
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC

ANNUAL FINANCIAL STATEMENTS

for the period ended December 31, 2017

Sun Life BlackRock Canadian Balanced Fund	Sun Life Infrastructure Fund (formerly Sun Life Sentry Infrastructure Fund)	Sun Life MFS U.S. Value Fund
Sun Life BlackRock Canadian Composite Equity Fund	Sun Life MFS Canadian Bond Fund	Sun Life Milestone 2020 Fund
Sun Life BlackRock Canadian Equity Fund	Sun Life MFS Canadian Equity Fund	Sun Life Milestone 2025 Fund
Sun Life BlackRock Canadian Universe Bond Fund	Sun Life MFS Canadian Equity Growth Fund	Sun Life Milestone 2030 Fund
Sun Life Dynamic American Fund (formerly Sun Life Dynamic American Value Fund)	Sun Life MFS Canadian Equity Value Fund	Sun Life Milestone 2035 Fund
Sun Life Dynamic Energy Fund	Sun Life MFS Dividend Income Fund	Sun Life Milestone Global Equity Fund
Sun Life Dynamic Equity Income Fund	Sun Life MFS Global Growth Fund	Sun Life Money Market Fund
Sun Life Dynamic Strategic Yield Fund	Sun Life MFS Global Total Return Fund	Sun Life Multi-Strategy Bond Fund
Sun Life Granite Balanced Growth Portfolio	Sun Life MFS Global Value Fund	Sun Life Multi-Strategy Target Return Fund
Sun Life Granite Balanced Portfolio	Sun Life MFS International Growth Fund	Sun Life NWQ Flexible Income Fund
Sun Life Granite Conservative Portfolio	Sun Life MFS International Value Fund	Sun Life Ryan Labs U.S. Core Fixed Income Fund
Sun Life Granite Enhanced Income Portfolio	Sun Life MFS Low Volatility Global Equity Fund	Sun Life Schroder Emerging Markets Fund
Sun Life Granite Growth Portfolio	Sun Life MFS Low Volatility International Equity Fund	Sun Life Schroder Global Mid Cap Fund (formerly Sun Life Sentry Global Mid Cap Fund)
Sun Life Granite Income Portfolio	Sun Life MFS Monthly Income Fund	Sun Life Sentry Value Fund
Sun Life Granite Moderate Portfolio	Sun Life MFS U.S. Equity Fund	Sun Life Templeton Global Bond Fund
Sun Life Granite Tactical Completion Fund	Sun Life MFS U.S. Growth Fund	



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Independent Auditors' Report

To the Unitholders of:

Sun Life BlackRock Canadian Balanced Fund	Sun Life Infrastructure Fund (formerly Sun Life Sentry Infrastructure Fund)	Sun Life MFS U.S. Value Fund
Sun Life BlackRock Canadian Composite Equity Fund	Sun Life MFS Canadian Bond Fund	Sun Life Milestone 2020 Fund
Sun Life BlackRock Canadian Equity Fund	Sun Life MFS Canadian Equity Fund	Sun Life Milestone 2025 Fund
Sun Life BlackRock Canadian Universe Bond Fund	Sun Life MFS Canadian Equity Growth Fund	Sun Life Milestone 2030 Fund
Sun Life Dynamic American Fund (formerly Sun Life Dynamic American Value Fund)	Sun Life MFS Canadian Equity Value Fund	Sun Life Milestone 2035 Fund
Sun Life Dynamic Energy Fund	Sun Life MFS Dividend Income Fund	Sun Life Milestone Global Equity Fund
Sun Life Dynamic Equity Income Fund	Sun Life MFS Global Growth Fund	Sun Life Money Market Fund
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Sun Life Granite Tactical Completion Fund	Sun Life MFS U.S. Growth Fund	

(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 (if applicable), and the statements of comprehensive income (loss), changes in net assets attributable to holders of redeemable units 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 (if applicable), and their financial performance and their cash flows for the periods then ended in accordance with International Financial Reporting Standards.

Ernst + Young LLP

Chartered Professional Accountants
Licensed Public Accountants

Kitchener, Canada
March 28, 2018

Sun Life BlackRock Canadian Balanced Fund

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)	41,971,504	73,347,425
Short-term investments	-	-
Cash	58,409	288,638
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	252,421	79,863
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	125,642
Accrued interest	-	-
Dividends receivable	2,405	-
Distributions receivable from underlying funds	1,192,258	855,380
Subscriptions receivable	24,621	12,446
	43,501,618	74,709,394
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	864	4,582
Redemptions payable	20,018	111,906
Distributions payable	-	-
Due to investment dealers	1,192,258	982,908
Management fees payable	6,360	24,061
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,219,500	1,123,457
Net Assets Attributable to Holders of Redeemable Units	42,282,118	73,585,937
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	14,646,778	14,064,897
Series T5	622,555	424,983
Series E	-	-
Series F	405,087	268,304
Series I	24,441,378	56,439,206
Series O	2,166,320	2,388,547
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	12.34	11.60
Series T5	15.09	14.75
Series E	-	-
Series F	12.82	12.07
Series I	13.30	12.44
Series O	11.34	10.65

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		
Dividend income	314,912	534,318
Interest income for distribution purposes	230	230
Distributions from underlying funds	1,531,848	1,430,438
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	7,675,369	1,232,262
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	293,118	276,851
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(4,891,889)	2,967,696
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	172,558	122,116
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	5,096,146	6,563,911
Net gain (loss) on foreign exchange	(421)	6,098
Other income	-	-
Total income (loss)	5,095,725	6,570,009
Expenses (note 5)		
Management fees	253,118	242,151
Administration fees	39,360	47,233
Independent review committee fees	362	429
Withholding tax	25,652	60,394
Transaction costs (note 2)	1,262	443
Total operating expenses	319,754	350,650
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	4,775,971	6,219,359
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	4,775,971	6,219,359
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	1,019,075	1,058,889
Series T5	33,679	34,430
Series E	-	(21,377)
Series F	28,157	8,207
Series I	3,495,892	4,966,418
Series O	199,168	172,792
Weighted Average Number of Units Outstanding		
Series A	1,186,567	1,203,249
Series T5	31,860	31,012
Series E	-	126,068
Series F	27,940	14,765
Series I	2,841,757	4,389,838
Series O	200,779	184,388
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.86	0.88
Series T5	1.06	1.11
Series E	-	(0.17)
Series F	1.01	0.56
Series I	1.23	1.13
Series O	0.99	0.94

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

Sun Life BlackRock Canadian Balanced Fund (continued)

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

For the periods ended December 31

	Series A		Series T5		Series E		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 14,064,897	12,304,589	424,983	460,175	-	1,190,882	268,304	140,455
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 1,019,075	1,058,889	33,679	34,430	-	(21,377)	28,157	8,207
Redeemable Unit Transactions	\$	\$	\$	\$	\$	\$	\$	\$
Proceeds from redeemable units issued	\$ 3,305,294	3,668,511	284,438	50,557	-	33,026	119,359	211,892
Redemption of redeemable units	\$ (3,742,152)	(2,966,185)	(118,093)	(119,648)	-	(1,202,457)	(9,340)	(92,252)
Reinvestment of distributions to holders of redeemable units	\$ 136,912	97,334	21,271	21,608	-	63	7,196	5,317
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (299,946)	799,660	187,616	(47,483)	-	(1,169,368)	117,215	124,957
Distributions to Holders of Redeemable Units	\$	\$	\$	\$	\$	\$	\$	\$
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ (137,248)	(98,241)	(19,247)	(1,310)	-	(137)	(8,589)	(5,315)
Return of capital	\$ -	-	(4,476)	(20,829)	-	-	-	-
	\$ (137,248)	(98,241)	(23,723)	(22,139)	-	(137)	(8,589)	(5,315)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 581,881	1,760,308	197,572	(35,192)	-	(1,190,882)	136,783	127,849
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 14,646,778	14,064,897	622,555	424,983	-	-	405,087	268,304
Redeemable Unit Transactions	\$	\$	\$	\$	\$	\$	\$	\$
Balance - beginning of period	1,212,132	1,137,490	28,809	32,097	-	123,867	22,229	12,421
Units issued	275,230	331,533	18,937	3,445	-	3,551	9,545	17,429
Units issued on reinvestment of distributions	11,414	8,595	1,425	1,478	-	7	568	440
Units redeemed	(312,130)	(265,486)	(7,902)	(8,211)	-	(127,425)	(751)	(8,061)
Balance - end of period	1,186,646	1,212,132	41,269	28,809	-	-	31,591	22,229

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 56,439,206	50,780,250	2,388,547	1,762,607	73,585,937	66,638,958
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 3,495,892	4,966,418	199,168	172,792	4,775,971	6,219,359
Redeemable Unit Transactions	\$	\$	\$	\$	\$	\$
Proceeds from redeemable units issued	\$ 8,565,306	8,296,382	191,843	559,327	12,466,240	12,819,695
Redemption of redeemable units	\$ (44,059,026)	(7,603,844)	(613,272)	(106,179)	(48,541,883)	(12,090,565)
Reinvestment of distributions to holders of redeemable units	\$ 631,672	1,342,289	55,518	56,056	852,569	1,522,667
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (34,862,048)	2,034,827	(365,911)	509,204	(35,223,074)	2,251,797
Distributions to Holders of Redeemable Units	\$	\$	\$	\$	\$	\$
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (631,672)	(1,342,289)	(55,484)	(56,056)	(852,240)	(1,503,348)
Return of capital	\$ -	-	-	-	(4,476)	(20,829)
	\$ (631,672)	(1,342,289)	(55,484)	(56,056)	(856,716)	(1,524,177)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (31,997,828)	5,658,956	(222,227)	625,940	(31,303,819)	6,946,979
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 24,441,378	56,439,206	2,166,320	2,388,547	42,282,118	73,585,937
Redeemable Unit Transactions	\$	\$	\$	\$	\$	\$
Balance - beginning of period	4,536,290	4,379,519	224,379	177,412	6,023,839	5,862,806
Units issued	662,917	680,368	17,257	51,834	983,886	1,088,160
Units issued on reinvestment of distributions	48,050	108,729	4,951	5,297	66,408	124,546
Units redeemed	(3,408,919)	(632,326)	(55,485)	(10,164)	(3,785,187)	(1,051,673)
Balance - end of period	1,838,338	4,536,290	191,102	224,379	3,288,946	6,023,839

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

Sun Life BlackRock Canadian Balanced Fund (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 units from operations (excluding distributions)	4,775,971	6,219,359
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(7,675,369)	(1,232,262)
Change in unrealized (appreciation) depreciation in value of investments	4,891,889	(2,967,696)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(172,558)	(122,116)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(1,531,848)	(1,430,438)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(7,994,363)	(8,871,394)
Proceeds from sale of investments	44,019,342	7,749,771
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	(2,405)	4,904
Change in distributions receivable from underlying funds	(336,878)	(88,304)
Change in management fees payable	(17,701)	19,470
Change in other payables and accrued expenses	(2,456)	4,155
Net Cash Provided by (Used in) Operating Activities	35,953,624	(714,551)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(4,147)	(1,510)
Proceeds from redeemable units issued	12,454,065	12,890,688
Redemption of redeemable units	(48,633,771)	(12,022,232)
Net Cash Provided by (Used in) Financing Activities	(36,183,853)	866,946
Net increase (decrease) in cash	(230,229)	152,395
Cash (bank indebtedness) at beginning of period	288,638	136,243
Cash (bank indebtedness) at end of period	58,409	288,638
Dividends received, net of withholding taxes	286,855	478,828
Interest received, net of withholding taxes	230	230
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
Consumer Discretionary				
iShares Global Consumer Discretionary ETF	9,284	557,355	1,272,461	
		557,355	1,272,461	3.01
Consumer Staples				
iShares Global Consumer Staples ETF	8,118	666,667	1,077,558	
		666,667	1,077,558	2.56
Health Care				
iShares Global Healthcare ETF	12,666	1,089,933	1,785,669	
		1,089,933	1,785,669	4.22
Industrials				
iShares Global Industrials ETF	6,321	357,686	735,518	
		357,686	735,518	1.75
Real Estate				
iShares Global Real Estate Index ETF	4,521	127,528	126,091	
		127,528	126,091	0.30
Information Technology				
iShares Global Tech ETF	12,904	938,960	2,484,374	
		938,960	2,484,374	5.89
Utilities				
iShares Global Utilities ETF	2,378	101,857	147,575	
		101,857	147,575	0.36
Bonds				
iShares Core U.S. Aggregate Bond ETF	21,792	2,665,979	2,985,164	
iShares iBoxx \$ High Yield Corporate Bond ETF	7,476	724,392	817,366	
iShares International Treasury Bond ETF	32,280	1,804,743	2,019,017	
iShares J.P. Morgan USD Emerging Markets Bond ETF	5,724	702,682	832,724	
		5,897,796	6,654,271	15.74
Total Exchange-Traded Funds		9,737,782	14,283,517	33.78
MUTUAL FUNDS				
Sun Life BlackRock Canadian Composite Equity Fund, Series I	1,581,524	15,691,907	17,750,551	
Sun Life BlackRock Canadian Universe Bond Fund, Series I	948,048	10,074,298	9,937,436	
Total Mutual Funds		25,766,205	27,687,987	65.48
Transaction Costs		(1,409)		
Total Investments		35,502,578	41,971,504	99.26
Currency Forward Contracts ⁽¹⁾			252,421	0.60
Other Assets less Liabilities			58,193	0.14
Total Net Assets			42,282,118	100.00

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

Sun Life BlackRock Canadian Balanced Fund (continued)

Schedule of Investments (continued)

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Jan-2018	CAD	3,810,101	USD	(2,967,676)	93,491
Royal Bank of Canada	A-1+	31-Jan-2018	CAD	6,476,941	USD	(5,044,869)	158,930
							252,421

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life BlackRock Canadian Balanced Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

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

The Fund invests in financial assets which 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

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 holds assets and liabilities, either directly or indirectly through underlying internally and externally 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.

(ii) Interest rate risk

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

(iii) Other market risk

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

(c) Liquidity risk

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

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

Sun Life BlackRock Canadian Balanced Fund (continued)

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The 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		
Consumer Discretionary	3.0	2.90
Consumer Staples	2.6	2.8
Health Care	4.2	4.3
Industrials	1.7	2.0
Real Estate	0.3	0.2
Information Technology	5.9	5.2
Utilities	0.4	0.5
Telecommunication Services	-	0.1
Foreign Bonds	15.7	15.6
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 (\$)	
Financial Assets				
Exchange-Traded Funds	14,283,517	-	-	14,283,517
Mutual Funds	27,687,987	-	-	27,687,987
Currency Forward Contracts	-	252,421	-	252,421

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Exchange-Traded Funds	24,722,073	-	-	24,722,073
Mutual Funds	48,625,352	-	-	48,625,352
Currency Forward Contracts	-	79,863	-	79,863

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Exchange-Traded Funds

Exchange-traded 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.

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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$1,262 (\$443 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$747,068 (\$1,724,329 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and 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 underlying funds.

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

Sun Life BlackRock Canadian Balanced Fund (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	252,421	79,863
Investments designated at FVTPL	41,971,504	73,347,425
Total financial assets at fair value through profit or loss	42,223,925	73,427,288
Financial assets at amortized cost		
Cash	58,409	288,638
Other receivables	1,219,284	993,468
Total financial assets at amortized cost	1,277,693	1,282,106
Total assets	43,501,618	74,709,394
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	1,219,500	1,123,457
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,219,500	1,123,457

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	465,676	398,967
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	4,630,470	6,164,944
Total net gains (losses)	5,096,146	6,563,911

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	April 07, 2011	April 15, 2011
Series T5 Units	August 24, 2011	September 01, 2011
Series F Units	April 07, 2011	April 15, 2011
Series I Units	April 07, 2011	April 15, 2011
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 BlackRock Canadian Composite Equity Fund

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)	998,534,401	826,113,264
Short-term investments	-	-
Cash	13,575,812	10,656,754
Margin	557,211	285,142
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	51,459	124,680
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	-
Accrued interest	-	-
Dividends receivable	2,524,746	2,139,983
Distributions receivable from underlying funds	-	-
Subscriptions receivable	975,515	1,349,395
	1,016,219,144	840,669,218
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	-	-
Redemptions payable	36,691	3,945,983
Distributions payable	3	24,463
Due to investment dealers	-	-
Management fees payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable units)	36,694	3,970,446
Net Assets Attributable to Holders of Redeemable Units	1,016,182,450	836,698,772
Net Assets Attributable to Holders of Redeemable Units per Unit - Series I (note 4)	11.22	11.02

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		
Dividend income	25,181,863	19,789,163
Interest income for distribution purposes	606,739	483,877
Distributions from underlying funds	-	-
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	27,276,348	(2,904,489)
Net realized gain (loss) on futures contracts	1,138,760	1,713,037
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	26,592,455	115,191,541
Change in unrealized appreciation (depreciation) in value of futures contracts	(73,222)	69,674
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	80,722,943	134,342,803
Net gain (loss) on foreign exchange	340	(6,341)
Other income	-	-
Total income (loss)	80,723,283	134,336,462
Expenses (note 5)		
Management fees	-	-
Administration fees	-	-
Independent review committee fees	-	4,295
Withholding tax	5,366	2,902
Transaction costs (note 2)	189,681	54,549
Total operating expenses	195,047	61,746
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	80,528,236	134,274,716
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) - Series I	80,528,236	134,274,716
Weighted Average Number of Units Outstanding - Series I	82,643,171	68,132,799
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) - Series I	0.97	1.97

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

Sun Life BlackRock Canadian Composite Equity Fund (continued)

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

For the periods ended December 31

	Total	
	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 836,698,772	586,909,772
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 80,528,236	134,274,716
Redeemable Unit Transactions		
Proceeds from redeemable units issued	\$ 389,179,197	173,168,252
Redemption of redeemable units	\$ (290,248,199)	(57,654,926)
Reinvestment of distributions to holders of redeemable units	\$ 66,940,504	21,594,077
Capitalized distributions	\$ -	-
	\$ 165,871,502	137,107,403
Distributions to Holders of Redeemable Units		
From capital gains	\$ (40,319,971)	-
From net investment income	\$ (26,596,089)	(21,593,119)
Return of capital	\$ -	-
	\$ (66,916,060)	(21,593,119)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 179,483,678	249,789,000
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 1,016,182,450	836,698,772
Redeemable Unit Transactions		
Balance - beginning of period	75,924,893	62,791,704
Units issued	34,541,843	16,849,693
Units issued on reinvestment of distributions	5,964,250	1,959,930
Units redeemed	(25,892,040)	(5,676,434)
Balance - end of period	90,538,946	75,924,893

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 units from operations (excluding distributions)	80,528,236	134,274,716
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(27,276,348)	2,904,489
Change in unrealized (appreciation) depreciation in value of investments	(26,592,455)	(115,191,541)
Change in unrealized (appreciation) depreciation in value of futures contracts	73,222	(69,674)
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	(272,069)	(420,705)
Purchases of investments	(395,831,970)	(183,620,610)
Proceeds from sale of investments	277,094,357	44,185,996
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	(384,763)	(564,047)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	-	-
Change in other payables and accrued expenses	185,278	54,549
Net Cash Provided by (Used in) Operating Activities	(92,476,512)	(118,446,827)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(16)	(4)
Proceeds from redeemable units issued	389,553,077	173,840,151
Redemption of redeemable units	(294,157,491)	(53,911,471)
Net Cash Provided by (Used in) Financing Activities	95,395,570	119,928,676
Net increase (decrease) in cash	2,919,058	1,481,849
Cash (bank indebtedness) at beginning of period	10,656,754	9,174,905
Cash (bank indebtedness) at end of period	13,575,812	10,656,754
Dividends received, net of withholding taxes	24,791,734	19,222,214
Interest received, net of withholding taxes	606,739	483,877
Interest paid	-	-

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

Sun Life BlackRock Canadian Composite Equity Fund (continued)

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Advantage Oil & Gas Ltd.	84,508	551,105	456,343	
ARC Resources Ltd.	157,434	3,412,334	2,322,152	
Kinder Morgan Canada Ltd.	45,786	769,436	778,820	
Baytex Energy Corp.	105,003	2,132,936	395,861	
Birchcliff Energy Ltd.	97,272	787,877	427,997	
Canadian Natural Resources Ltd.	484,020	18,187,293	21,742,178	
Cenovus Energy Inc.	455,562	9,710,690	5,229,852	
CES Energy Solutions Corp.	106,588	662,861	696,020	
Crescent Point Energy Corp.	242,559	5,989,516	2,323,715	
Crew Energy Inc.	66,874	413,677	210,653	
Enbridge Inc.	752,778	38,591,927	37,006,566	
Enbridge Income Fund Holdings Inc.	61,818	1,878,152	1,842,795	
Encana Corp.	434,757	7,155,756	7,290,875	
Enerflex Ltd.	39,931	578,471	612,542	
Enerplus Corp.	108,225	1,451,975	1,332,250	
Ensign Energy Services Inc.	56,363	620,858	364,669	
Freehold Royalties Ltd.	41,331	645,274	580,701	
Gibson Energy Inc.	63,624	1,316,338	1,156,684	
Gran Tierra Energy Inc.	173,339	751,658	591,086	
Husky Energy Inc.	134,268	2,872,229	2,383,257	
Imperial Oil Ltd.	112,493	4,920,960	4,413,100	
Inter Pipeline Ltd.	168,370	4,518,251	4,382,671	
Kelt Exploration Ltd.	64,957	526,313	467,041	
Keyera Corp.	90,812	3,126,595	3,216,561	
MEG Energy Corp.	99,152	1,697,062	509,641	
Mullen Group Ltd.	46,670	885,023	734,586	
NexGen Energy Ltd.	131,376	444,762	421,717	
NuVista Energy Ltd.	76,054	516,647	609,953	
Paramount Resources Ltd.	32,570	668,232	632,509	
Parex Resources Inc.	68,866	900,208	1,250,607	
Parkland Fuel Corp.	58,233	1,397,244	1,563,556	
Pason Systems Inc.	32,316	611,808	587,828	
Pembina Pipeline Corp.	224,461	8,585,606	10,215,220	
Peyto Exploration & Development Corp.	72,849	1,967,428	1,094,920	
PrairieSky Royalty Ltd.	93,455	2,714,591	2,996,167	
Precision Drilling Corp.	130,266	1,000,210	496,313	
Raging River Exploration Inc.	95,187	784,166	761,496	
Secure Energy Services Inc.	71,408	781,201	625,534	
Seven Generations Energy Ltd.	123,893	2,881,699	2,202,818	
ShawCor Ltd.	31,146	1,101,338	854,023	
Spartan Energy Corp.	73,717	626,375	530,025	
Suncor Energy Inc.	738,151	28,914,585	34,065,669	
TORC Oil & Gas Ltd.	61,616	529,206	464,585	
Tourmaline Oil Corp.	111,536	3,621,008	2,540,790	
TransCanada Corp.	391,597	21,164,401	23,957,904	
Trican Well Service Ltd.	155,353	610,831	633,840	
Vermilion Energy Inc.	54,743	2,699,218	2,500,660	
Whitecap Resources Inc.	186,415	1,991,807	1,668,414	
		198,667,138	192,143,164	18.90
Materials				
Agnico Eagle Mines Ltd.	103,783	5,148,986	6,023,565	
Agrium Inc.	61,693	6,802,107	8,919,574	
Alacer Gold Corp.	131,672	496,731	293,629	
Alamos Gold Inc.	172,776	1,412,530	1,415,035	
B2Gold Corp.	434,502	1,298,591	1,685,868	
Barrick Gold Corp.	520,806	13,225,274	9,468,253	
Cameco Corp.	176,476	3,162,349	2,048,886	
.Canfor Corp	29,872	534,615	740,228	
.Cascades Inc	28,969	477,340	394,558	
.CCL Industries Inc	64,198	2,226,211	3,728,620	
Centerra Gold Inc.	95,003	768,131	611,819	
Chemtrade Logistics Income Fund	41,629	799,591	807,603	
Detour Gold Corp.	78,021	1,376,971	1,153,150	

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

Sun Life BlackRock Canadian Composite Equity Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Eldorado Gold Corp.	347,124	2,540,185	631,766	
Endeavour Mining Corp.	32,333	715,115	828,695	
First Majestic Silver Corp.	74,354	823,224	630,522	
First Quantum Minerals Ltd.	307,803	4,845,311	5,420,411	
Fortuna Silver Mines Inc.	70,397	480,545	461,804	
Franco-Nevada Corp.	82,934	5,928,949	8,331,550	
Goldcorp Inc.	387,463	10,539,119	6,211,032	
Guyana Goldfields Inc.	77,137	634,683	391,856	
HudBay Minerals Inc.	116,100	1,061,427	1,292,193	
IAMGOLD Corp.	208,679	1,527,496	1,529,617	
Interfor Corp.	28,572	463,487	603,441	
Intertape Polymer Group Inc.	24,730	449,664	531,448	
Ivanhoe Mines Ltd.	241,772	640,371	1,025,113	
Kinross Gold Corp.	554,190	3,479,527	3,003,710	
Klondex Mines Ltd.	81,926	507,877	267,079	
Labrador Iron Ore Royalty Corp.	29,048	693,633	790,106	
Lucara Diamond Corp.	135,281	465,049	380,140	
Lundin Mining Corp.	281,474	1,739,418	2,353,123	
MAG Silver Corp.	33,014	557,795	512,377	
Methanex Corp.	37,299	1,829,545	2,840,692	
Nevsun Resources Ltd.	134,456	510,948	411,435	
New Gold Inc.	257,479	1,544,500	1,063,388	
Norbord Inc.	19,577	664,615	833,001	
Novagold Resources Inc.	95,876	569,089	473,627	
OceanaGold Corp.	275,347	866,635	889,371	
Osisko Gold Royalties Ltd.	54,671	858,211	793,823	
Pan American Silver Corp.	68,841	1,320,306	1,347,907	
Potash Corp. of Saskatchewan Inc.	375,107	12,277,459	9,670,258	
Pretium Resources Inc.	68,543	727,308	982,907	
Sandstorm Gold Ltd.	80,514	521,307	505,628	
SEMAFO Inc.	143,005	650,262	510,528	
SSR Mining Inc.	53,812	741,582	595,699	
Stella-Jones Inc.	18,672	828,896	942,936	
Tahoe Resources Inc.	138,130	1,879,422	832,924	
Teck Resources Ltd.	226,601	6,038,195	7,448,375	
Torex Gold Resources Inc.	36,063	684,583	430,232	
Turquoise Hill Resources Ltd.	440,056	2,103,891	1,887,840	
West Fraser Timber Co Ltd.	26,885	1,265,700	2,085,469	
Western Forest Products Inc.	174,352	400,514	427,162	
Wheaton Precious Metals Corp.	197,600	5,382,242	5,491,304	
Winpak Ltd.	13,686	671,069	640,505	
Yamana Gold Inc.	423,853	3,102,693	1,661,504	
		121,261,274	115,253,286	11.34
Industrials				
Aecon Group Inc.	25,826	366,551	514,970	
Air Canada	122,402	1,252,553	3,167,764	
ATS Automation Tooling Systems Inc.	33,242	439,421	516,913	
Badger Daylighting Ltd.	16,365	463,331	444,801	
Bombardier Inc.	863,983	2,592,607	2,617,868	
Boyd Group Income Fund	8,671	630,566	874,817	
Brookfield Business Partners LP	17,941	605,795	776,666	
CAE Inc.	119,434	1,860,452	2,788,784	
Canadian National Railway Co.	333,435	24,131,940	34,560,538	
Canadian Pacific Railway Ltd.	64,706	10,565,215	14,860,380	
Chorus Aviation Inc.	55,340	515,370	534,031	
Exchange Income Corp.	12,497	491,393	445,393	
Finning International Inc.	74,948	1,904,720	2,377,351	
Maxar Technologies Ltd.	24,933	1,721,924	2,017,578	
Morneau Shepell Inc.	24,863	475,933	554,445	
New Flyer Industries Inc.	23,831	908,253	1,286,874	
Ritchie Bros Auctioneers Inc.	48,022	1,511,967	1,807,548	
Russel Metals Inc.	27,726	720,052	808,767	
SNC-Lavalin Group Inc.	78,571	3,943,564	4,482,476	
Stantec Inc.	50,744	1,459,252	1,784,159	
TFI International Inc.	40,041	1,001,147	1,315,747	

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

Sun Life BlackRock Canadian Composite Equity Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Toromont Industries Ltd.	34,150	1,151,116	1,881,665	
Transcontinental Inc.	28,257	490,723	701,904	
Waste Connections Inc.	117,636	7,248,328	10,488,426	
Westjet Airlines Ltd.	51,229	1,115,041	1,350,396	
Westshore Terminals Investment Corp.	22,026	566,317	579,064	
WSP Global Inc.	28,315	1,111,888	1,696,352	
		69,245,419	95,235,677	9.37
Consumer Discretionary				
BRP Inc./CA	16,726	563,892	777,926	
Canada Goose Holdings Inc.	16,123	553,346	640,244	
Canadian Tire Corp Ltd.	28,476	3,267,279	4,667,216	
Cineplex Inc.	28,537	1,172,472	1,065,286	
Cogeco Communications Inc.	10,416	672,954	900,776	
Corus Entertainment Inc.	52,421	835,639	613,326	
Dollarama Inc.	45,823	3,299,503	7,196,502	
Dorel Industries Inc.	11,720	380,859	364,492	
EnerCare Inc.	47,091	783,658	965,836	
Gildan Activewear Inc.	98,108	2,945,245	3,984,166	
Great Canadian Gaming Corp.	25,858	584,999	873,742	
Hudson's Bay Co.	52,554	849,822	592,809	
Linamar Corp.	20,447	1,022,805	1,496,925	
Magna International Inc.	151,685	7,133,635	10,806,039	
Martinrea International Inc.	38,391	387,074	615,792	
Quebecor Inc.	72,379	1,103,660	1,715,382	
Shaw Communications Inc.	193,393	4,892,525	5,548,445	
Sleep Country Canada Holdings Inc.	16,085	510,437	537,239	
Spin Master Corp.	11,009	495,634	594,706	
The Stars Group Inc.	55,165	1,463,047	1,613,576	
Thomson Reuters Corp.	117,432	5,402,566	6,434,099	
Uni-Select Inc.	18,589	552,267	528,113	
		38,873,318	52,532,637	5.17
Consumer Staples				
Alimentation Couche-Tard Inc.	192,783	8,229,661	12,644,638	
Cott Corp.	61,791	872,257	1,296,375	
Empire Co Ltd.	71,169	1,599,431	1,742,929	
George Weston Ltd.	21,053	1,990,221	2,298,145	
The Jean Coutu Group PJC Inc.	33,927	646,477	828,497	
Loblaw Cos Ltd.	88,427	5,304,709	6,032,490	
Maple Leaf Foods Inc.	35,910	803,824	1,286,296	
Metro Inc.	101,798	3,153,205	4,097,370	
The North West Co Inc.	21,344	557,152	641,814	
Premium Brands Holdings Corp.	11,455	738,832	1,181,698	
Saputo Inc.	98,463	3,368,824	4,448,558	
		27,264,593	36,498,810	3.59
Health Care				
Aphria Inc.	57,936	833,370	1,083,403	
Canopy Growth Corp.	76,686	809,029	2,280,642	
Extencare Inc.	39,580	353,544	362,157	
Knight Therapeutics Inc.	48,057	476,643	399,354	
Prometic Life Sciences Inc.	322,133	768,281	418,773	
Valeant Pharmaceuticals International Inc.	138,338	9,824,472	3,624,456	
		13,065,339	8,168,785	0.80
Financials				
Alaris Royalty Corp.	16,314	447,919	337,210	
Bank of Montreal	289,038	22,654,835	29,074,333	
The Bank of Nova Scotia	535,025	35,335,047	43,401,228	
Brookfield Asset Management Inc.	388,319	14,338,697	21,248,816	
Canadian Imperial Bank of Commerce	197,011	19,040,226	24,141,728	
Canadian Western Bank	39,741	1,163,445	1,559,834	
Chartwell Retirement Residences	93,583	1,078,133	1,521,660	
CI Financial Corp.	123,687	3,488,414	3,682,162	
ECN Capital Corp.	168,881	542,530	663,702	

