risk (\$CAD)	
	December 31, 2017	Percentage of Net Assets (%)	December 31, 2016	Percentage of Net Assets (%)
United States				
Dollar	1,380,962	8.34	726,946	6.78
Euro	611,145	3.69	50,776	0.47
British Pound	387,974	2.34	211,820	1.98
Japanese Yen	348,248	2.10	110,938	1.04
Swiss Franc	323,526	1.95	215,691	2.01
Australian Dollar	184,658	1.12	102,836	0.96
South African Rand	145,390	0.88	48,977	0.46
Danish Krone	1,582	0.01	102,648	0.96
Norwegian Krone	-	-	1,848	0.02
Total	3,383,485	20.43	1,572,480	14.68

As at December 31, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$169,174 (\$78,624 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Fund. As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

The Fund is exposed to other market risk as a result of the Underlying Fund's investment in publicly traded equities. As at December 31, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$815,446 (\$525,164 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Equities		
Energy	17.0	21.2
Materials	8.7	9.4
Industrials	11.4	10.6
Consumer Discretionary	3.3	5.3
Consumer Staples	4.5	2.7
Health Care	0.7	-
Financials	37.4	33.9
Real Estate	3.5	4.2
Information Technology	2.1	1.7
Telecommunication Services	4.9	2.6
Utilities	5.0	6.4
Other Assets less Liabilities	1.5	2.0
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	16,582,403	-	-	16,582,403
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	10,718,363	-	-	10,718,363

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

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

Sun Life MFS Dividend Income Class (continued)

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

December 31, 2017		
	Shares	Market Value (\$)
Series AT5	949	13,745
Series F	924	11,656
Series I	1,088	11,438

December 31, 2016		
	Shares	Market Value (\$)
Series AT5	874	12,885
Series F	895	10,801
Series I	1,057	10,522

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

December 31, 2017			
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	34	-	1,055
Series EF	-	-	-
Series F	29	-	334
Series I	-	-	328

December 31, 2016			
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	30	-	961
Series EF	1	8,781	-
Series F	8,806	-	324
Series I	-	-	315

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, the Fund had significant interests in the Underlying Fund as noted in the following tables:

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

As at December 31, 2016		
Underlying Fund	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life MFS Dividend Income Fund	100	36

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	16,582,403	10,718,363
Total financial assets at fair value through profit or loss	16,582,403	10,718,363
Financial assets at amortized cost		
Cash	-	3,515
Other receivables	122,899	146,127
Total financial assets at amortized cost	122,899	149,642
Total assets	16,705,302	10,868,005
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	149,825	153,430
Total liabilities (excluding net assets attributable to holders of redeemable shares)	149,825	153,430

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	1,209,743	1,325,198
Total net gains (losses)	1,209,743	1,325,198

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

Sun Life MFS Dividend Income Class (continued)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series I Shares	May 01, 2015	May 01, 2015
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life MFS Global Growth Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	13,736,503	8,156,082
Cash	-	-
Due from investment dealers	-	104,721
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	65,039	461
	13,801,542	8,261,264
Liabilities		
Current Liabilities		
Bank indebtedness	5,366	24,202
Accrued expenses	612	1,280
Redemptions payable	1,230	7,000
Distributions payable	-	-
Due to investment dealers	5,861	-
Management fees payable	4,106	9,216
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	17,175	41,698
Net Assets Attributable to Holders of Redeemable Shares	13,784,367	8,219,566
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	5,566,097	3,451,338
Series AT5	692,603	214,679
Series AT8	397,343	265,480
Series E	-	-
Series EF	-	-
Series F	1,449,702	879,131
Series O	5,678,622	3,408,938
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	16.46	13.85
Series AT5	19.89	17.52
Series AT8	17.39	15.76
Series E	-	-
Series EF	-	-
Series F	17.06	14.19
Series O	15.20	12.50

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	990	1,310
Distributions from underlying funds	267,588	198,245
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	145,787	99,037
Change in unrealized appreciation (depreciation) in value of investments	1,818,006	(93,562)
Net gains (losses) on investments	2,232,371	205,030
Total income (loss)	2,232,371	205,030
Expenses (note 5)		
Management fees	131,746	90,256
Administration fees	18,406	11,802
Independent review committee fees	238	43
Total operating expenses	150,390	102,101
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	2,081,981	102,929
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	2,081,981	102,929
Income taxes	672	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	2,081,309	102,929
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	820,752	60,208
Series AT5	75,329	(2,022)
Series AT8	60,779	2,934
Series E	-	(51,150)
Series EF	-	(6,733)
Series F	221,365	15,147
Series O	903,084	84,545
Weighted Average Number of Shares Outstanding		
Series A	297,462	251,322
Series AT5	24,410	7,029
Series AT8	19,212	13,589
Series E	-	67,203
Series EF	-	11,013
Series F	72,290	31,597
Series O	317,561	221,524
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	2.76	0.24
Series AT5	3.09	(0.29)
Series AT8	3.16	0.22
Series E	-	(0.76)
Series EF	-	(0.61)
Series F	3.06	0.48
Series O	2.84	0.38

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

Sun Life MFS Global Growth Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 3,451,338	2,750,225	214,679	79,068	265,480	167,841	-	842,187
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 820,752	60,208	75,329	(2,022)	60,779	2,934	-	(51,150)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 2,222,210	2,117,364	423,052	159,249	115,898	198,898	-	35,000
Redemption of redeemable shares	\$ (927,679)	(1,466,935)	(15,339)	(21,373)	(17,219)	(83,147)	-	(826,000)
Reinvestment of distributions to holders of redeemable shares	\$ 67,700	110,191	21,588	9,581	1,910	4,533	-	30
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,362,231	760,620	429,301	147,457	100,589	120,284	-	(790,970)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (67,757)	(118,864)	(4,065)	(2,564)	(5,007)	(5,454)	-	-
From net investment income	\$ (113)	(112)	(13)	(7)	(8)	(9)	-	-
Return of capital	\$ (354)	(739)	(22,628)	(7,253)	(24,490)	(20,116)	-	(67)
	\$ (68,224)	(119,715)	(26,706)	(9,824)	(29,505)	(25,579)	-	(67)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 2,114,759	701,113	477,924	135,611	131,863	97,639	-	(842,187)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 5,566,097	3,451,338	692,603	214,679	397,343	265,480	-	-
Redeemable Share Transactions								
Balance - beginning of period	249,278	191,370	12,252	4,117	16,840	9,390	-	69,026
Shares issued	144,909	156,300	22,215	8,814	6,922	12,331	-	2,985
Shares issued on reinvestment of distributions	4,678	8,457	1,139	543	113	281	-	2
Shares redeemed	(60,780)	(106,849)	(782)	(1,222)	(1,022)	(5,162)	-	(72,013)
Balance - end of period	338,085	249,278	34,824	12,252	22,853	16,840	-	-

	Series EF		Series F		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	111,588	879,131	4,576	3,408,938	2,178,493	8,219,566	6,133,978
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ -	(6,733)	221,365	15,147	903,084	84,545	2,081,309	102,929
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ -	-	406,963	957,821	2,184,227	1,483,208	5,352,350	4,951,540
Redemption of redeemable shares	\$ -	(104,855)	(52,599)	(98,451)	(817,535)	(337,307)	(1,830,371)	(2,938,068)
Reinvestment of distributions to holders of redeemable shares	\$ -	1	13,383	13,318	62,963	74,246	167,544	211,900
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ -	(104,854)	367,747	872,688	1,429,655	1,220,147	3,689,523	2,225,372
Distributions to Holders of Redeemable Shares								
From capital gains	\$ -	-	(18,273)	(13,051)	(62,939)	(74,139)	(158,041)	(214,072)
From net investment income	\$ -	-	(28)	(28)	(116)	(108)	(278)	(264)
Return of capital	\$ -	(1)	(240)	(201)	-	-	(47,712)	(28,377)
	\$ -	(1)	(18,541)	(13,280)	(63,055)	(74,247)	(206,031)	(242,713)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ -	(111,588)	570,571	874,555	2,269,684	1,230,445	5,564,801	2,085,588
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ -	-	1,449,702	879,131	5,678,622	3,408,938	13,784,367	8,219,566
Redeemable Share Transactions								
Balance - beginning of period	-	11,013	61,950	314	272,681	171,637	613,001	456,867
Shares issued	-	-	25,297	67,854	153,969	122,187	353,312	370,471
Shares issued on reinvestment of distributions	-	-	898	1,005	4,809	6,431	11,637	16,719
Shares redeemed	-	(11,013)	(3,168)	(7,223)	(57,831)	(27,574)	(123,583)	(231,056)
Balance - end of period	-	-	84,977	61,950	373,628	272,681	854,367	613,001

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

Sun Life MFS Global Growth Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	2,081,309	102,929
Adjustments for:		
Net realized (gain) loss on sale of investments	(145,787)	(99,037)
Change in unrealized (appreciation) depreciation in value of investments	(1,818,006)	93,562
Non-cash income distributions from underlying funds	(267,588)	(198,245)
Purchases of investments	(4,331,872)	(3,076,255)
Proceeds from sale of investments	1,093,414	1,168,746
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(5,110)	7,581
Change in other payables and accrued expenses	(668)	1,084
Change in income tax payable	-	-
Net Cash Provided by (Used in) Operating Activities	(3,394,308)	(1,999,635)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(38,487)	(30,814)
Proceeds from redeemable shares issued	5,287,772	4,996,079
Redemption of redeemable shares	(1,836,141)	(2,931,943)
Net Cash Provided by (Used in) Financing Activities	3,413,144	2,033,322
Net increase (decrease) in cash	18,836	33,687
Cash (bank indebtedness) at beginning of period	(24,202)	(57,889)
Cash (bank indebtedness) at end of period	(5,366)	(24,202)
Interest received	990	1,310
Income taxes paid	(672)	-
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life MFS Global Growth Fund, Series I	660,587	11,383,400	13,736,503	
		11,383,400	13,736,503	99.65
Total Investments		11,383,400	13,736,503	99.65
Other Assets less Liabilities			47,864	0.35
Total Net Assets			13,784,367	100.00

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 as a result of its investment in the Underlying Fund. The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's.