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

Sun Life BlackRock Canadian Composite Equity Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Element Fleet Management Corp.	168,869	1,967,348	1,604,256	
Fairfax Financial Holdings Ltd.	12,473	6,984,355	8,348,678	
Genworth MI Canada Inc.	17,245	511,196	750,158	
Great-West Lifeco Inc.	123,825	3,847,870	4,346,258	
Home Capital Group Inc.	26,388	763,234	456,776	
IGM Financial Inc.	37,584	1,578,682	1,659,334	
Industrial Alliance Insurance & Financial Services Inc.	47,701	2,107,398	2,853,474	
Intact Financial Corp.	62,090	5,087,527	6,518,829	
Kirkland Lake Gold Ltd.	82,776	857,238	1,595,094	
Laurentian Bank of Canada	17,355	901,578	981,078	
Manulife Financial Corp.	882,749	17,328,738	23,145,679	
National Bank of Canada	151,823	7,116,073	9,522,339	
Onex Corp.	36,422	2,545,917	3,357,744	
Power Corp of Canada	163,203	4,707,852	5,282,881	
Power Financial Corp.	108,186	3,430,583	3,736,744	
Restaurant Brands International Inc.	106,568	5,941,738	8,234,509	
Royal Bank of Canada	648,146	49,459,221	66,532,187	
Sun Life Financial Inc.	272,992	10,495,344	14,162,825	
TMX Group Ltd.	15,743	930,500	1,108,937	
The Toronto-Dominion Bank	821,957	44,316,580	60,537,133	
Tricon Capital Group Inc.	60,030	642,294	693,347	
		269,610,512	351,058,933	34.55
Real Estate				
Allied Properties Real Estate Investment Trust	41,208	1,308,370	1,734,033	
Altus Group Ltd.	15,997	464,195	590,769	
Artis Real Estate Investment Trust	66,551	870,045	938,369	
Boardwalk Real Estate Investment Trust	16,626	839,388	716,414	
Brookfield Property Partners LP	91,531	2,298,442	2,549,138	
Canadian Apartment Properties REIT	61,213	1,556,135	2,284,469	
Canadian Real Estate Investment Trust	32,573	1,432,362	1,508,130	
Colliers International Group Inc.	14,635	670,031	1,110,357	
Cominar Real Estate Investment Trust	77,941	1,138,862	1,122,350	
Crombie Real Estate Investment Trust	40,159	527,261	554,194	
Dream Global Real Estate Investment Trust	77,935	720,958	952,366	
Dream Office Real Estate Investment Trust	31,043	772,313	687,913	
First Capital Realty Inc.	72,967	1,432,503	1,511,876	
FirstService Corp.	14,009	626,599	1,231,811	
Granite Real Estate Investment Trust	21,192	881,634	1,043,706	
H&R Real Estate Investment Trust	129,377	2,822,602	2,763,493	
Killam Apartment Real Estate Investment Trust	35,736	504,515	508,166	
Northview Apartment Real Estate Investment Trust	20,722	409,837	517,843	
Pure Industrial Real Estate Trust	136,172	745,430	921,884	
RioCan Real Estate Investment Trust	145,210	3,734,303	3,537,316	
SmartCentres Real Estate Inves	52,430	1,486,895	1,620,611	
		25,242,680	28,405,208	2.80
Information Technology				
Blackberry Ltd.	214,444	2,821,617	3,010,794	
Celestica Inc.	55,565	724,655	732,347	
CGI Group Inc.	113,511	5,211,378	7,752,802	
Computer Modelling Group Ltd.	34,754	387,054	333,638	
Constellation Software Inc.	8,793	3,770,874	6,700,442	
The Descartes Systems Group Inc.	34,333	761,380	1,227,061	
Enghouse Systems Ltd.	8,209	435,737	504,771	
Kinaxis Inc.	11,290	651,307	866,959	
Mitel Networks Corp.	44,875	461,458	465,803	
Open Text Corp.	118,479	3,715,231	5,297,196	
Shopify Inc.	38,495	4,510,388	4,893,099	
Sierra Wireless Inc.	15,871	600,591	407,885	
		24,051,670	32,192,797	3.17
Telecommunication Services				
BCE Inc.	401,671	20,818,096	24,252,895	

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

Sun Life BlackRock Canadian Composite Equity Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Rogers Communications Inc.	159,791	7,819,868	10,234,614	
TELUS Corp.	265,269	10,123,926	12,632,110	
		38,761,890	47,119,619	4.64
Utilities				
Algonquin Power & Utilities Corp.	189,273	2,153,044	2,661,178	
AltaGas Ltd.	77,211	2,563,765	2,209,779	
Atco Ltd.	33,302	1,417,984	1,498,590	
Boralex Inc.	25,652	541,254	602,822	
Brookfield Infrastructure Partners LP	126,958	6,842,349	7,157,891	
Brookfield Renewable Partners LP	54,508	1,918,535	2,387,995	
Canadian Utilities Ltd.	54,161	1,964,726	2,026,163	
Capital Power Corp.	46,506	1,107,810	1,138,932	
Emera Inc.	94,884	4,057,321	4,457,650	
Fortis Inc.	187,416	7,515,946	8,641,752	
Hydro One Ltd.	129,597	3,045,211	2,902,973	
Innervex Renewable Energy Inc.	43,926	537,658	632,534	
Northland Power Inc.	50,648	1,011,746	1,182,631	
Superior Plus Corp.	63,691	707,745	756,012	
TransAlta Corp.	129,193	1,456,555	962,488	
TransAlta Renewables Inc.	52,733	695,422	706,095	
		37,537,071	39,925,485	3.93
Total Equities		863,580,904	998,534,401	98.26
Transaction Costs		(218,453)		
Total Investments		863,362,451	998,534,401	98.26
Unrealized appreciation/(depreciation) on futures contracts⁽¹⁾			51,459	0.01
Other Assets less Liabilities			17,596,590	1.73
Total Net Assets			1,016,182,450	100.00

⁽¹⁾ Futures Contracts Schedule

Name of Future	Contracted Value (\$)	Expiry Date	Numbers of Contracts	Contracted Price	Current Value (\$)	Unrealized Appreciation/Depreciation (\$)
S&P Canada 60 Index Futures	2,848,621	15-Mar-18	15	949.54	2,872,200	23,579
S&P Canada 60 Index Futures	6,296,117	15-Mar-18	33	953.96	6,318,840	22,723
S&P Canada 60 Index Futures	1,718,980	15-Mar-18	9	954.99	1,723,320	4,340
S&P Canada 60 Index Futures	1,148,880	15-Mar-18	6	957.40	1,148,880	-
S&P Canada 60 Index Futures	573,664	15-Mar-18	3	956.11	574,440	776
S&P Canada 60 Index Futures	191,439	15-Mar-18	1	957.19	191,480	41
					12,829,160	51,459

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

Sun Life BlackRock Canadian Composite Equity Fund (continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life BlackRock Canadian Composite Equity Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The 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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates 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)	
	Percentage of Net Assets (%)	December 31, 2017	Percentage of Net Assets (%)	December 31, 2016
United States Dollar	0.04	414,023	0.03	278,643
	0.04	414,023	0.03	278,643

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 Units of the Fund would have increased or decreased respectively by \$20,701 (\$13,932 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 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 its investment in Canadian equities and from its investment in 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 Units of the Fund would have increased or decreased respectively by \$50,568,178 (\$41,834,834 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 Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

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

Sun Life BlackRock Canadian Composite Equity Fund (continued)

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The 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	18.9	20.6
Materials	11.3	11.9
Industrials	9.4	8.7
Consumer Discretionary	5.2	5.0
Consumer Staples	3.6	3.8
Health Care	0.8	0.5
Financials	34.6	34.8
Real Estate	2.8	2.9
Information Technology	3.2	2.7
Telecommunication Services	4.6	4.8
Utilities	3.9	3.0
Other Assets less Liabilities	1.7	1.3
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 (\$)	
Financial Assets				
Equities	998,534,401	-	-	998,534,401
Futures Contracts	-	51,459	-	51,459
	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	826,113,264	-	-	826,113,264
Futures Contracts	-	124,680	-	124,680

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of futures contracts, which are classified as Level 2 and are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$189,681 (\$54,549 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$nil (\$3,254,803 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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	51,459	124,680
Investments designated at FVTPL	998,534,401	826,113,264
Total financial assets at fair value through profit or loss	998,585,860	826,237,944
Financial assets at amortized cost		
Cash	13,575,812	10,656,754
Other receivables	4,057,472	3,774,520
Total financial assets at amortized cost	17,633,284	14,431,274
Total assets	1,016,219,144	840,669,218
Financial liabilities		
Financial liabilities at amortized cost	36,694	3,970,446
Total liabilities (excluding net assets attributable to holders of redeemable units)	36,694	3,970,446

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

Sun Life BlackRock Canadian Composite Equity Fund (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	1,065,538	1,782,711
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	79,657,405	132,560,092
Total net gains (losses)	80,722,943	134,342,803

Establishment of the Fund

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

	Date of creation	Date available for sale
Series I Units	April 07, 2011	April 15, 2011

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

Sun Life BlackRock Canadian Equity Fund

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)	174,662,615	163,657,014
Short-term investments	-	-
Cash	397,073	564,552
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	254,659	50,259
Unrealized appreciation on swaps	-	-
Due from investment dealers	124,089	461,605
Accrued interest	-	-
Dividends receivable	107,680	103,052
Distributions receivable from underlying funds	7,958,570	2,959,307
Subscriptions receivable	129,502	132,409
	183,634,188	167,928,198
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	1,770	5,620
Redemptions payable	8,854	168,119
Distributions payable	-	-
Due to investment dealers	8,083,571	3,955,013
Management fees payable	5,212	17,051
Total liabilities (excluding net assets attributable to holders of redeemable units)	8,099,407	4,145,803
Net Assets Attributable to Holders of Redeemable Units	175,534,781	163,782,395
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	12,430,402	10,169,468
Series T5	132,496	119,433
Series T8	85,037	78,790
Series E	-	-
Series F	728,113	220,940
Series I	159,681,353	151,163,281
Series O	2,477,380	2,030,483
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	13.36	12.43
Series T5	16.90	16.35
Series T8	14.07	14.01
Series E	-	-
Series F	13.93	12.98
Series I	13.96	12.97
Series O	11.83	10.99

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		
Dividend income	780,531	764,855
Interest income for distribution purposes	570	907
Distributions from underlying funds	7,958,570	2,959,308
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	3,275,464	2,186,474
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	435,318	107,044
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	7,209,115	16,165,916
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	204,400	77,273
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	19,863,968	22,261,777
Net gain (loss) on foreign exchange	(3,683)	(1,426)
Other income	-	-
Total income (loss)	19,860,285	22,260,351
Expenses (note 5)		
Management fees	201,363	168,198
Administration fees	66,778	60,475
Independent review committee fees	301	963
Withholding tax	87,393	85,982
Transaction costs (note 2)	778	215
Total operating expenses	356,613	315,833
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	19,503,672	21,944,518
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	19,503,672	21,944,518
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	1,130,002	1,233,520
Series T5	12,454	13,857
Series T8	8,266	8,575
Series E	-	(34,412)
Series F	57,900	26,544
Series I	18,039,818	20,460,344
Series O	255,232	236,090
Weighted Average Number of Units Outstanding		
Series A	882,348	820,562
Series T5	7,643	7,094
Series T8	6,072	5,095
Series E	-	92,972
Series F	35,495	17,515
Series I	11,250,902	11,838,230
Series O	188,309	161,073

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

Sun Life BlackRock Canadian Equity Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.28	1.50
Series T5	1.63	1.95
Series T8	1.36	1.68
Series E	-	(0.37)
Series F	1.63	1.52
Series I	1.60	1.73
Series O	1.36	1.47

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

For the periods ended December 31

	Series A		Series T5		Series T8		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 10,169,468	8,471,888	119,433	106,019	78,790	66,543	-	910,489
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 1,130,002	1,233,520	12,454	13,857	8,266	8,575	-	(34,412)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 2,801,260	2,309,034	25,076	9,816	27,837	22,094	-	48,161
Redemption of redeemable units	\$ (1,669,161)	(1,844,812)	(23,393)	(9,843)	(29,183)	(17,784)	-	(924,187)
Reinvestment of distributions to holders of redeemable units	\$ 320,684	61,147	7,414	4,966	7,345	4,862	-	40
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,452,783	525,369	9,097	4,939	5,999	9,172	-	(875,986)
Distributions to Holders of Redeemable Units								
From capital gains	\$ (255,709)	-	(2,769)	-	(1,775)	-	-	-
From net investment income	\$ (64,694)	(61,134)	(5,719)	(338)	(6,243)	(345)	-	(91)
Return of capital	\$ (1,448)	(175)	-	(5,044)	-	(5,155)	-	-
	\$ (321,851)	(61,309)	(8,488)	(5,382)	(8,018)	(5,500)	-	(91)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 2,260,934	1,697,580	13,063	13,414	6,247	12,247	-	(910,489)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 12,430,402	10,169,468	132,496	119,433	85,037	78,790	-	-
Redeemable Unit Transactions								
Balance - beginning of period	818,223	766,846	7,304	6,992	5,624	4,969	-	95,074
Units issued	215,913	206,027	1,528	606	1,996	1,595	-	5,394
Units issued on reinvestment of distributions	23,964	4,908	442	318	522	357	-	4
Units redeemed	(127,680)	(159,558)	(1,433)	(612)	(2,099)	(1,297)	-	(100,472)
Balance - end of period	930,420	818,223	7,841	7,304	6,043	5,624	-	-

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

Sun Life BlackRock Canadian Equity Fund (continued)

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

For the periods ended December 31

	Series F		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 220,940	242,961	151,163,281	143,164,612	2,030,483	1,499,574	163,782,395	154,462,086
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 57,900	26,544	18,039,818	20,460,344	255,232	236,090	19,503,672	21,944,518
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 451,615	-	6,021,115	4,389,744	329,687	392,049	9,656,590	7,170,898
Redemption of redeemable units	\$ (2,371)	(48,555)	(15,542,862)	(16,851,419)	(138,022)	(97,230)	(17,404,992)	(19,793,830)
Reinvestment of distributions to holders of redeemable units	\$ 28,240	3,558	6,792,617	3,390,586	103,804	44,361	7,260,104	3,509,520
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 477,484	(44,997)	(2,729,130)	(9,071,089)	295,469	339,180	(488,298)	(9,113,412)
Distributions to Holders of Redeemable Units								
From capital gains	\$ (14,949)	-	(3,327,879)	-	(51,689)	-	(3,654,770)	-
From net investment income	\$ (13,262)	(3,558)	(3,464,737)	(3,380,895)	(52,115)	(44,235)	(3,606,770)	(3,490,596)
Return of capital	\$ -	(10)	-	(9,691)	-	(126)	(1,448)	(20,201)
	\$ (28,211)	(3,568)	(6,792,616)	(3,390,586)	(103,804)	(44,361)	(7,262,988)	(3,510,797)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 507,173	(22,021)	8,518,072	7,998,669	446,897	530,909	11,752,386	9,320,309
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 728,113	220,940	159,681,353	151,163,281	2,477,380	2,030,483	175,534,781	163,782,395
Redeemable Unit Transactions								
Balance - beginning of period	17,021	21,077	11,652,131	12,429,719	184,701	153,613	12,685,004	13,478,290
Units issued	33,404	-	437,737	353,862	27,993	36,291	718,571	603,775
Units issued on reinvestment of distributions	2,025	274	486,006	260,550	8,765	4,023	521,724	270,434
Units redeemed	(174)	(4,330)	(1,134,949)	(1,392,000)	(11,972)	(9,226)	(1,278,307)	(1,667,495)
Balance - end of period	52,276	17,021	11,440,925	11,652,131	209,487	184,701	12,646,992	12,685,004

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

Sun Life BlackRock Canadian Equity Fund (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 units from operations (excluding distributions)	19,503,672	21,944,518
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(3,275,464)	(2,186,474)
Change in unrealized (appreciation) depreciation in value of investments	(7,209,115)	(16,165,916)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(204,400)	(77,273)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(7,958,570)	(2,959,308)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	498,059	(2,151,734)
Proceeds from sale of investments	11,404,785	14,849,330
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	(4,628)	(43,321)
Change in distributions receivable from underlying funds	(4,999,263)	(92,799)
Change in management fees payable	(11,839)	13,879
Change in other payables and accrued expenses	(3,072)	4,669
Net Cash Provided by (Used in) Operating Activities	7,740,165	13,135,571
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(2,884)	(1,277)
Proceeds from redeemable units issued	9,659,497	7,056,344
Redemption of redeemable units	(17,564,257)	(19,800,831)
Net Cash Provided by (Used in) Financing Activities	(7,907,644)	(12,745,764)
Net increase (decrease) in cash	(167,479)	389,807
Cash (bank indebtedness) at beginning of period	564,552	174,745
Cash (bank indebtedness) at end of period	397,073	564,552
Dividends received, net of withholding taxes	688,510	635,552
Interest received, net of withholding taxes	570	907
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
Consumer Discretionary				
iShares S&P Global Consumer Discretionary Index ETF (CAD-Hedged)	271,504	5,782,029	9,308,515	
		5,782,029	9,308,515	5.30
Consumer Staples				
iShares Global Consumer Staples ETF	56,990	4,131,621	7,564,678	
		4,131,621	7,564,678	4.31
Health Care				
iShares Global Healthcare ETF	87,458	6,620,899	12,329,943	
		6,620,899	12,329,943	7.03
Industrials				
iShares S&P Global Industrials Index ETF (CAD-Hedged)	174,773	3,551,429	5,828,680	
		3,551,429	5,828,680	3.32
Information Technology				
iShares Global Tech ETF	89,569	5,951,996	17,244,489	
		5,951,996	17,244,489	9.82
Real Estate				
iShares Global Real Estate ETF	16,610	468,533	463,253	
		468,533	463,253	0.26
Utilities				
iShares Global Utilities ETF	16,263	686,928	1,009,255	
		686,928	1,009,255	0.57
Total Exchange-Traded Funds		27,193,435	53,748,813	30.61
MUTUAL FUNDS				
Sun Life BlackRock Canadian Composite Equity Fund, Series I	10,773,079	98,209,822	120,913,802	68.89
		98,209,822	120,913,802	68.89
Transaction Costs		(4,383)		
Total Investments		125,398,874	174,662,615	99.50
Currency Forward Contracts⁽¹⁾			254,659	0.15
Other Assets less Liabilities			617,507	0.35
Total Net Assets			175,534,781	100.00

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

Sun Life BlackRock Canadian Equity Fund (continued)

Schedule of Investments (continued)

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Jan-2018	CAD	10,378,257	USD	(8,083,592)	254,659
							254,659

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life BlackRock Canadian Equity Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund is exposed indirectly to financial risks as a result of its investment in the Sun Life BlackRock Canadian Composite Equity Fund (the "Underlying Fund") and other exchange-traded funds presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

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

The Fund invests in financial assets, both directly and indirectly through the Underlying Fund, which 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 Fund holds assets and liabilities, either directly or indirectly through underlying internally and externally 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)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	December 31, 2017		December 31, 2016	
United States Dollar	28,228,415	16.08	38,403,649	23.45
Total	28,228,415	16.08	38,403,649	23.45

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 Units of the Fund would have increased or decreased respectively by \$1,411,421 (\$1,907 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 BlackRock Canadian Equity Fund (continued)

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds. 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 indirectly to other market risk as a result of its investment in underlying externally managed funds.

The Fund is also 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 Units of the Fund would have increased or decreased respectively by \$6,017,021 (\$5,724,774 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 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 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 (\$)	
Financial Assets				
Exchange-Traded Funds	53,748,813	-	-	53,748,813
Mutual Funds	120,913,802	-	-	120,913,802
Currency Forward Contracts	-	254,659	-	254,659
	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Exchange-Traded Funds	49,161,242	-	-	49,161,242
Mutual Funds	114,495,772	-	-	114,495,772
Currency Forward Contracts	-	50,259	-	50,259

There were no transfers between fair value levels 1 and 2 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 BlackRock Canadian Equity Fund (continued)

Exchange-Traded Funds

Exchange-traded 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.

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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$778 (\$215 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and 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 underlying funds.

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	254,659	50,259
Investments designated at FVTPL	174,662,615	163,657,014
Total financial assets at fair value through profit or loss	174,917,274	163,707,273
Financial assets at amortized cost		
Cash	397,073	564,552
Other receivables	8,319,841	3,656,373
Total financial assets at amortized cost	8,716,914	4,220,925
Total assets	183,634,188	167,928,198
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	8,099,407	4,145,803
Total liabilities (excluding net assets attributable to holders of redeemable units)	8,099,407	4,145,803

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	639,718	184,317
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	19,224,250	22,077,460
Total net gains (losses)	19,863,968	22,261,777

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

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

Sun Life BlackRock Canadian Equity Fund (continued)

Financial Assets and Liabilities

	Gross Assets/ (Liabilities) (\$)	Amounts Eligible for Offset		Net (\$)
		Financial Instruments (\$)	Collateral received/ paid (\$)	
December 31, 2017				
Derivative assets - Forward Contracts	254,659	-	-	254,659
Total	254,659	-	-	254,659
Derivative liabilities - Forward Contracts	-	-	-	-
Total	-	-	-	-
December 31, 2016				
Derivative assets - Forward Contracts	50,259	-	-	50,259
Total	50,259	-	-	50,259
Derivative liabilities - Forward Contracts	-	-	-	-
Total	-	-	-	-

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	April 07, 2011	April 15, 2011
Series T5 Units	August 24, 2011	September 01, 2011
Series T8 Units	August 24, 2011	September 01, 2011
Series F Units	April 07, 2011	April 15, 2011
Series I Units	April 07, 2011	April 15, 2011
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 BlackRock Canadian Universe Bond Fund

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)	1,054,573,654	873,572,450
Short-term investments	-	-
Cash	4,084,095	82,923
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	166,310	9,572,473
Accrued interest	5,190,364	4,496,798
Dividends receivable	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	960,313	4,002,969
	1,064,974,736	891,727,613
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	-	-
Redemptions payable	106,990	12,184,490
Distributions payable	-	5,519
Due to investment dealers	2,427,062	-
Management fees payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable units)	2,534,052	12,190,009
Net Assets Attributable to Holders of Redeemable Units	1,062,440,684	879,537,604
Net Assets Attributable to Holders of Redeemable Units per Unit - Series I (note 4)	10.48	10.53

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		
Dividend income	-	-
Interest income for distribution purposes	28,493,291	32,346,018
Distributions from underlying funds	-	-
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	(4,340,710)	7,035,280
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(2,481,852)	(16,748,694)
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	21,670,729	22,632,604
Net gain (loss) on foreign exchange	-	-
Other income	-	-
Total income (loss)	21,670,729	22,632,604
Expenses (note 5)		
Management fees	-	-
Administration fees	-	-
Independent review committee fees	-	6,806
Withholding tax	-	-
Transaction costs (note 2)	-	-
Total operating expenses	-	6,806
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	21,670,729	22,625,798
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) - Series I	21,670,729	22,625,798
Weighted Average Number of Units Outstanding - Series I	91,462,561	99,670,749
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) - Series I	0.24	0.23

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

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

For the periods ended December 31

	Total	
	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 879,537,604	890,009,882
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 21,670,729	22,625,798
Redeemable Unit Transactions		
Proceeds from redeemable units issued	\$ 459,350,357	710,499,717
Redemption of redeemable units	\$ (298,123,528)	(743,613,498)
Reinvestment of distributions to holders of redeemable units	\$ 28,486,693	41,852,986
Capitalized distributions	\$ -	-
	\$ 189,713,522	8,739,205
Distributions to Holders of Redeemable Units		
From capital gains	\$ -	(7,797,681)
From net investment income	\$ (28,481,171)	(32,339,200)
Return of capital	\$ -	(1,700,400)
	\$ (28,481,171)	(41,837,281)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 182,903,080	(10,472,278)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 1,062,440,684	879,537,604
Redeemable Unit Transactions		
Balance - beginning of period	83,548,055	82,774,061
Units issued	43,365,559	65,714,057
Units issued on reinvestment of distributions	2,703,177	3,855,265
Units redeemed	(28,258,165)	(68,795,328)
Balance - end of period	101,358,626	83,548,055

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 units from operations (excluding distributions)	21,670,729	22,625,798
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	4,340,710	(7,035,280)
Change in unrealized (appreciation) depreciation in value of investments	2,481,852	16,748,694
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(479,588,695)	(732,315,613)
Proceeds from sale of investments	303,598,154	714,274,237
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	(693,566)	25,152
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	-	-
Change in other payables and accrued expenses	-	-
Net Cash Provided by (Used in) Operating Activities	(148,190,816)	14,322,988
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	3	81
Proceeds from redeemable units issued	462,393,013	713,097,218
Redemption of redeemable units	(310,201,028)	(731,682,672)
Net Cash Provided by (Used in) Financing Activities	152,191,988	(18,585,373)
Net increase (decrease) in cash	4,001,172	(4,262,385)
Cash (bank indebtedness) at beginning of period	82,923	4,345,308
Cash (bank indebtedness) at end of period	4,084,095	82,923
Dividends received, net of withholding taxes	-	-
Interest received, net of withholding taxes	27,799,725	32,371,170
Interest paid	-	-