Ratings for securities that subject the Fund to credit risk as at December 31, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	December 31, 2017	December 31, 2016
AAA/Aaa	1.10	-
Total	1.10	-

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

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

Sun Life MFS Global Growth Class (continued)

(b) Market risk

(i) Currency risk

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

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings	Percentage	Holdings	Percentage
	Exposed to Currency Risk (\$CAD)	of Net Assets (%)	Exposed to Currency Risk (\$CAD)	of Net Assets (%)
	December 31, 2017		December 31, 2016	
United States Dollar	8,788,875	63.76	5,549,792	67.52
British Pound	1,657,788	12.03	937,257	11.40
Euro	1,231,015	8.93	651,637	7.93
Swiss Franc	924,966	6.71	566,151	6.89
Japanese Yen	505,180	3.66	186,941	2.27
Korean Won	228,630	1.66	129,286	1.57
Danish Krone	76,193	0.55	93,781	1.14
Indian Rupee	55,061	0.40	-	-
Brazilian Real	40,141	0.29	39,262	0.48
Hong Kong Dollar	-	-	52,219	0.64
Total	13,507,849	97.99	8,206,326	99.84

As at December 31, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$675,392 (\$410,316 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

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

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

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
December 31, 2017	152,090	-	-	152,090
December 31, 2016	-	-	-	-

As at December 31, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$33 (\$nil as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

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

As at December 31, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$678,763 (\$404,523 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Short-Term Investments		
Treasury Bills	1.1	-
Equities		
Energy	0.8	0.9
Materials	7.1	8.1
Industrials	11.1	9.9
Consumer Discretionary	17.1	16.0
Consumer Staples	18.6	19.4
Health Care	10.2	14.8
Financials	7.5	7.2
Information Technology	26.1	22.2
Other Assets less Liabilities	0.4	1.5
Total	100.0	100.0

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

Sun Life MFS Global Growth Class (continued)

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	8,156,082	-	-	8,156,082

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

December 31, 2017		
	Shares	Market Value (\$)
Series F	-	-

December 31, 2016		
	Shares	Market Value (\$)
Series F	759	10,774

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

December 31, 2017			
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series F	16	12,642	205
Series AT5	-	-	-
Series AT8	-	-	-
Series EF	-	-	-

December 31, 2016			
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series F	9,552	-	349
Series AT5	33	14,451	1,191
Series AT8	9	14,052	884
Series EF	1	9,525	-

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

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

Sun Life MFS Global Growth Class (continued)

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	13,736,503	8,156,082
Total financial assets at fair value through profit or loss	13,736,503	8,156,082
Financial assets at amortized cost		
Cash	-	-
Other receivables	65,039	105,182
Total financial assets at amortized cost	65,039	105,182
Total assets	13,801,542	8,261,264
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	17,175	41,698
Total liabilities (excluding net assets attributable to holders of redeemable shares)	17,175	41,698

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	2,232,371	205,030
Total net gains (losses)	2,232,371	205,030

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series AT8 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life MFS International Growth Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	5,621,537	3,688,735
Cash	-	120,495
Due from investment dealers	-	68,090
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	25,000	145
	5,646,537	3,877,465
Liabilities		
Current Liabilities		
Bank indebtedness	9,114	-
Accrued expenses	241	562
Redemptions payable	9,113	68,603
Distributions payable	-	-
Due to investment dealers	16,187	96,668
Management fees payable	2,228	4,878
Income tax payable	6,555	3,805
Total liabilities (excluding net assets attributable to holders of redeemable shares)	43,438	174,516
Net Assets Attributable to Holders of Redeemable Shares	5,603,099	3,702,949
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	3,490,412	2,100,944
Series AT5	155,207	20,224
Series AT8	358,718	254,608
Series E	-	-
Series EF	-	-
Series F	203,266	104,825
Series O	1,395,496	1,222,348
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	14.65	12.26
Series AT5	17.63	15.49
Series AT8	15.42	13.94
Series E	-	-
Series EF	-	-
Series F	15.36	12.74
Series O	14.25	11.69

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	18	168
Distributions from underlying funds	129,403	129,356
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	63,189	46,833
Change in unrealized appreciation (depreciation) in value of investments	747,003	(195,777)
Net gains (losses) on investments	939,613	(19,420)
Total income (loss)	939,613	(19,420)
Expenses (note 5)		
Management fees	65,379	53,844
Administration fees	7,216	6,248
Independent review committee fees	96	23
Total operating expenses	72,691	60,115
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	866,922	(79,535)
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	866,922	(79,535)
Income taxes	9,260	3,686
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	857,662	(83,221)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	472,031	(11,504)
Series AT5	14,730	(703)
Series AT8	60,391	(10,509)
Series E	-	(43,459)
Series EF	-	(650)
Series F	30,035	(14,495)
Series O	280,475	(1,901)
Weighted Average Number of Shares Outstanding		
Series A	184,243	169,997
Series AT5	4,348	1,265
Series AT8	21,259	17,250
Series E	-	55,037
Series EF	-	1,000
Series F	10,582	16,137
Series O	98,450	101,892
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	2.56	(0.07)
Series AT5	3.39	(0.56)
Series AT8	2.84	(0.61)
Series E	-	(0.79)
Series EF	-	(0.65)
Series F	2.84	(0.90)
Series O	2.85	(0.02)

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

Sun Life MFS International Growth Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 2,100,944	1,396,236	20,224	20,906	254,608	266,054	-	674,731
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 472,031	(11,504)	14,730	(703)	60,391	(10,509)	-	(43,459)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 1,452,644	1,606,756	120,256	-	148,786	42,500	-	10,750
Redemption of redeemable shares	\$ (534,610)	(890,650)	-	-	(86,271)	(21,767)	-	(641,971)
Reinvestment of distributions to holders of redeemable shares	\$ 45,046	19,439	4,205	1,296	9,773	2,459	-	43
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 963,080	735,545	124,461	1,296	72,288	23,192	-	(631,178)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (44,410)	(17,841)	(470)	(161)	(4,734)	(2,032)	-	-
From net investment income	\$ (695)	(410)	(30)	(4)	(72)	(51)	-	-
Return of capital	\$ (538)	(1,082)	(3,708)	(1,110)	(23,763)	(22,046)	-	(94)
	\$ (45,643)	(19,333)	(4,208)	(1,275)	(28,569)	(24,129)	-	(94)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,389,468	704,708	134,983	(682)	104,110	(11,446)	-	(674,731)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 3,490,412	2,100,944	155,207	20,224	358,718	254,608	-	-
Redeemable Share Transactions								
Balance - beginning of period	171,358	109,019	1,306	1,224	18,256	16,717	-	58,829
Shares issued	104,592	133,768	7,249	-	10,307	2,840	-	968
Shares issued on reinvestment of distributions	3,669	1,657	249	82	650	170	-	4
Shares redeemed	(41,302)	(73,086)	-	-	(5,955)	(1,471)	-	(59,801)
Balance - end of period	238,317	171,358	8,804	1,306	23,258	18,256	-	-

	Series EF		Series F		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	9,957	104,825	231,023	1,222,348	984,431	3,702,949	3,583,338
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ -	(650)	30,035	(14,495)	280,475	(1,901)	857,662	(83,221)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ -	-	105,124	335,016	554,126	669,352	2,380,936	2,664,374
Redemption of redeemable shares	\$ -	(9,307)	(36,718)	(446,372)	(661,454)	(429,534)	(1,319,053)	(2,439,601)
Reinvestment of distributions to holders of redeemable shares	\$ -	1	3,103	3,443	27,432	9,110	89,559	35,791
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ -	(9,306)	71,509	(107,913)	(79,896)	248,928	1,151,442	260,564
Distributions to Holders of Redeemable Shares								
From capital gains	\$ -	-	(3,058)	(3,756)	(27,152)	(8,868)	(79,824)	(32,658)
From net investment income	\$ -	-	(41)	(20)	(279)	(242)	(1,117)	(727)
Return of capital	\$ -	(1)	(4)	(14)	-	-	(28,013)	(24,347)
	\$ -	(1)	(3,103)	(3,790)	(27,431)	(9,110)	(108,954)	(57,732)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ -	(9,957)	98,441	(126,198)	173,148	237,917	1,900,150	119,611
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ -	-	203,266	104,825	1,395,496	1,222,348	5,603,099	3,702,949
Redeemable Share Transactions								
Balance - beginning of period	-	1,000	8,228	17,544	104,549	82,399	303,697	286,732
Shares issued	-	-	7,307	26,592	42,157	58,431	171,612	222,599
Shares issued on reinvestment of distributions	-	-	240	286	2,312	831	7,120	3,030
Shares redeemed	-	(1,000)	(2,541)	(36,194)	(51,101)	(37,112)	(100,899)	(208,664)
Balance - end of period	-	-	13,234	8,228	97,917	104,549	381,530	303,697

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

Sun Life MFS International Growth Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	857,662	(83,221)
Adjustments for:		
Net realized (gain) loss on sale of investments	(63,189)	(46,833)
Change in unrealized (appreciation) depreciation in value of investments	(747,003)	195,777
Non-cash income distributions from underlying funds	(129,403)	(129,356)
Purchases of investments	(1,867,543)	(1,851,168)
Proceeds from sale of investments	861,945	1,628,100
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(2,650)	3,887
Change in other payables and accrued expenses	(321)	451
Change in income tax payable	2,750	1,666
Net Cash Provided by (Used in) Operating Activities	(1,087,752)	(280,697)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(19,395)	(21,963)
Proceeds from redeemable shares issued	2,356,081	2,706,544
Redemption of redeemable shares	(1,378,543)	(2,370,998)
Net Cash Provided by (Used in) Financing Activities	958,143	313,583
Net increase (decrease) in cash	(129,609)	32,886
Cash (bank indebtedness) at beginning of period	120,495	87,609
Cash (bank indebtedness) at end of period	(9,114)	120,495
Interest received	18	168
Income taxes paid	(6,510)	(2,020)
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life MFS International Growth Fund, Series I	310,946	4,827,877	5,621,537	
		4,827,877	5,621,537	100.33
Total Investments		4,827,877	5,621,537	100.33
Other Assets less Liabilities			(18,438)	(0.33)
Total Net Assets			5,603,099	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS International Growth Class (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure to financial risk is indirect as a result of its investment in the Sun Life MFS International Growth Fund (the "Underlying Fund"). Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risk, can be found in Note 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 Fund. The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's.