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS						
Federal Bonds						
Canada Government International Bond	2.750	1-Dec-2064	1,518,000	1,745,015	1,743,582	
Canada Housing Trust No 1	1.950	15-Jun-2019	6,690,000	6,844,771	6,714,956	
Canada Housing Trust No 1	2.000	15-Dec-2019	7,005,000	7,176,984	7,035,705	
Canada Housing Trust No 1	3.750	15-Mar-2020	3,200,000	3,503,784	3,334,024	
Canada Housing Trust No 1	1.200	15-Jun-2020	3,325,000	3,323,718	3,274,541	
Canada Housing Trust No 1	1.450	15-Jun-2020	3,305,000	3,325,848	3,274,404	
Canada Housing Trust No 1	1.250	15-Dec-2020	6,650,000	6,644,414	6,525,108	
Canada Housing Trust No 1	3.350	15-Dec-2020	2,870,000	3,117,510	2,988,048	
Canada Housing Trust No 1	1.250	15-Jun-2021	6,950,000	6,949,799	6,780,298	
Canada Housing Trust No 1	3.800	15-Jun-2021	4,977,000	5,490,874	5,276,295	
Canada Housing Trust No 1	1.150	15-Dec-2021	3,395,000	3,366,972	3,280,229	
Canada Housing Trust No 1	1.500	15-Dec-2021	3,445,000	3,432,151	3,374,017	
Canada Housing Trust No 1	2.650	15-Mar-2022	4,275,000	4,528,610	4,374,010	
Canada Housing Trust No 1	1.750	15-Jun-2022	6,950,000	6,978,105	6,847,810	
Canada Housing Trust No 1	2.400	15-Dec-2022	8,250,000	8,478,977	8,350,093	
Canada Housing Trust No 1	2.400	15-Dec-2022	3,200,000	3,264,492	3,237,856	
Canada Housing Trust No 1	2.350	15-Sep-2023	2,835,000	2,923,763	2,856,774	
Canada Housing Trust No 1	3.150	15-Sep-2023	1,370,000	1,472,157	1,438,582	
Canada Housing Trust No 1	2.900	15-Jun-2024	3,900,000	4,150,937	4,049,555	
Canada Housing Trust No 1	2.550	15-Mar-2025	3,775,000	3,926,455	3,836,682	
Canada Housing Trust No 1	1.950	15-Dec-2025	1,550,000	1,549,278	1,505,864	
Canada Housing Trust No 1	2.250	15-Dec-2025	2,405,000	2,462,470	2,388,543	
Canada Housing Trust No 1	1.900	15-Sep-2026	4,615,000	4,584,164	4,443,194	
Canada Housing Trust No 1	2.350	15-Jun-2027	4,620,000	4,674,220	4,603,482	
Canada Housing Trust No 1	2.350	15-Mar-2028	1,800,000	1,800,481	1,789,286	
Canada Post Corp.	4.080	16-Jul-2025	289,000	332,720	321,012	
Canada Post Corp.	4.360	16-Jul-2040	296,000	366,177	365,586	
Canadian Government Bond	0.500	1-Feb-2019	8,540,000	8,497,746	8,445,522	
Canadian Government Bond	1.750	1-Mar-2019	5,385,000	5,524,388	5,397,477	
Canadian Government Bond	0.750	1-May-2019	8,815,000	8,806,007	8,715,941	
Canadian Government Bond	3.750	1-Jun-2019	10,981,000	12,019,012	11,303,935	
Canadian Government Bond	0.750	1-Aug-2019	8,925,000	8,875,715	8,798,288	
Canadian Government Bond	1.750	1-Sep-2019	9,216,000	9,496,827	9,229,016	
Canadian Government Bond	1.250	1-Nov-2019	8,950,000	8,917,456	8,880,364	
Canadian Government Bond	1.250	1-Feb-2020	6,200,000	6,166,264	6,141,426	
Canadian Government Bond	1.500	1-Mar-2020	12,885,000	13,142,841	12,827,351	
Canadian Government Bond	3.500	1-Jun-2020	8,435,000	9,304,998	8,787,826	
Canadian Government Bond	0.750	1-Sep-2020	14,465,000	14,312,251	14,099,323	
Canadian Government Bond	0.750	1-Mar-2021	11,530,000	11,361,660	11,170,114	
Canadian Government Bond	10.500	15-Mar-2021	195,000	305,189	247,807	
Canadian Government Bond	3.250	1-Jun-2021	6,978,000	7,749,751	7,315,239	
Canadian Government Bond	9.750	1-Jun-2021	202,000	304,243	255,054	
Canadian Government Bond	0.750	1-Sep-2021	8,475,000	8,440,877	8,164,829	
Canadian Government Bond	0.500	1-Mar-2022	8,700,000	8,436,877	8,239,633	
Canadian Government Bond	2.750	1-Jun-2022	6,991,000	7,614,904	7,262,899	
Canadian Government Bond	9.250	1-Jun-2022	100,000	153,453	131,450	
Canadian Government Bond	1.000	1-Sep-2022	9,025,000	8,872,008	8,679,060	
Canadian Government Bond	1.750	1-Mar-2023	4,350,000	4,350,828	4,319,465	
Canadian Government Bond	1.500	1-Jun-2023	8,005,000	8,086,147	7,843,548	
Canadian Government Bond	8.000	1-Jun-2023	1,134,000	1,683,525	1,488,115	
Canadian Government Bond	2.500	1-Jun-2024	7,413,000	7,924,062	7,660,692	
Canadian Government Bond	2.250	1-Jun-2025	7,570,000	8,049,282	7,704,086	
Canadian Government Bond	9.000	1-Jun-2025	753,000	1,265,384	1,115,455	
Canadian Government Bond	1.500	1-Jun-2026	7,735,000	7,703,758	7,423,034	
Canadian Government Bond	1.000	1-Jun-2027	8,740,000	8,290,060	7,965,126	
Canadian Government Bond	8.000	1-Jun-2027	1,499,000	2,480,878	2,261,212	
Canadian Government Bond	2.000	1-Jun-2028	3,450,000	3,426,763	3,424,603	
Canadian Government Bond	5.750	1-Jun-2029	5,849,000	8,449,947	8,003,623	
Canadian Government Bond	5.750	1-Jun-2033	6,915,000	10,543,520	10,149,772	
Canadian Government Bond	5.000	1-Jun-2037	7,417,000	10,903,324	10,648,873	
Canadian Government Bond	4.000	1-Jun-2041	9,145,000	12,267,345	11,993,948	
Canadian Government Bond	3.500	1-Dec-2045	9,555,000	12,150,981	11,946,789	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Canadian Government Bond	2.750	1-Dec-2048	9,165,000	10,334,564	10,151,307	
First Nations Finance Authority	3.400	26-Jun-2024	200,000	212,478	208,379	
				382,840,159	372,410,117	35.05
Provincial Bonds						
Alberta Capital Finance Authority	4.450	15-Dec-2025	250,000	289,625	281,081	
Financement-Quebec	2.450	1-Dec-2019	1,350,000	1,391,910	1,365,110	
Financement-Quebec	5.250	1-Jun-2034	957,000	1,209,879	1,244,209	
Province of Alberta	2.000	1-Jun-2019	300,000	305,736	301,150	
Province of Alberta	4.000	1-Dec-2019	866,000	952,585	901,179	
Province of Alberta	1.250	1-Jun-2020	1,935,000	1,923,484	1,904,952	
Province of Alberta	1.350	1-Sep-2021	1,865,000	1,854,234	1,817,256	
Province of Alberta	1.600	1-Sep-2022	500,000	496,314	486,258	
Province of Alberta	2.550	15-Dec-2022	1,250,000	1,295,462	1,267,195	
Province of Alberta	3.400	1-Dec-2023	400,000	417,277	422,433	
Province of Alberta	3.100	1-Jun-2024	450,000	473,016	467,487	
Province of Alberta	2.350	1-Jun-2025	2,200,000	2,197,223	2,172,962	
Province of Alberta	2.200	1-Jun-2026	2,320,000	2,321,931	2,248,949	
Province of Alberta	2.550	1-Jun-2027	1,700,000	1,690,647	1,685,297	
Province of Alberta	2.900	20-Sep-2029	990,000	1,003,227	999,846	
Province of Alberta	3.500	1-Jun-2031	875,000	939,696	938,691	
Province of Alberta	3.900	1-Dec-2033	825,000	903,393	928,639	
Province of Alberta	4.500	1-Dec-2040	435,000	538,476	542,988	
Province of Alberta	3.450	1-Dec-2043	1,450,000	1,504,159	1,565,237	
Province of Alberta	3.300	1-Dec-2046	4,235,000	4,333,859	4,472,278	
Province of Alberta	3.050	1-Dec-2048	2,450,000	2,405,116	2,477,218	
Province of British Columbia	2.250	1-Mar-2019	800,000	822,969	805,913	
Province of British Columbia	5.300	17-Jun-2019	2,000	2,231	2,103	
Province of British Columbia	4.100	18-Dec-2019	1,185,000	1,305,198	1,237,570	
Province of British Columbia	3.700	18-Dec-2020	1,649,000	1,802,397	1,732,116	
Province of British Columbia	3.250	18-Dec-2021	1,450,000	1,562,718	1,514,408	
Province of British Columbia	2.700	18-Dec-2022	1,050,000	1,098,389	1,074,697	
Province of British Columbia	8.000	8-Sep-2023	137,000	197,786	177,988	
Province of British Columbia	3.300	18-Dec-2023	1,225,000	1,320,700	1,291,763	
Province of British Columbia	9.000	23-Aug-2024	35,000	52,113	48,971	
Province of British Columbia	2.850	18-Jun-2025	1,450,000	1,529,148	1,489,428	
Province of British Columbia	2.300	18-Jun-2026	1,100,000	1,100,415	1,082,577	
Province of British Columbia	2.550	18-Jun-2027	950,000	948,086	949,617	
Province of British Columbia	6.150	19-Nov-2027	50,000	67,793	65,323	
Province of British Columbia	5.700	18-Jun-2029	1,922,000	2,557,541	2,492,278	
Province of British Columbia	6.350	18-Jun-2031	1,263,000	1,808,470	1,775,239	
Province of British Columbia	5.400	18-Jun-2035	440,000	591,217	597,815	
Province of British Columbia	4.700	18-Jun-2037	938,000	1,169,371	1,199,953	
Province of British Columbia	4.950	18-Jun-2040	1,150,000	1,500,467	1,546,554	
Province of British Columbia	4.300	18-Jun-2042	1,918,000	2,328,855	2,396,625	
Province of British Columbia	3.200	18-Jun-2044	3,215,000	3,272,988	3,405,465	
Province of British Columbia	2.800	18-Jun-2048	2,410,000	2,315,614	2,378,401	
Province of Manitoba	1.150	21-Nov-2019	400,000	399,448	395,024	
Province of Manitoba	4.750	11-Feb-2020	450,000	512,780	476,586	
Province of Manitoba	4.150	3-Jun-2020	607,000	665,924	638,785	
Province of Manitoba	1.600	5-Sep-2020	300,000	303,240	297,332	
Province of Manitoba	1.550	5-Sep-2021	740,000	741,611	726,033	
Province of Manitoba	3.850	1-Dec-2021	500,000	551,516	531,975	
Province of Manitoba	2.550	2-Jun-2023	600,000	613,727	606,451	
Province of Manitoba	3.300	2-Jun-2024	625,000	665,230	656,282	
Province of Manitoba	2.450	2-Jun-2025	1,060,000	1,066,363	1,052,742	
Province of Manitoba	4.400	5-Sep-2025	418,000	468,584	470,169	
Province of Manitoba	7.750	22-Dec-2025	48,000	66,003	65,401	
Province of Manitoba	2.550	2-Jun-2026	1,450,000	1,470,516	1,441,982	
Province of Manitoba	2.600	2-Jun-2027	350,000	350,963	347,838	
Province of Manitoba	3.250	5-Sep-2029	300,000	311,050	312,227	
Province of Manitoba	6.300	5-Mar-2031	400,000	566,817	548,972	
Province of Manitoba	5.700	5-Mar-2037	463,000	619,243	644,561	
Province of Manitoba	4.600	5-Mar-2038	568,000	682,340	703,882	
Province of Manitoba	4.650	5-Mar-2040	478,000	577,060	602,357	
Province of Manitoba	4.100	5-Mar-2041	704,000	810,837	827,026	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Province of Manitoba	4.400	5-Mar-2042	350,000	418,496	430,418	
Province of Manitoba	3.350	5-Mar-2043	300,000	303,485	315,600	
Province of Manitoba	4.050	5-Sep-2045	1,125,000	1,267,735	1,332,998	
Province of Manitoba	2.850	5-Sep-2046	1,380,000	1,286,338	1,326,747	
Province of Manitoba	3.400	5-Sep-2048	1,000,000	1,024,281	1,070,806	
Province of Manitoba	3.150	5-Sep-2052	250,000	236,823	254,474	
Province of New Brunswick	4.400	3-Jun-2019	601,000	654,573	623,203	
Province of New Brunswick	4.500	2-Jun-2020	915,000	1,029,797	970,007	
Province of New Brunswick	3.350	3-Dec-2021	626,000	671,685	653,899	
Province of New Brunswick	1.550	4-May-2022	650,000	632,241	632,253	
Province of New Brunswick	2.850	2-Jun-2023	650,000	682,471	665,897	
Province of New Brunswick	3.650	3-Jun-2024	550,000	602,193	587,732	
Province of New Brunswick	2.600	14-Aug-2026	400,000	399,922	397,880	
Province of New Brunswick	2.350	14-Aug-2027	900,000	877,008	870,884	
Province of New Brunswick	5.650	27-Dec-2028	280,000	357,217	353,234	
Province of New Brunswick	5.500	27-Jan-2034	375,000	499,829	493,999	
Province of New Brunswick	4.650	26-Sep-2035	460,000	530,786	562,579	
Province of New Brunswick	4.550	26-Mar-2037	545,000	642,842	663,402	
Province of New Brunswick	4.800	26-Sep-2039	522,000	637,741	663,423	
Province of New Brunswick	4.800	3-Jun-2041	650,000	801,309	833,650	
Province of New Brunswick	3.550	3-Jun-2043	745,000	761,291	802,879	
Province of New Brunswick	3.800	14-Aug-2045	975,000	1,061,973	1,098,932	
Province of New Brunswick	3.100	14-Aug-2048	425,000	415,492	424,634	
Province of New Brunswick	3.550	3-Jun-2055	125,000	126,196	136,081	
Province of Newfoundland and Labrador	10.950	15-Apr-2021	18,000	28,122	22,935	
Province of Newfoundland and Labrador	1.950	2-Jun-2022	500,000	504,750	493,006	
Province of Newfoundland and Labrador	2.300	2-Jun-2025	700,000	688,220	681,759	
Province of Newfoundland and Labrador	3.000	2-Jun-2026	725,000	748,656	737,023	
Province of Newfoundland and Labrador	6.150	17-Apr-2028	200,000	263,808	256,856	
Province of Newfoundland and Labrador	2.850	2-Jun-2028	400,000	398,115	397,858	
Province of Newfoundland and Labrador	6.550	17-Oct-2030	350,000	483,235	478,880	
Province of Newfoundland and Labrador	5.600	17-Oct-2033	232,000	287,108	304,176	
Province of Newfoundland and Labrador	5.700	17-Oct-2035	200,000	250,140	269,789	
Province of Newfoundland and Labrador	4.500	17-Apr-2037	250,000	287,604	298,208	
Province of Newfoundland and Labrador	4.650	17-Oct-2040	409,000	460,175	504,379	
Province of Newfoundland and Labrador	3.300	17-Oct-2046	1,090,000	1,046,396	1,104,281	
Province of Newfoundland and Labrador	3.700	17-Oct-2048	500,000	542,419	546,095	
Province of Nova Scotia	4.150	25-Nov-2019	627,000	696,330	653,875	
Province of Nova Scotia	4.100	1-Jun-2021	702,000	776,104	749,066	
Province of Nova Scotia	2.150	1-Jun-2025	200,000	199,341	194,803	
Province of Nova Scotia	2.100	1-Jun-2027	350,000	343,517	334,184	
Province of Nova Scotia	6.600	1-Jun-2027	400,000	548,632	531,826	
Province of Nova Scotia	6.600	1-Dec-2031	200,000	290,797	285,062	
Province of Nova Scotia	5.800	1-Jun-2033	300,000	415,599	407,762	
Province of Nova Scotia	4.900	1-Jun-2035	200,000	250,504	253,807	
Province of Nova Scotia	4.500	1-Jun-2037	517,000	605,219	634,713	
Province of Nova Scotia	4.700	1-Jun-2041	453,000	542,040	581,974	
Province of Nova Scotia	4.400	1-Jun-2042	650,000	766,523	806,653	
Province of Nova Scotia	3.500	2-Jun-2062	865,000	907,426	970,857	
Province of Ontario	4.400	2-Jun-2019	5,441,000	5,982,601	5,643,376	
Province of Ontario	2.100	8-Sep-2019	2,850,000	2,923,953	2,864,963	
Province of Ontario	4.200	2-Jun-2020	7,605,000	8,421,101	8,013,729	
Province of Ontario	4.850	2-Jun-2020	300,000	344,222	320,728	
Province of Ontario	4.000	2-Jun-2021	6,318,000	6,980,943	6,721,423	
Province of Ontario	1.350	8-Mar-2022	3,400,000	3,335,732	3,289,932	
Province of Ontario	3.150	2-Jun-2022	8,275,000	8,854,610	8,609,327	
Province of Ontario	9.500	13-Jul-2022	842,000	1,209,553	1,103,023	
Province of Ontario	1.950	27-Jan-2023	1,400,000	1,411,278	1,380,586	
Province of Ontario	2.850	2-Jun-2023	8,200,000	8,573,599	8,427,464	
Province of Ontario	8.100	8-Sep-2023	823,000	1,173,682	1,072,060	
Province of Ontario	7.500	7-Feb-2024	550,000	767,495	707,120	
Province of Ontario	3.500	2-Jun-2024	7,925,000	8,605,283	8,435,572	
Province of Ontario	2.600	2-Jun-2025	9,300,000	9,539,178	9,360,597	
Province of Ontario	8.500	2-Dec-2025	602,000	934,235	853,120	
Province of Ontario	2.400	2-Jun-2026	5,400,000	5,475,196	5,333,452	
Province of Ontario	8.000	2-Jun-2026	205,000	298,548	289,357	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Province of Ontario	2.600	2-Jun-2027	6,495,000	6,523,847	6,488,462	
Province of Ontario	7.600	2-Jun-2027	965,000	1,445,168	1,366,783	
Province of Ontario	6.500	8-Mar-2029	3,078,000	4,297,343	4,191,173	
Province of Ontario	6.200	2-Jun-2031	1,682,000	2,354,618	2,322,531	
Province of Ontario	5.850	8-Mar-2033	2,619,000	3,612,357	3,592,955	
Province of Ontario	5.600	2-Jun-2035	4,206,000	5,719,341	5,781,985	
Province of Ontario	4.700	2-Jun-2037	4,658,000	5,796,487	5,903,582	
Province of Ontario	4.600	2-Jun-2039	3,704,000	4,546,409	4,689,478	
Province of Ontario	4.650	2-Jun-2041	5,495,000	6,911,761	7,081,978	
Province of Ontario	3.500	2-Jun-2043	6,675,000	7,125,320	7,333,803	
Province of Ontario	3.450	2-Jun-2045	8,303,000	8,689,366	9,081,794	
Province of Ontario	2.900	2-Dec-2046	11,885,000	11,438,014	11,775,670	
Province of Ontario	2.800	2-Jun-2048	7,540,000	7,217,265	7,338,123	
Province of Ontario	2.900	2-Jun-2049	590,000	594,698	586,955	
Province of PrInc.e Edward Island	4.250	24-Sep-2019	2,000	2,063	2,081	
Province of PrInc.e Edward Island	6.100	29-Jul-2027	37,000	43,833	46,936	
Province of PrInc.e Edward Island	5.700	15-Jun-2035	46,000	52,852	61,240	
Province of PrInc.e Edward Island	4.650	19-Nov-2037	11,000	10,993	13,274	
Province of PrInc.e Edward Island	4.600	19-May-2041	192,000	222,140	233,686	
Province of PrInc.e Edward Island	3.600	17-Jan-2053	200,000	197,088	215,157	
Province of Quebec	4.500	1-Dec-2019	3,321,000	3,648,388	3,486,948	
Province of Quebec	4.500	1-Dec-2020	4,507,000	5,064,381	4,826,603	
Province of Quebec	4.250	1-Dec-2021	5,610,000	6,311,842	6,057,306	
Province of Quebec	3.500	1-Dec-2022	4,635,000	5,054,270	4,907,370	
Province of Quebec	9.375	16-Jan-2023	1,209,000	1,833,298	1,613,239	
Province of Quebec	3.000	1-Sep-2023	4,195,000	4,423,959	4,348,368	
Province of Quebec	3.750	1-Sep-2024	4,050,000	4,461,792	4,381,891	
Province of Quebec	5.350	1-Jun-2025	300,000	370,078	356,356	
Province of Quebec	2.750	1-Sep-2025	4,050,000	4,203,681	4,120,772	
Province of Quebec	8.500	1-Apr-2026	1,339,000	2,037,338	1,920,054	
Province of Quebec	2.500	1-Sep-2026	4,020,000	4,093,826	4,003,481	
Province of Quebec	2.750	1-Sep-2027	3,285,000	3,331,063	3,329,113	
Province of Quebec	6.000	1-Oct-2029	2,012,000	2,723,315	2,671,540	
Province of Quebec	6.250	1-Jun-2032	2,988,000	4,225,211	4,203,939	
Province of Quebec	5.750	1-Dec-2036	2,544,000	3,540,888	3,611,390	
Province of Quebec	5.000	1-Dec-2038	2,503,000	3,215,880	3,324,148	
Province of Quebec	5.000	1-Dec-2041	5,353,000	7,049,767	7,255,223	
Province of Quebec	4.250	1-Dec-2043	4,790,000	5,804,860	5,930,166	
Province of Quebec	3.500	1-Dec-2045	8,130,000	8,628,610	9,003,860	
Province of Quebec	3.500	1-Dec-2048	4,490,000	4,856,357	5,022,809	
Province of Saskatchewan	1.950	1-Mar-2019	500,000	507,423	501,880	
Province of Saskatchewan	9.600	4-Feb-2022	41,000	60,937	52,743	
Province of Saskatchewan	3.200	3-Jun-2024	675,000	724,935	706,601	
Province of Saskatchewan	2.550	2-Jun-2026	685,000	701,674	682,688	
Province of Saskatchewan	2.650	2-Jun-2027	650,000	652,935	650,485	
Province of Saskatchewan	5.750	5-Mar-2029	350,000	458,791	449,507	
Province of Saskatchewan	6.400	5-Sep-2031	299,000	409,652	418,526	
Province of Saskatchewan	5.800	5-Sep-2033	375,000	517,345	512,387	
Province of Saskatchewan	5.600	5-Sep-2035	225,000	305,750	308,101	
Province of Saskatchewan	5.000	5-Mar-2037	260,000	320,922	338,071	
Province of Saskatchewan	4.750	1-Jun-2040	680,000	846,676	875,392	
Province of Saskatchewan	3.400	3-Feb-2042	550,000	571,539	587,495	
Province of Saskatchewan	3.900	2-Jun-2045	910,000	1,013,003	1,061,783	
Province of Saskatchewan	2.750	2-Dec-2046	1,620,000	1,504,332	1,541,173	
Province of Saskatchewan	3.300	2-Jun-2048	840,000	864,770	891,751	
Province of Saskatchewan	3.750	5-Mar-2054	300,000	344,640	349,916	
				341,813,771	340,602,832	32.06
Municipal Bonds						
City of Montreal	5.450	1-Dec-2019	300,000	337,211	319,812	
City of Montreal	4.500	1-Dec-2021	250,000	280,525	271,338	
City of Montreal	3.500	1-Sep-2023	450,000	467,803	474,142	
City of Montreal	3.500	1-Sep-2024	400,000	418,829	421,499	
City of Montreal	3.000	1-Sep-2025	250,000	260,613	254,808	
City of Montreal	2.750	1-Sep-2026	350,000	353,278	349,107	
City of Montreal	3.000	1-Sep-2027	300,000	300,057	304,510	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
City of Montreal	4.250	1-Dec-2032	350,000	387,963	399,139	
City of Montreal	4.100	1-Dec-2034	500,000	539,888	567,222	
City of Montreal	3.150	1-Dec-2036	150,000	149,675	150,707	
City of Montreal	6.000	1-Jun-2043	370,000	521,737	549,146	
City of Ottawa	4.400	22-Oct-2033	100,000	119,750	116,436	
City of Ottawa	4.600	14-Jul-2042	300,000	356,300	372,555	
City of Ottawa	3.100	27-Jul-2048	250,000	241,942	246,181	
City of Ottawa	4.200	30-Jul-2053	100,000	118,000	120,287	
City of Toronto	4.500	2-Dec-2019	363,000	407,322	380,373	
City of Toronto	6.800	26-Jul-2021	100,000	126,760	115,575	
City of Toronto	3.500	6-Dec-2021	500,000	535,243	523,777	
City of Toronto	3.900	29-Sep-2023	350,000	397,195	376,331	
City of Toronto	2.450	6-Feb-2025	200,000	199,510	197,525	
City of Toronto	2.400	7-Jun-2027	350,000	349,073	338,472	
City of Toronto	2.950	28-Apr-2035	300,000	282,741	294,475	
City of Toronto	3.500	2-Jun-2036	350,000	355,723	369,097	
City of Toronto	5.200	1-Jun-2040	402,000	481,836	531,949	
City of Toronto	4.700	10-Jun-2041	250,000	302,473	312,410	
City of Toronto	3.800	13-Dec-2042	200,000	192,462	221,337	
City of Toronto	4.150	10-Mar-2044	150,000	159,049	175,505	
City of Toronto	3.250	24-Jun-2046	345,000	336,686	348,970	
City of Vancouver	3.750	24-Oct-2023	150,000	170,520	160,203	
City of Winnipeg	5.200	17-Jul-2036	100,000	122,564	128,264	
City of Winnipeg	4.100	1-Jun-2045	200,000	219,458	228,433	
City of Winnipeg	4.300	15-Nov-2051	150,000	171,975	179,796	
Municipal Finance Authority of British Columbia	2.050	2-Jun-2019	400,000	402,314	401,723	
Municipal Finance Authority of British Columbia	4.875	3-Jun-2019	556,000	620,021	580,264	
Municipal Finance Authority of British Columbia	4.450	1-Jun-2020	312,000	351,918	330,306	
Municipal Finance Authority of British Columbia	1.650	19-Apr-2021	300,000	302,178	295,927	
Municipal Finance Authority of British Columbia	4.150	1-Jun-2021	703,000	778,591	750,146	
Municipal Finance Authority of British Columbia	3.350	1-Jun-2022	200,000	205,765	209,427	
Municipal Finance Authority of British Columbia	2.150	1-Dec-2022	325,000	324,831	322,760	
Municipal Finance Authority of British Columbia	3.750	26-Sep-2023	300,000	325,948	321,886	
Municipal Finance Authority of British Columbia	2.950	14-Oct-2024	200,000	206,780	205,460	
Municipal Finance Authority of British Columbia	2.650	2-Oct-2025	150,000	149,393	150,554	
Municipal Finance Authority of British Columbia	2.500	19-Apr-2026	500,000	500,375	494,772	
Municipal Finance Authority of British Columbia	4.950	1-Dec-2027	673,000	798,696	801,398	
Regional Municipality of Halton	3.150	6-Apr-2045	100,000	99,579	98,522	
Regional Municipality of Ottawa-Carleton	6.200	10-Sep-2019	50,000	61,196	53,439	
Regional Municipality of Peel	2.300	2-Nov-2026	300,000	298,174	289,113	
Regional Municipality of Peel	4.250	2-Dec-2033	200,000	199,204	229,945	
Regional Municipality of Peel	5.100	29-Jun-2040	352,000	436,975	461,295	
Regional Municipality of Peel	3.850	30-Oct-2042	250,000	264,458	278,995	
Regional Municipality of York	5.000	29-Apr-2019	400,000	445,650	416,887	
Regional Municipality of York	4.500	30-Jun-2020	21,000	21,611	22,257	
Regional Municipality of York	4.000	30-Jun-2021	300,000	327,208	318,231	
Regional Municipality of York	2.600	15-Dec-2025	500,000	502,987	496,502	
Regional Municipality of York	2.350	9-Jun-2027	150,000	142,226	144,790	
Regional Municipality of York	4.000	31-May-2032	225,000	243,720	249,841	
Regional Municipality of York	3.650	13-May-2033	350,000	360,875	374,924	
Regional Municipality of York	4.050	1-May-2034	350,000	382,397	393,801	
Regional Municipality of York	4.150	18-Nov-2041	50,000	52,928	58,096	
Regional Municipality of York	3.750	13-May-2043	100,000	109,090	109,725	
South Coast British Columbia Transportation Authority	3.150	16-Nov-2048	200,000	203,578	198,979	
				18,782,827	18,859,346	1.78
Corporate Bonds						
407 International Inc.	4.300	26-May-2021	252,000	286,183	267,503	
407 International Inc.	2.470	8-Sep-2022	320,000	319,931	318,090	
407 International Inc.	3.350	16-May-2024	300,000	317,997	312,538	
407 International Inc.	2.430	4-May-2027	550,000	544,635	535,660	
407 International Inc.	6.470	27-Jul-2029	250,000	331,750	332,610	
407 International Inc.	3.430	1-Jun-2033	200,000	203,500	205,813	
407 International Inc.	5.960	3-Dec-2035	350,000	459,370	475,296	
407 International Inc.	5.750	14-Feb-2036	400,000	521,320	517,762	
407 International Inc.	4.190	25-Apr-2042	300,000	326,382	334,800	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
407 International Inc.	3.650	8-Sep-2044	100,000	99,846	102,897	
407 International Inc.	3.830	11-May-2046	350,000	359,397	369,506	
407 International Inc.	3.600	21-May-2047	575,000	581,562	585,635	
407 International Inc.	3.980	11-Sep-2052	300,000	298,673	323,212	
407 International Inc.	4.680	7-Oct-2053	200,000	227,100	243,797	
The 55 Ontario School Board Trust	5.900	2-Jun-2033	600,000	777,000	800,539	
Aéroports de Montreal	6.550	11-Oct-2033	400,000	553,555	572,172	
Aéroports de Montreal	5.670	16-Oct-2037	350,000	451,713	481,120	
Aéroports de Montreal	3.919	26-Sep-2042	200,000	214,780	225,848	
Aéroports de Montreal	3.918	12-Jun-2045	200,000	199,846	227,707	
Aéroports de Montreal	3.360	24-Apr-2047	350,000	364,960	364,125	
AIMCo Realty Investors LP	2.266	26-Jun-2024	350,000	346,400	339,920	
AIMCo Realty Investors LP	3.043	1-Jun-2028	400,000	400,050	398,769	
Alberta Powerline LP	4.065	1-Dec-2053	213,000	213,000	228,164	
Alberta Powerline LP	4.065	1-Mar-2054	608,000	636,420	651,315	
Alectra Inc.	4.521	29-Apr-2021	316,000	350,066	338,455	
Alectra Inc.	3.239	21-Nov-2024	100,000	100,000	103,483	
Alectra Inc.	2.488	17-May-2027	525,000	524,850	510,131	
Alectra Inc.	5.297	29-Apr-2041	200,000	255,000	257,094	
Algonquin Power Co.	4.820	15-Feb-2021	100,000	99,940	105,993	
Algonquin Power Co.	4.650	15-Feb-2022	50,000	49,932	53,216	
Algonquin Power Co.	4.090	17-Feb-2027	300,000	307,929	310,041	
Alimentation Couche-Tard Inc.	3.319	1-Nov-2019	300,000	312,892	305,632	
Alimentation Couche-Tard Inc.	4.214	21-Aug-2020	200,000	216,124	209,137	
Alimentation Couche-Tard Inc.	3.899	1-Nov-2022	100,000	107,533	104,755	
Alimentation Couche-Tard Inc.	3.056	26-Jul-2024	560,000	560,738	557,425	
Alimentation Couche-Tard Inc.	3.600	2-Jun-2025	450,000	463,718	458,674	
Alliance Pipeline LP	4.928	16-Dec-2019	300,000	315,210	309,712	
Alliance Pipeline LP	5.546	31-Dec-2023	56,222	60,089	58,977	
Alliance Pipeline LP	6.765	31-Dec-2025	221,696	262,461	252,771	
Allied Properties Real Estate Investment Trust	3.748	13-May-2020	225,000	226,800	229,225	
Allied Properties Real Estate Investment Trust	3.934	14-Nov-2022	100,000	100,000	101,918	
Allied Properties Real Estate Investment Trust	3.636	21-Apr-2025	200,000	200,000	194,735	
AltaGas Ltd.	4.550	17-Jan-2019	150,000	155,527	153,580	
AltaGas Ltd.	4.070	1-Jun-2020	150,000	157,920	155,267	
AltaGas Ltd.	3.720	28-Sep-2021	200,000	207,983	206,406	
AltaGas Ltd.	3.570	12-Jun-2023	200,000	203,575	204,051	
AltaGas Ltd.	4.400	15-Mar-2024	200,000	212,918	211,987	
AltaGas Ltd.	3.840	15-Jan-2025	200,000	214,656	205,305	
AltaGas Ltd.	4.120	7-Apr-2026	250,000	258,135	259,811	
AltaGas Ltd.	3.980	4-Oct-2027	125,000	124,949	127,283	
AltaGas Ltd.	5.160	13-Jan-2044	100,000	112,520	108,026	
AltaGas Ltd.	4.500	15-Aug-2044	200,000	188,935	196,643	
AltaGas Ltd.	4.990	4-Oct-2047	120,000	120,000	126,900	
AltaLink Investments LP	3.674	5-Jun-2019	50,000	50,000	50,878	
AltaLink Investments LP	3.265	5-Jun-2020	150,000	159,765	152,936	
AltaLink Investments LP	2.244	7-Mar-2022	150,000	152,565	148,058	
AltaLink LP	3.621	17-Sep-2020	50,000	50,000	51,872	
AltaLink LP	2.978	28-Nov-2022	200,000	212,458	205,269	
AltaLink LP	3.668	6-Nov-2023	350,000	372,460	371,702	
AltaLink LP	3.399	6-Jun-2024	400,000	427,368	418,370	
AltaLink LP	5.249	22-Sep-2036	200,000	246,794	249,754	
AltaLink LP	5.381	26-Mar-2040	11,000	11,560	14,217	
AltaLink LP	4.872	15-Nov-2040	111,000	123,784	135,347	
AltaLink LP	4.462	8-Nov-2041	200,000	228,000	231,942	
AltaLink LP	3.990	30-Jun-2042	450,000	447,505	489,197	
AltaLink LP	4.922	17-Sep-2043	200,000	250,480	248,622	
AltaLink LP	4.054	21-Nov-2044	200,000	200,000	220,237	
AltaLink LP	4.090	30-Jun-2045	250,000	252,594	276,646	
AltaLink LP	3.717	3-Dec-2046	300,000	293,634	313,258	
AltaLink LP	4.446	11-Jul-2053	200,000	224,644	235,007	
Arrow Lakes Power Corp	5.516	5-Apr-2041	24,266	24,559	28,854	
Artis Real Estate Investment Trust	3.753	27-Mar-2019	150,000	148,797	150,970	
Asian Development Bank	1.375	11-Jun-2020	500,000	501,350	492,825	
Asian Development Bank	4.650	16-Feb-2027	103,000	105,443	118,837	
Bank of Montreal	2.430	4-Mar-2019	500,000	510,856	502,785	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Bank of Montreal	2.840	4-Jun-2020	1,000,000	1,039,869	1,014,282	
Bank of Montreal	2.100	6-Oct-2020	1,150,000	1,159,701	1,144,469	
Bank of Montreal	1.880	31-Mar-2021	1,010,000	1,015,139	994,828	
Bank of Montreal	3.400	23-Apr-2021	850,000	889,028	877,386	
Bank of Montreal	1.610	28-Oct-2021	1,850,000	1,834,479	1,795,295	
Bank of Montreal	2.120	16-Mar-2022	900,000	908,092	887,088	
Bank of Montreal	2.270	11-Jul-2022	1,245,000	1,244,533	1,232,204	
Bank of Montreal	2.700	11-Sep-2024	1,200,000	1,198,070	1,199,593	
Bank of Montreal	4.609	10-Sep-2025	432,000	507,080	486,038	
Bank of Montreal	2.700	9-Dec-2026	500,000	499,749	494,476	
The Bank of Nova Scotia	2.462	14-Mar-2019	900,000	910,631	905,415	
The Bank of Nova Scotia	2.400	28-Oct-2019	1,000,000	1,017,540	1,005,212	
The Bank of Nova Scotia	2.270	13-Jan-2020	800,000	815,810	801,583	
The Bank of Nova Scotia	2.130	15-Jun-2020	1,180,000	1,193,536	1,176,745	
The Bank of Nova Scotia	2.090	9-Sep-2020	1,150,000	1,154,101	1,144,210	
The Bank of Nova Scotia	3.270	11-Jan-2021	875,000	918,883	898,464	
The Bank of Nova Scotia	2.873	4-Jun-2021	735,000	758,687	746,240	
The Bank of Nova Scotia	1.900	2-Dec-2021	1,505,000	1,507,009	1,474,233	
The Bank of Nova Scotia	1.830	27-Apr-2022	1,250,000	1,238,115	1,215,196	
The Bank of Nova Scotia	2.360	8-Nov-2022	1,280,000	1,278,191	1,267,894	
The Bank of Nova Scotia	2.290	28-Jun-2024	1,300,000	1,296,452	1,267,677	
The Bank of Nova Scotia	3.036	18-Oct-2024	1,025,000	1,053,777	1,038,449	
The Bank of Nova Scotia	8.900	20-Jun-2025	15,000	20,997	20,698	
The Bank of Nova Scotia	2.620	2-Dec-2026	865,000	862,424	849,263	
bcIMC Realty Corp.	2.960	7-Mar-2019	300,000	308,461	303,578	
bcIMC Realty Corp.	2.100	3-Jun-2021	250,000	249,903	247,592	
bcIMC Realty Corp.	3.510	29-Jun-2022	350,000	370,118	364,328	
bcIMC Realty Corp.	2.150	11-Aug-2022	110,000	109,968	108,052	
bcIMC Realty Corp.	2.840	3-Jun-2025	400,000	402,378	399,594	
bcIMC Realty Corp.	3.000	31-Mar-2027	450,000	456,500	451,224	
Bell Canada Inc.	5.520	26-Feb-2019	159,000	175,101	165,253	
Bell Canada Inc.	3.350	18-Jun-2019	650,000	680,017	661,231	
Bell Canada Inc.	3.540	12-Jun-2020	300,000	312,720	308,352	
Bell Canada Inc.	3.250	17-Jun-2020	650,000	678,737	663,894	
Bell Canada Inc.	4.950	19-May-2021	350,000	393,066	376,953	
Bell Canada Inc.	3.150	29-Sep-2021	475,000	494,417	484,281	
Bell Canada Inc.	2.000	1-Oct-2021	600,000	599,160	587,553	
Bell Canada Inc.	3.000	3-Oct-2022	1,200,000	1,209,391	1,214,528	
Bell Canada Inc.	3.350	22-Mar-2023	600,000	635,976	614,542	
Bell Canada Inc.	4.700	11-Sep-2023	480,000	533,221	523,059	
Bell Canada Inc.	2.700	27-Feb-2024	650,000	653,399	639,343	
Bell Canada Inc.	3.550	2-Mar-2026	500,000	517,340	508,675	
Bell Canada Inc.	2.900	12-Aug-2026	675,000	674,131	652,519	
Bell Canada Inc.	3.600	29-Sep-2027	250,000	249,273	252,896	
Bell Canada Inc.	6.550	1-May-2029	100,000	125,943	125,546	
Bell Canada Inc.	7.850	2-Apr-2031	380,000	528,848	531,610	
Bell Canada Inc.	7.300	23-Feb-2032	200,000	271,080	270,501	
Bell Canada Inc.	9.700	15-Dec-2032	100,000	162,390	158,364	
Bell Canada Inc.	6.100	16-Mar-2035	250,000	296,680	312,044	
Bell Canada Inc.	6.170	26-Feb-2037	200,000	246,140	252,178	
Bell Canada Inc.	4.750	29-Sep-2044	300,000	317,250	324,121	
Bell Canada Inc.	4.350	18-Dec-2045	350,000	339,943	355,794	
Bell Canada Inc.	4.450	27-Feb-2047	350,000	348,163	361,183	
Blackbird Infrastructure 407 GP	1.713	8-Oct-2021	150,000	148,832	147,689	
BMO Capital Trust II	10.221	31-Dec-2107	382,000	468,723	411,301	
BMW Canada Inc.	1.780	19-Oct-2020	200,000	201,476	196,981	
BMW Canada Inc.	1.880	11-Dec-2020	200,000	200,000	197,244	
BMW Canada Inc.	1.830	15-Jun-2021	200,000	201,108	196,005	
Borealis Infrastructure Trust	6.350	1-Dec-2020	29,955	32,950	31,763	
Bow Centre Street LP	3.690	14-Jun-2021	100,000	100,000	98,657	
Bow Centre Street LP	3.693	14-Jun-2022	177,677	177,657	173,732	
Bow Centre Street LP	3.797	13-Jun-2023	200,000	207,025	192,995	
BP LP	3.244	9-Jan-2020	90,415	90,415	90,797	
British Columbia Ferry Services Inc.	6.250	13-Oct-2034	432,000	581,745	592,494	
British Columbia Ferry Services Inc.	5.581	11-Jan-2038	333,000	401,991	441,065	
British Columbia Ferry Services Inc.	4.702	23-Oct-2043	200,000	239,428	244,174	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Broadcast Centre Trust	7.530	1-May-2027	22,689	28,472	27,951	
Brookfield Asset Management Inc.	3.950	9-Apr-2019	450,000	468,886	459,758	
Brookfield Asset Management Inc.	5.300	1-Mar-2021	200,000	223,992	215,626	
Brookfield Asset Management Inc.	4.540	31-Mar-2023	400,000	425,494	427,872	
Brookfield Asset Management Inc.	5.040	8-Mar-2024	350,000	386,877	383,861	
Brookfield Asset Management Inc.	4.820	28-Jan-2026	450,000	485,574	487,747	
Brookfield Asset Management Inc.	3.800	16-Mar-2027	315,000	314,893	318,005	
Brookfield Asset Management Inc.	5.950	14-Jun-2035	321,000	336,765	377,746	
Brookfield Infrastructure Finance ULC	3.538	30-Oct-2020	200,000	200,000	204,951	
Brookfield Infrastructure Finance ULC	3.452	11-Mar-2022	350,000	352,749	356,006	
Brookfield Infrastructure Finance ULC	3.315	22-Feb-2024	500,000	505,454	498,063	
Brookfield Renewable Partners ULC	5.140	13-Oct-2020	415,000	464,032	443,963	
Brookfield Renewable Partners ULC	4.790	7-Feb-2022	500,000	531,146	537,281	
Brookfield Renewable Partners ULC	3.752	2-Jun-2025	500,000	499,380	511,158	
Brookfield Renewable Partners ULC	3.630	15-Jan-2027	365,000	365,078	364,027	
Brookfield Renewable Partners ULC	5.840	5-Nov-2036	13,000	11,821	15,289	
Bruce Power LP	2.844	23-Jun-2021	525,000	531,880	528,884	
Bruce Power LP	3.000	21-Jun-2024	150,000	149,984	149,976	
Bruce Power LP	3.969	23-Jun-2026	825,000	850,950	864,649	
Bruce Power LP	4.010	21-Jun-2029	400,000	404,416	416,967	
Cadillac Fairview Finance Trust	4.310	25-Jan-2021	610,000	677,964	648,334	
Caisse Centrale Desjardins	2.443	17-Jul-2019	400,000	405,190	402,244	
Caisse Centrale Desjardins	1.748	2-Mar-2020	1,050,000	1,040,997	1,039,633	
Caisse Centrale Desjardins	2.091	17-Jan-2022	725,000	729,607	714,461	
Cameco Corp.	5.670	2-Sep-2019	286,000	317,024	296,682	
Cameco Corp.	3.750	14-Nov-2022	300,000	306,331	296,312	
Cameco Corp.	4.190	24-Jun-2024	300,000	303,620	297,798	
Cameco Corp.	5.090	14-Nov-2042	100,000	99,954	91,540	
Canadian Credit Card Trust II	1.829	24-Mar-2020	575,000	575,838	569,431	
Canadian Imperial Bank of Commerce	1.660	20-Jan-2020	975,000	977,565	964,982	
Canadian Imperial Bank of Commerce	2.040	21-Mar-2022	810,000	813,686	795,944	
Canadian Imperial Bank of Commerce	2.300	11-Jul-2022	1,160,000	1,160,413	1,149,638	
Canadian Imperial Bank of Commerce	2.470	5-Dec-2022	1,200,000	1,199,892	1,195,236	
Canadian Imperial Bank of Commerce	2.350	24-Jun-2019	650,000	663,908	652,876	
Canadian Imperial Bank of Commerce	1.850	14-Jul-2020	825,000	825,493	816,974	
Canadian Imperial Bank of Commerce	1.900	26-Apr-2021	1,000,000	1,002,899	985,360	
Canadian Imperial Bank of Commerce	1.640	12-Jul-2021	1,000,000	1,000,123	974,636	
Canadian National Railway Co.	2.750	18-Feb-2021	150,000	156,563	152,077	
Canadian National Railway Co.	2.800	22-Sep-2025	250,000	254,120	251,647	
Canadian National Railway Co.	3.950	22-Sep-2045	230,000	232,544	249,269	
Canadian National Railway Co.	3.600	1-Aug-2047	300,000	298,038	305,169	
Canadian Natural Resources Ltd.	3.050	19-Jun-2019	400,000	398,917	404,391	
Canadian Natural Resources Ltd.	2.600	3-Dec-2019	400,000	398,858	401,732	
Canadian Natural Resources Ltd.	2.050	1-Jun-2020	600,000	600,681	593,775	
Canadian Natural Resources Ltd.	2.890	14-Aug-2020	600,000	614,740	605,379	
Canadian Natural Resources Ltd.	3.310	11-Feb-2022	725,000	730,927	739,821	
Canadian Natural Resources Ltd.	3.550	3-Jun-2024	350,000	349,710	356,678	
Canadian Natural Resources Ltd.	3.420	1-Dec-2026	350,000	350,000	344,096	
Canadian Natural Resources Ltd.	4.850	30-May-2047	200,000	193,864	207,777	
Canadian Pacific Railway Co.	5.100	14-Jan-2022	100,000	112,860	109,201	
Canadian Pacific Railway Co.	6.450	17-Nov-2039	403,000	542,687	562,250	
Canadian Real Estate Investment Trust	4.323	15-Jan-2021	200,000	214,590	207,524	
Canadian Real Estate Investment Trust	2.951	18-Jan-2023	55,000	54,998	53,822	
Canadian Tire Corp Ltd.	6.445	24-Feb-2034	222,000	258,254	279,325	
Canadian Tire Corp Ltd.	5.610	4-Sep-2035	200,000	228,496	234,440	
Canadian Utilities Ltd.	3.122	9-Nov-2022	250,000	262,825	257,383	
Canadian Western Bank	3.077	14-Jan-2019	150,000	152,292	151,567	
Canadian Western Bank	2.377	23-Jan-2020	125,000	125,000	124,714	
Canadian Western Bank	2.751	29-Jun-2020	250,000	252,418	250,901	
Canadian Western Bank	2.881	1-Mar-2021	190,000	189,996	190,860	
Canadian Western Bank	2.788	13-Sep-2021	200,000	201,040	199,858	
Canadian Western Bank	2.737	16-Jun-2022	350,000	350,000	347,215	
Canadian Western Bank	3.463	17-Dec-2024	200,000	199,762	202,148	
Canadian Western Bank	2.924	15-Dec-2022	275,000	274,374	273,814	
Capital City Link General Partnership	4.386	31-Mar-2046	687,282	737,475	746,302	
Capital Desjardins Inc.	5.187	5-May-2020	628,000	713,394	667,534	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Capital Desjardins Inc.	4.954	15-Dec-2026	300,000	332,746	325,989	
Capital Power Corp.	4.850	21-Feb-2019	50,000	50,314	51,321	
Capital Power Corp.	5.276	16-Nov-2020	537,000	588,584	569,122	
Capital Power Corp.	4.284	18-Sep-2024	225,000	225,000	228,798	
CARDS II Trust	2.155	15-Oct-2020	550,000	554,500	547,742	
Caterpillar Financial Services Ltd.	1.750	3-Jun-2019	150,000	149,988	149,433	
Caterpillar Financial Services Ltd.	1.500	8-Jun-2020	200,000	199,778	196,455	
CDP Financial Inc.	4.600	15-Jul-2020	818,000	917,629	869,097	
Central 1 Credit Union	1.870	16-Mar-2020	250,000	249,935	246,989	
Central 1 Credit Union	2.890	25-Apr-2024	100,000	99,986	100,239	
Central 1 Credit Union	3.060	14-Oct-2026	200,000	199,918	199,423	
Central 1 Credit Union	2.600	7-Nov-2022	250,000	249,908	247,708	
Chartwell Retirement Residences	3.786	11-Dec-2023	200,000	200,000	199,670	
Chip Mortgage Trust	2.330	29-Apr-2020	100,000	100,000	98,400	
Chip Mortgage Trust	2.981	15-Nov-2021	100,000	100,000	98,016	
Choice Properties LP	3.000	20-Sep-2019	200,000	199,622	201,927	
Choice Properties LP	3.600	20-Apr-2020	250,000	259,786	255,798	
Choice Properties LP	3.600	20-Sep-2021	100,000	100,196	102,680	
Choice Properties LP	3.600	20-Sep-2022	200,000	211,768	205,668	
Choice Properties Real Estate Investment Trust	2.297	14-Sep-2020	100,000	100,745	99,440	
Choice Properties Real Estate Investment Trust	3.498	8-Feb-2021	200,000	210,470	205,018	
Choice Properties Real Estate Investment Trust	3.196	7-Mar-2023	200,000	205,402	201,316	
Choice Properties Real Estate Investment Trust	4.903	5-Jul-2023	100,000	100,000	108,695	
Choice Properties Real Estate Investment Trust	4.293	8-Feb-2024	100,000	106,267	105,564	
Choice Properties Real Estate Investment Trust	4.055	24-Nov-2025	200,000	216,688	207,602	
CI Financial Corp.	3.904	27-Sep-2027	160,000	160,000	163,267	
CI Financial Corp.	2.645	7-Dec-2020	300,000	300,000	300,552	
CI Financial Corp.	2.775	25-Nov-2021	150,000	150,000	150,105	
CIBC Capital Trust	9.976	30-Jun-2108	946,000	1,134,523	1,044,512	
CIBC Capital Trust	10.250	30-Jun-2108	187,000	267,419	241,647	
Cogeco Communications Inc.	5.150	16-Nov-2020	215,000	233,767	229,901	
Cogeco Communications Inc.	4.925	14-Feb-2022	100,000	109,113	107,968	
Cogeco Communications Inc.	4.175	26-May-2023	150,000	158,543	157,648	
Concordia University/Canada	6.550	2-Sep-2042	150,000	232,206	226,008	
Co-operators Financial Services Ltd.	5.778	10-Mar-2020	51,000	51,418	53,866	
CPPIB Capital Inc.	1.000	15-Jan-2019	930,000	929,346	923,939	
CPPIB Capital Inc.	1.100	10-Jun-2019	1,100,000	1,098,238	1,089,757	
CPPIB Capital Inc.	1.400	4-Jun-2020	1,000,000	997,807	987,788	
Crombie Real Estate Investment Trust	2.775	10-Feb-2020	100,000	99,768	98,985	
Crombie Real Estate Investment Trust	3.962	1-Jun-2021	100,000	102,000	100,978	
Crombie Real Estate Investment Trust	4.066	21-Nov-2022	80,000	80,000	79,909	
Crosslinx Transit Solutions GP	4.651	30-Sep-2046	240,000	239,395	250,684	
CT Real Estate Investment Trust	2.159	1-Jun-2021	100,000	100,000	98,187	
CT Real Estate Investment Trust	2.852	9-Jun-2022	150,000	150,000	149,696	
CT Real Estate Investment Trust	3.527	9-Jun-2025	100,000	100,000	100,500	
CT Real Estate Investment Trust	3.289	1-Jun-2026	150,000	150,000	146,862	
CT Real Estate Investment Trust	3.469	16-Jun-2027	100,000	100,000	98,104	
CU Inc.	6.800	13-Aug-2019	197,000	237,851	211,689	
CU Inc.	9.920	1-Apr-2022	50,000	76,885	64,199	
CU Inc.	9.400	1-May-2023	28,000	40,300	37,012	
CU Inc.	5.563	26-May-2028	100,000	124,396	120,694	
CU Inc.	5.896	20-Nov-2034	200,000	267,270	264,221	
CU Inc.	5.183	21-Nov-2035	135,000	167,354	166,524	
CU Inc.	5.032	20-Nov-2036	200,000	239,960	244,893	
CU Inc.	5.556	30-Oct-2037	150,000	181,145	195,233	
CU Inc.	5.580	26-May-2038	240,000	288,194	313,528	
CU Inc.	6.500	7-Mar-2039	71,000	98,142	102,765	
CU Inc.	4.543	24-Oct-2041	400,000	439,272	468,237	
CU Inc.	3.805	10-Sep-2042	450,000	445,032	473,907	
CU Inc.	4.722	9-Sep-2043	400,000	488,724	483,892	
CU Inc.	4.085	2-Sep-2044	675,000	714,515	744,007	
CU Inc.	3.763	19-Nov-2046	400,000	418,440	420,545	
CU Inc.	3.548	22-Nov-2047	150,000	150,000	151,727	
CU Inc.	4.947	18-Nov-2050	13,000	12,788	16,448	
CU Inc.	3.857	14-Nov-2052	100,000	100,200	105,522	
CU Inc.	4.558	7-Nov-2053	150,000	176,401	179,519	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
CU Inc.	4.211	29-Oct-2055	200,000	200,000	227,212	
CU Inc.	4.593	24-Oct-2061	200,000	221,122	242,778	
CU Inc.	3.825	11-Sep-2062	200,000	202,250	210,678	
Daimler Canada Finance Inc.	1.780	19-Aug-2019	300,000	297,890	297,989	
Daimler Canada Finance Inc.	1.800	16-Dec-2019	150,000	149,991	148,691	
Daimler Canada Finance Inc.	1.570	25-May-2020	315,000	315,000	309,351	
Daimler Canada Finance Inc.	2.300	23-Nov-2020	260,000	260,000	259,204	
Daimler Canada Finance Inc.	1.910	8-Jul-2021	375,000	374,904	367,588	
Daimler Canada Finance Inc.	2.230	16-Dec-2021	300,000	302,691	296,229	
Daimler Canada Finance Inc.	2.570	22-Nov-2022	125,000	124,989	124,288	
Dollarama Inc.	2.337	22-Jul-2021	370,000	369,655	367,116	
Dollarama Inc.	2.203	10-Nov-2022	208,000	206,177	202,781	
Dream Office Real Estate Investment Trust	4.074	21-Jan-2020	100,000	100,021	100,764	
Eagle Credit Card Trust	2.147	17-Sep-2020	200,000	199,780	198,940	
Eagle Credit Card Trust	2.631	17-Oct-2022	115,000	115,000	114,863	
Emera Inc.	4.830	2-Dec-2019	100,000	106,594	104,590	
Emera Inc.	2.900	16-Jun-2023	400,000	401,368	399,311	
Empire Life Insurance Co.	3.383	16-Dec-2026	200,000	200,000	200,617	
Empire Life Insurance Co.	3.664	15-Mar-2028	180,000	180,000	181,067	
Enbridge Gas Distribution Inc.	4.040	23-Nov-2020	300,000	326,700	315,249	
Enbridge Gas Distribution Inc.	4.770	17-Dec-2021	150,000	171,272	163,741	
Enbridge Gas Distribution Inc.	3.150	22-Aug-2024	150,000	155,117	154,384	
Enbridge Gas Distribution Inc.	3.310	11-Sep-2025	325,000	336,100	337,412	
Enbridge Gas Distribution Inc.	2.500	5-Aug-2026	200,000	199,031	195,445	
Enbridge Gas Distribution Inc.	6.100	19-May-2028	250,000	314,725	313,420	
Enbridge Gas Distribution Inc.	5.210	25-Feb-2036	400,000	480,131	494,888	
Enbridge Gas Distribution Inc.	4.000	22-Aug-2044	325,000	323,221	353,329	
Enbridge Gas Distribution Inc.	3.510	29-Nov-2047	330,000	330,490	330,548	
Enbridge Gas Distribution Inc.	4.950	22-Nov-2050	151,000	167,668	189,786	
Enbridge Inc.	4.770	2-Sep-2019	346,000	370,465	359,634	
Enbridge Inc.	4.530	9-Mar-2020	300,000	322,500	312,875	
Enbridge Inc.	4.260	1-Feb-2021	50,000	54,275	52,287	
Enbridge Inc.	3.190	5-Dec-2022	450,000	455,849	454,740	
Enbridge Inc.	3.940	30-Jun-2023	350,000	367,528	364,739	
Enbridge Inc.	3.200	8-Jun-2027	500,000	499,790	483,115	
Enbridge Inc.	7.200	18-Jun-2032	260,000	326,059	337,961	
Enbridge Inc.	5.570	14-Nov-2035	100,000	119,137	112,783	
Enbridge Inc.	4.240	27-Aug-2042	550,000	508,019	527,638	
Enbridge Inc.	4.570	11-Mar-2044	725,000	739,181	732,196	
Enbridge Inc.	4.560	28-Mar-2064	100,000	99,922	97,073	
Enbridge Inc.	5.375	27-Sep-2077	1,105,000	1,107,570	1,101,274	
Enbridge Income Fund	4.100	22-Feb-2019	250,000	259,049	255,092	
Enbridge Income Fund	4.850	22-Feb-2022	100,000	108,250	107,239	
Enbridge Income Fund	3.940	13-Jan-2023	300,000	325,839	311,043	
Enbridge Income Fund	3.950	19-Nov-2024	200,000	206,580	206,392	
Enbridge Income Fund	4.870	21-Nov-2044	200,000	208,634	207,179	
Enbridge Pipelines Inc.	4.490	12-Nov-2019	300,000	330,194	313,617	
Enbridge Pipelines Inc.	4.450	6-Apr-2020	300,000	329,854	314,389	
Enbridge Pipelines Inc.	3.790	17-Aug-2023	300,000	319,143	316,059	
Enbridge Pipelines Inc.	8.200	15-Feb-2024	50,000	72,323	63,987	
Enbridge Pipelines Inc.	3.450	29-Sep-2025	400,000	426,786	412,028	
Enbridge Pipelines Inc.	3.000	10-Aug-2026	380,000	380,325	377,663	
Enbridge Pipelines Inc.	6.550	17-Nov-2027	56,000	65,468	70,447	
Enbridge Pipelines Inc.	5.080	19-Dec-2036	150,000	176,067	172,772	
Enbridge Pipelines Inc.	5.350	10-Nov-2039	321,000	371,942	386,488	
Enbridge Pipelines Inc.	4.550	17-Aug-2043	200,000	222,500	218,269	
Enbridge Pipelines Inc.	4.550	29-Sep-2045	325,000	327,081	355,841	
Enbridge Pipelines Inc.	4.130	9-Aug-2046	220,000	222,538	227,830	
Enercare Solutions Inc.	4.600	3-Feb-2020	300,000	310,626	311,745	
Enercare Solutions Inc.	3.380	21-Feb-2022	125,000	124,978	126,399	
Enercare Solutions Inc.	3.990	21-Feb-2024	125,000	124,978	128,129	
Enmax Corp.	3.805	5-Dec-2024	100,000	100,000	101,402	
EPCOR Utilities Inc.	5.650	16-Nov-2035	234,000	294,118	299,743	
EPCOR Utilities Inc.	6.650	15-Apr-2038	169,000	244,592	245,108	
EPCOR Utilities Inc.	5.750	24-Nov-2039	172,000	206,972	230,087	
EPCOR Utilities Inc.	4.550	28-Feb-2042	200,000	238,418	233,296	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EPCOR Utilities Inc.	3.554	27-Nov-2047	150,000	150,000	150,928	
Fairfax Financial Holdings Ltd.	7.250	22-Jun-2020	171,000	194,907	188,583	
Fairfax Financial Holdings Ltd.	6.400	25-May-2021	220,000	251,770	242,889	
Fairfax Financial Holdings Ltd.	5.840	14-Oct-2022	150,000	159,719	165,749	
Fairfax Financial Holdings Ltd.	4.500	22-Mar-2023	250,000	250,378	261,085	
Fairfax Financial Holdings Ltd.	4.950	3-Mar-2025	200,000	215,952	212,265	
Fairfax Financial Holdings Ltd.	4.700	16-Dec-2026	300,000	299,007	310,706	
Fairfax Financial Holdings Ltd.	4.250	6-Dec-2027	450,000	449,964	445,926	
Federated Co-Operatives Ltd.	3.917	17-Jun-2025	150,000	150,000	148,503	
Federation des Caisses Desjardins du Quebec	2.394	25-Aug-2022	700,000	700,000	694,939	
Fifth Avenue LP	4.710	5-Aug-2021	42,684	42,684	44,010	
Finning International Inc.	3.232	3-Jul-2020	150,000	151,489	152,516	
Finning International Inc.	2.840	29-Sep-2021	150,000	150,000	150,312	
Finning International Inc.	5.077	13-Jun-2042	100,000	103,422	114,554	
First Capital Realty Inc.	5.480	30-Jul-2019	122,000	135,981	127,936	
First Capital Realty Inc.	5.600	30-Apr-2020	210,000	236,349	224,391	
First Capital Realty Inc.	4.500	1-Mar-2021	200,000	219,940	210,613	
First Capital Realty Inc.	4.430	31-Jan-2022	150,000	159,675	158,570	
First Capital Realty Inc.	3.950	5-Dec-2022	200,000	210,990	207,738	
First Capital Realty Inc.	3.900	30-Oct-2023	200,000	214,536	206,915	
First Capital Realty Inc.	4.790	30-Aug-2024	250,000	266,829	269,897	
First Capital Realty Inc.	4.323	31-Jul-2025	200,000	213,767	209,920	
First Capital Realty Inc.	3.604	6-May-2026	250,000	256,604	248,123	
First Capital Realty Inc.	3.753	12-Jul-2027	200,000	200,000	198,198	
First National Financial Corp.	4.010	9-Apr-2020	100,000	99,916	100,462	
Ford Credit Canada Co.	2.710	23-Feb-2022	655,000	654,491	648,006	
Ford Credit Canada Co.	2.766	22-Jun-2022	350,000	348,690	346,128	
Ford Credit Canada Co.	3.349	19-Sep-2022	450,000	449,871	455,442	
Ford Credit Canada Ltd.	2.939	19-Feb-2019	350,000	351,436	352,690	
Ford Credit Canada Ltd.	3.140	14-Jun-2019	375,000	382,134	379,064	
Ford Credit Canada Ltd.	2.450	7-May-2020	500,000	496,228	498,268	
Ford Credit Canada Ltd.	2.923	16-Sep-2020	500,000	514,023	503,270	
Ford Credit Canada Ltd.	2.580	10-May-2021	585,000	586,096	580,789	
Ford Floorplan Auto Securitization Trust	2.197	15-Jul-2020	265,000	265,000	263,478	
Fortified Trust	2.161	23-Oct-2020	355,000	355,000	353,594	
Fortified Trust	1.670	23-Jul-2021	490,000	490,290	477,593	
Fortis Inc.	2.850	12-Dec-2023	310,000	315,220	309,764	
FortisAlberta Inc.	3.300	30-Sep-2024	150,000	158,378	155,780	
FortisAlberta Inc.	6.220	31-Oct-2034	66,000	76,516	89,455	
FortisAlberta Inc.	5.370	30-Oct-2039	178,000	203,321	228,430	
FortisAlberta Inc.	4.850	11-Sep-2043	350,000	437,880	428,886	
FortisAlberta Inc.	4.110	29-Sep-2044	50,000	49,992	55,319	
FortisAlberta Inc.	4.270	22-Sep-2045	100,000	106,812	113,625	
FortisAlberta Inc.	3.340	21-Sep-2046	200,000	198,890	194,013	
FortisAlberta Inc.	4.990	3-Jan-2047	27,000	32,410	34,272	
FortisAlberta Inc.	3.672	9-Sep-2047	100,000	100,000	103,006	
FortisAlberta Inc.	4.800	27-Oct-2050	11,000	10,506	13,617	
FortisAlberta Inc.	3.980	23-Oct-2052	220,000	229,428	236,888	
FortisBC Energy Inc.	2.580	8-Apr-2026	100,000	99,939	98,676	
FortisBC Energy Inc.	6.950	21-Sep-2029	250,000	341,219	339,986	
FortisBC Energy Inc.	6.500	1-May-2034	230,000	325,819	318,210	
FortisBC Energy Inc.	5.900	26-Feb-2035	121,000	156,528	159,404	
FortisBC Energy Inc.	6.000	2-Oct-2037	100,000	132,860	135,746	
FortisBC Energy Inc.	6.050	15-Feb-2038	41,000	51,497	55,918	
FortisBC Energy Inc.	5.800	13-May-2038	221,000	293,146	294,591	
FortisBC Energy Inc.	6.550	24-Feb-2039	125,000	171,886	181,667	
FortisBC Energy Inc.	5.200	6-Dec-2040	13,000	12,907	16,426	
FortisBC Energy Inc.	3.670	9-Apr-2046	200,000	207,428	205,583	
FortisBC Energy Inc.	3.780	6-Mar-2047	130,000	132,005	136,915	
FortisBC Energy Inc.	3.690	30-Oct-2047	45,000	44,968	46,385	
FortisBC Inc.	5.600	9-Nov-2035	174,000	204,497	221,080	
FortisBC Inc.	6.100	2-Jun-2039	200,000	262,700	275,847	
FortisBC Inc.	4.000	28-Oct-2044	150,000	153,158	161,978	
FortisBC Inc.	5.000	24-Nov-2050	121,000	139,818	152,504	
Gaz Metro Inc.	5.450	12-Jul-2021	200,000	234,303	221,320	
Gaz Metro Inc.	9.000	16-May-2025	100,000	140,411	139,755	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Gaz Metro Inc.	6.300	31-Oct-2033	250,000	327,875	337,855	
Gaz Metro Inc.	5.700	10-Jul-2036	100,000	124,281	130,325	
Gaz Metro Inc.	3.280	9-Oct-2046	200,000	198,249	193,439	
Gaz Metro Inc.	3.530	16-May-2047	120,000	119,868	121,220	
GE Capital Canada Funding Co.	4.600	26-Jan-2022	750,000	836,561	808,121	
General Motors Financial of Canada Ltd.	3.080	22-May-2020	400,000	399,877	404,007	
General Motors Financial of Canada Ltd.	2.600	1-Jun-2022	350,000	346,284	343,610	
Genesis Trust II	2.433	15-May-2019	650,000	664,781	653,375	
Genesis Trust II	1.699	15-Apr-2020	600,000	599,914	592,704	
Genworth MI Canada Inc.	5.680	15-Jun-2020	200,000	215,620	211,494	
Genworth MI Canada Inc.	4.242	1-Apr-2024	100,000	100,000	101,352	
George Weston Ltd.	4.115	17-Jun-2024	300,000	307,530	314,442	
Glacier Credit Card Trust	2.568	20-Sep-2019	350,000	360,238	351,882	
Glacier Credit Card Trust	2.237	20-Sep-2020	300,000	306,150	298,948	
Glacier Credit Card Trust	2.048	20-Sep-2022	350,000	345,552	340,398	
Grand Renewable Solar LP	3.926	31-Jan-2035	141,298	141,298	139,612	
Granite REIT Holdings LP	3.788	5-Jul-2021	200,000	208,448	202,789	
Granite REIT Holdings LP	3.873	30-Nov-2023	315,000	315,006	316,226	
Greater Toronto Airports Authority	5.960	20-Nov-2019	450,000	533,171	481,041	
Greater Toronto Airports Authority	1.510	16-Feb-2021	250,000	248,746	245,250	
Greater Toronto Airports Authority	3.040	21-Sep-2022	350,000	353,983	360,883	
Greater Toronto Airports Authority	6.450	3-Dec-2027	292,000	392,704	385,733	
Greater Toronto Airports Authority	6.450	30-Jul-2029	197,106	252,032	240,110	
Greater Toronto Airports Authority	7.050	12-Jun-2030	281,000	399,525	401,585	
Greater Toronto Airports Authority	7.100	4-Jun-2031	385,000	561,564	560,789	
Greater Toronto Airports Authority	6.980	15-Oct-2032	500,000	716,732	737,875	
Greater Toronto Airports Authority	5.630	7-Jun-2040	350,000	480,869	489,679	
Greater Toronto Airports Authority	5.300	25-Feb-2041	400,000	533,366	543,420	
Greater Toronto Airports Authority	4.530	2-Dec-2041	500,000	585,306	619,159	
Great-West Lifeco Inc.	4.650	13-Aug-2020	318,000	352,366	336,671	
Great-West Lifeco Inc.	6.740	24-Nov-2031	300,000	399,345	404,800	
Great-West Lifeco Inc.	6.670	21-Mar-2033	315,000	423,017	426,703	
Great-West Lifeco Inc.	5.998	16-Nov-2039	271,000	340,741	360,737	
H&R Real Estate Investment Trust	4.450	2-Mar-2020	150,000	158,850	155,316	
H&R Real Estate Investment Trust	2.923	6-May-2022	210,000	208,882	207,079	
H&R Real Estate Investment Trust	3.369	30-Jan-2024	235,000	235,867	232,746	
Halifax International Airport Authority	5.503	19-Jul-2041	125,000	158,975	163,171	
Halifax International Airport Authority	4.888	15-Nov-2050	34,000	32,325	42,892	
HCN Canadian Holdings-1 LP	3.350	25-Nov-2020	275,000	278,679	281,230	
Health Montreal Collective LP	6.721	30-Sep-2049	1,000,000	1,297,040	1,360,620	
Hollis Receivables Term Trust II	2.434	26-Jun-2019	400,000	410,857	402,069	
Hollis Receivables Term Trust II	1.788	26-Feb-2020	250,000	248,253	247,493	
Honda Canada Finance Inc.	1.631	12-Aug-2019	250,000	251,763	248,259	
Honda Canada Finance Inc.	2.155	18-Feb-2021	375,000	377,034	372,702	
Honda Canada Finance Inc.	1.823	7-Dec-2021	245,000	245,000	239,163	
Honda Canada Finance Inc.	2.268	15-Jul-2022	215,000	215,000	212,523	
Honda Canada Finance Inc.	2.488	19-Dec-2022	150,000	150,000	149,021	
Honda Canada Finance Inc.	2.537	1-Mar-2023	300,000	300,000	298,419	
The Hospital for Sick Children	3.416	7-Dec-2057	150,000	150,000	149,798	
Hospital Infrastructure Partners NOH Partnership	5.439	31-Jan-2045	484,790	578,772	568,771	
HSBC Bank Canada	2.491	13-May-2019	650,000	660,012	653,565	
HSBC Bank Canada	2.938	14-Jan-2020	825,000	852,995	836,265	
HSBC Bank Canada	1.816	7-Jul-2020	710,000	703,663	701,468	
HSBC Bank Canada	2.449	29-Jan-2021	650,000	651,157	650,686	
HSBC Bank Canada	2.908	29-Sep-2021	600,000	621,646	608,896	
HSBC Bank Canada	2.170	29-Jun-2022	800,000	793,403	785,759	
HSBC Bank Canada	2.542	31-Jan-2023	925,000	925,236	917,845	
Husky Energy Inc.	5.000	12-Mar-2020	189,000	208,300	199,090	
Husky Energy Inc.	3.550	12-Mar-2025	575,000	582,677	582,237	
Husky Energy Inc.	3.600	10-Mar-2027	455,000	456,629	453,744	
Hydro One Inc.	1.480	18-Nov-2019	400,000	398,534	395,890	
Hydro One Inc.	1.620	30-Apr-2020	220,000	220,609	217,556	
Hydro One Inc.	4.400	1-Jun-2020	258,000	282,629	271,637	
Hydro One Inc.	1.840	24-Feb-2021	200,000	198,260	197,486	
Hydro One Inc.	3.200	13-Jan-2022	400,000	420,999	412,759	
Hydro One Inc.	2.770	24-Feb-2026	400,000	404,406	399,531	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Hydro One Inc.	7.350	3-Jun-2030	350,000	497,869	493,327	
Hydro One Inc.	6.930	1-Jun-2032	310,000	436,722	436,013	
Hydro One Inc.	6.350	31-Jan-2034	300,000	412,950	407,975	
Hydro One Inc.	5.360	20-May-2036	376,000	444,952	472,550	
Hydro One Inc.	6.030	3-Mar-2039	453,000	601,873	620,495	
Hydro One Inc.	4.390	26-Sep-2041	150,000	166,331	170,539	
Hydro One Inc.	4.590	9-Oct-2043	350,000	399,263	412,204	
Hydro One Inc.	4.170	6-Jun-2044	300,000	329,066	332,468	
Hydro One Inc.	3.910	23-Feb-2046	300,000	311,022	319,825	
Hydro One Inc.	5.000	19-Oct-2046	300,000	370,386	378,609	
Hydro One Inc.	3.720	18-Nov-2047	225,000	227,699	233,159	
Hydro One Inc.	4.000	22-Dec-2051	180,000	177,586	193,685	
Hydro One Inc.	3.790	31-Jul-2062	275,000	268,912	283,910	
Hydro Ottawa Holding Inc.	2.614	3-Feb-2025	200,000	199,590	197,489	
Hydro Ottawa Holding Inc.	3.639	2-Feb-2045	200,000	185,800	201,275	
Hydro-Quebec	1.000	25-May-2019	900,000	896,454	890,951	
Hydro-Quebec	11.000	15-Aug-2020	1,322,000	1,860,683	1,624,568	
Hydro-Quebec	10.500	15-Oct-2021	100,000	150,813	130,074	
Hydro-Quebec	9.625	15-Jul-2022	602,000	852,875	793,886	
Hydro-Quebec	6.500	15-Feb-2035	1,723,000	2,524,720	2,565,413	
Hydro-Quebec	6.000	15-Feb-2040	731,000	1,004,612	1,094,060	
Hydro-Quebec	5.000	15-Feb-2045	958,000	1,216,338	1,325,224	
Hydro-Quebec	5.000	15-Feb-2050	1,057,000	1,413,495	1,513,504	
Hydro-Quebec	4.000	15-Feb-2055	850,000	981,822	1,060,589	
IGM Financial Inc.	3.440	26-Jan-2027	450,000	458,900	451,219	
IGM Financial Inc.	6.000	10-Dec-2040	116,000	147,043	147,544	
IGM Financial Inc.	4.560	25-Jan-2047	150,000	151,642	160,602	
IGM Financial Inc.	4.115	9-Dec-2047	105,000	105,000	105,167	
Industrial Alliance Insurance & Financial Services Inc.	2.800	16-May-2024	250,000	253,291	250,830	
Industrial Alliance Insurance & Financial Services Inc.	3.300	15-Sep-2028	330,000	329,918	334,618	
Intact Financial Corp.	5.410	3-Sep-2019	245,000	268,235	257,621	
Intact Financial Corp.	4.700	18-Aug-2021	125,000	134,286	134,199	
Intact Financial Corp.	3.770	2-Mar-2026	125,000	124,979	129,904	
Intact Financial Corp.	2.850	7-Jun-2027	350,000	349,941	336,943	
Intact Financial Corp.	6.400	23-Nov-2039	205,000	257,521	276,602	
Intact Financial Corp.	5.160	16-Jun-2042	175,000	201,110	207,306	
Integrated Team Solutions PCH Partnership	4.875	31-May-2046	198,940	214,994	223,563	
Integrated Team Solutions SJHC Partnership	5.946	30-Nov-2042	102,125	120,990	128,223	
Inter Pipeline Ltd.	3.448	20-Jul-2020	300,000	316,377	307,075	
Inter Pipeline Ltd.	4.967	2-Feb-2021	200,000	221,440	213,714	
Inter Pipeline Ltd.	3.776	30-May-2022	200,000	204,498	207,720	
Inter Pipeline Ltd.	2.608	13-Sep-2023	300,000	302,448	293,049	
Inter Pipeline Ltd.	2.734	18-Apr-2024	320,000	321,556	311,831	
Inter Pipeline Ltd.	3.173	24-Mar-2025	225,000	224,958	222,976	
Inter Pipeline Ltd.	3.484	16-Dec-2026	240,000	240,000	239,278	
Inter Pipeline Ltd.	4.637	30-May-2044	400,000	401,024	422,657	
Inter-American Development Bank	1.875	20-Mar-2020	150,000	149,577	149,709	
Inter-American Development Bank	4.400	26-Jan-2026	897,000	1,026,073	1,008,486	
International Bank for Reconstruction & Development	1.125	11-Mar-2020	1,200,000	1,196,916	1,180,645	
International Bank for Reconstruction & Development	1.250	18-Mar-2021	300,000	297,804	292,630	
Investors Group Inc.	7.000	31-Dec-2032	288,000	375,540	385,739	
John Deere Canada Funding Inc.	1.750	28-Jan-2019	150,000	149,831	149,807	
John Deere Canada Funding Inc.	2.350	24-Jun-2019	200,000	202,541	200,899	
John Deere Canada Funding Inc.	2.050	17-Sep-2020	200,000	201,041	198,642	
John Deere Canada Funding Inc.	1.850	24-Mar-2021	160,000	159,987	157,265	
John Deere Canada Funding Inc.	2.050	13-May-2022	150,000	149,880	147,257	
John Deere Canada Funding Inc.	2.630	21-Sep-2022	200,000	199,916	200,385	
Kingston Solar LP	3.571	31-Jul-2035	96,542	96,542	94,004	
Kraft Canada Inc.	2.700	6-Jul-2020	150,000	150,105	150,485	
KS SP LP / KS SPI LP / ARI SP LP / ARI SPI LP	3.210	15-Jun-2019	88,033	88,033	88,362	
Labrador-Island Link Funding Trust	3.760	1-Jun-2033	400,000	463,197	447,197	
Labrador-Island Link Funding Trust	3.860	1-Dec-2045	500,000	592,715	587,301	
Labrador-Island Link Funding Trust	3.850	1-Dec-2053	700,000	813,703	841,350	
Laurentian Bank of Canada	2.810	13-Jun-2019	200,000	202,424	200,973	
Laurentian Bank of Canada	2.500	23-Jan-2020	280,000	277,687	279,238	
Laurentian Bank of Canada	2.750	22-Apr-2021	225,000	224,521	224,097	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Laurentian Bank of Canada	3.000	12-Sep-2022	300,000	299,472	298,533	
Leisureworld Senior Care LP	3.474	3-Feb-2021	50,000	50,000	51,429	
Loblaw Cos Ltd.	3.748	12-Mar-2019	500,000	524,190	509,918	
Loblaw Cos Ltd.	5.220	18-Jun-2020	250,000	281,625	266,887	
Loblaw Cos Ltd.	4.860	12-Sep-2023	500,000	569,699	548,212	
Loblaw Cos Ltd.	6.450	9-Feb-2028	127,000	157,579	156,192	
Loblaw Cos Ltd.	6.500	22-Jan-2029	150,000	180,320	185,675	
Loblaw Cos Ltd.	6.850	1-Mar-2032	132,000	164,654	171,846	
Loblaw Cos Ltd.	6.540	17-Feb-2033	131,000	158,588	166,230	
Loblaw Cos Ltd.	6.050	9-Jun-2034	150,000	174,000	184,030	
Loblaw Cos Ltd.	6.150	29-Jan-2035	200,000	235,020	247,792	
Loblaw Cos Ltd.	5.900	18-Jan-2036	250,000	286,614	304,315	
Lower Mattagami Energy LP	2.307	21-Oct-2026	270,000	265,503	259,960	
Lower Mattagami Energy LP	5.139	18-May-2041	250,000	310,444	315,987	
Lower Mattagami Energy LP	4.176	23-Feb-2046	300,000	298,895	336,802	
Lower Mattagami Energy LP	4.175	23-Apr-2052	150,000	164,658	166,977	
Magna International Inc.	3.100	15-Dec-2022	350,000	349,955	355,188	
Manitoba Telecom Services Inc.	4.000	27-May-2024	300,000	308,734	315,634	
Manufacturers Life Insurance Co.	2.811	21-Feb-2024	275,000	279,808	277,010	
Manufacturers Life Insurance Co.	2.640	15-Jan-2025	300,000	308,523	301,675	
Manufacturers Life Insurance Co.	2.100	1-Jun-2025	600,000	598,614	595,504	
Manufacturers Life Insurance Co.	3.181	22-Nov-2027	650,000	663,085	663,821	
Manulife Bank of Canada	1.915	1-Sep-2021	200,000	200,462	195,594	
Manulife Bank of Canada	2.082	26-May-2022	350,000	350,368	341,570	
Manulife Finance Delaware LP	5.059	15-Dec-2041	525,000	532,425	594,346	
Manulife Financial Capital Trust II	7.405	31-Dec-2108	679,000	804,514	740,439	
Manulife Financial Corp	3.049	20-Aug-2029	500,000	500,000	496,200	
Maritime Link Financing Trust	3.500	1-Dec-2052	950,000	1,026,460	1,010,886	
MCAP Commercial LP	5.000	14-Dec-2022	150,000	150,000	150,290	
Metro Inc.	3.200	1-Dec-2021	200,000	202,528	203,979	
Metro Inc.	5.970	15-Oct-2035	297,000	339,160	362,987	
Metro Inc.	5.030	1-Dec-2044	225,000	240,572	253,140	
Metro Inc.	4.270	4-Dec-2047	320,000	324,201	320,969	
Metro Inc.	2.680	5-Dec-2022	85,000	84,996	84,471	
Metro Inc.	3.390	6-Dec-2027	340,000	341,207	337,762	
Milit-Air Inc.	5.750	30-Jun-2019	35,165	38,542	36,406	
Morguard Corp	4.013	18-Nov-2020	125,000	125,000	126,725	
Morguard Corp	4.333	15-Sep-2022	100,000	100,000	101,165	
Muskrat Falls / Labrador Transmission Assets Funding Trust	3.630	1-Jun-2029	400,000	436,834	437,040	
Muskrat Falls / Labrador Transmission Assets Funding Trust	3.830	1-Jun-2037	500,000	554,878	571,078	
Muskrat Falls / Labrador Transmission Assets Funding Trust	3.860	1-Dec-2048	750,000	917,243	895,528	
National Bank of Canada	2.404	28-Oct-2019	700,000	714,348	703,665	
National Bank of Canada	1.742	3-Mar-2020	650,000	647,863	643,427	
National Bank of Canada	1.809	26-Jul-2021	500,000	503,549	489,823	
National Bank of Canada	2.105	18-Mar-2022	450,000	446,164	443,097	
National Bank of Canada	1.957	30-Jun-2022	400,000	398,092	390,483	
NAV Canada	5.304	17-Apr-2019	213,000	240,995	221,661	
NAV Canada	4.397	18-Feb-2021	150,000	166,391	159,523	
NAV Canada	7.560	1-Mar-2027	164,500	213,390	199,092	
NAV Canada	7.400	1-Jun-2027	250,000	358,692	345,212	
NAV Canada	3.534	23-Feb-2046	200,000	198,820	215,413	
NBC Asset Trust	7.447	31-Dec-2049	241,000	284,779	264,484	
Newfoundland & Labrador Hydro	3.600	1-Dec-2045	300,000	309,884	318,119	
Nissan Canada Financial Services Inc.	1.584	7-Oct-2019	300,000	300,000	296,698	
Nissan Canada Financial Services Inc.	1.750	9-Apr-2020	300,000	301,179	296,279	
Nissan Canada Financial Services Inc.	2.420	19-Oct-2020	250,000	250,000	250,180	
North West Redwater Partnership / NWR Financing Co Ltd.	2.100	23-Feb-2022	375,000	368,473	367,636	
North West Redwater Partnership / NWR Financing Co Ltd.	3.200	22-Jul-2024	300,000	317,175	305,250	
North West Redwater Partnership / NWR Financing Co Ltd.	2.800	1-Jun-2027	500,000	498,695	484,108	
North West Redwater Partnership / NWR Financing Co Ltd.	4.250	1-Jun-2029	400,000	413,318	434,023	
North West Redwater Partnership / NWR Financing Co Ltd.	4.150	1-Jun-2033	525,000	555,226	565,476	
North West Redwater Partnership / NWR Financing Co Ltd.	4.750	1-Jun-2037	405,000	434,264	464,245	
North West Redwater Partnership / NWR Financing Co Ltd.	4.350	10-Jan-2039	475,000	499,575	515,454	
North West Redwater Partnership / NWR Financing Co Ltd.	3.700	23-Feb-2043	350,000	343,518	346,364	
North West Redwater Partnership / NWR Financing Co Ltd.	4.050	22-Jul-2044	680,000	700,382	710,426	
Northwestconnect Group Partnership	5.950	30-Apr-2041	326,371	397,016	390,652	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Nova Scotia Power Inc.	8.850	19-May-2025	50,000	74,101	68,383	
Nova Scotia Power Inc.	5.670	14-Nov-2035	200,000	251,100	254,498	
Nova Scotia Power Inc.	5.950	27-Jul-2039	159,000	195,590	214,852	
Nova Scotia Power Inc.	5.610	15-Jun-2040	258,000	335,044	336,405	
Nova Scotia Power Inc.	4.150	6-Mar-2042	150,000	164,250	162,837	
Nova Scotia Power Inc.	4.500	20-Jul-2043	250,000	254,047	286,276	
Nova Scotia Power Inc.	3.612	1-May-2045	150,000	151,450	149,083	
OMERS Realty Corp.	3.203	24-Jul-2020	200,000	211,880	204,732	
OMERS Realty Corp.	2.971	5-Apr-2021	200,000	210,378	203,859	
OMERS Realty Corp.	1.823	9-May-2022	200,000	200,000	194,519	
OMERS Realty Corp.	3.358	5-Jun-2023	350,000	375,444	362,910	
OMERS Realty Corp.	2.858	23-Feb-2024	360,000	371,790	362,897	
OMERS Realty Corp.	3.328	12-Nov-2024	250,000	262,638	258,692	
OMERS Realty Corp.	3.244	4-Oct-2027	450,000	450,000	458,183	
Ontario Electricity Financial Corp.	10.000	6-Feb-2020	22,000	31,902	25,631	
Ontario Electricity Financial Corp.	8.900	18-Aug-2022	94,000	133,878	121,057	
Ontario Electricity Financial Corp.	8.500	26-May-2025	100,000	154,365	139,043	
Ontario Electricity Financial Corp.	8.250	22-Jun-2026	796,000	1,197,997	1,126,974	
Ontario Power Generation Inc.	3.315	4-Oct-2027	650,000	659,669	661,008	
Ontario School Boards Financing Corp.	5.483	26-Nov-2029	83,729	88,215	96,532	
Ontario School Boards Financing Corp.	5.070	18-Apr-2031	50,921	51,856	56,139	
Ontario School Boards Financing Corp.	5.376	25-Jun-2032	52,603	55,098	59,315	
OPB Finance Trust	1.880	24-Feb-2022	651,000	642,915	640,376	
OPB Finance Trust	2.900	24-May-2023	100,000	99,931	102,330	
OPB Finance Trust	2.950	2-Feb-2026	275,000	274,857	279,164	
OPB Finance Trust	2.980	25-Jan-2027	510,000	512,385	515,695	
OPB Finance Trust	3.890	4-Jul-2042	400,000	423,812	439,516	
Ottawa MacDonald-Cartier International Airport Authority	3.933	9-Jun-2045	500,000	502,250	526,882	
Pembina Pipeline Corp.	4.890	29-Mar-2021	227,000	243,969	242,150	
Pembina Pipeline Corp.	3.770	24-Oct-2022	300,000	306,770	310,243	
Pembina Pipeline Corp.	2.990	22-Jan-2024	580,000	580,196	571,748	
Pembina Pipeline Corp.	3.540	3-Feb-2025	300,000	302,550	302,375	
Pembina Pipeline Corp.	3.710	11-Aug-2026	400,000	406,898	402,512	
Pembina Pipeline Corp.	4.240	15-Jun-2027	400,000	396,213	415,525	
Pembina Pipeline Corp.	4.750	30-Apr-2043	300,000	314,400	304,240	
Pembina Pipeline Corp.	4.740	21-Jan-2047	480,000	472,399	486,293	
Penske Truck Leasing Canada Inc.	2.950	12-Jun-2020	100,000	100,794	100,895	
Penske Truck Leasing Canada Inc.	2.850	7-Dec-2022	185,000	184,991	184,854	
Plenary Health Bridgepoint LP	7.246	31-Aug-2042	242,788	334,253	344,254	
Plenary Health Care Partnerships Humber LP	4.895	31-May-2039	285,410	315,378	323,657	
Plenary Health Care Partnerships Humber LP	4.822	30-Nov-2044	200,000	218,696	233,999	
Plenary Properties LTAP LP	6.288	31-Jan-2044	489,521	623,769	654,258	
Power Corp of Canada	7.570	22-Apr-2019	241,000	292,524	256,392	
Power Corp of Canada	8.570	22-Apr-2039	100,000	149,180	159,738	
Power Corp of Canada	4.810	31-Jan-2047	325,000	355,738	360,871	
Power Financial Corp	6.900	11-Mar-2033	199,000	258,638	268,620	
PSP Capital Inc.	3.030	22-Oct-2020	690,000	732,235	709,764	
PSP Capital Inc.	1.340	18-Aug-2021	1,150,000	1,141,062	1,119,648	
PSP Capital Inc.	1.730	21-Jun-2022	1,300,000	1,300,000	1,273,125	
PSP Capital Inc.	2.090	22-Nov-2023	885,000	883,411	871,659	
PSP Capital Inc.	3.290	4-Apr-2024	900,000	966,348	946,167	
Reliance LP	5.187	15-Mar-2019	150,000	156,788	154,476	
Reliance LP	3.813	15-Sep-2020	200,000	201,014	203,710	
Reliance LP	4.075	2-Aug-2021	200,000	200,000	205,195	
Reliance LP	3.836	15-Mar-2025	300,000	299,994	299,560	
RioCan Real Estate Investment Trust	3.850	28-Jun-2019	200,000	209,692	204,569	
RioCan Real Estate Investment Trust	3.620	1-Jun-2020	100,000	100,195	102,572	
RioCan Real Estate Investment Trust	2.185	26-Aug-2020	150,000	150,000	148,647	
RioCan Real Estate Investment Trust	2.194	9-Apr-2021	250,000	250,690	246,322	
RioCan Real Estate Investment Trust	3.716	13-Dec-2021	200,000	211,876	206,429	
RioCan Real Estate Investment Trust	3.746	30-May-2022	200,000	201,070	206,763	
RioCan Real Estate Investment Trust	2.830	3-Oct-2022	140,000	139,996	139,029	
RioCan Real Estate Investment Trust	3.725	18-Apr-2023	200,000	201,772	205,866	
RioCan Real Estate Investment Trust	3.287	12-Feb-2024	200,000	201,606	200,297	
Rogers Communications Inc.	2.800	13-Mar-2019	250,000	256,318	252,245	
Rogers Communications Inc.	5.380	4-Nov-2019	321,000	358,641	339,223	