Ratings for securities that subject the Fund to credit risk as at December 31, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	December 31, 2017	December 31, 2016
AAA/Aaa	1.08	-
AA/Aa	0.12	0.93
Total	1.20	0.93

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

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

Sun Life MFS International Growth Class (continued)

(b) Market risk

(i) Currency risk

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

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)		Holdings Exposed to Currency Risk (\$CAD)	
	December 31, 2017	Percentage of Net Assets (%)	December 31, 2016	Percentage of Net Assets (%)
Euro	1,956,818	34.92	1,193,818	32.25
United States Dollar	939,364	16.77	593,041	16.02
British Pound	791,459	14.13	584,011	15.77
Swiss Franc	683,338	12.20	512,119	13.83
Japanese Yen	496,597	8.86	353,662	9.55
Hong Kong Dollar	208,050	3.71	95,338	2.58
Australian Dollar	104,658	1.87	53,989	1.46
Singapore Dollar	63,955	1.14	39,981	1.08
Indian Rupee	60,861	1.09	23,139	0.62
Danish Krone	51,730	0.92	61,151	1.65
Mexican Peso	44,620	0.80	29,701	0.80
Swedish Krona	39,012	0.70	39,323	1.06
Korean Won	26,239	0.47	17,295	0.47
New Taiwan Dollar	22,653	0.40	12,537	0.34
Total	5,489,354	97.98	3,609,105	97.48

As at December 31, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$274,468 (\$180,455 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

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

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

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
December 31, 2017	67,628	-	-	67,628
December 31, 2016	34,483	-	-	34,483

As at December 31, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$37 (\$3 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

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

As at December 31, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$276,805 (\$181,989 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Short-Term Investments		
Treasury Bills	1.1	-
Term Deposit Receipts	0.1	0.9
Equities		
Energy	2.1	1.6
Materials	7.6	6.1
Industrials	10.6	10.9
Consumer Discretionary	10.4	10.9
Consumer Staples	20.3	20.5
Health Care	15.0	17.1
Financials	11.6	12.2
Information Technology	20.1	18.0
Telecommunication Services	1.1	1.0
Other Assets less Liabilities	-	0.8
Total	100.0	100.0

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

Sun Life MFS International Growth Class (continued)

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	5,621,537	-	-	5,621,537

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	3,688,735	-	-	3,688,735

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

	December 31, 2017	
	Shares	Market Value (\$)
Series AT5	883	15,566

	December 31, 2016	
	Shares	Market Value (\$)
Series AT5	823	12,740

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	-	-	-
Series AT5	37	-	949
Series EF	-	-	-
Series F	-	-	-

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	90	147,248	1,216
Series AT5	32	-	784
Series EF	1	9,307	-
Series F	9,321	21,969	181

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

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

Sun Life MFS International Growth Class (continued)

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	5,621,537	3,688,735
Total financial assets at fair value through profit or loss	5,621,537	3,688,735
Financial assets at amortized cost		
Cash	-	120,495
Other receivables	25,000	68,235
Total financial assets at amortized cost	25,000	188,730
Total assets	5,646,537	3,877,465
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	43,438	174,516
Total liabilities (excluding net assets attributable to holders of redeemable shares)	43,438	174,516

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	939,613	(19,420)
Total net gains (losses)	939,613	(19,420)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series AT8 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life MFS U.S. Growth Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	14,653,388	8,669,663
Cash	27,864	24,101
Due from investment dealers	-	283,445
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	107,356	533
	14,788,608	8,977,742
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Accrued expenses	640	1,388
Redemptions payable	5,250	250,695
Distributions payable	669	-
Due to investment dealers	56,918	37,719
Management fees payable	5,319	12,457
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	68,796	302,259
Net Assets Attributable to Holders of Redeemable Shares	14,719,812	8,675,483
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	8,651,583	5,402,458
Series AT5	197,948	113,896
Series AT8	394,043	369,714
Series E	-	-
Series EF	-	-
Series F	1,057,578	342,405
Series O	4,418,660	2,447,010
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	18.85	16.09
Series AT5	22.81	20.38
Series AT8	19.95	18.37
Series E	-	-
Series EF	-	-
Series F	19.78	16.70
Series O	16.84	14.06

Approved on behalf of Trustee

"signed" Rick Headrick
President

"signed" Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	36	394
Distributions from underlying funds	245,594	40,121
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	269,686	331,409
Change in unrealized appreciation (depreciation) in value of investments	1,646,023	(525,438)
Net gains (losses) on investments	2,161,339	(153,514)
Total income (loss)	2,161,339	(153,514)
Expenses (note 5)		
Management fees	177,470	129,728
Administration fees	19,818	15,211
Independent review committee fees	255	56
Total operating expenses	197,543	144,995
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	1,963,796	(298,509)
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	1,963,796	(298,509)
Income taxes	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	1,963,796	(298,509)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	1,202,092	59,770
Series AT5	32,903	(823)
Series AT8	59,361	(2,632)
Series E	-	(186,363)
Series EF	-	(1,103)
Series F	42,289	(133,365)
Series O	627,151	(33,993)
Weighted Average Number of Shares Outstanding		
Series A	402,683	321,340
Series AT5	8,404	6,075
Series AT8	16,601	14,734
Series E	-	124,051
Series EF	-	1,000
Series F	50,149	43,576
Series O	217,010	215,650
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	2.99	0.19
Series AT5	3.92	(0.14)
Series AT8	3.58	(0.18)
Series E	-	(1.50)
Series EF	-	(1.10)
Series F	0.84	(3.06)
Series O	2.89	(0.16)

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

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

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

For the periods ended December 31

	Series A		Series AT5		Series AT8		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 5,402,458	3,038,826	113,896	101,424	369,714	250,274	-	1,839,867
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 1,202,092	59,770	32,903	(823)	59,361	(2,632)	-	(186,363)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 3,456,487	4,072,588	60,104	55,040	187,925	301,009	-	12,997
Redemption of redeemable shares	\$ (1,409,458)	(1,768,774)	-	(33,434)	(199,008)	(151,845)	-	(1,666,388)
Reinvestment of distributions to holders of redeemable shares	\$ 147,672	161,699	4,399	2,868	7,232	2,774	-	95
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 2,194,701	2,465,513	64,503	24,474	(3,851)	151,938	-	(1,653,296)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (145,750)	(159,817)	(4,514)	(4,203)	(7,054)	(4,143)	-	-
From net investment income	\$ (845)	(139)	(20)	(3)	(39)	(10)	-	-
Return of capital	\$ (1,073)	(1,695)	(8,820)	(6,973)	(24,088)	(25,713)	-	(208)
	\$ (147,668)	(161,651)	(13,354)	(11,179)	(31,181)	(29,866)	-	(208)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 3,249,125	2,363,632	84,052	12,472	24,329	119,440	-	(1,839,867)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 8,651,583	5,402,458	197,948	113,896	394,043	369,714	-	-
Redeemable Share Transactions								
Balance - beginning of period	335,771	178,026	5,588	4,437	20,131	11,726	-	130,943
Shares issued	193,608	259,673	2,885	2,658	9,729	15,889	-	950
Shares issued on reinvestment of distributions	8,805	10,749	206	142	372	149	-	7
Shares redeemed	(79,120)	(112,677)	-	(1,649)	(10,483)	(7,633)	-	(131,900)
Balance - end of period	459,064	335,771	8,679	5,588	19,749	20,131	-	-

	Series EF		Series F		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ -	10,492	342,405	1,872,849	2,447,010	3,962,211	8,675,483	11,075,943
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ -	(1,103)	42,289	(133,365)	627,151	(33,993)	1,963,796	(298,509)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ -	-	1,732,162	86,000	1,927,671	939,110	7,364,349	5,466,744
Redemption of redeemable shares	\$ -	(9,389)	(1,059,286)	(1,483,095)	(583,172)	(2,420,319)	(3,250,924)	(7,533,244)
Reinvestment of distributions to holders of redeemable shares	\$ -	1	9,195	49,998	65,802	88,152	234,300	305,587
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ -	(9,388)	682,071	(1,347,097)	1,410,301	(1,393,057)	4,347,725	(1,760,913)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ -	-	(9,007)	(49,762)	(65,369)	(88,088)	(231,694)	(306,013)
From net investment income	\$ -	-	(94)	(9)	(433)	(63)	(1,431)	(224)
Return of capital	\$ -	(1)	(86)	(211)	-	-	(34,067)	(34,801)
	\$ -	(1)	(9,187)	(49,982)	(65,802)	(88,151)	(267,192)	(341,038)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ -	(10,492)	715,173	(1,530,444)	1,971,650	(1,515,201)	6,044,329	(2,400,460)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ -	-	1,057,578	342,405	4,418,660	2,447,010	14,719,812	8,675,483
Redeemable Share Transactions								
Balance - beginning of period	-	1,000	20,499	106,818	173,999	271,436	555,988	704,386
Shares issued	-	-	89,271	5,225	120,425	68,827	415,918	353,222
Shares issued on reinvestment of distributions	-	-	527	3,231	4,482	6,831	14,392	21,109
Shares redeemed	-	(1,000)	(56,818)	(94,775)	(36,449)	(173,095)	(182,870)	(522,729)
Balance - end of period	-	-	53,479	20,499	262,457	173,999	803,428	555,988

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

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

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	1,963,796	(298,509)
Adjustments for:		
Net realized (gain) loss on sale of investments	(269,686)	(331,409)
Change in unrealized (appreciation) depreciation in value of investments	(1,646,023)	525,438
Non-cash income distributions from underlying funds	(245,594)	(40,121)
Purchases of investments	(5,817,058)	(2,800,450)
Proceeds from sale of investments	2,297,280	4,717,850
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(7,138)	9,973
Change in other payables and accrued expenses	(748)	1,035
Change in income tax payable	-	-
Net Cash Provided by (Used in) Operating Activities	(3,725,171)	1,783,807
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(32,223)	(35,452)
Proceeds from redeemable shares issued	7,257,526	5,535,261
Redemption of redeemable shares	(3,496,369)	(7,282,549)
Net Cash Provided by (Used in) Financing Activities	3,728,934	(1,782,740)
Net increase (decrease) in cash	3,763	1,067
Cash (bank indebtedness) at beginning of period	24,101	23,034
Cash (bank indebtedness) at end of period	27,864	24,101
Interest received	36	394
Income taxes paid	-	-
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life MFS U.S. Growth Fund, Series I	452,915	12,252,154	14,653,388	
		12,252,154	14,653,388	99.55
Total Investments		12,252,154	14,653,388	99.55
Other Assets less Liabilities			66,424	0.45
Total Net Assets			14,719,812	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Underlying Fund also invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	December 31, 2017	December 31, 2016
AAA/Aaa	2.44	3.18
AA/Aa	-	0.21
Total	2.44	3.39

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

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

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

(b) Market risk

(i) Currency risk

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

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)		Holdings Exposed to Currency Risk (\$CAD)	
	December 31, 2017	Percentage of Net Assets (%)	December 31, 2016	Percentage of Net Assets (%)
United States Dollar	14,101,711	95.80	8,238,527	94.96
Euro	93,110	0.63	59,073	0.68
Total	14,194,821	96.43	8,297,600	95.64

As at December 31, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$709,741 (\$414,880 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

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

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

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
December 31, 2017	358,963	-	-	358,963
December 31, 2016	294,031	-	-	294,031

As at December 31, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$191 (\$349 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

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

As at December 31, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$713,910 (\$418,554 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Short-Term Investments		
Treasury Bills	2.4	3.2
Term Deposit Receipts	-	0.2
Equities		
Energy	0.6	1.3
Materials	3.3	3.9
Industrials	8.7	9.2
Consumer Discretionary	15.1	19.6
Consumer Staples	5.4	5.6
Health Care	11.0	11.7
Financials	9.0	10.6
Information Technology	41.7	34.6
Telecommunication Services	0.1	-
Real Estate	2.1	-
Other Assets less Liabilities	0.6	0.1
Total	100.0	100.0

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 December 31, 2017 and December 31, 2016.