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Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Rogers Communications Inc.	4.700	29-Sep-2020	600,000	653,033	636,802	
Rogers Communications Inc.	5.340	22-Mar-2021	958,000	1,091,401	1,042,182	
Rogers Communications Inc.	4.000	6-Jun-2022	400,000	429,440	422,654	
Rogers Communications Inc.	4.000	13-Mar-2024	420,000	432,092	444,951	
Rogers Communications Inc.	6.680	4-Nov-2039	400,000	509,312	538,531	
Rogers Communications Inc.	6.110	25-Aug-2040	552,000	652,126	700,290	
Rogers Communications Inc.	6.560	22-Mar-2041	200,000	265,900	266,920	
Royal Bank of Canada	1.400	26-Apr-2019	1,300,000	1,301,972	1,291,823	
Royal Bank of Canada	2.980	7-May-2019	575,000	597,740	582,258	
Royal Bank of Canada	2.350	9-Dec-2019	950,000	965,772	953,735	
Royal Bank of Canada	1.920	17-Jul-2020	1,550,000	1,548,904	1,537,027	
Royal Bank of Canada	2.860	4-Mar-2021	1,200,000	1,241,718	1,218,099	
Royal Bank of Canada	2.030	15-Mar-2021	1,650,000	1,663,781	1,632,577	
Royal Bank of Canada	1.650	15-Jul-2021	1,150,000	1,150,337	1,121,106	
Royal Bank of Canada	1.583	13-Sep-2021	1,290,000	1,283,219	1,251,487	
Royal Bank of Canada	1.968	2-Mar-2022	1,500,000	1,492,143	1,469,733	
Royal Bank of Canada	2.000	21-Mar-2022	1,000,000	1,001,740	980,921	
Royal Bank of Canada	2.360	5-Dec-2022	1,455,000	1,453,634	1,440,829	
Royal Bank of Canada	2.333	5-Dec-2023	910,000	908,386	894,677	
Royal Bank of Canada	2.990	6-Dec-2024	1,325,000	1,358,099	1,342,429	
Royal Bank of Canada	4.930	16-Jul-2025	475,000	563,066	543,643	
Royal Office Finance LP	5.209	12-Nov-2032	644,199	789,375	779,582	
Saputo Inc.	2.654	26-Nov-2019	200,000	203,163	201,690	
Saputo Inc.	2.196	23-Jun-2021	250,000	250,000	247,588	
Saputo Inc.	1.939	13-Jun-2022	150,000	150,000	145,515	
Saputo Inc.	2.827	21-Nov-2023	200,000	200,000	199,573	
Scotiabank Capital Trust	5.650	31-Dec-2056	478,000	571,341	587,667	
Scotiabank Tier I Trust	7.802	30-Jun-2108	450,000	514,485	483,397	
Sea To Sky Highway Investment LP	2.629	31-Aug-2030	348,026	348,012	336,328	
Shaw Communications Inc.	5.650	1-Oct-2019	769,000	856,320	813,231	
Shaw Communications Inc.	5.500	7-Dec-2020	369,000	417,774	400,215	
Shaw Communications Inc.	3.150	19-Feb-2021	200,000	203,590	203,597	
Shaw Communications Inc.	4.350	31-Jan-2024	400,000	412,566	426,550	
Shaw Communications Inc.	3.800	1-Mar-2027	210,000	213,964	214,253	
Shaw Communications Inc.	6.750	9-Nov-2039	963,000	1,165,515	1,242,107	
Sinai Health System/Canada	3.527	9-Jun-2056	250,000	250,000	246,114	
Smart Real Estate Investment Trust	3.749	11-Feb-2021	125,000	131,175	128,693	
Smart Real Estate Investment Trust	2.876	21-Mar-2022	100,000	100,009	99,499	
Smart Real Estate Investment Trust	3.730	22-Jul-2022	100,000	100,289	102,637	
Smart Real Estate Investment Trust	3.985	30-May-2023	100,000	99,750	103,436	
Smart Real Estate Investment Trust	3.556	6-Feb-2025	100,000	100,410	99,830	
Smart Real Estate Investment Trust	3.444	28-Aug-2026	380,000	380,247	370,859	
SmartCentres Real Estate Investment Trust	3.834	21-Dec-2027	285,000	284,248	283,183	
SNC-Lavalin Group Inc.	6.190	3-Jul-2019	193,000	217,796	203,467	
SNC-Lavalin Group Inc.	2.689	24-Nov-2020	250,000	250,768	249,982	
SNC-Lavalin Innisfree McGill Finance Inc.	6.632	30-Jun-2044	543,766	689,762	705,243	
Societe en commandite CE sebastopol	4.141	31-Jul-2047	100,000	100,000	102,434	
South Coast British Columbia Transportation Authority	3.800	2-Nov-2020	209,000	228,547	218,559	
South Coast British Columbia Transportation Authority	3.050	4-Jun-2025	200,000	201,992	204,600	
South Coast British Columbia Transportation Authority	4.450	9-Jun-2044	250,000	290,710	305,844	
South Coast British Columbia Transportation Authority	3.850	9-Feb-2052	250,000	270,851	283,805	
SSL Finance Inc. / SSL Financement Inc.	4.099	31-Oct-2045	250,000	250,000	262,850	
Sun Life Capital Trust II	5.863	31-Dec-2108	330,000	381,261	349,953	
Sun Life Financial Inc.	5.700	2-Jul-2019	180,000	203,842	189,372	
Sun Life Financial Inc.	4.570	23-Aug-2021	300,000	327,012	321,487	
Sun Life Financial Inc.	2.770	13-May-2024	150,000	151,390	150,730	
Sun Life Financial Inc.	2.600	25-Sep-2025	150,000	154,008	150,080	
Sun Life Financial Inc.	3.100	19-Feb-2026	500,000	503,755	506,902	
Sun Life Financial Inc.	3.050	19-Sep-2028	725,000	732,541	728,013	
Sun Life Financial Inc.	5.400	29-May-2042	268,000	303,407	323,190	
Sun Life Financial Inc.	2.750	23-Nov-2027	200,000	199,916	198,868	
Suncor Energy Inc.	3.100	26-Nov-2021	500,000	521,456	510,605	
Suncor Energy Inc.	3.000	14-Sep-2026	585,000	582,443	576,926	
Suncor Energy Inc.	5.390	26-Mar-2037	321,000	361,836	381,945	
Suncor Energy Inc.	4.340	13-Sep-2046	235,000	234,765	249,781	
TD Capital Trust III	7.243	31-Dec-2049	300,000	360,312	315,157	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
TD Capital Trust IV	9.523	30-Jun-2049	300,000	339,042	329,074	
TD Capital Trust IV	6.631	30-Jun-2108	562,000	690,097	629,417	
TD Capital Trust IV	10.000	30-Jun-2108	350,000	485,280	449,854	
TELUS Corp.	10.650	19-Jun-2021	30,000	42,763	37,697	
TELUS Corp.	9.650	8-Apr-2022	75,000	102,097	94,941	
TELUS Corp.	5.050	4-Dec-2019	650,000	713,698	684,620	
TELUS Corp.	5.050	23-Jul-2020	721,000	800,765	769,079	
TELUS Corp.	3.600	26-Jan-2021	400,000	420,711	413,388	
TELUS Corp.	3.200	5-Apr-2021	375,000	382,829	382,915	
TELUS Corp.	2.350	28-Mar-2022	850,000	849,151	840,156	
TELUS Corp.	3.350	1-Apr-2024	725,000	741,646	738,291	
TELUS Corp.	3.750	17-Jan-2025	550,000	576,811	570,476	
TELUS Corp.	3.750	10-Mar-2026	380,000	384,919	391,224	
TELUS Corp.	4.400	1-Apr-2043	400,000	398,660	399,540	
TELUS Corp.	5.150	26-Nov-2043	350,000	373,520	388,784	
TELUS Corp.	4.850	5-Apr-2044	605,000	617,404	644,787	
TELUS Corp.	4.750	17-Jan-2045	300,000	301,470	315,445	
TELUS Corp.	4.400	29-Jan-2046	300,000	287,729	299,014	
TELUS Corp.	4.700	6-Mar-2048	200,000	212,542	209,907	
Teranet Holdings LP	4.807	16-Dec-2020	450,000	495,751	470,947	
Teranet Holdings LP	3.646	18-Nov-2022	150,000	150,878	151,034	
Teranet Holdings LP	5.754	17-Dec-2040	300,000	326,620	319,242	
Teranet Holdings LP	6.100	17-Jun-2041	221,000	259,154	244,285	
Thomson Reuters Corp.	3.369	23-May-2019	375,000	388,819	381,122	
Thomson Reuters Corp.	4.350	30-Sep-2020	529,000	575,237	555,996	
Thomson Reuters Corp.	3.309	12-Nov-2021	350,000	361,002	358,765	
TMX Group Ltd.	4.461	3-Oct-2023	200,000	209,671	215,469	
TMX Group Ltd.	2.997	11-Dec-2024	200,000	200,530	198,675	
Toromont Industries Ltd.	3.710	30-Sep-2025	125,000	125,000	127,972	
Toromont Industries Ltd.	3.842	27-Oct-2027	300,000	300,000	307,134	
Toronto Hydro Corp.	4.490	12-Nov-2019	177,000	199,001	184,725	
Toronto Hydro Corp.	3.540	18-Nov-2021	300,000	323,650	313,802	
Toronto Hydro Corp.	2.910	10-Apr-2023	200,000	208,020	204,250	
Toronto Hydro Corp.	2.520	25-Aug-2026	100,000	99,984	98,273	
Toronto Hydro Corp.	5.540	21-May-2040	200,000	250,372	264,387	
Toronto Hydro Corp.	4.080	16-Sep-2044	50,000	49,974	55,356	
Toronto Hydro Corp.	3.550	28-Jul-2045	200,000	199,100	202,753	
Toronto Hydro Corp.	3.960	9-Apr-2063	200,000	218,540	218,170	
Toronto Hydro Corp.	3.485	28-Feb-2048	45,000	44,968	45,264	
The Toronto-Dominion Bank	2.447	2-Apr-2019	1,250,000	1,280,460	1,257,671	
The Toronto-Dominion Bank	1.693	2-Apr-2020	1,000,000	1,000,669	988,729	
The Toronto-Dominion Bank	2.563	24-Jun-2020	950,000	969,580	957,721	
The Toronto-Dominion Bank	2.045	8-Mar-2021	1,005,000	1,008,282	996,468	
The Toronto-Dominion Bank	1.680	8-Jun-2021	1,150,000	1,152,523	1,126,797	
The Toronto-Dominion Bank	2.621	22-Dec-2021	2,000,000	2,052,437	2,015,595	
The Toronto-Dominion Bank	1.994	23-Mar-2022	910,000	910,113	893,681	
The Toronto-Dominion Bank	1.909	18-Jul-2023	1,430,000	1,415,207	1,379,430	
The Toronto-Dominion Bank	3.226	24-Jul-2024	1,325,000	1,390,713	1,368,525	
The Toronto-Dominion Bank	9.150	26-May-2025	14,000	19,861	19,548	
The Toronto-Dominion Bank	3.224	25-Jul-2029	1,115,000	1,115,000	1,114,721	
Toyota Credit Canada Inc.	2.250	23-May-2019	250,000	252,176	250,770	
Toyota Credit Canada Inc.	2.480	19-Nov-2019	200,000	199,972	201,286	
Toyota Credit Canada Inc.	1.800	19-Feb-2020	400,000	399,721	396,806	
Toyota Credit Canada Inc.	2.050	20-May-2020	200,000	198,816	199,162	
Toyota Credit Canada Inc.	2.200	25-Feb-2021	200,000	200,740	199,158	
Toyota Credit Canada Inc.	1.750	21-Jul-2021	200,000	199,538	195,673	
Toyota Credit Canada Inc.	2.020	28-Feb-2022	400,000	401,178	393,077	
Toyota Credit Canada Inc.	2.350	18-Jul-2022	400,000	399,919	397,372	
Toyota Credit Canada Inc.	2.620	11-Oct-2022	280,000	282,038	280,794	
TransAlta Corp.	6.400	18-Nov-2019	200,000	206,469	211,437	
TransAlta Corp.	5.000	25-Nov-2020	400,000	412,116	415,490	
TransAlta Corp.	7.300	22-Oct-2029	192,000	213,002	209,476	
TransAlta Corp.	6.900	15-Nov-2030	221,000	175,229	235,159	
TransCanada PipeLines Ltd.	3.650	15-Nov-2021	400,000	419,109	418,976	
TransCanada PipeLines Ltd.	3.690	19-Jul-2023	700,000	733,418	737,215	
TransCanada PipeLines Ltd.	3.300	17-Jul-2025	800,000	811,059	823,377	