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

December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	8,669,663	-	-	8,669,663

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

December 31, 2017		
	Shares	Market Value (\$)
Series F	-	-

December 31, 2016		
	Shares	Market Value (\$)
Series F	619	10,345

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

December 31, 2017			
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series F	15	12,108	272
Series AT5	-	-	-
Series EF	-	-	-

December 31, 2016			
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series F	9,414	-	300
Series AT5	9	15,684	780
Series EF	1	9,389	-

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	14,653,388	8,669,663
Total financial assets at fair value through profit or loss	14,653,388	8,669,663
Financial assets at amortized cost		
Cash	27,864	24,101
Other receivables	107,356	283,978
Total financial assets at amortized cost	135,220	308,079
Total assets	14,788,608	8,977,742
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	68,796	302,259
Total liabilities (excluding net assets attributable to holders of redeemable shares)	68,796	302,259

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	2,161,339	(153,514)
Total net gains (losses)	2,161,339	(153,514)

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

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

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series AT8 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life Money Market Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	10,515,110	13,552,343
Cash	-	-
Due from investment dealers	27,170	-
Accrued interest	-	-
Distributions receivable from underlying funds	12,025	7,083
Subscriptions receivable	-	335
	10,554,305	13,559,761
Liabilities		
Current Liabilities		
Bank indebtedness	35,234	43,421
Accrued expenses	27	-
Redemptions payable	-	2,900
Distributions payable	-	-
Due to investment dealers	9,428	7,083
Management fees payable	1,049	5,305
Income tax payable	10,637	7,918
Total liabilities (excluding net assets attributable to holders of redeemable shares)	56,375	66,627
Net Assets Attributable to Holders of Redeemable Shares	10,497,930	13,493,134
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	6,353,370	9,206,773
Series E	-	-
Series EF	-	-
Series F	2,783,228	819,413
Series O	1,361,332	3,466,948
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	10.08	10.07
Series E	-	-
Series EF	-	-
Series F	10.20	10.16
Series O	10.28	10.21

Approved on behalf of Trustee

"signed" Rick Headrick _____ President	"signed" Paul Sergi _____ Chief Financial Officer
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Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	18	-
Distributions from underlying funds	93,777	82,552
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	-	-
Change in unrealized appreciation (depreciation) in value of investments	-	-
Net gains (losses) on investments	93,795	82,552
Total income (loss)	93,795	82,552
Expenses (note 5)		
Management fees	49,596	51,185
Administration fees	-	-
Independent review committee fees	243	73
Total operating expenses	49,839	51,258
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	43,956	31,294
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	43,956	31,294
Income taxes	13,201	7,616
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	30,755	23,678
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	10,913	7,068
Series E	-	299
Series EF	-	4
Series F	7,131	2,209
Series O	12,711	14,098
Weighted Average Number of Shares Outstanding		
Series A	824,657	881,720
Series E	-	379,588
Series EF	-	1,000
Series F	154,279	61,812
Series O	195,263	231,485
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	0.01	0.01
Series E	-	-
Series EF	-	-
Series F	0.05	0.04
Series O	0.07	0.06

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

Sun Life Money Market Class (continued)

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

For the periods ended December 31

	Series A		Series E		Series EF	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 9,206,773	3,265,493	-	4,603,854	-	10,010
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 10,913	7,068	-	299	-	4
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 11,686,279	24,983,950	-	533,266	-	-
Redemption of redeemable shares	\$ (14,557,065)	(19,049,737)	-	(5,137,419)	-	(10,014)
Reinvestment of distributions to holders of redeemable shares	\$ 6,470	606	-	-	-	1
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (2,864,316)	5,934,819	-	(4,604,153)	-	(10,013)
Distributions to Holders of Redeemable Shares						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ -	-	-	-	-	-
Return of capital	\$ -	(607)	-	-	-	(1)
	\$ -	(607)	-	-	-	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (2,853,403)	5,941,280	-	(4,603,854)	-	(10,010)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 6,353,370	9,206,773	-	-	-	-
Redeemable Share Transactions						
Balance - beginning of period	914,505	324,602	-	458,884	-	1,000
Shares issued	1,160,598	2,482,290	-	53,152	-	-
Shares issued on reinvestment of distributions	642	60	-	-	-	-
Shares redeemed	(1,445,514)	(1,892,447)	-	(512,036)	-	(1,000)
Balance - end of period	630,231	914,505	-	-	-	-

	Series F		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 819,413	582,463	3,466,948	1,994,372	13,493,134	10,456,192
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 7,131	2,209	12,711	14,098	30,755	23,678
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 4,947,897	419,305	2,956,275	6,889,178	19,590,451	32,825,699
Redemption of redeemable shares	\$ (2,991,213)	(184,564)	(5,074,602)	(5,430,700)	(22,622,880)	(29,812,434)
Reinvestment of distributions to holders of redeemable shares	\$ -	109	-	-	6,470	716
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 1,956,684	234,850	(2,118,327)	1,458,478	(3,025,959)	3,013,981
Distributions to Holders of Redeemable Shares						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ -	-	-	-	-	-
Return of capital	\$ -	(109)	-	-	-	(717)
	\$ -	(109)	-	-	-	(717)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 1,963,815	236,950	(2,105,616)	1,472,576	(2,995,204)	3,036,942
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 2,783,228	819,413	1,361,332	3,466,948	10,497,930	13,493,134
Redeemable Share Transactions						
Balance - beginning of period	80,650	57,531	339,532	196,539	1,334,687	1,038,556
Shares issued	485,954	41,283	288,838	676,507	1,935,390	3,253,232
Shares issued on reinvestment of distributions	-	11	-	-	642	71
Shares redeemed	(293,816)	(18,175)	(495,960)	(533,514)	(2,235,290)	(2,957,172)
Balance - end of period	272,788	80,650	132,410	339,532	1,035,429	1,334,687

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

Sun Life Money Market Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	30,755	23,678
Adjustments for:		
Net realized (gain) loss on sale of investments	-	-
Change in unrealized (appreciation) depreciation in value of investments	-	-
Non-cash income distributions from underlying funds	(93,777)	(82,552)
Purchases of investments	(14,795,223)	(25,620,874)
Proceeds from sale of investments	17,901,408	22,701,452
Change in accrued interest	-	317
Change in distributions receivable from underlying funds	(4,942)	(1,436)
Change in management fees payable	(4,256)	4,386
Change in other payables and accrued expenses	27	-
Change in income tax payable	2,719	2,522
Net Cash Provided by (Used in) Operating Activities	3,036,711	(2,972,507)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	6,470	(1)
Proceeds from redeemable shares issued	19,590,786	32,825,364
Redemption of redeemable shares	(22,625,780)	(29,809,534)
Net Cash Provided by (Used in) Financing Activities	(3,028,524)	3,015,829
Net increase (decrease) in cash	8,187	43,322
Cash (bank indebtedness) at beginning of period	(43,421)	(86,743)
Cash (bank indebtedness) at end of period	(35,234)	(43,421)
Interest received	18	317
Income taxes paid	(10,482)	(5,094)
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Money Market Fund, Series I	1,051,511	10,515,111	10,515,110	
		10,515,111	10,515,110	100.16
Total Investments		10,515,111	10,515,110	100.16
Other Assets less Liabilities			(17,180)	(0.16)
Total Net Assets			10,497,930	100.00

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 as a result of its investment in the Underlying Fund. The Underlying Fund invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's.

Ratings for securities that subject the Fund to credit risk as at December 31, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	December 31, 2017	December 31, 2016
AAA/Aaa	62.20	56.20
AA/Aa	33.90	44.00
Not Rated	4.00	-
Total	100.10	100.20

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 Money Market Class (continued)

(b) Market risk

(i) Currency risk

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

(ii) Interest rate risk

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

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

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
December 31, 2017	10,505,664	-	-	10,505,664
December 31, 2016	13,517,119	-	-	13,517,119

As at December 31, 2017, had prevailing interest rates increased or decreased by 1%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have decreased or increased respectively by \$17,275 (\$23,630 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Short-Term Investments		
Treasury Bills	45.2	53.6
Bankers' Acceptances	22.6	20.5
Commercial Paper	13.2	14.0
Promissory Notes	10.9	3.8
Bearer Deposit Notes	8.0	7.8
Other Assets less Liabilities	0.1	0.3
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	13,552,343	-	-	13,552,343

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, there were no seed capital positions held.

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	-	-
Series F	-	-	-

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	1	10,014	-
Series F	10,018	10,028	-

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

Sun Life Money Market Class (continued)

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	10,515,110	13,552,343
Total financial assets at fair value through profit or loss	10,515,110	13,552,343
Financial assets at amortized cost		
Cash	-	-
Other receivables	39,195	7,418
Total financial assets at amortized cost	39,195	7,418
Total assets	10,554,305	13,559,761
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	56,375	66,627
Total liabilities (excluding net assets attributable to holders of redeemable shares)	56,375	66,627

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	93,795	82,552
Total net gains (losses)	93,795	82,552

Establishment of the Fund

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

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

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

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

Sun Life Sentry Value Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	27,880,870	18,773,776
Cash	-	133,060
Due from investment dealers	25,616	73,791
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	21,687	6,704
	27,928,173	18,987,331
Liabilities		
Current Liabilities		
Bank indebtedness	45,942	-
Accrued expenses	484	1,413
Redemptions payable	-	30,194
Distributions payable	67	140
Due to investment dealers	17,808	122,720
Management fees payable	3,393	10,037
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	67,694	164,504
Net Assets Attributable to Holders of Redeemable Shares	27,860,479	18,822,827
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	5,883,674	4,969,968
Series AT5	95,760	69,552
Series E	-	-
Series EF	-	-
Series F	643,555	399,160
Series I	16,803,650	9,418,145
Series O	4,433,840	3,966,002
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	12.93	12.54
Series AT5	15.55	15.88
Series E	-	-
Series EF	-	-
Series F	13.57	13.03
Series I	11.11	10.53
Series O	12.24	11.63

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	56	35
Distributions from underlying funds	2,102,575	1,068,355
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	78,127	20,045
Change in unrealized appreciation (depreciation) in value of investments	177,449	798,066
Net gains (losses) on investments	2,358,207	1,886,501
Total income (loss)	2,358,207	1,886,501
Expenses (note 5)		
Management fees	127,546	94,105
Administration fees	16,932	13,422
Independent review committee fees	211	82
Total operating expenses	144,689	107,609
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	2,213,518	1,778,892
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	2,213,518	1,778,892
Income taxes	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	2,213,518	1,778,892
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	430,189	482,850
Series AT5	6,471	6,265
Series E	-	(55,490)
Series EF	-	(429)
Series F	46,824	45,575
Series I	1,343,656	829,980
Series O	386,378	470,141
Weighted Average Number of Shares Outstanding		
Series A	439,396	342,056
Series AT5	5,227	3,815
Series E	-	122,371
Series EF	-	1,019
Series F	39,505	31,207
Series I	1,237,430	548,961
Series O	336,643	319,184
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	0.98	1.41
Series AT5	1.24	1.64
Series E	-	(0.45)
Series EF	-	(0.42)
Series F	1.19	1.46
Series I	1.09	1.51
Series O	1.15	1.47

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

Sun Life Sentry Value Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series E		Series EF	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 4,969,968	3,005,429	69,552	53,287	-	1,259,361	-	9,970
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 430,189	482,850	6,471	6,265	-	(55,490)	-	(429)
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 1,947,334	2,783,167	20,243	10,940	-	1,500	-	-
Redemption of redeemable shares	\$ (1,460,124)	(1,300,740)	-	-	-	(1,205,290)	-	(9,541)
Reinvestment of distributions to holders of redeemable shares	\$ 248,835	163,347	7,457	4,371	-	69	-	1
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 736,045	1,645,774	27,700	15,311	-	(1,203,721)	-	(9,540)
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (174,609)	(101,941)	(2,510)	(1,399)	-	-	-	-
From net investment income	\$ (76,960)	(60,830)	(1,258)	(849)	-	-	-	-
Return of capital	\$ (959)	(1,314)	(4,195)	(3,063)	-	(150)	-	(1)
	\$ (252,528)	(164,085)	(7,963)	(5,311)	-	(150)	-	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 913,706	1,964,539	26,208	16,265	-	(1,259,361)	-	(9,970)
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 5,883,674	4,969,968	95,760	69,552	-	-	-	-
Redeemable Share Transactions								
Balance - beginning of period	396,206	255,580	4,379	3,400	-	122,565	-	1,019
Shares issued	153,757	238,771	1,298	695	-	155	-	-
Shares issued on reinvestment of distributions	20,125	14,060	481	284	-	7	-	-
Shares redeemed	(114,929)	(112,205)	-	-	-	(122,727)	-	(1,019)
Balance - end of period	455,159	396,206	6,158	4,379	-	-	-	-

	Series F		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 399,160	314,097	9,418,145	2,838,530	3,966,002	2,946,413	18,822,827	10,427,087
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 46,824	45,575	1,343,656	829,980	386,378	470,141	2,213,518	1,778,892
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 286,455	101,534	7,030,974	6,080,303	1,072,997	1,519,720	10,358,003	10,497,164
Redemption of redeemable shares	\$ (87,563)	(63,243)	(989,126)	(330,843)	(991,537)	(970,518)	(3,528,350)	(3,880,175)
Reinvestment of distributions to holders of redeemable shares	\$ 22,446	14,961	574,735	200,568	181,434	127,587	1,034,907	510,904
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 221,338	53,252	6,616,583	5,950,028	262,894	676,789	7,864,560	7,127,893
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (15,230)	(8,700)	(354,735)	(85,510)	(123,150)	(79,777)	(670,234)	(277,327)
From net investment income	\$ (8,432)	(4,869)	(219,999)	(114,883)	(58,284)	(47,564)	(364,933)	(228,995)
Return of capital	\$ (105)	(195)	-	-	-	-	(5,259)	(4,723)
	\$ (23,767)	(13,764)	(574,734)	(200,393)	(181,434)	(127,341)	(1,040,426)	(511,045)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 244,395	85,063	7,385,505	6,579,615	467,838	1,019,589	9,037,652	8,395,740
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 643,555	399,160	16,803,650	9,418,145	4,433,840	3,966,002	27,860,479	18,822,827
Redeemable Share Transactions								
Balance - beginning of period	30,644	26,007	894,568	294,358	341,147	276,251	1,666,944	979,180
Shares issued	21,628	8,516	655,786	613,753	89,451	138,993	921,920	1,000,883
Shares issued on reinvestment of distributions	1,726	1,248	54,341	20,266	15,620	11,995	92,293	47,860
Shares redeemed	(6,581)	(5,127)	(91,611)	(33,809)	(84,042)	(86,092)	(297,163)	(360,979)
Balance - end of period	47,417	30,644	1,513,084	894,568	362,176	341,147	2,383,994	1,666,944

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

Sun Life Sentry Value Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	2,213,518	1,778,892
Adjustments for:		
Net realized (gain) loss on sale of investments	(78,127)	(20,045)
Change in unrealized (appreciation) depreciation in value of investments	(177,449)	(798,066)
Non-cash income distributions from underlying funds	(2,102,575)	(1,068,355)
Purchases of investments	(8,707,101)	(8,199,798)
Proceeds from sale of investments	1,901,421	1,630,756
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(6,644)	8,252
Change in other payables and accrued expenses	(929)	1,171
Change in income tax payable	-	-
Net Cash Provided by (Used in) Operating Activities	(6,957,886)	(6,667,193)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(5,592)	(2,071)
Proceeds from redeemable shares issued	10,343,020	10,619,876
Redemption of redeemable shares	(3,558,544)	(3,854,420)
Net Cash Provided by (Used in) Financing Activities	6,778,884	6,763,385
Net increase (decrease) in cash	(179,002)	96,192
Cash (bank indebtedness) at beginning of period	133,060	36,868
Cash (bank indebtedness) at end of period	(45,942)	133,060
Interest received	56	35
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Sentry Value Fund, Series I	1,930,648	27,173,371	27,880,870	
		27,173,371	27,880,870	100.07
Total Investments		27,173,371	27,880,870	100.07
Other Assets less Liabilities			(20,391)	(0.07)
Total Net Assets			27,860,479	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Underlying Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar.

The Underlying Fund also invests in financial assets that have an investment grade credit rating as rated primarily by Dominion Bond Rating Services, Standard & Poor's and Moody's. Ratings for securities that subject the Fund to credit risk as at December 31, 2017 and December 31, 2016 are noted below:

Rating	As a % of Net Assets	
	December 31, 2017	December 31, 2016
AAA/Aaa	0.09	-
BB/Bb	-	0.05
Total	0.09	0.05

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

Sun Life Sentry Value Class (continued)

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

(b) Market risk

(i) Currency risk

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

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2017 and December 31, 2016. Amounts shown are based on the fair value of monetary and non-monetary assets.

	December 31, 2017		December 31, 2016	
	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
United States Dollar	2,457,922	8.82	3,205,788	17.03
Total	2,457,922	8.82	3,205,788	17.03

As at December 31, 2017, if the Canadian Dollar relative to other foreign currencies weakened or strengthened by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$122,896 (\$160,289 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the Underlying Fund. As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's financial assets and liabilities are non-interest bearing. As a result, the Fund is not subject to a significant amount of interest rate risk.

(iii) Other market risk

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

As at December 31, 2017, if these investments had increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Shares of the Fund would have increased or decreased respectively by \$1,164,381 (\$816,715 as at December 31, 2016). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Equities		
Energy	19.6	10.9
Consumer Discretionary	15.6	10.6
Real Estate	11.7	9.0
Industrials	10.5	17.7
Consumer Staples	6.6	10.6
Materials	6.0	7.7
Financials	4.8	2.5
Information Technology	3.6	4.4
Utilities	2.8	5.3
Telecommunication Services	2.3	2.7
Health Care	-	5.4
Other Assets less Liabilities	16.5	13.2
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	27,880,870	-	-	27,880,870
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Funds	18,773,776	-	-	18,773,776

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

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

Sun Life Sentry Value Class (continued)

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

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

	December 31, 2016	
	Shares	Market Value (\$)
Series AT5	898	14,263
Series I	1,060	11,159
Series F	861	11,215

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	38	-	1,433
Series EF	-	-	-
Series I	-	-	537
Series F	16	11,766	377

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	34	-	1,184
Series EF	1	9,541	-
Series I	-	-	395
Series F	9,567	-	399

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, the Fund had significant interests in the Underlying Fund as noted in the following tables:

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

Underlying Fund	As at December 31, 2016	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life Sentry Value Fund	100	20

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	27,880,870	18,773,776
Total financial assets at fair value through profit or loss	27,880,870	18,773,776
Financial assets at amortized cost		
Cash	-	133,060
Other receivables	47,303	80,495
Total financial assets at amortized cost	47,303	213,555
Total assets	27,928,173	18,987,331
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	67,694	164,504
Total liabilities (excluding net assets attributable to holders of redeemable shares)	67,694	164,504

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

Sun Life Sentry Value Class (continued)

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	2,358,207	1,886,501
Total net gains (losses)	2,358,207	1,886,501

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	July 29, 2013	August 01, 2013
Series AT5 Shares	July 29, 2013	August 01, 2013
Series F Shares	July 29, 2013	August 01, 2013
Series I Shares	May 01, 2015	May 01, 2015
Series O Shares	April 01, 2014	April 01, 2014

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

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

Sun Life Sionna Canadian Small Cap Equity Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	161,778,140	41,784,588
Cash	-	30,393
Due from investment dealers	-	-
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	249,519	91,976
	162,027,659	41,906,957
Liabilities		
Current Liabilities		
Bank indebtedness	3,795	-
Accrued expenses	2,252	2,240
Redemptions payable	9,793	207,517
Distributions payable	-	1,159
Due to investment dealers	239,776	50,718
Management fees payable	725	2,306
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	256,341	263,940
Net Assets Attributable to Holders of Redeemable Shares	161,771,318	41,643,017
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	1,173,558	1,045,498
Series AT5	15,118	9,945
Series E	-	-
Series F	159,821	52,680
Series I	160,117,820	40,371,661
Series O	305,001	163,233
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	9.64	9.37
Series AT5	12.46	12.76
Series E	-	-
Series F	9.93	9.55
Series I	10.32	9.79
Series O	10.28	9.76

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	236	-
Distributions from underlying funds	1,959,331	675,275
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	135,480	(43,363)
Change in unrealized appreciation (depreciation) in value of investments	4,800,852	6,120,391
Net gains (losses) on investments	6,895,899	6,752,303
Total income (loss)	6,895,899	6,752,303
Expenses (note 5)		
Management fees	29,618	18,590
Administration fees	55,610	18,908
Independent review committee fees	34	192
Total operating expenses	85,262	37,690
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	6,810,637	6,714,613
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	6,810,637	6,714,613
Income taxes	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	6,810,637	6,714,613
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	34,130	157,178
Series AT5	532	1,541
Series E	-	(1,190)
Series F	5,562	6,190
Series I	6,753,996	6,528,278
Series O	16,417	22,616
Weighted Average Number of Shares Outstanding		
Series A	128,213	91,692
Series AT5	1,034	742
Series E	-	3,076
Series F	13,953	3,393
Series I	9,513,933	3,447,360
Series O	25,987	13,062
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	0.27	1.71
Series AT5	0.51	2.08
Series E	-	(0.39)
Series F	0.40	1.82
Series I	0.71	1.89
Series O	0.63	1.73