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
TransCanada PipeLines Ltd.	8.290	5-Feb-2026	31,000	40,764	42,045	
TransCanada PipeLines Ltd.	7.900	15-Apr-2027	114,000	145,982	154,268	
TransCanada PipeLines Ltd.	3.390	15-Mar-2028	60,000	59,974	61,478	
TransCanada PipeLines Ltd.	6.280	26-May-2028	300,000	368,355	370,748	
TransCanada PipeLines Ltd.	6.500	9-Dec-2030	27,000	30,861	34,458	
TransCanada PipeLines Ltd.	8.050	17-Feb-2039	300,000	477,789	472,930	
TransCanada PipeLines Ltd.	4.550	15-Nov-2041	625,000	628,393	690,778	
TransCanada PipeLines Ltd.	4.350	6-Jun-2046	450,000	469,016	483,618	
TransCanada PipeLines Ltd.	4.330	16-Sep-2047	565,000	581,076	604,870	
TransCanada Trust	4.650	18-May-2077	1,400,000	1,408,495	1,398,511	
Transcontinental Inc.	3.897	13-May-2019	100,000	100,000	101,407	
TransED Partners GP	3.951	30-Sep-2050	300,000	277,473	294,918	
Union Gas Ltd.	2.760	2-Jun-2021	200,000	203,314	202,975	
Union Gas Ltd.	4.850	25-Apr-2022	50,000	56,903	54,929	
Union Gas Ltd.	3.790	10-Jul-2023	300,000	322,485	318,312	
Union Gas Ltd.	3.190	17-Sep-2025	275,000	277,229	283,347	
Union Gas Ltd.	8.650	10-Nov-2025	32,000	44,590	44,453	
Union Gas Ltd.	6.050	2-Sep-2038	100,000	127,050	137,162	
Union Gas Ltd.	5.200	23-Jul-2040	53,000	64,553	66,938	
Union Gas Ltd.	4.880	21-Jun-2041	400,000	464,493	486,067	
Union Gas Ltd.	4.200	2-Jun-2044	250,000	262,896	279,968	
Union Gas Ltd.	3.800	1-Jun-2046	435,000	448,457	457,743	
Union Gas Ltd.	2.880	22-Nov-2027	210,000	209,855	209,807	
Union Gas Ltd.	3.590	22-Nov-2047	100,000	99,836	101,463	
University of Ottawa	3.256	12-Oct-2056	150,000	150,000	145,880	
Vancouver Airport Authority	7.425	7-Dec-2026	200,000	293,678	274,035	
Vancouver Airport Authority	3.857	10-Nov-2045	150,000	150,000	169,809	
Ventas Canada Finance Ltd.	3.000	30-Sep-2019	250,000	253,132	252,937	
Ventas Canada Finance Ltd.	3.300	1-Feb-2022	100,000	99,992	101,681	
Ventas Canada Finance Ltd.	2.550	15-Mar-2023	300,000	294,348	293,570	
Ventas Canada Finance Ltd.	4.125	30-Sep-2024	200,000	208,949	209,837	
Veresen Inc.	3.060	13-Jun-2019	325,000	333,195	328,096	
Veresen Inc.	3.430	10-Nov-2021	160,000	159,946	163,458	
VW Credit Canada Inc.	2.500	1-Oct-2019	250,000	255,915	250,915	
VW Credit Canada Inc.	2.150	24-Jun-2020	350,000	346,039	347,763	
Wells Fargo Canada Corp.	2.944	25-Jul-2019	1,050,000	1,085,533	1,063,810	
Wells Fargo Canada Corp.	3.040	29-Jan-2021	800,000	836,762	815,005	
Wells Fargo Canada Corp.	3.460	24-Jan-2023	300,000	311,223	311,756	
West Edmonton Mall Property Inc.	4.056	13-Feb-2024	445,987	469,953	451,521	
Westcoast Energy Inc.	5.600	16-Jan-2019	325,000	366,192	336,438	
Westcoast Energy Inc.	9.900	10-Jan-2020	50,000	71,720	56,958	
Westcoast Energy Inc.	4.570	2-Jul-2020	200,000	216,940	210,440	
Westcoast Energy Inc.	3.883	28-Oct-2021	100,000	104,090	104,803	
Westcoast Energy Inc.	3.120	5-Dec-2022	200,000	210,194	203,941	
Westcoast Energy Inc.	3.430	12-Sep-2024	250,000	251,466	257,735	
Westcoast Energy Inc.	7.300	18-Dec-2026	250,000	334,330	319,766	
Westcoast Energy Inc.	7.150	20-Mar-2031	237,000	320,935	311,788	
Westcoast Energy Inc.	4.791	28-Oct-2041	200,000	214,318	221,562	
WestJet Airlines Ltd.	3.287	23-Jul-2019	300,000	303,701	303,682	
Winnipeg Airport Authority Inc.	4.569	20-Nov-2019	250,000	275,520	260,460	
				323,835,535	322,701,359	30.37
Total Bonds				1,067,272,292	1,054,573,654	99.26
Total Investments				1,067,272,292	1,054,573,654	99.26
Other Assets less Liabilities					7,867,030	0.74
Total Net Assets					1,062,440,684	100.00

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

Sun Life BlackRock Canadian Universe Bond Fund (continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life BlackRock Canadian Universe Bond Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which 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	40.05	40.79
AA/Aa	16.19	12.46
A/A	31.73	35.35
BBB/Bbb	10.70	10.60
BB/Bb	-	0.13
Not Rated	0.59	-
Total	99.26	99.33

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 holds assets and liabilities, including cash and cash equivalents that are denominated primarily in the Canadian Dollar, the functional currency of the Fund. As a result, the Fund did not have any significant exposure to currency risk.

(ii) Interest rate risk

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	-	464,459,504	590,114,150	1,054,573,654
December 31, 2016	-	381,976,792	491,595,658	873,572,450

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 Units of the Fund would have decreased or increased respectively by \$116,231,973 (\$94,586,050 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 Fund.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Bonds		
Federal Bonds	35.0	34.9
Provincial Bonds	32.1	31.8
Municipal Bonds	1.8	1.7
Corporate Bonds	30.4	30.9
Other Assets less Liabilities	0.7	0.7
Total	100.0	100.0

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

Sun Life BlackRock Canadian Universe Bond Fund (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 (\$)
Bonds	-	1,054,573,654	-	1,054,573,654
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	-	873,572,450	-	873,572,450

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Bonds have been classified as Level 2.

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$2,993,446 (\$nil as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

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	1,054,573,654	873,572,450
Total financial assets at fair value through profit or loss	1,054,573,654	873,572,450
Financial assets at amortized cost		
Cash	4,084,095	82,923
Other receivables	6,316,987	18,072,240
Total financial assets at amortized cost	10,401,082	18,155,163
Total assets	1,064,974,736	891,727,613
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	2,534,052	12,190,009
Total liabilities (excluding net assets attributable to holders of redeemable units)	2,534,052	12,190,009

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	21,670,729	22,632,604
Total net gains (losses)	21,670,729	22,632,604

Establishment of the Fund

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

	Date of creation	Date available for sale
Series I Units	April 07, 2011	April 15, 2011

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

Sun Life Dynamic American Fund

(formerly Sun Life Dynamic American Value Fund)

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)	4,191,311	2,550,893
Short-term investments	-	-
Cash	-	48,190
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	7,515	500
Accrued interest	-	-
Dividends receivable	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	48,625	8,015
	4,247,451	2,607,598
Liabilities		
Current Liabilities		
Bank indebtedness	7,151	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	116	295
Redemptions payable	3,153	500
Distributions payable	-	-
Due to investment dealers	48,646	54,078
Management fees payable	601	2,061
Total liabilities (excluding net assets attributable to holders of redeemable units)	59,667	56,934
Net Assets Attributable to Holders of Redeemable Units	4,187,784	2,550,664
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	1,075,752	996,098
Series T5	13,104	11,702
Series T8	17,685	16,375
Series E	-	-
Series F	41,531	11,956
Series I	2,872,621	1,417,694
Series O	167,091	96,839
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	11.23	10.30
Series T5	15.89	15.29
Series T8	15.03	14.85
Series E	-	-
Series F	11.11	10.51
Series I	11.43	10.75
Series O	11.41	10.72

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		
Dividend income	-	-
Interest income for distribution purposes	2	22
Distributions from underlying funds	327,337	-
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	78,126	(3,545)
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	16,150	203,359
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	421,615	199,836
Net gain (loss) on foreign exchange	-	-
Other income	-	-
Total income (loss)	421,615	199,836
Expenses (note 5)		
Management fees	24,444	18,611
Administration fees	4,015	2,535
Independent review committee fees	28	11
Withholding tax	-	-
Transaction costs (note 2)	-	-
Total operating expenses	28,487	21,157
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	393,128	178,679
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	393,128	178,679
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	131,393	68,653
Series T5	1,348	531
Series T8	1,810	787
Series E	-	(12,081)
Series F	1,335	319
Series I	241,796	116,306
Series O	15,446	4,164
Weighted Average Number of Units Outstanding		
Series A	99,933	86,080
Series T5	784	743
Series T8	1,110	1,044
Series E	-	14,084
Series F	1,331	1,217
Series I	179,226	95,338
Series O	12,387	4,184

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

Sun Life Dynamic American Fund (continued)

(formerly Sun Life Dynamic American Value Fund)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.31	0.80
Series T5	1.72	0.71
Series T8	1.63	0.75
Series E	-	(0.86)
Series F	1.00	0.26
Series I	1.35	1.22
Series O	1.25	1.00

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

For the periods ended December 31

	Series A		Series T5		Series T8		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 996,098	534,589	11,702	11,168	16,375	15,754	-	121,504
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 131,393	68,653	1,348	531	1,810	787	-	(12,081)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 496,546	498,002	55	-	-	2,800	-	20,000
Redemption of redeemable units	\$ (548,259)	(105,186)	-	-	(500)	(2,970)	-	(129,419)
Reinvestment of distributions to holders of redeemable units	\$ 23,066	372	907	600	1,662	1,317	-	4
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (28,647)	393,188	962	600	1,162	1,147	-	(109,415)
Distributions to Holders of Redeemable Units								
From capital gains	\$ (22,648)	-	(325)	-	(424)	-	-	-
From net investment income	\$ (444)	(332)	(159)	(597)	(424)	(1,313)	-	(8)
Return of capital	\$ -	-	(424)	-	(814)	-	-	-
	\$ (23,092)	(332)	(908)	(597)	(1,662)	(1,313)	-	(8)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 79,654	461,509	1,402	534	1,310	621	-	(121,504)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 1,075,752	996,098	13,104	11,702	17,685	16,375	-	-
Redeemable Unit Transactions								
Balance - beginning of period	96,674	54,256	765	724	1,102	1,017	-	12,363
Units issued	45,224	53,377	3	-	-	192	-	2,043
Units issued on reinvestment of distributions	2,013	39	57	41	108	92	-	-
Units redeemed	(48,138)	(10,998)	-	-	(34)	(199)	-	(14,406)
Balance - end of period	95,773	96,674	825	765	1,176	1,102	-	-

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

Sun Life Dynamic American Fund (continued)

(formerly Sun Life Dynamic American Value Fund)

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

For the periods ended December 31

	Series F		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 11,956	16,803	1,417,694	605,036	96,839	16,044	2,550,664	1,320,898
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 1,335	319	241,796	116,306	15,446	4,164	393,128	178,679
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 28,240	-	1,405,256	765,414	112,573	77,288	2,042,670	1,363,504
Redemption of redeemable units	\$ -	(5,168)	(192,125)	(69,062)	(57,767)	(657)	(798,651)	(312,462)
Reinvestment of distributions to holders of redeemable units	\$ 2,607	27	194,602	-	11,006	-	233,850	2,320
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 30,847	(5,141)	1,407,733	696,352	65,812	76,631	1,477,869	1,053,362
Distributions to Holders of Redeemable Units								
From capital gains	\$ (2,571)	-	(194,602)	-	(11,006)	-	(231,576)	-
From net investment income	\$ (36)	(25)	-	-	-	-	(1,063)	(2,275)
Return of capital	\$ -	-	-	-	-	-	(1,238)	-
	\$ (2,607)	(25)	(194,602)	-	(11,006)	-	(233,877)	(2,275)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 29,575	(4,847)	1,454,927	812,658	70,252	80,795	1,637,120	1,229,766
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 41,531	11,956	2,872,621	1,417,694	167,091	96,839	4,187,784	2,550,664
Redeemable Unit Transactions								
Balance - beginning of period	1,138	1,689	131,840	60,251	9,030	1,599	240,549	131,899
Units issued	2,372	-	118,767	78,338	9,371	7,498	175,737	141,448
Units issued on reinvestment of distributions	230	3	16,691	-	945	-	20,044	175
Units redeemed	-	(554)	(15,897)	(6,749)	(4,703)	(67)	(68,772)	(32,973)
Balance - end of period	3,740	1,138	251,401	131,840	14,643	9,030	367,558	240,549

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

Sun Life Dynamic American Fund (continued)

(formerly Sun Life Dynamic American Value Fund)

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 units from operations (excluding distributions)	393,128	178,679
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(78,126)	3,545
Change in unrealized (appreciation) depreciation in value of investments	(16,150)	(203,359)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(327,337)	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(1,811,406)	(1,150,697)
Proceeds from sale of investments	580,154	175,279
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(1,460)	1,763
Change in other payables and accrued expenses	(179)	258
Net Cash Provided by (Used in) Operating Activities	(1,261,376)	(994,532)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(27)	45
Proceeds from redeemable units issued	2,002,060	1,358,648
Redemption of redeemable units	(795,998)	(311,962)
Net Cash Provided by (Used in) Financing Activities	1,206,035	1,046,731
Net increase (decrease) in cash	(55,341)	52,199
Cash (bank indebtedness) at beginning of period	48,190	(4,009)
Cash (bank indebtedness) at end of period	(7,151)	48,190
Dividends received, net of withholding taxes	-	-
Interest received, net of withholding taxes	2	22
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Mutual Funds				
Dynamic American Fund, Series O	343,832	4,030,000	4,191,311	
		4,030,000	4,191,311	100.08
Total Investments		4,030,000	4,191,311	100.08
Other Assets less Liabilities			(3,527)	(0.08)
Total Net Assets			4,187,784	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Dynamic American Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks 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 underlying externally managed funds.

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 holds assets and liabilities indirectly through underlying externally 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 accompanying notes are an integral part of the financial statements.

Sun Life Dynamic American Fund (continued)

(formerly Sun Life Dynamic American Value Fund)

(ii) Interest rate risk

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

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Equities		
Information Technology	30.3	25.7
Industrials	23.9	35.0
Health Care	15.5	9.8
Consumer Discretionary	12.7	-
Financials	11.6	20.5
Materials	6.1	8.8
Other Assets less Liabilities	(0.1)	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	4,191,311	-	-	4,191,311

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	2,550,893	-	-	2,550,893

There were no transfers between fair value levels 1 and 2 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 \$81,709 (\$nil for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated non-capital losses of \$nil (\$19,009 as at December 31, 2016). The non-capital losses for tax purposes are available for carry forward until the year ending 2036.

The Fund had no accumulated capital losses.

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	
	Units	Market Value (\$)
Series A	-	-
Series F	1,214	13,486
Series I	1,219	13,934
Series O	-	-
Series T5	821	13,050
Series T8	868	13,056

	December 31, 2016	
	Units	Market Value (\$)
Series A	11,369	117,138
Series F	1,138	11,957
Series I	1,137	12,228
Series O	1,116	11,970
Series T5	765	11,702
Series T8	788	11,705

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

Sun Life Dynamic American Fund (continued)

(formerly Sun Life Dynamic American Value Fund)

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	269	131,411	-
Series E	-	-	-
Series F	33	-	835
Series I	-	-	959
Series O	-	13,275	-
Series T5	32	-	871
Series T8	32	-	1,201

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	10,219	-	265
Series E	-	10,219	1
Series F	-	-	27
Series I	-	-	-
Series O	-	94	-
Series T5	-	-	600
Series T8	-	-	958

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at December 31, 2017 and December 31, 2016, SLA held the following position in the Fund:

	December 31, 2017	
	Units	Market Value (\$)
	Series I	42,679

	December 31, 2016	
	Units	Market Value (\$)
	Series I	39,802

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	-	33,548

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	-	-

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and 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 underlying funds.

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	4,191,311	2,550,893
Total financial assets at fair value through profit or loss	4,191,311	2,550,893
Financial assets at amortized cost		
Cash	-	48,190
Other receivables	56,140	8,515
Total financial assets at amortized cost	56,140	56,705
Total assets	4,247,451	2,607,598
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	59,667	56,934
Total liabilities (excluding net assets attributable to holders of redeemable units)	59,667	56,934

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	421,615	199,836
Total net gains (losses)	421,615	199,836

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

Sun Life Dynamic American Fund (continued)

(formerly Sun Life Dynamic American Value Fund)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	January 29, 2015	February 02, 2015
Series T5 Units	January 29, 2015	February 02, 2015
Series T8 Units	January 29, 2015	February 02, 2015
Series F Units	January 29, 2015	February 02, 2015
Series I Units	January 29, 2015	February 02, 2015
Series O Units	January 29, 2015	February 02, 2015

Effective February 5, 2016, all Series E units were re-designated to Series A units 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.

Fund Name Change

Effective February 10, 2017, the Fund changed its name from the Sun Life Dynamic American Value Fund to the Sun Life Dynamic American Fund.