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

Sun Life Sionna Canadian Small Cap Equity Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series E		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 1,045,498	318,978	9,945	8,402	-	25,564	52,680	12,085
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 34,130	157,178	532	1,541	-	(1,190)	5,562	6,190
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 790,147	617,453	4,643	-	-	-	106,569	36,411
Redemption of redeemable shares	\$ (696,222)	(48,152)	-	-	-	(24,374)	(4,991)	(2,009)
Reinvestment of distributions to holders of redeemable shares	\$ 14,512	32,613	862	873	-	1	1,960	1,238
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 108,437	601,914	5,505	873	-	(24,373)	103,538	35,640
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (62)	(15,357)	-	(248)	-	-	(4)	(358)
From net investment income	\$ (14,222)	(16,896)	(183)	(603)	-	-	(1,937)	(851)
Return of capital	\$ (223)	(319)	(681)	(20)	-	(1)	(18)	(26)
	\$ (14,507)	(32,572)	(864)	(871)	-	(1)	(1,959)	(1,235)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 128,060	726,520	5,173	1,543	-	(25,564)	107,141	40,595
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 1,173,558	1,045,498	15,118	9,945	-	-	159,821	52,680
Redeemable Share Transactions								
Balance - beginning of period	111,582	38,389	779	706	-	3,076	5,518	1,443
Shares issued	82,128	75,033	364	-	-	-	10,893	4,156
Shares issued on reinvestment of distributions	1,501	3,784	70	73	-	-	197	137
Shares redeemed	(73,454)	(5,624)	-	-	-	(3,076)	(508)	(218)
Balance - end of period	121,757	111,582	1,213	779	-	-	16,100	5,518

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 40,371,661	21,905,277	163,233	92,226	41,643,017	22,362,532
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 6,753,996	6,528,278	16,417	22,616	6,810,637	6,714,613
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 121,396,591	14,459,533	159,580	57,714	122,457,530	15,171,111
Redemption of redeemable shares	\$ (8,405,588)	(2,523,554)	(34,228)	(9,323)	(9,141,029)	(2,607,412)
Reinvestment of distributions to holders of redeemable shares	\$ 1,942,245	1,377,447	3,712	5,297	1,963,291	1,417,469
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 114,933,248	13,313,426	129,064	53,688	115,279,792	13,981,168
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (1,794)	(720,596)	(10)	(2,656)	(1,870)	(739,215)
From net investment income	\$ (1,939,285)	(654,724)	(3,703)	(2,641)	(1,959,330)	(675,715)
Return of capital	\$ (6)	-	-	-	(928)	(366)
	\$ (1,941,085)	(1,375,320)	(3,713)	(5,297)	(1,962,128)	(1,415,296)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 119,746,159	18,466,384	141,768	71,007	120,128,301	19,280,485
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 160,117,820	40,371,661	305,001	163,233	161,771,318	41,643,017
Redeemable Share Transactions						
Balance - beginning of period	4,124,164	2,586,623	16,723	10,904	4,258,766	2,641,141
Shares issued	12,044,046	1,657,903	15,998	6,392	12,153,429	1,743,484
Shares issued on reinvestment of distributions	188,146	156,101	361	599	190,275	160,694
Shares redeemed	(846,598)	(276,463)	(3,405)	(1,172)	(923,965)	(286,553)
Balance - end of period	15,509,758	4,124,164	29,677	16,723	15,678,505	4,258,766

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

Sun Life Sionna Canadian Small Cap Equity Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	6,810,637	6,714,613
Adjustments for:		
Net realized (gain) loss on sale of investments	(135,480)	43,363
Change in unrealized (appreciation) depreciation in value of investments	(4,800,852)	(6,120,391)
Non-cash income distributions from underlying funds	(1,959,331)	(675,275)
Purchases of investments	(118,757,246)	(14,398,813)
Proceeds from sale of investments	5,848,415	1,463,031
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(1,581)	2,145
Change in other payables and accrued expenses	12	1,987
Change in income tax payable	-	-
Net Cash Provided by (Used in) Operating Activities	(112,995,426)	(12,969,340)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	4	46
Proceeds from redeemable shares issued	122,299,987	15,405,481
Redemption of redeemable shares	(9,338,753)	(2,404,001)
Net Cash Provided by (Used in) Financing Activities	112,961,238	13,001,526
Net increase (decrease) in cash	(34,188)	32,186
Cash (bank indebtedness) at beginning of period	30,393	(1,793)
Cash (bank indebtedness) at end of period	(3,795)	30,393
Interest received	236	-
Income taxes paid	-	-
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sionna Canadian Small Cap Equity Fund, Series I	9,220,860	155,157,496	161,778,140	
		155,157,496	161,778,140	100.00
Total Investments		155,157,496	161,778,140	100.00
Other Assets less Liabilities			(6,822)	-
Total Net Assets			161,771,318	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

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

(b) Market risk

(i) Currency risk

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

(ii) Interest rate risk

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

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

Sun Life Sionna Canadian Small Cap Equity Class (continued)

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Equities		
Industrials	16.5	16.7
Real Estate	15.2	13.6
Energy	14.2	17.0
Consumer Discretionary	13.0	13.7
Financials	11.1	15.1
Information Technology	11.0	7.4
Materials	7.3	8.2
Consumer Staples	1.8	1.9
Health Care	1.8	1.1
Other Assets less Liabilities	8.1	5.3
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	41,784,588	-	-	41,784,588

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

Soft Dollar Commissions

In addition to covering brokerage services on security transactions, commissions paid to certain brokers may also cover research services provided to the Manager. The value of the research services included in the commissions paid by the Fund to those brokers for the period ended December 31, 2017 was \$12,765 (\$3,650 for the period ended December 31, 2016).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

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

	December 31, 2016	
	Shares	Market Value (\$)
Series AT5	779	9,945
Series A	11,689	109,528
Series F	1,063	10,145
Series O	1,041	10,157

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	26	-	636
Series A	281	-	1,391
Series E	-	-	-
Series F	26	-	130
Series O	-	10,503	-

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	23	-	851
Series A	8,263	-	4,501
Series E	-	8,019	-
Series F	23	-	415
Series O	-	88	415

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

Sun Life Sionna Canadian Small Cap Equity Class (continued)

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada (“SLA”) invested additional seed money to support the launch of the Class and investments were made for the purposes of seed money investments. As at December 31, 2017 and December 31, 2016, there were no seed capital positions held.

The following are transactions in the Class by SLA from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	-	-

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	148,523	-

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, the Fund had significant interests in the Underlying Fund as noted in the following tables:

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

Underlying Fund	As at December 31, 2016	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sionna Canadian Small Cap Equity Fund	100	65

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	161,778,140	41,784,588
Total financial assets at fair value through profit or loss	161,778,140	41,784,588
Financial assets at amortized cost		
Cash	-	30,393
Other receivables	249,519	91,976
Total financial assets at amortized cost	249,519	122,369
Total assets	162,027,659	41,906,957
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	256,341	263,940
Total liabilities (excluding net assets attributable to holders of redeemable shares)	256,341	263,940

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	6,895,899	6,752,303
Total net gains (losses)	6,895,899	6,752,303

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	March 25, 2015	March 27, 2015
Series AT5 Shares	March 25, 2015	March 27, 2015
Series F Shares	March 25, 2015	March 27, 2015
Series I Shares	March 25, 2015	March 27, 2015
Series O Shares	March 25, 2015	March 27, 2015

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

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

Sun Life Trimark Canadian Class

Statements of Financial Position

As at December 31, 2017 and 2016

	December 31, 2017 (\$)	December 31, 2016 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	1,793,149	1,511,092
Cash	-	-
Due from investment dealers	-	3,244
Accrued interest	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	1,161	-
	1,794,310	1,514,336
Liabilities		
Current Liabilities		
Bank indebtedness	2,101	7
Accrued expenses	38	171
Redemptions payable	-	2,001
Distributions payable	-	-
Due to investment dealers	1,161	-
Management fees payable	149	1,114
Income tax payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable shares)	3,449	3,293
Net Assets Attributable to Holders of Redeemable Shares	1,790,861	1,511,043
Net Assets Attributable to Holders of Redeemable Shares per Series		
Series A	248,357	538,747
Series AT5	10,012	9,128
Series E	-	-
Series F	10,329	9,311
Series I	1,493,098	944,540
Series O	29,065	9,317
Net Assets Attributable to Holders of Redeemable Shares per Share (note 4)		
Series A	9.30	8.66
Series AT5	12.05	11.79
Series E	-	-
Series F	9.59	8.83
Series I	9.94	9.04
Series O	9.89	9.01

Approved on behalf of Trustee

"signed" Rick Headrick
President

"signed" Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Interest income	1	6
Distributions from underlying funds	33,080	38,062
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	48,077	(1,684)
Change in unrealized appreciation (depreciation) in value of investments	104,792	158,380
Net gains (losses) on investments	185,950	194,764
Total income (loss)	185,950	194,764
Expenses (note 5)		
Management fees	7,657	4,807
Administration fees	1,549	982
Independent review committee fees	31	6
Total operating expenses	9,237	5,795
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	176,713	188,969
Finance Cost		
Interest expense	-	-
Net income (loss) before income taxes	176,713	188,969
Income taxes	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	176,713	188,969
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Series (Excluding Distributions)		
Series A	34,566	44,201
Series AT5	868	1,203
Series E	-	(669)
Series F	1,002	1,317
Series I	137,754	141,523
Series O	2,523	1,394
Weighted Average Number of Shares Outstanding		
Series A	37,365	26,163
Series AT5	793	734
Series E	-	1,025
Series F	1,055	1,026
Series I	130,554	93,283
Series O	2,142	1,013
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations per Share (Excluding Distributions)		
Series A	0.93	1.69
Series AT5	1.09	1.64
Series E	-	(0.65)
Series F	0.95	1.28
Series I	1.06	1.52
Series O	1.18	1.38

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

Sun Life Trimark Canadian Class (continued)