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

Sun Life Dynamic Energy Fund

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)	13,982,458	58,611,829
Short-term investments	-	-
Cash	1,116,187	11,906,790
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	29,285	-
Unrealized appreciation on swaps	13,618	397,168
Due from investment dealers	-	-
Accrued interest	-	-
Dividends receivable	62,490	132,995
Distributions receivable from underlying funds	-	-
Subscriptions receivable	6,732	200,400
	15,210,770	71,249,182
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	7,704	127,923
Unrealized depreciation on swaps	246	2,721
Accrued expenses	421	4,122
Redemptions payable	7,892	300
Distributions payable	-	-
Due to investment dealers	-	-
Management fees payable	2,105	7,064
Total liabilities (excluding net assets attributable to holders of redeemable units)	18,368	142,130
Net Assets Attributable to Holders of Redeemable Units	15,192,402	71,107,052
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	4,129,577	3,650,073
Series T5	11,811	11,325
Series T8	111,033	98,717
Series E	-	-
Series EF	-	-
Series F	266,048	197,615
Series I	10,144,227	66,256,442
Series O	529,706	892,880
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	9.48	11.11
Series T5	12.81	15.96
Series T8	11.74	15.20
Series E	-	-
Series EF	-	-
Series F	9.67	11.21
Series I	9.84	11.29
Series O	9.82	11.27

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		
Dividend income	1,190,969	1,166,113
Interest income for distribution purposes	3,463	610
Distributions from underlying funds	-	-
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	(4,715,460)	2,012,444
Net realized gain (loss) on futures contracts	(18,570)	-
Net realized gain (loss) on currency forward contracts	429,991	(676,400)
Net realized gain (loss) on option contracts	-	3,008
Net realized gain (loss) on swaps	(2,242,376)	771,794
Change in unrealized appreciation (depreciation) in value of investments	(12,794,021)	16,759,986
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	149,504	(106,270)
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	(381,075)	497,851
Net gains (losses) on investments	(18,377,575)	20,429,136
Net gain (loss) on foreign exchange	76,574	82,820
Other income	-	-
Total income (loss)	(18,301,001)	20,511,956
Expenses (note 5)		
Management fees	83,652	44,019
Administration fees	45,102	39,728
Independent review committee fees	97	391
Withholding tax	37,610	32,701
Transaction costs (note 2)	246,269	116,135
Total operating expenses	412,730	232,974
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	(18,713,731)	20,278,982
Finance Cost		
Interest expense	(468)	(85)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	(18,714,199)	20,278,897
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	(625,222)	591,430
Series T5	(1,813)	2,607
Series T8	(3,310)	16,790
Series E	-	(4,800)
Series EF	-	(335)
Series F	(35,498)	27,317
Series I	(17,945,991)	19,450,689
Series O	(102,365)	195,199
Weighted Average Number of Units Outstanding		
Series A	423,626	207,143
Series T5	865	692
Series T8	6,273	4,568
Series E	-	13,968
Series EF	-	1,003
Series F	24,617	9,873
Series I	6,346,723	6,060,017
Series O	61,887	62,888

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

Sun Life Dynamic Energy Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	(1.48)	2.86
Series T5	(2.10)	3.77
Series T8	(0.53)	3.68
Series E	-	(0.34)
Series EF	-	(0.33)
Series F	(1.44)	2.77
Series I	(2.83)	3.21
Series O	(1.65)	3.10

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

For the periods ended December 31

	Series A		Series T5		Series T8		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 3,650,073	339,486	11,325	8,721	98,717	8,721	-	125,641
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ (625,222)	591,430	(1,813)	2,607	(3,310)	16,790	-	(4,800)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 2,449,830	3,073,816	2,300	(5)	153,241	73,407	-	6,192
Redemption of redeemable units	\$ (1,345,117)	(354,839)	-	-	(137,057)	-	-	(127,029)
Reinvestment of distributions to holders of redeemable units	\$ 713	55,452	726	471	7,270	4,708	-	3
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,105,426	2,774,429	3,026	466	23,454	78,115	-	(120,834)
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ (700)	(55,272)	(373)	(115)	(4,119)	(1,200)	-	(7)
Return of capital	\$ -	-	(354)	(354)	(3,709)	(3,709)	-	-
	\$ (700)	(55,272)	(727)	(469)	(7,828)	(4,909)	-	(7)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 479,504	3,310,587	486	2,604	12,316	89,996	-	(125,641)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 4,129,577	3,650,073	11,811	11,325	111,033	98,717	-	-
Redeemable Unit Transactions								
Balance - beginning of period	328,508	39,043	709	677	6,494	691	-	14,425
Units issued	250,109	319,003	157	-	11,740	5,471	-	776
Units issued on reinvestment of distributions	76	4,948	56	32	608	332	-	-
Units redeemed	(143,092)	(34,486)	-	-	(9,382)	-	-	(15,201)
Balance - end of period	435,601	328,508	922	709	9,460	6,494	-	-

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

Sun Life Dynamic Energy Fund (continued)

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

For the periods ended December 31

	Series EF		Series F		Series I		Series O	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ -	8,763	197,615	8,760	66,256,442	36,453,564	892,880	254,643
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ -	(335)	(35,498)	27,317	(17,945,991)	19,450,689	(102,365)	195,199
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ -	-	225,159	162,341	63,143,656	34,331,013	113,542	552,599
Redemption of redeemable units	\$ -	(8,427)	(121,230)	(584)	(101,309,880)	(23,978,824)	(374,351)	(109,561)
Reinvestment of distributions to holders of redeemable units	\$ -	-	118	4,036	-	1,708,622	-	21,846
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ -	(8,427)	104,047	165,793	(38,166,224)	12,060,811	(260,809)	464,884
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ -	(1)	(116)	(4,255)	-	(1,708,622)	-	(21,846)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ -	(1)	(116)	(4,255)	-	(1,708,622)	-	(21,846)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ -	(8,763)	68,433	188,855	(56,112,215)	29,802,878	(363,174)	638,237
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ -	-	266,048	197,615	10,144,227	66,256,442	529,706	892,880
Redeemable Unit Transactions								
Balance - beginning of period	-	1,003	17,624	1,003	5,870,408	4,170,406	79,199	29,147
Units issued	-	-	22,900	16,318	6,247,291	3,819,299	11,988	58,437
Units issued on reinvestment of distributions	-	-	12	357	-	150,079	-	1,921
Units redeemed	-	(1,003)	(13,032)	(54)	(11,087,131)	(2,269,376)	(37,222)	(10,306)
Balance - end of period	-	-	27,504	17,624	1,030,568	5,870,408	53,965	79,199
	Total							
	2017	2016						
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 71,107,052	37,208,299						
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ (18,714,199)	20,278,897						
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 66,087,728	38,199,363						
Redemption of redeemable units	\$ (103,287,635)	(24,579,264)						
Reinvestment of distributions to holders of redeemable units	\$ 8,827	1,795,138						
Capitalized distributions	\$ -	-						
	\$ (37,191,080)	15,415,237						
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-						
From net investment income	\$ (5,308)	(1,791,318)						
Return of capital	\$ (4,063)	(4,063)						
	\$ (9,371)	(1,795,381)						
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (55,914,650)	33,898,753						
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 15,192,402	71,107,052						
Redeemable Unit Transactions								
Balance - beginning of period	6,302,942	4,256,395						
Units issued	6,544,185	4,219,304						
Units issued on reinvestment of distributions	752	157,669						
Units redeemed	(11,289,859)	(2,330,426)						
Balance - end of period	1,558,020	6,302,942						

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

Sun Life Dynamic Energy Fund (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 units from operations (excluding distributions)	(18,714,199)	20,278,897
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	4,715,460	(2,012,444)
Change in unrealized (appreciation) depreciation in value of investments	12,794,021	(16,759,986)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(149,504)	106,270
Change in unrealized (appreciation) depreciation in value of swaps	381,075	(497,851)
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(71,989,519)	(46,538,680)
Proceeds from sale of investments	98,863,140	34,077,009
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	70,505	(37,840)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(4,959)	6,876
Change in other payables and accrued expenses	242,568	119,842
Net Cash Provided by (Used in) Operating Activities	26,208,588	(11,257,907)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(544)	(243)
Proceeds from redeemable units issued	66,281,396	38,654,200
Redemption of redeemable units	(103,280,043)	(24,578,964)
Net Cash Provided by (Used in) Financing Activities	(36,999,191)	14,074,993
Net increase (decrease) in cash	(10,790,603)	2,817,086
Cash (bank indebtedness) at beginning of period	11,906,790	9,089,704
Cash (bank indebtedness) at end of period	1,116,187	11,906,790
Dividends received, net of withholding taxes	1,223,864	1,095,572
Interest received, net of withholding taxes	3,463	610
Interest paid	(468)	(85)

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
ARC Resources Ltd.	21,076	383,309	310,871	
Calfrac Well Services Ltd.	58,500	360,813	349,830	
Canadian Natural Resources Ltd.	15,400	563,740	691,768	
Chevron Corp.	3,400	468,673	533,311	
Cimarex Energy Co.	2,900	418,487	443,328	
Concho Resources Inc.	2,800	468,289	527,008	
ConocoPhillips	9,200	603,741	632,721	
Devon Energy Corp.	10,000	456,587	518,719	
Diamondback Energy Inc.	3,500	378,795	553,645	
Enbridge Inc.	11,549	593,520	567,749	
Enbridge Income Fund Holdings Inc.	10,500	301,370	313,005	
Emerplus Corp.	47,100	411,054	579,801	
EOG Resources Inc.	4,700	527,124	635,465	
Freehold Royalties Ltd.	19,700	263,655	276,785	
Gibson Energy Inc.	23,800	399,008	432,684	
Keyera Corp.	11,243	436,260	398,227	
Occidental Petroleum Corp.	6,500	482,506	599,897	
Pembina Pipeline Corp.	13,187	505,806	600,140	
PrairieSky Royalty Ltd.	13,742	381,625	440,569	
Raging River Exploration Inc.	20,000	156,364	160,000	
Royal Dutch Shell PLC	8,589	594,431	734,652	
RSP Permian Inc.	12,000	512,719	611,637	
Schlumberger Ltd.	4,500	436,501	379,962	
Suncor Energy Inc.	16,246	612,329	749,753	
TORC Oil & Gas Ltd.	48,720	407,181	367,349	
Total SA	8,561	539,099	593,072	
TransCanada Corp.	11,360	577,351	695,005	
Whitecap Resources Inc.	31,900	292,551	285,505	
		12,532,888	13,982,458	92.04
Total Equities		12,532,888	13,982,458	92.04
Transaction Costs		(16,961)	-	
Total Investments		12,515,927	13,982,458	92.04
Currency Forward Contracts⁽¹⁾			21,581	0.14
Unrealized appreciation/(depreciation) on swaps⁽²⁾			13,372	0.09
Other Assets less Liabilities			1,174,991	7.73
Total Net Assets			15,192,402	100.00

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

Sun Life Dynamic Energy Fund (continued)

Schedule of Investments (continued)

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
CIBC	A-1	24-Jan-2018	CAD	1,425,200	USD	(1,120,000)	22,431
CIBC	A-1	14-Feb-2018	CAD	33,548	EUR	(22,000)	375
Royal Bank of Canada	A-1+	14-Feb-2018	CAD	317,076	EUR	(208,000)	3,442
Royal Bank of Canada	A-1+	24-Jan-2018	CAD	25,455	USD	(20,000)	406
State Street Corporation	A-1	24-Jan-2018	CAD	76,361	USD	(60,000)	1,213
The Toronto-Dominion Bank	A-1+	24-Jan-2018	CAD	89,090	USD	(70,000)	1,418
							29,285
Bank of Montreal	A-1	14-Feb-2018	EUR	150,000	CAD	(228,460)	(2,281)
Royal Bank of Canada	A-1+	14-Feb-2018	CAD	90,222	EUR	(60,000)	(247)
Royal Bank of Canada	A-1+	24-Jan-2018	USD	160,000	CAD	(205,572)	(5,176)
							(7,704)

⁽²⁾ Swaps Schedule

Referenced Entity	Notional Units	Interest Rate	Expiry Date	Counterparty	Credit Rating for Counterparty	Market Value (\$)	Unrealized Gain/(Loss) (\$)
ENTERPRISE PRODUCTS PARTNERS TRS - EQUITY LEG	5,600	1-Month LIBOR + 60BPS	26-Jun-2018	Goldman Sachs & Co.	A-2	188,972	5,912
ENTERPRISE PRODUCTS PARTNERS TRS - EQUITY LEG	3,800	1-Month LIBOR + 60BPS	08-Aug-2018	Goldman Sachs & Co.	A-2	128,231	4,011
ENTERPRISE PRODUCTS PARTNERS TRS - EQUITY LEG	3,500	1-Month LIBOR + 60BPS	15-Jun-2018	Goldman Sachs & Co.	A-2	118,108	3,695
ENTERPRISE PRODUCTS PARTNERS TRS - INT LEG	(3,500)	1-Month LIBOR + 60BPS	15-Jun-2018	Goldman Sachs & Co.	A-2	(114,480)	(67)
ENTERPRISE PRODUCTS PARTNERS TRS - INT LEG	(3,800)	1-Month LIBOR + 60BPS	08-Aug-2018	Goldman Sachs & Co.	A-2	(124,292)	(72)
ENTERPRISE PRODUCTS PARTNERS TRS - INT LEG	(5,600)	1-Month LIBOR + 60BPS	26-Jun-2018	Goldman Sachs & Co.	A-2	(183,168)	(107)
						13,371	13,372

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Dynamic Energy Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the 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. 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 Dynamic Energy Fund (continued)

(b) Market risk

(i) Currency risk

The 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. However, the Fund also holds foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and reduce the current 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.

	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	4,969,299	32.71	22,414,469	31.52
Euro	516,160	3.40	679,307	0.96
Total	5,485,459	36.11	23,093,776	32.48

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 Units of the Fund would have increased or decreased respectively by \$274,273 (\$1,154,689 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 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 its 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 Units of the Fund would have increased or decreased respectively by \$699,792 (\$2,950,314 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 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 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	92.0	82.4
Forward Contracts	0.1	-
Swaps	0.1	0.6
Other Assets less Liabilities	7.8	17.0
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 (\$)	
Financial Assets				
Equities	13,982,458	-	-	13,982,458
Currency Forward Contracts	-	29,285	-	29,285
Swaps	-	13,618	-	13,618
Financial Liabilities				
Currency Forward Contracts	-	7,704	-	7,704
Swaps	-	246	-	246

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	58,611,829	-	-	58,611,829
Swaps	-	397,168	-	397,168
Financial Liabilities				
Currency Forward Contracts	-	127,923	-	127,923
Swaps	-	2,721	-	2,721

There were no transfers between fair value levels 1 and 2 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 Dynamic Energy Fund (continued)

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of foreign currency forward contracts and equity swaps, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$246,269 (\$116,135 for the period ended December 31, 2016).

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 \$27,327 (\$9,875 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$5,733,521 (\$1,265,031 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

As at December 31, 2017, the Fund had accumulated non-capital losses of \$802,961 (\$nil as at December 31, 2016). The non-capital losses for tax purposes are available for carry forward until the year ending 2036.

The Fund had no accumulated capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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	
	Units	Market Value (\$)
Series F	2,060	19,924
Series T5	756	9,683
Series T8	825	9,685

	December 31, 2016	
	Units	Market Value (\$)
Series F	2,054	23,034
Series T5	709	11,325
Series T8	745	11,329

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	-	-	-
Series E	-	-	-
Series EF	-	-	-
Series F	50	-	-
Series I	-	-	-
Series O	-	-	-
Series T5	25	-	582
Series T8	25	-	948

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	8,383	22,561	43
Series E	-	8,383	-
Series EF	-	8,427	-
Series F	8,427	-	541
Series I	-	92,655	-
Series O	-	11,548	-
Series T5	-	-	471
Series T8	-	-	749

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

Sun Life Dynamic Energy Fund (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	42,903	397,168
Investments designated at FVTPL	13,982,458	58,611,829
Total financial assets at fair value through profit or loss	14,025,361	59,008,997
Financial assets at amortized cost		
Cash	1,116,187	11,906,790
Other receivables	69,222	333,395
Total financial assets at amortized cost	1,185,409	12,240,185
Total assets	15,210,770	71,249,182
Financial liabilities		
Derivative liabilities held for trading	7,950	130,644
Financial liabilities at amortized cost	10,418	11,486
Total liabilities (excluding net assets attributable to holders of redeemable units)	18,368	142,130

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	(2,062,526)	489,983
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	(16,315,049)	19,939,153
Total net gains (losses)	(18,377,575)	20,429,136

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
December 31, 2017				
Derivative assets - Forward Contracts	29,285	(3,848)	-	25,437
Derivative assets - Swaps	13,618	(246)	-	13,372
Total	42,903	(4,094)	-	38,809
Derivative liabilities - Forward Contracts	(7,704)	3,848	-	(3,856)
Derivative liabilities - Swaps	(246)	246	-	-
Total	(7,950)	4,094	-	(3,856)
December 31, 2016				
Derivative assets - Forward Contracts	-	-	-	-
Derivative assets - Swaps	397,168	(2,721)	-	394,447
Total	397,168	(2,721)	-	394,447
Derivative liabilities - Forward Contracts	(127,923)	-	-	(127,923)
Derivative liabilities - Swaps	(2,721)	2,721	-	-
Total	(130,644)	2,721	-	(127,923)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	July 30, 2015	August 10, 2015
Series T5 Units	July 30, 2015	August 10, 2015
Series T8 Units	July 30, 2015	August 10, 2015
Series F Units	July 30, 2015	August 10, 2015
Series I Units	July 30, 2015	August 10, 2015
Series O Units	July 30, 2015	August 10, 2015

Effective February 5, 2016, all Series E and EF units were re-designated to Series A units, under the Front End Sales Charge option, and Series F units, 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 Fund

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)	70,013,552	41,526,134
Short-term investments	-	-
Cash	-	23,066
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	399
Accrued interest	-	-
Dividends receivable	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	544,500	900,962
	70,558,052	42,450,561
Liabilities		
Current Liabilities		
Bank indebtedness	12,857	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	1,896	3,929
Redemptions payable	15,227	5,287
Distributions payable	-	-
Due to investment dealers	528,169	906,451
Management fees payable	10,836	26,127
Total liabilities (excluding net assets attributable to holders of redeemable units)	568,985	941,794
Net Assets Attributable to Holders of Redeemable Units	69,989,067	41,508,767
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	23,314,969	14,417,492
Series E	-	-
Series F	1,417,483	191,904
Series I	40,783,346	24,857,719
Series O	4,473,269	2,041,652
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	10.97	11.06
Series E	-	-
Series F	11.09	11.39
Series I	11.52	11.64
Series O	10.41	10.48

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		
Dividend income	-	-
Interest income for distribution purposes	2,465	2,072
Distributions from underlying funds	3,429,886	2,752,142
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	212,794	57,333
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	3,297,954	1,712,582
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	6,943,099	4,524,129
Net gain (loss) on foreign exchange	-	-
Other income	-	-
Total income (loss)	6,943,099	4,524,129
Expenses (note 5)		
Management fees	369,938	233,063
Administration fees	59,255	33,113
Independent review committee fees	501	182
Withholding tax	-	-
Transaction costs (note 2)	-	-
Total operating expenses	429,694	266,358
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	6,513,405	4,257,771
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	6,513,405	4,257,771
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	1,987,393	1,578,518
Series E	-	(18,049)
Series F	78,764	8,702
Series I	4,013,787	2,493,121
Series O	433,461	195,479
Weighted Average Number of Units Outstanding		
Series A	1,640,596	1,110,040
Series E	-	245,282
Series F	58,952	4,803
Series I	2,662,782	1,472,691
Series O	325,901	130,770
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.21	1.42
Series E	-	(0.07)
Series F	1.34	1.81
Series I	1.51	1.69
Series O	1.33	1.49

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

Sun Life Dynamic Equity Income Fund (continued)

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

For the periods ended December 31

	Series A		Series E		Series F	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 14,417,492	8,200,231	-	2,234,302	191,904	38,700
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 1,987,393	1,578,518	-	(18,049)	78,764	8,702
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 10,505,532	6,375,939	-	28,028	1,408,569	146,325
Redemption of redeemable units	\$ (3,549,779)	(1,727,947)	-	(2,244,177)	(255,703)	(1,828)
Reinvestment of distributions to holders of redeemable units	\$ 2,425,148	532,788	-	9,977	162,841	8,278
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 9,380,901	5,180,780	-	(2,206,172)	1,315,707	152,775
Distributions to Holders of Redeemable Units						
From capital gains	\$ (600,046)	-	-	-	(36,725)	-
From net investment income	\$ (253,612)	(233,382)	-	(4,411)	(17,917)	(3,557)
Return of capital	\$ (1,617,159)	(308,655)	-	(5,670)	(114,250)	(4,716)
	\$ (2,470,817)	(542,037)	-	(10,081)	(168,892)	(8,273)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 8,897,477	6,217,261	-	(2,234,302)	1,225,579	153,204
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 23,314,969	14,417,492	-	-	1,417,483	191,904
Redeemable Unit Transactions						
Balance - beginning of period	1,303,841	807,182	-	243,972	16,848	3,637
Units issued	912,361	610,147	-	3,165	117,910	12,650
Units issued on reinvestment of distributions	217,715	49,848	-	1,090	14,461	725
Units redeemed	(307,867)	(163,336)	-	(248,227)	(21,382)	(164)
Balance - end of period	2,126,050	1,303,841	-	-	127,837	16,848

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 24,857,719	8,538,281	2,041,652	858,724	41,508,767	19,870,238
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 4,013,787	2,493,121	433,461	195,479	6,513,405	4,257,771
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 17,623,828	16,920,544	2,644,311	1,271,235	32,182,240	24,742,071
Redemption of redeemable units	\$ (5,711,987)	(3,094,227)	(629,814)	(280,268)	(10,147,283)	(7,348,447)
Reinvestment of distributions to holders of redeemable units	\$ 4,924,242	1,115,304	529,879	90,568	8,042,110	1,756,915
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 16,836,083	14,941,621	2,544,376	1,081,535	30,077,067	19,150,539
Distributions to Holders of Redeemable Units						
From capital gains	\$ (1,040,541)	-	(116,330)	-	(1,793,642)	-
From net investment income	\$ (526,500)	(480,598)	(58,278)	(40,543)	(856,307)	(762,491)
Return of capital	\$ (3,357,202)	(634,706)	(371,612)	(53,543)	(5,460,223)	(1,007,290)
	\$ (4,924,243)	(1,115,304)	(546,220)	(94,086)	(8,110,172)	(1,769,781)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 15,925,627	16,319,438	2,431,617	1,182,928	28,480,300	21,638,529
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 40,783,346	24,857,719	4,473,269	2,041,652	69,989,067	41,508,767
Redeemable Unit Transactions						
Balance - beginning of period	2,135,300	804,018	194,838	89,457	3,650,827	1,948,266
Units issued	1,449,964	1,505,316	242,119	124,130	2,722,354	2,255,408
Units issued on reinvestment of distributions	421,110	97,187	49,972	8,779	703,258	157,629
Units redeemed	(465,288)	(271,221)	(57,104)	(27,528)	(851,641)	(710,476)
Balance - end of period	3,541,086	2,135,300	429,825	194,838	6,224,798	3,650,827

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

Sun Life Dynamic Equity Income Fund (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 units from operations (excluding distributions)	6,513,405	4,257,771
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(212,794)	(57,333)
Change in unrealized (appreciation) depreciation in value of investments	(3,297,954)	(1,712,582)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(3,429,886)	(2,752,142)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(24,751,992)	(18,470,096)
Proceeds from sale of investments	2,827,325	2,134,095
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(15,291)	22,276
Change in other payables and accrued expenses	(2,033)	3,481
Net Cash Provided by (Used in) Operating Activities	(22,369,220)	(16,574,530)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(68,062)	(12,866)
Proceeds from redeemable units issued	32,538,702	23,881,906
Redemption of redeemable units	(10,137,343)	(7,346,938)
Net Cash Provided by (Used in) Financing Activities	22,333,297	16,522,102
Net increase (decrease) in cash	(35,923)	(52,428)
Cash (bank indebtedness) at beginning of period	23,066	75,494
Cash (bank indebtedness) at end of period	(12,857)	23,066
Dividends received, net of withholding taxes	-	-
Interest received, net of withholding taxes	2,465	2,072
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUND				
Dynamic Equity Income Fund, Series O	9,057,381	64,605,938	70,013,552	
		64,605,938	70,013,552	100.03
Total Investments		64,605,938	70,013,552	100.03
Other Assets less Liabilities			(24,485)	(0.03)
Total Net Assets			69,989,067	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Dynamic Equity Income Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks 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 externally managed 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 Fund holds assets and liabilities indirectly through the underlying externally managed fund, 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 accompanying notes are an integral part of the financial statements.

Sun Life Dynamic Equity Income Fund (continued)

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in the underlying externally managed fund.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in the underlying externally managed fund.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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	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 Fund	70,013,552	-	-	70,013,552
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Mutual Fund	41,526,134	-	-	41,526,134

There were no transfers between fair value levels 1 and 2 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 \$124,527 (\$nil for the period ended December 31, 2016).

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and 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 underlying funds.

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	70,013,552	41,526,134
Total financial assets at fair value through profit or loss	70,013,552	41,526,134
Financial assets at amortized cost		
Cash	-	23,066
Other receivables	544,500	901,361
Total financial assets at amortized cost	544,500	924,427
Total assets	70,558,052	42,450,561
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	568,985	941,794
Total liabilities (excluding net assets attributable to holders of redeemable units)	568,985	941,794

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

Sun Life Dynamic Equity Income Fund (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	6,943,099	4,524,129
Total net gains (losses)	6,943,099	4,524,129

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	January 11, 2013	January 17, 2013
Series F Units	January 11, 2013	January 17, 2013
Series I Units	January 11, 2013	January 17, 2013
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 Dynamic Strategic Yield Fund

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)	156,971,325	152,267,392
Short-term investments	-	-
Cash	19,073,374	21,821,648
Margin	2,487,107	2,430,174
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	705,303	6,981
Unrealized appreciation on swaps	138,906	108,070
Due from investment dealers	49,342	30,876
Accrued interest	225,039	255,930
Dividends receivable	338,246	300,831
Distributions receivable from underlying funds	-	44,142
Subscriptions receivable	43,295	147,195
	180,031,937	177,413,239
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	29,033	54,000
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	30,569
Unrealized depreciation on swaps	3,907	3,539
Accrued expenses	5,713	20,390
Redemptions payable	130,947	603,016
Distributions payable	-	-
Due to investment dealers	-	671,296
Management fees payable	29,820	120,268
Total liabilities (excluding net assets attributable to holders of redeemable units)	199,420	1,503,078
Net Assets Attributable to Holders of Redeemable Units	179,832,517	175,910,161
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	60,256,202	61,287,511
Series E	-	-
Series F	1,669,475	842,764
Series I	105,900,689	103,680,167
Series O	12,006,151	10,099,719
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	10.03	9.94
Series E	-	-
Series F	10.50	10.39
Series I	11.21	10.81
Series O	9.94	9.82

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		
Dividend income	3,156,279	2,181,034
Interest income for distribution purposes	1,192,471	1,341,254
Distributions from underlying funds	1,408,503	1,529,366
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	4,668,818	(2,322,853)
Net realized gain (loss) on futures contracts	(111,884)	7,718
Net realized gain (loss) on currency forward contracts	49,768	(1,772,836)
Net realized gain (loss) on option contracts	380,960	778,931
Net realized gain (loss) on swaps	515,932	19,624
Change in unrealized appreciation (depreciation) in value of investments	3,693,121	5,398,725
Change in unrealized appreciation (depreciation) in value of futures contracts	-	254
Change in unrealized appreciation (depreciation) in currency forward contracts	728,891	250,909
Change in unrealized appreciation (depreciation) in option contracts	17,106	(39,228)
Change in unrealized appreciation (depreciation) in value of swaps	30,468	146,421
Net gains (losses) on investments	15,730,433	7,519,319
Net gain (loss) on foreign exchange	(908,704)	(568,244)
Other income	-	-
Total income (loss)	14,821,729	6,951,075
Expenses (note 5)		
Management fees	1,239,745	1,223,693
Administration fees	218,353	190,686
Independent review committee fees	1,520	1,067
Withholding tax	189,797	146,942
Transaction costs (note 2)	129,474	114,836
Total operating expenses	1,778,889	1,677,224
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	13,042,840	5,273,851
Finance Cost		
Interest expense	(98)	(846)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	13,042,742	5,273,005
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	3,622,760	1,343,073
Series E	-	(327,349)
Series F	80,282	20,223
Series I	8,502,104	3,860,959
Series O	837,596	376,099
Weighted Average Number of Units Outstanding		
Series A	6,012,364	5,834,865
Series E	-	1,471,943
Series F	118,273	65,769
Series I	9,393,583	9,658,670
Series O	1,069,940	911,257
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.60	0.23
Series E	-	(0.22)
Series F	0.68	0.31
Series I	0.91	0.40
Series O	0.78	0.41

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

Sun Life Dynamic Strategic Yield Fund (continued)

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

For the periods ended December 31

	Series A		Series E		Series F	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 61,287,511	43,003,794	-	14,090,117	842,764	590,985
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 3,622,760	1,343,073	-	(327,349)	80,282	20,223
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 9,571,288	27,624,087	-	332,782	1,321,110	286,023
Redemption of redeemable units	\$ (14,209,071)	(10,666,680)	-	(14,093,878)	(574,716)	(54,484)
Reinvestment of distributions to holders of redeemable units	\$ 3,056,687	2,991,882	-	62,495	76,719	34,180
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (1,581,096)	19,949,289	-	(13,698,601)	823,113	265,719
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (1,343,521)	(3,008,645)	-	(64,167)	(33,526)	(34,163)
Return of capital	\$ (1,729,452)	-	-	-	(43,158)	-
	\$ (3,072,973)	(3,008,645)	-	(64,167)	(76,684)	(34,163)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (1,031,309)	18,283,717	-	(14,090,117)	826,711	251,779
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 60,256,202	61,287,511	-	-	1,669,475	842,764
Redeemable Unit Transactions						
Balance - beginning of period	6,163,052	4,170,817	-	1,458,203	81,134	55,588
Units issued	949,470	2,760,439	-	34,888	124,782	27,529
Units issued on reinvestment of distributions	303,970	299,587	-	6,532	7,293	3,294
Units redeemed	(1,409,816)	(1,067,791)	-	(1,499,623)	(54,285)	(5,277)
Balance - end of period	6,006,676	6,163,052	-	-	158,924	81,134

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 103,680,167	102,434,747	10,099,719	7,568,657	175,910,161	167,688,300
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 8,502,104	3,860,959	837,596	376,099	13,042,742	5,273,005
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 7,915,894	10,758,240	3,103,342	4,036,102	21,911,634	43,037,234
Redemption of redeemable units	\$ (14,197,476)	(13,373,779)	(1,996,065)	(1,857,063)	(30,977,328)	(40,045,884)
Reinvestment of distributions to holders of redeemable units	\$ 4,781,483	4,923,430	702,685	446,294	8,617,574	8,458,281
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (1,500,099)	2,307,891	1,809,962	2,625,333	(448,120)	11,449,631
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (2,090,491)	(4,923,430)	(324,025)	(470,370)	(3,791,563)	(8,500,775)
Return of capital	\$ (2,690,992)	-	(417,101)	-	(4,880,703)	-
	\$ (4,781,483)	(4,923,430)	(741,126)	(470,370)	(8,672,266)	(8,500,775)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 2,220,522	1,245,420	1,906,432	2,531,062	3,922,356	8,221,861
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 105,900,689	103,680,167	12,006,151	10,099,719	179,832,517	175,910,161
Redeemable Unit Transactions						
Balance - beginning of period	9,587,422	9,371,332	1,028,008	757,776	16,859,616	15,813,716
Units issued	714,207	1,002,671	310,834	413,431	2,099,293	4,238,958
Units issued on reinvestment of distributions	430,966	458,528	70,535	45,612	812,764	813,553
Units redeemed	(1,283,336)	(1,245,109)	(200,986)	(188,811)	(2,948,423)	(4,006,611)
Balance - end of period	9,449,259	9,587,422	1,208,391	1,028,008	16,823,250	16,859,616