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

For the periods ended December 31

	Series A		Series AT5		Series E		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 538,747	89,362	9,128	7,923	-	7,929	9,311	7,991
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 34,566	44,201	868	1,203	-	(669)	1,002	1,317
Redeemable Share Transactions								
Proceeds from redeemable shares issued	\$ 196,876	419,175	18	-	-	-	16	-
Redemption of redeemable shares	\$ (521,789)	(14,062)	-	-	-	(7,259)	-	-
Reinvestment of distributions to holders of redeemable shares	\$ 4,854	13,952	662	657	-	-	203	256
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (320,059)	419,065	680	657	-	(7,259)	219	256
Distributions to Holders of Redeemable Shares								
From capital gains	\$ (47)	-	(1)	-	-	-	(1)	-
From net investment income	\$ (4,585)	(13,570)	(185)	(230)	-	-	(191)	(234)
Return of capital	\$ (265)	(311)	(478)	(425)	-	(1)	(11)	(19)
	\$ (4,897)	(13,881)	(664)	(655)	-	(1)	(203)	(253)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ (290,390)	449,385	884	1,205	-	(7,929)	1,018	1,320
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 248,357	538,747	10,012	9,128	-	-	10,329	9,311
Redeemable Share Transactions								
Balance - beginning of period	62,179	11,558	774	716	-	1,025	1,054	1,025
Shares issued	21,789	50,700	2	-	-	-	2	-
Shares issued on reinvestment of distributions	521	1,612	55	58	-	-	21	29
Shares redeemed	(57,774)	(1,691)	-	-	-	(1,025)	-	-
Balance - end of period	26,715	62,179	831	774	-	-	1,077	1,054

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Shares at beginning of period	\$ 944,540	616,885	9,317	7,994	1,511,043	738,084
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares from Operations (Excluding Distributions)	\$ 137,754	141,523	2,523	1,394	176,713	188,969
Redeemable Share Transactions						
Proceeds from redeemable shares issued	\$ 697,117	208,586	17,418	-	911,445	627,761
Redemption of redeemable shares	\$ (286,313)	(22,454)	(193)	(71)	(808,295)	(43,846)
Reinvestment of distributions to holders of redeemable shares	\$ 27,660	23,792	538	235	33,917	38,892
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 438,464	209,924	17,763	164	137,067	622,807
Distributions to Holders of Redeemable Shares						
From capital gains	\$ (78)	-	(1)	-	(128)	-
From net investment income	\$ (27,582)	(23,792)	(537)	(235)	(33,080)	(38,061)
Return of capital	\$ -	-	-	-	(754)	(756)
	\$ (27,660)	(23,792)	(538)	(235)	(33,962)	(38,817)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Shares for the period	\$ 548,558	327,655	19,748	1,323	279,818	772,959
Net Assets Attributable to Holders of Redeemable Shares at end of period	\$ 1,493,098	944,540	29,065	9,317	1,790,861	1,511,043
Redeemable Share Transactions						
Balance - beginning of period	104,479	78,332	1,034	1,017	169,520	93,673
Shares issued	73,138	26,157	1,870	-	96,801	76,857
Shares issued on reinvestment of distributions	2,782	2,632	54	26	3,433	4,357
Shares redeemed	(30,246)	(2,642)	(20)	(9)	(88,040)	(5,367)
Balance - end of period	150,153	104,479	2,938	1,034	181,714	169,520

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

Sun Life Trimark Canadian Class (continued)

Statements of Cash Flows

For the periods ended December 31

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable shares from operations (excluding distributions)	176,713	188,969
Adjustments for:		
Net realized (gain) loss on sale of investments	(48,077)	1,684
Change in unrealized (appreciation) depreciation in value of investments	(104,792)	(158,380)
Non-cash income distributions from underlying funds	(33,080)	(38,062)
Purchases of investments	(887,834)	(620,403)
Proceeds from sale of investments	796,131	40,213
Change in accrued interest	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(965)	1,066
Change in other payables and accrued expenses	(133)	159
Change in income tax payable	-	-
Net Cash Provided by (Used in) Operating Activities	(102,037)	(584,754)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable shares, net of reinvested distributions	(45)	75
Proceeds from redeemable shares issued	910,284	627,761
Redemption of redeemable shares	(810,296)	(42,833)
Net Cash Provided by (Used in) Financing Activities	99,943	585,003
Net increase (decrease) in cash	(2,094)	249
Cash (bank indebtedness) at beginning of period	(7)	(256)
Cash (bank indebtedness) at end of period	(2,101)	(7)
Interest received	1	6
Income taxes paid	-	-
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Trimark Canadian Fund, Series I	126,868	1,642,487	1,793,149	
		1,642,487	1,793,149	100.13
Total Investments		1,642,487	1,793,149	100.13
Other Assets less Liabilities			(2,288)	(0.13)
Total Net Assets			1,790,861	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

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

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

(b) Market risk

(i) Currency risk

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

(ii) Interest rate risk

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

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

Sun Life Trimark Canadian Class (continued)

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the Underlying Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Equities		
Financials	43.3	44.4
Industrials	14.4	13.8
Energy	9.3	13.3
Information Technology	8.7	7.5
Consumer Discretionary	7.3	8.8
Materials	4.9	4.3
Consumer Staples	3.9	3.6
Health Care	3.3	2.8
Other Assets less Liabilities	4.9	1.5
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2017 and December 31, 2016.

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

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	1,511,092	-	-	1,511,092

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Mutual funds

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

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Fund. Investment by the Company in the Fund is for the purposes of regulatory seed money investments. As at December 31, 2017 and December 31, 2016, the Company held the following positions in the Fund:

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

	December 31, 2016	
	Shares	Market Value (\$)
Series AT5	774	9,128
Series A	11,595	100,465
Series F	1,054	9,311
Series I	27,337	247,139
Series O	1,034	9,317

The following are transactions in the Fund by the Company from January 1 to December 31, 2017 and January 1 to December 31, 2016. If applicable, distributions were reinvested into shares of the same Series of the same Fund.

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	24	-	653
Series A	268	-	2,042
Series E	-	-	-
Series F	25	-	191
Series I	-	-	5,135
Series O	-	82	192

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AT5	21	-	636
Series A	7,488	-	2,530
Series E	-	7,259	-
Series F	21	-	234
Series I	-	-	6,225
Series O	-	71	235

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

Sun Life Trimark Canadian Class (continued)

Interest in Underlying Funds

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

As at December 31, 2017 and December 31, 2016, there were no significant interests in the Underlying Fund.

Financial Instruments by Category

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Financial assets		
Financial assets at fair value through profit or loss		
Derivative assets held for trading	-	-
Investments designated at FVTPL	1,793,149	1,511,092
Total financial assets at fair value through profit or loss	1,793,149	1,511,092
Financial assets at amortized cost		
Cash	-	-
Other receivables	1,161	3,244
Total financial assets at amortized cost	1,161	3,244
Total assets	1,794,310	1,514,336
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	3,449	3,293
Total liabilities (excluding net assets attributable to holders of redeemable shares)	3,449	3,293

Net Gains (Losses) on Financial Instruments at Fair Value through Profit or Loss

	December 31, 2017	December 31, 2016
	(\$)	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	-	-
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	185,950	194,764
Total net gains (losses)	185,950	194,764

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Shares	March 25, 2015	March 27, 2015
Series AT5 Shares	March 25, 2015	March 27, 2015
Series F Shares	March 25, 2015	March 27, 2015
Series I Shares	March 25, 2015	March 27, 2015
Series O Shares	March 25, 2015	March 27, 2015

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

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

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

1. Establishment of the Funds

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

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

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

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

The financial statements of the Funds include the Schedule of Investments for each Fund as at December 31, 2017, the Statements of Financial Position as at December 31, 2017 and December 31, 2016, and the Statements of Comprehensive Income (Loss), Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares and Statements of Cash Flows for the periods ended December 31, 2017 and December 31, 2016. For details on each Fund’s date of origin, refer to the Establishment of the Fund disclosure within the Fund Specific Notes to the Financial Statements of each Fund.

The financial statements of the Funds for the period ended December 31, 2017 were authorized on March 9, 2018 for issue in accordance with the resolution approved by the Board of Directors of the Corporation to be filed on March 28, 2018.

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 (“IASB”).

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

Financial instruments

(a) Classification and recognition of financial instruments

In accordance with IAS 39, *Financial Instruments: Recognition and Measurement* (“IAS 39”), financial assets and financial liabilities are classified at initial recognition into the following categories:

Financial assets and financial liabilities at fair value through profit or loss

The category of financial assets and financial liabilities at fair value through profit or loss is sub-divided into:

Financial assets and financial liabilities classified as held-for-trading: Financial assets and financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling and/or repurchasing in the near term. Derivatives and securities sold short held by the Funds are classified as held-for-trading and do not qualify for hedge accounting as defined by IAS 39. These investments are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Financial instruments designated as fair value through profit or loss: All investments held by the Funds, excluding derivatives and securities sold short, are designated as fair value through profit or loss upon initial recognition. Investments in this category include equities, underlying funds, bonds and other interest-bearing investments. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Funds, as set out in the Funds’ prospectus.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Funds include in this category amounts receivable relating to portfolio investments, securities sold short and other short-term receivables.

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

Other financial liabilities

This category includes all financial liabilities, other than those classified as fair value through profit or loss. The Funds include in this category amounts relating to payables in respect of amounts payable for portfolio securities purchased and other accrued liabilities.

A financial asset or a financial liability is recognized when a Fund becomes a party to the contractual provisions of the instrument. 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.

(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 fair value through profit or loss 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 (other than those classified as held-for-trading) 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 which are classified as fair value through profit or loss 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 average 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 fair value through profit or loss) are measured at amortized cost.

The Funds' obligation for net assets attributable to holders of redeemable shares is presented at the redemption amount.

The Funds measure their financial instruments at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Funds.

The fair values of each specific type of investment and derivative, where applicable, are determined in the following manner:

- i) Underlying funds are fair valued each business day using the most recent NAV per share quoted by the Manager on the valuation date.
- ii) For all other financial assets and financial liabilities, the carrying value approximates the fair value for cash, due from investment dealers, accrued interest, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers and management fees payable.

(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.

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

(e) Other assets and other liabilities

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

(f) Distributions from underlying funds

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

(g) Transaction costs

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

(h) Redeemable share valuation and valuation date

Shares are issued and redeemed on a continuous basis at their NAV which is determined, for every series of shares of each Fund, except for the Sun Life Money Market Class, on each day that the Toronto Stock Exchange is open for business. The Sun Life Money Market Class is valued on each day that the Canadian chartered banks are open for business, other than Saturdays and Sundays.

The redeemable share valuation per series is determined by dividing the aggregate market value of the net assets of that series of the Fund by the total number of shares of that series outstanding at the close of business on the valuation day.

(i) Investment transactions

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

(j) Revenue recognition

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

(k) Foreign currency translation

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

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

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

(l) Increase (decrease) in net assets attributable to holders of redeemable shares per share

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

(m) Multi-series structured funds

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

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

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 designated at fair value through profit or loss.

4. Redeemable Shares of the Funds

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

Shares are redeemed at the NAV per share of the Fund. A right to redeem redeemable shares of a Fund may be suspended with the approval of the Canadian securities regulatory authorities or when normal trading is suspended on a stock, options, or futures exchange in Canada or outside Canada on which securities or derivatives that make up more than 50% of the value or underlying exposure of the total assets of a Fund, not including any liabilities of the Fund, are traded, and when those securities or derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Fund.

The Manager is responsible for managing the capital of the Funds. The capital received by a Fund is utilized within the respective investment mandate of a Fund. This includes, for all Funds, the ability to make liquidity available to satisfy client share redemption requirements upon the client's request.

Changes in the Funds' capital during the period are reflected in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares.

The Funds' redeemable shares are classified as financial liabilities on the Statements of Financial Position since the Funds have a contractual obligation for the issuer to repurchase or redeem the shares for cash or another financial asset and to distribute their income to minimize taxes such that they have no discretion to avoid cash distributions and have an ongoing redemption option.

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

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 shares	Series AT5 shares	Series AT8 shares	Series F shares
Sun Life BlackRock Canadian Balanced Class	1.55%	1.55%	-	0.55%
Sun Life BlackRock Canadian Composite Equity Class	1.00%	1.00%	-	0.50%
Sun Life BlackRock Canadian Equity Class	1.55%	1.55%	1.55%	0.55%
Sun Life Dynamic Equity Income Class	1.75%	1.75%	-	0.75%
Sun Life Dynamic Strategic Yield Class	1.85%	1.85%	-	0.85%
Sun Life Franklin Bissett Canadian Equity Class	2.00%	2.00%	-	1.00%
Sun Life Granite Balanced Class	1.80%	1.80%	-	0.80%
Sun Life Granite Balanced Growth Class	1.85%	1.85%	1.85%	0.85%
Sun Life Granite Conservative Class	1.50%	1.50%	-	0.75%
Sun Life Granite Growth Class	1.90%	1.90%	1.90%	0.90%
Sun Life Granite Moderate Class	1.75%	1.75%	-	0.75%
Sun Life MFS Canadian Equity Class	1.95%	1.95%	-	1.00%
Sun Life MFS Dividend Income Class	1.75%	1.75%	-	0.75%
Sun Life MFS Global Growth Class	2.00%	2.00%	2.00%	1.00%
Sun Life MFS International Growth Class	2.00%	2.00%	2.00%	1.00%
Sun Life MFS U.S. Growth Class	2.00%	2.00%	2.00%	1.00%
Sun Life Money Market Class*	1.00%	-	-	0.75%
Sun Life Sentry Value Class	1.95%	1.95%	-	0.95%
Sun Life Sionna Canadian Small Cap Equity Class	2.10%	2.10%	-	1.10%
Sun Life Trimark Canadian Class	2.00%	2.00%	-	1.00%

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

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

For Series O shares, investors pay the management fees directly to the Manager. The maximum rate of the fee, excluding GST/HST and other applicable taxes if any, is set out below.

Maximum Annual Management Fees	
	Series O shares*
Sun Life BlackRock Canadian Balanced Class	0.55%
Sun Life BlackRock Canadian Composite Equity Class	0.50%
Sun Life BlackRock Canadian Equity Class	0.55%
Sun Life Dynamic Equity Income Class	0.75%
Sun Life Dynamic Strategic Yield Class	0.85%
Sun Life Franklin Bissett Canadian Equity Class	1.00%
Sun Life Granite Balanced Class	0.80%
Sun Life Granite Balanced Growth Class	0.85%
Sun Life Granite Conservative Class	0.75%
Sun Life Granite Growth Class	0.90%
Sun Life Granite Moderate Class	0.75%
Sun Life MFS Canadian Equity Class	1.00%
Sun Life MFS Dividend Income Class	0.75%
Sun Life MFS Global Growth Class	1.00%
Sun Life MFS International Growth Class	1.00%
Sun Life MFS U.S. Growth Class	1.00%
Sun Life Money Market Class**	0.75%
Sun Life Sentry Value Class	0.95%
Sun Life Sionna Canadian Small Cap Equity Class	1.10%
Sun Life Trimark Canadian Class	1.00%

* Series O shares are available to investors through the Private Client program and must be purchased through a Private Client account. Each Series O investor pays a management fee directly to the Manager and is eligible for management fee reductions, if any, based on the value of Series O shares held in their Private Client account. Series O management fees are paid, after subtracting any management fee reductions, by a redemption of Series O shares in the 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 investors, prospectus and other disclosure documents, regulatory filing fees (including those incurred by the Company) and trustee fees for registered plans. The fixed annual administration fees are calculated as a fixed annual percentage of the NAV of each class of a Fund at the end of each business day.

Each Fund pays certain operating expenses directly, in addition to the fixed annual administration fees. Fund costs are certain taxes, borrowing costs and fees and expenses payable to or in connection with the Funds' Independent Review Committee. Each Fund also pays costs in connection with brokerage commissions and other portfolio transaction costs, including any tax applicable to such costs.

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

The fixed annual administration fees are set out below:

Annual Administration Fees		
	All Series (other than Series I)	Series I
Sun Life BlackRock Canadian Balanced Class	0.10%	n/a
Sun Life BlackRock Canadian Composite Equity Class	0.10%	0.05%
Sun Life BlackRock Canadian Equity Class	0.10%	0.05%
Sun Life Dynamic Equity Income Class	0.20%	0.05%
Sun Life Dynamic Strategic Yield Class	0.20%	0.05%
Sun Life Franklin Bissett Canadian Equity Class	0.20%	0.05%
Sun Life Granite Balanced Class	0.20%	n/a
Sun Life Granite Balanced Growth Class	0.20%	n/a
Sun Life Granite Conservative Class	0.20%	n/a
Sun Life Granite Growth Class	0.20%	n/a
Sun Life Granite Moderate Class	0.20%	n/a
Sun Life MFS Canadian Equity Class	0.20%	n/a
Sun Life MFS Dividend Income Class	0.20%	0.05%
Sun Life MFS Global Growth Class	0.20%	n/a
Sun Life MFS International Growth Class	0.20%	n/a
Sun Life MFS U.S. Growth Class	0.20%	n/a
Sun Life Money Market Class*	0.05%	n/a
Sun Life Sentry Value Class	0.20%	0.05%
Sun Life Sionna Canadian Small Cap Equity Class	0.20%	0.05%
Sun Life Trimark Canadian Class	0.20%	0.05%

* 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.

6. Taxation of the Corporation and Allocation to Shareholders

The Corporation is a qualified mutual fund corporation, as defined for Canadian income tax purposes. Taxable dividends received from taxable Canadian corporations are subject to a tax of 38 1/3%. Such taxes are fully refundable upon payment of taxable dividends to shareholders on the basis of \$1 for every \$2.61 of dividends paid. Any such tax paid is reported as an amount receivable until recovered through the payment to shareholders of dividends out of net investment income. Interest income and foreign dividends, net of applicable expenses, are taxed at full corporate rates applicable to mutual fund corporations with credits, subject to certain limitations, for foreign taxes paid. All tax on net realized taxable capital gains is refundable when the gains are distributed to shareholders as capital gains dividends or through redemption of shares at the request of shareholders. Income taxes, if any, are allocated to the classes of shares of the Corporation on a fair and reasonable basis.

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

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

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

The Corporation has no accumulated net capital losses and no accumulated non-capital losses as at December 31, 2017.

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

7. Related Party Transactions

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

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

An operating expense incurred by the Manager on behalf of each Fund is considered a fund administration expense. Under the terms of the Funds' Simplified Prospectus, each Fund is responsible for the payment of its administration and operating expenses. The Manager recovers these expenses from each Fund.

The dollar amount, including all applicable taxes, of all fund administration expenses that the Manager recovers from the Fund is reported in the line item "Administration fees" on the Statements of Comprehensive Income (Loss).

The Company 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.

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

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

(c) Liquidity risk

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

(d) Concentration risk

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

(e) Fair value measurement

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

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

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

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Shares approximate their fair values due to their short-term nature.

9. Capital Management

The Funds have no restrictions or specific capital requirements on the subscription and redemption of shares. Specifically, the Funds are not subject to externally imposed capital requirements and have no legal restrictions on the issue, repurchase or resale of redeemable shares beyond those included in the Funds' prospectus. The Statements of Changes in Net Assets Attributable to Holders of Redeemable Shares identify changes in capital during the period. The capital of the Funds is managed in accordance with the Funds' investment objectives including managing their liquidity in order to be able to meet redemptions as discussed in note 8(c).

10. Accounting Standards Issued but not yet Adopted

IFRS 9

IFRS 9 *Financial Instruments* ("IFRS 9") replaces IAS 39 *Financial Instruments: Recognition and Measurement* ("IAS 39") and is effective for annual periods beginning on or after January 1, 2018, with early application permitted. IFRS 9 brings together three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Funds will adopt IFRS 9 for annual periods beginning January 1, 2018. Based on the Funds' business model and contractual cash flow characteristics, the Manager anticipates that all portfolio investments will continue to be measured at fair value. As the Funds do not apply hedge accounting and primarily all financial instruments are measured at fair value, the Manager expects no significant impact on the Funds' net assets and results of operations on adoption of IFRS 9.

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

IFRS 15

IFRS 15 *Revenue from Contracts with Customers* ("IFRS 15") establishes a five-step model to account for revenue arising from contracts with customers and is effective for annual periods beginning on or after January 1, 2018, with early adoption permitted. Given that the primarily all revenue streams of the Funds fall outside of the scope of IFRS 15, the Manager has assessed that there is minimal impact to the financial statements arising on the adoption of this standard.

11. Comparative Balances

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

ANNUAL FINANCIAL STATEMENTS

Sun Life BlackRock Canadian Balanced Class
Sun Life BlackRock Canadian Composite Equity Class
Sun Life BlackRock Canadian Equity Class
Sun Life Dynamic Equity Income Class
Sun Life Dynamic Strategic Yield Class
Sun Life Franklin Bissett Canadian Equity Class
Sun Life Granite Balanced Class
Sun Life Granite Balanced Growth Class
Sun Life Granite Conservative Class
Sun Life Granite Growth Class

Sun Life Granite Moderate Class
Sun Life MFS Canadian Equity Class
Sun Life MFS Dividend Income Class
Sun Life MFS Global Growth Class
Sun Life MFS International Growth Class
Sun Life MFS U.S. Growth Class
Sun Life Money Market Class
Sun Life Sentry Value Class
Sun Life Sionna Canadian Small Cap Equity Class
Sun Life Trimark Canadian Class

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You can find more information about each Fund in our Annual Information Form, and each Fund's management report of fund performance and financial statements, once available. These documents are incorporated by reference into this document, which means that they legally form part of this document just as if they were printed as part of it.

For a free copy of these documents, call us toll-free at **1-877-344-1434** or ask your advisor. These documents and other information about the Funds, such as information circulars and material contracts, are also available at www.sunlifeglobalinvestments.com or www.sedar.com.

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