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

Sun Life Dynamic Strategic Yield Fund (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 units from operations (excluding distributions)	13,042,742	5,273,005
Adjustments for:		
Gain on short-term investments	-	(21,468)
Net realized (gain) loss on sale of investments	(4,668,818)	2,322,853
Change in unrealized (appreciation) depreciation in value of investments	(3,693,121)	(5,398,725)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	(254)
Change in unrealized (appreciation) depreciation in currency forward contracts	(728,891)	(250,909)
Change in unrealized (appreciation) depreciation in value of swaps	(30,468)	(146,421)
Non-cash income distributions from underlying funds	(1,408,503)	(1,529,366)
Change in fair value of option contracts	(24,967)	1,850
Change in fair value of credit default swaps	-	(41,890)
Change in margin	(56,933)	(2,073,897)
Purchases of investments	(98,537,977)	(111,886,712)
Proceeds from sale of investments	102,799,184	92,385,482
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	2,990,000
Change in dividends and interest receivable	(6,524)	(36,417)
Change in distributions receivable from underlying funds	44,142	(44,142)
Change in management fees payable	(90,448)	98,360
Change in other payables and accrued expenses	100,863	113,608
Net Cash Provided by (Used in) Operating Activities	6,740,281	(18,245,043)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(54,692)	(42,494)
Proceeds from redeemable units issued	22,015,534	42,937,394
Redemption of redeemable units	(31,449,397)	(39,588,901)
Net Cash Provided by (Used in) Financing Activities	(9,488,555)	3,305,999
Net increase (decrease) in cash	(2,748,274)	(14,939,044)
Cash (bank indebtedness) at beginning of period	21,821,648	36,760,692
Cash (bank indebtedness) at end of period	19,073,374	21,821,648
Dividends received, net of withholding taxes	2,929,067	1,915,054
Interest received, net of withholding taxes	1,223,362	1,423,875
Interest paid	(98)	(846)

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

Sun Life Dynamic Strategic Yield Fund (continued)

Schedule of Investments

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS						
Corporate Bonds						
Aetna Inc.	2.750	15-Nov-2022	175,000	222,679	217,388	
Aetna Inc.	2.800	15-Jun-2023	120,000	158,810	148,160	
Alectra Inc.	2.488	17-May-2027	186,000	186,000	180,732	
Algonquin Power Co.	4.090	17-Feb-2027	52,000	51,963	53,740	
Alimentation Couche-Tard Inc.	3.056	26-Jul-2024	76,000	76,000	75,650	
Alliance Pipeline LP	4.928	16-Dec-2019	204,000	222,876	210,604	
Alliance Pipeline LP	6.765	31-Dec-2025	35,189	39,740	40,121	
AltaGas Ltd.	4.550	17-Jan-2019	128,000	137,279	131,055	
AltaGas Ltd.	3.720	28-Sep-2021	57,000	59,922	58,826	
AltaGas Ltd.	3.840	15-Jan-2025	146,000	149,286	149,873	
AltaGas Ltd.	3.980	4-Oct-2027	62,000	61,975	63,132	
Altalink Investments LP	3.674	5-Jun-2019	54,000	57,535	54,949	
AltaLink Investments LP	2.244	7-Mar-2022	264,000	261,350	260,582	
AltaLink LP	3.621	17-Sep-2020	132,000	144,179	136,943	
AltaLink LP	3.668	6-Nov-2023	530,000	576,339	562,863	
Anheuser-Busch InBev Finance Inc.	2.600	15-May-2024	18,000	17,860	17,614	
Apple Inc.	2.750	13-Jan-2025	191,000	243,407	237,457	
Bank of America Corp.	4.100	24-Jul-2023	221,000	308,182	294,275	
Bank of America Corp.	3.407	20-Sep-2025	99,000	99,000	100,744	
Bank of America Corp.	3.228	22-Jun-2022	40,000	41,119	40,811	
Bank of Montreal	2.100	6-Oct-2020	126,000	126,012	125,394	
Bank of Montreal	3.400	23-Apr-2021	405,000	434,273	418,048	
Bank of Montreal	1.610	28-Oct-2021	324,000	318,312	314,419	
Bank of Montreal	2.700	11-Sep-2024	99,000	98,987	98,966	
Bank of Montreal	3.120	19-Sep-2024	127,000	128,713	128,316	
The Bank of Nova Scotia	2.873	4-Jun-2021	34,000	35,426	34,520	
The Bank of Nova Scotia	1.900	2-Dec-2021	372,000	371,764	364,395	
The Bank of Nova Scotia	2.290	28-Jun-2024	273,000	272,748	266,212	
bcIMC Realty Corp.	2.100	3-Jun-2021	74,000	74,230	73,287	
bcIMC Realty Corp.	3.510	29-Jun-2022	259,000	278,967	269,602	
bcIMC Realty Corp.	3.000	31-Mar-2027	125,000	127,240	125,340	
Bell Canada Inc.	4.950	19-May-2021	210,000	233,499	226,172	
Bell Canada Inc.	4.700	11-Sep-2023	327,000	365,412	356,334	
Bell Canada Inc.	2.700	27-Feb-2024	47,000	47,513	46,229	
Bell Canada Inc.	2.000	1-Oct-2021	175,000	172,158	171,370	
Boston Properties LP	5.625	15-Nov-2020	101,000	151,424	136,950	
Boston Properties LP	4.125	15-May-2021	182,000	254,542	238,506	
Brookfield Asset Management Inc.	4.540	31-Mar-2023	193,000	208,553	206,448	
Brookfield Asset Management Inc.	5.040	8-Mar-2024	104,000	115,440	114,061	
Brookfield Asset Management Inc.	4.820	28-Jan-2026	180,000	196,501	195,099	
Brookfield Infrastructure Finance ULC	3.452	11-Mar-2022	310,000	310,934	315,320	
Brookfield Infrastructure Finance ULC	3.315	22-Feb-2024	211,000	213,938	210,182	
Brookfield Renewable Partners ULC	4.790	7-Feb-2022	94,000	103,069	101,009	
Brookfield Renewable Partners ULC	3.630	15-Jan-2027	298,000	299,512	297,205	
BRP Finance ULC	4.790	7-Feb-2022	91,000	99,892	97,785	
Canadian Imperial Bank of Commerce	1.660	20-Jan-2020	72,000	71,826	71,260	
Canadian Imperial Bank of Commerce	2.470	5-Dec-2022	210,000	209,981	209,166	
Canadian Imperial Bank of Commerce	1.850	14-Jul-2020	263,000	262,991	260,442	
Canadian National Railway Co.	2.800	22-Sep-2025	197,000	198,427	198,298	
Canadian Natural Resources Ltd.	2.050	1-Jun-2020	58,000	57,987	57,398	
Canadian Natural Resources Ltd.	3.310	11-Feb-2022	49,000	50,267	50,002	
Canadian Natural Resources Ltd.	3.550	3-Jun-2024	97,000	98,477	98,851	
Canadian Utilities Ltd.	3.122	9-Nov-2022	110,000	116,548	113,249	
CI Financail Corp.	3.904	27-Sep-2027	95,000	95,000	96,940	
CI Financial Corp.	2.645	7-Dec-2020	116,000	116,030	116,214	
Crown Castle Towers LLC	6.113	15-Jan-2020	400,000	602,684	528,580	
Emera Inc.	4.830	2-Dec-2019	407,000	446,425	425,682	
Emera Inc.	2.900	16-Jun-2023	105,000	105,000	104,819	
Enbridge Gas Distribution Inc.	4.040	23-Nov-2020	185,000	201,251	194,404	
Enbridge Inc.	3.190	5-Dec-2022	269,000	277,874	271,833	
Enbridge Inc.	5.375	27-Sep-2077	205,000	205,000	204,309	
Enbridge Income Fund	3.940	13-Jan-2023	113,000	117,743	117,159	
Enbridge Pipelines Inc.	8.200	15-Feb-2024	106,000	145,281	135,652	
Enbridge Southern Lights LP	4.014	30-Jun-2040	114,603	117,468	112,808	

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

Sun Life Dynamic Strategic Yield Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Federal Realty Investment Trust	2.750	1-Jun-2023	13,000	17,137	16,116	
Federal Realty Investment Trust	3.950	15-Jan-2024	86,000	119,044	112,592	
First Capital Realty Inc.	4.430	31-Jan-2022	171,000	186,815	180,770	
First Capital Realty Inc.	3.950	5-Dec-2022	189,000	199,779	196,312	
First Capital Realty Inc.	4.323	31-Jul-2025	63,000	67,427	66,125	
First Capital Realty Inc.	3.753	12-Jul-2027	223,000	223,000	220,991	
Fortis Inc.	2.850	12-Dec-2023	159,000	159,185	158,879	
H&R Real Estate Investment Trust	4.450	2-Mar-2020	103,000	109,883	106,651	
H&R Real Estate Investment Trust	3.369	30-Jan-2024	65,000	65,044	64,376	
Heathrow Funding Ltd.	3.000	17-Jun-2023	234,000	242,911	237,205	
Heathrow Funding Ltd.	3.250	21-May-2025	389,000	396,694	393,262	
Hydro One Ltd.	4.000	30-Sep-2027	1,630,000	571,772	605,953	
Inter Pipeline Ltd.	4.967	2-Feb-2021	131,000	145,333	139,982	
JPMorgan Chase & Co.	2.550	1-Mar-2021	182,000	243,735	228,257	
JPMorgan Chase & Co.	3.900	15-Jul-2025	224,000	311,841	294,507	
Kimco Realty Corp.	2.700	1-Mar-2024	120,000	152,482	145,781	
Lower Mattagami Energy LP	4.331	18-May-2021	143,000	159,610	152,348	
Lower Mattagami Energy LP	3.416	20-Jun-2024	169,000	180,782	176,729	
McDonald's Corp.	3.125	4-Mar-2025	331,000	335,010	333,830	
Medtronic Inc.	3.150	15-Mar-2022	376,000	500,343	482,814	
Medtronic Inc.	3.500	15-Mar-2025	35,000	46,398	45,534	
North West Redwater Partnership / NWR Financing Co Ltd.	2.100	23-Feb-2022	256,000	252,220	250,973	
North West Redwater Partnership / NWR Financing Co Ltd.	3.200	22-Jul-2024	36,000	37,118	36,630	
North West Redwater Partnership / NWR Financing Co Ltd.	3.200	24-Apr-2026	108,000	108,118	108,934	
North West Redwater Partnership / NWR Financing Co Ltd.	2.800	1-Jun-2027	143,000	142,627	138,455	
OMERS Realty Corp.	2.971	5-Apr-2021	235,000	246,543	239,535	
OMERS Realty Corp.	3.328	12-Nov-2024	245,000	261,953	253,518	
Pembina Pipeline Corp.	2.990	22-Jan-2024	120,000	118,745	118,293	
Pembina Pipeline Corp.	3.770	24-Oct-2022	451,000	470,272	466,398	
Pernod Ricard SA	4.450	15-Jan-2022	119,000	164,393	158,525	
Pernod Ricard SA	4.250	15-Jul-2022	125,000	172,500	166,027	
Reliance LP	3.836	15-Mar-2025	87,000	86,998	86,873	
Reynolds American Inc.	8.125	23-Jun-2019	264,000	407,777	357,914	
Rogers Communications Inc.	5.340	22-Mar-2021	499,000	570,036	542,849	
Royal Bank of Canada	1.920	17-Jul-2020	177,000	176,168	175,519	
Royal Bank of Canada	2.860	4-Mar-2021	45,000	47,047	45,679	
Royal Bank of Canada	1.650	15-Jul-2021	162,000	160,163	157,930	
Royal Bank of Canada	2.000	21-Mar-2022	629,000	620,505	616,999	
Royal Bank of Canada	2.333	5-Dec-2023	261,000	261,877	256,605	
Royal Bank of Canada	2.360	5-Dec-2022	1,750,000	1,749,843	1,732,957	
Royal Bank of Canada	3.040	17-Jul-2024	198,000	200,333	199,853	
Saputo Inc.	1.939	13-Jun-2022	147,000	144,108	142,605	
Shaw Communications Inc.	3.150	19-Feb-2021	77,000	78,679	78,385	
Simon Property Group LP	2.750	1-Jun-2023	70,000	90,017	87,504	
Smart Real Estate Investment Trust	3.985	30-May-2023	192,000	200,143	198,596	
Suncor Energy Inc.	3.000	14-Sep-2026	116,000	115,711	114,399	
TELUS Corp.	5.050	23-Jul-2020	59,000	65,530	62,934	
TELUS Corp.	3.350	15-Mar-2023	91,000	95,582	93,151	
TELUS Corp.	3.600	26-Jan-2021	90,000	93,582	93,012	
Thermo Fisher Scientific Inc.	3.600	15-Aug-2021	56,000	77,161	72,483	
Thermo Fisher Scientific Inc.	3.300	15-Feb-2022	47,000	61,112	60,326	
The Toronto-Dominion Bank	2.563	24-Jun-2020	1,000	1,035	1,008	
The Toronto-Dominion Bank	2.621	22-Dec-2021	125,000	127,893	125,975	
The Toronto-Dominion Bank	1.994	23-Mar-2022	63,000	63,000	61,870	
The Toronto-Dominion Bank	1.909	18-Jul-2023	269,000	266,725	259,487	
The Toronto-Dominion Bank	3.226	24-Jul-2024	853,000	893,776	881,021	
Union Gas Ltd.	3.790	10-Jul-2023	126,000	135,832	133,691	
Union Pacific Corp.	4.163	15-Jul-2022	39,000	55,218	52,410	
United Parcel Service Inc.	2.125	21-May-2024	209,000	206,914	202,484	
UnitedHealth Group Inc.	2.875	15-Dec-2021	411,000	546,068	521,807	
Ventas Canada Finance Ltd.	3.000	30-Sep-2019	59,000	60,806	59,693	
Ventas Canada Finance Ltd.	2.550	15-Mar-2023	152,000	151,071	148,742	
Ventas Canada Finance Ltd.	4.125	30-Sep-2024	315,000	327,446	330,493	
Videotron Ltd.	5.000	15-Jul-2022	11,000	15,465	14,558	
Videotron Ltd.	5.375	15-Jun-2024	138,000	186,161	186,955	
Videotron Ltd.	5.625	15-Jun-2025	183,000	196,736	196,608	

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

Sun Life Dynamic Strategic Yield Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Visa Inc.	2.800	14-Dec-2022	215,000	284,980	273,513	
Visa Inc.	3.150	14-Dec-2025	53,000	69,444	67,956	
The Walt Disney Co	2.758	7-Oct-2024	76,000	76,000	76,038	
Wells Fargo & Co.	3.000	19-Feb-2025	490,000	626,803	609,400	
Westcoast Energy Inc.	4.570	2-Jul-2020	126,000	138,212	132,577	
Westcoast Energy Inc.	3.120	5-Dec-2022	257,000	260,440	262,065	
				28,051,931	27,404,980	15.24
Mortgage-Backed						
Ford Auto Securitization Trust	3.422	15-Mar-2021	105,003	105,379	105,148	
				105,379	105,148	0.06
Total Bonds				28,157,310	27,510,128	
			Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES						
Energy						
Canadian Natural Resources Ltd.			41,300	1,663,688	1,855,196	
Enbridge Inc.			36,977	1,937,374	1,817,789	
Pembina Pipeline Corp.			43,782	1,579,231	1,992,519	
Royal Dutch Shell PLC ADR			323	25,484	26,998	
Royal Dutch Shell PLC ADR, Class B			19,600	1,572,242	1,677,046	
Suncor Energy Inc.			40,700	1,801,476	1,878,305	
TransCanada Corp.			43,100	2,159,363	2,636,857	
				10,738,858	11,884,710	6.61
Materials						
Albemarle Corp.			11,000	1,863,456	1,762,630	
DowDuPont Inc.			19,800	1,781,001	1,766,847	
Glencore PLC			150,200	819,037	992,847	
PPG Industries Inc.			6,300	856,377	922,124	
Rio Tinto PLC			9,625	565,785	638,314	
The Sherwin-Williams Co.			2,200	952,455	1,130,266	
				6,838,111	7,213,028	4.01
Industrials						
Assa Abloy AB			33,000	892,760	860,526	
Canadian Pacific Railway Ltd.			11,400	2,147,051	2,618,124	
Honeywell International Inc.			10,500	1,464,782	2,017,591	
Raytheon Co			3,700	689,700	870,853	
Southwest Airlines Co			13,000	906,187	1,066,068	
United Technologies Corp.			9,000	1,250,878	1,438,543	
				7,351,358	8,871,705	4.93
Consumer Discretionary						
Comcast Corp.			17,900	685,976	898,230	
The Home Depot Inc.			7,700	1,258,240	1,828,523	
MGM Resorts International			31,900	1,376,677	1,334,562	
Starbucks Corp.			23,600	1,788,585	1,698,176	
				5,109,478	5,759,491	3.20
Consumer Staples						
British American Tobacco PLC			22,000	1,767,868	1,853,038	
The Coca-Cola Co			24,400	1,399,367	1,402,636	
Costco Wholesale Corp.			9,400	1,952,303	2,192,061	
Loblaw Cos Ltd.			26,800	1,846,818	1,828,296	
Mondelez International Inc.			16,500	889,134	884,829	
				7,855,490	8,160,860	4.54
Health Care						
Allergan plc			7,600	1,959,651	1,557,671	
Bayer AG			5,600	743,438	876,237	
Johnson & Johnson			6,100	989,602	1,067,875	
Medtronic PLC			13,600	1,334,779	1,375,984	

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

Sun Life Dynamic Strategic Yield Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Pfizer Inc.	29,700	1,298,971	1,347,835	
Shire PLC	4,400	961,422	855,170	
		7,287,863	7,080,772	3.94
Financials				
Atrium Mortgage Investment Corp.	42,100	493,110	527,513	
Bank of America Corp.	39,500	1,209,399	1,460,983	
The Bank of Nova Scotia	34,900	2,376,990	2,831,088	
Blackstone Mortgage Trust Inc.	38,700	1,601,439	1,560,374	
Brookfield Asset Management Inc.	53,000	2,367,855	2,900,160	
Canadian Imperial Bank of Commerce	27,100	2,729,776	3,320,834	
The Charles Schwab Corp.	15,800	894,870	1,016,947	
Citigroup Inc.	19,100	1,638,064	1,780,723	
JPMorgan Chase & Co.	14,300	1,242,639	1,916,055	
Prudential PLC	60,700	1,646,872	1,960,404	
Royal Bank of Canada	26,300	2,137,057	2,699,695	
Starwood Property Trust Inc.	55,000	1,644,681	1,471,270	
The Toronto-Dominion Bank	28,400	1,843,244	2,091,660	
Visa Inc.	6,900	685,409	985,739	
		22,511,405	26,523,445	14.75
Real Estate				
CT Real Estate Investment Trust	60,000	876,309	870,000	
Killam Apartment Real Estate Investment Trust	69,296	793,965	985,389	
SmartCentres Real Estate Inves	29,484	836,210	911,350	
Weyerhaeuser Co	21,100	858,516	932,173	
		3,365,000	3,698,912	2.06
Information Technology				
Apple Inc.	8,300	1,486,018	1,759,897	
Broadcom Ltd.	5,700	1,954,186	1,834,724	
Intel Corp.	31,300	1,801,224	1,810,264	
Mastercard Inc.	5,100	609,356	967,193	
Microsoft Corp.	26,200	1,874,187	2,808,035	
NVIDIA Corp.	1,800	455,919	436,401	
Oracle Corp.	36,600	2,099,045	2,168,155	
Tencent Holdings Ltd.	26,800	1,583,327	1,743,958	
Texas Instruments Inc.	13,700	1,387,744	1,792,748	
		13,251,006	15,321,375	8.52
Telecommunication Services				
American Tower Corp.	8,700	1,217,544	1,555,191	
BCE Inc.	50,100	2,782,402	3,025,039	
Rogers Communications Inc.	29,000	1,431,426	1,857,450	
Verizon Communications Inc.	13,900	896,936	921,825	
		6,328,308	7,359,505	4.09
Utilities				
Fortis Inc.	60,899	2,432,375	2,808,071	
Innervex Renewable Energy Inc.	140,800	1,613,669	2,027,520	
National Grid PLC	117,016	2,162,314	1,735,605	
NextEra Energy Inc.	7,700	1,118,134	1,506,870	
		7,326,492	8,078,066	4.49
Total Equities				
		97,963,369	109,951,869	61.14
MUTUAL FUNDS				
Dynamic Total Return Bond Fund, Series O	902,087	9,481,762	8,867,512	
Dynamic Credit Spectrum Fund Series O	502,016	4,722,097	4,432,805	

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

Sun Life Dynamic Strategic Yield Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Dynamic High Yield Bond Fund Series O	1,440,006	4,769,698	4,435,220	
Dynamic Premium Yield Fund Series O	165,311	1,861,821	1,773,791	
Total Mutual Funds		20,835,378	19,509,328	10.85
Transaction Costs		(71,452)	-	
Total Investments		146,884,605	156,971,325	87.29
Currency Forward Contracts ⁽¹⁾			705,303	0.39
Option Contracts ⁽²⁾			(29,033)	(0.02)
Unrealized appreciation/(depreciation) on swaps ⁽³⁾			134,999	0.08
Other Assets less Liabilities			22,049,923	12.26
Total Net Assets			179,832,517	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
BANK OF NOVA SCOTIA	A-1	7-Feb-2018	CAD	6,750,792	USD	(5,295,632)	119,248
BANK OF NOVA SCOTIA	A-1	7-Feb-2018	CAD	934,387	USD	(727,931)	22,813
BANK OF NOVA SCOTIA	A-1	7-Feb-2018	CAD	486,446	USD	(383,122)	6,678
CIBC	A-1	7-Feb-2018	CAD	5,139,558	USD	(4,031,342)	91,242
CIBC	A-1	7-Feb-2018	CAD	2,396,722	USD	(1,868,818)	56,440
CIBC	A-1	7-Feb-2018	CAD	1,940,048	USD	(1,513,330)	44,938
CIBC	A-1	7-Feb-2018	CAD	951,170	USD	(747,087)	15,620
Morgan Stanley	A-2	7-Feb-2018	CAD	6,840,440	USD	(5,366,608)	120,016
T.D. Bank Corp.	A-1+	7-Feb-2018	CAD	7,133,565	USD	(5,593,812)	128,616
T.D. Bank Corp.	A-1+	7-Feb-2018	CAD	1,941,342	USD	(1,513,330)	46,229
T.D. Bank Corp.	A-1+	7-Feb-2018	CAD	952,602	USD	(747,087)	17,049
T.D. Bank Corp.	A-1+	7-Feb-2018	CAD	757,995	HKD	(4,634,000)	15,020
T.D. Bank Corp.	A-1+	7-Feb-2018	CAD	2,717,928	GBP	(1,595,000)	12,409
T.D. Bank Corp.	A-1+	7-Feb-2018	CAD	490,963	EUR	(322,000)	5,583
T.D. Bank Corp.	A-1+	7-Feb-2018	CAD	447,724	SEK	(2,900,000)	3,069
T.D. Bank Corp.	A-1+	7-Feb-2018	CAD	20,689	GBP	(12,000)	334
							705,303

⁽²⁾ Option Contracts

	Option Type	Strike	Expiry Date	Number of Contracts	Average Cost (\$)	Current Value (\$)
Blackstone Group Lp @32 Put Option	Put	\$ 32	19-Jan-2018	(218)	(22,671)	(13,794)
Nvidia Corp.@190 Put Option	Put	\$ 190	19-Jan-2018	(35)	(36,493)	(15,239)
					(59,164)	(29,033)

⁽³⁾ Swaps Schedule

Referenced Entity	Notional Units	Expiry Date	Counterparty	Credit Rating for Counterparty	Market Value (\$)	Unrealized Gain/(Loss) (\$)
The Blackstone Group Trs	29,800	27-Apr-2018	Goldman Sachs & Co.	A-2	1,211,989	39,205
Enterprise Products Partners Trs	17,200	23-Aug-2018	Goldman Sachs & Co.	A-2	580,415	18,157
The Blackstone Group Trs	12,000	27-Jul-2018	Goldman Sachs & Co.	A-2	488,049	15,787
Enterprise Products Partners Trs	14,100	30-Apr-2018	Goldman Sachs & Co.	A-2	475,806	14,884
Enterprise Products Partners Trs	8,900	27-Apr-2018	Goldman Sachs & Co.	A-2	300,331	9,395
Enterprise Products Partners Trs	6,600	22-Mar-2018	Goldman Sachs & Co.	A-2	222,718	6,967
The Blackstone Group Trs	6,000	16-Nov-2018	Goldman Sachs & Co.	A-2	244,025	6,328
Enterprise Products Partners Trs	5,500	21-Mar-2018	Goldman Sachs & Co.	A-2	185,598	5,806
The Blackstone Group Trs	6,749	19-Nov-2018	Goldman Sachs & Co.	A-2	274,487	5,606
The Blackstone Group Trs	3,528	27-Nov-2018	Goldman Sachs & Co.	A-2	143,486	4,781

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

Sun Life Dynamic Strategic Yield Fund (continued)

Schedule of Investments (continued)

^(b) Swaps Schedule (continued)

Referenced Entity	Notional Units	Expiry Date	Counterparty	Credit Rating for Counterparty	Market Value (\$)	Unrealized Gain/(Loss) (\$)
The Blackstone Group Trs	3,101	29-Nov-2018	Goldman Sachs & Co.	A-2	126,120	3,833
The Blackstone Group Trs	4,031	21-Nov-2018	Goldman Sachs & Co.	A-2	163,944	2,909
Enterprise Products Partners Trs	2,700	23-Apr-2018	Goldman Sachs & Co.	A-2	91,112	2,850
The Blackstone Group Trs	2,491	23-Nov-2018	Goldman Sachs & Co.	A-2	101,311	2,397
						138,906
Enterprise Products Partners Trs - Ing Leg	(2,700)	23-Apr-2018	Goldman Sachs & Co.	A-2	(88,313)	(51)
Enterprise Products Partners Trs - Fin Leg	(5,500)	21-Mar-2018	Goldman Sachs & Co.	A-2	(179,897)	(105)
Enterprise Products Partners Trs - Fin Leg	(6,600)	22-Mar-2018	Goldman Sachs & Co.	A-2	(215,876)	(126)
Enterprise Products Partners Trs - Int Leg	(8,900)	27-Apr-2018	Goldman Sachs & Co.	A-2	(291,106)	(169)
The Blackstone Group Trs - Int Leg	(2,491)	23-Nov-2018	Goldman Sachs & Co.	A-2	(99,083)	(170)
The Blackstone Group Trs - Int Leg	(3,101)	29-Nov-2018	Goldman Sachs & Co.	A-2	(122,473)	(186)
The Blackstone Group Trs - Int Leg	(3,528)	27-Nov-2018	Goldman Sachs & Co.	A-2	(138,931)	(225)
Enterprise Products Partners Trs - Int Leg	(14,100)	30-Apr-2018	Goldman Sachs & Co.	A-2	(461,190)	(268)
The Blackstone Group Trs - Int Leg	(12,000)	27-Jul-2018	Goldman Sachs & Co.	A-2	(472,537)	(275)
The Blackstone Group Trs - Int Leg	(4,031)	21-Nov-2018	Goldman Sachs & Co.	A-2	(161,336)	(302)
Enterprise Products Partners Trs - Int Leg	(17,200)	23-Aug-2018	Goldman Sachs & Co.	A-2	(562,586)	(327)
The Blackstone Group Trs - Int Leg	(6,000)	16-Nov-2018	Goldman Sachs & Co.	A-2	(238,181)	(485)
The Blackstone Group Trs - Int Leg	(6,749)	19-Nov-2018	Goldman Sachs & Co.	A-2	(269,416)	(536)
The Blackstone Group Trs - Int Leg	(29,800)	27-Apr-2018	Goldman Sachs & Co.	A-2	(1,173,466)	(682)
						(3,907)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Dynamic Strategic Yield Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar. The Fund is exposed indirectly to credit risk as a result of its investment in underlying externally managed funds.

The Fund invests in financial assets which 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	1.13
AA/Aa	5.89	2.94
A/A	6.08	7.23
BBB/Bbb	5.53	6.24
BB/Ba	0.22	0.39
Not Rated	0.40	-
Total	18.25	17.93

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 Dynamic Strategic Yield Fund (continued)

(b) Market risk

(i) Currency risk

The 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates 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	46,872,674	26.06	80,327,432	45.66
British Pound	2,783,816	1.55	(38,385)	(0.02)
Hong Kong Dollar	1,001,200	0.56	(38,385)	-
Euro	440,740	0.25	376,095	0.21
Japanese Yen	5,956	-	-	-
Total	51,104,386	28.42	80,665,142	45.85

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 Units of the Fund would have increased or decreased respectively by \$2,555,219 (\$4,033,257 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 underlying externally managed funds.

The following table summarizes the Fund's direct 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	-	14,814,970	12,695,159	27,510,129
December 31, 2016	-	16,562,615	14,859,559	31,422,174

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 Units of the Fund would have decreased or increased respectively by \$1,556,816 (\$1,518,809 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 indirectly to other market risk as a result of its investment in underlying externally managed funds.

The Fund is also directly exposed to other market risk as a result of its 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 Units of the Fund would have increased or decreased respectively by \$5,497,594 (\$4,987,861 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 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 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	15.2	11.5
Foreign Bonds	-	6.4
Mortgage-Backed	0.1	-
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

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

Sun Life Dynamic Strategic Yield Fund (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 (\$)
Financial Assets				
Equities	109,951,869	-	-	109,951,869
Bonds	-	27,404,980	-	27,404,980
Mutual Funds	19,509,328	-	-	19,509,328
Currency Forward Contracts	-	705,303	-	705,303
Swaps	-	138,906	-	138,906
Mortgage Backed Securities	-	105,148	-	105,148
Financial Liabilities				
Option Contracts	29,033	-	-	29,033
Swaps	-	3,907	-	3,907
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	99,757,214	-	-	99,757,214
Bonds	-	31,422,174	-	31,422,174
Mutual Funds	21,088,004	-	-	21,088,004
Currency Forward Contracts	-	6,981	-	6,981
Swaps	-	108,070	-	108,070
Financial Liabilities				
Currency Forward Contracts	-	30,569	-	30,569
Option Contracts	54,000	-	-	54,000
Swaps	-	3,539	-	3,539

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Bonds have been classified as Level 2.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of options, foreign currency forward contracts and equity swaps. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Forward contracts and equity swaps are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$129,474 (\$114,836 for the period ended December 31, 2016).

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 \$34,051 (\$815 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$nil (\$2,983,026 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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

Sun Life Dynamic Strategic Yield Fund (continued)

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds (“underlying funds”) to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund’s net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund’s interests in underlying funds are reported at fair value in “investments” in its Statements of Financial Position and 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 underlying funds.

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	844,209	115,051
Investments designated at FVTPL	156,971,325	152,267,392
Total financial assets at fair value through profit or loss	157,815,534	152,382,443
Financial assets at amortized cost		
Cash	19,073,374	21,821,648
Other receivables	3,143,029	3,209,148
Total financial assets at amortized cost	22,216,403	25,030,796
Total assets	180,031,937	177,413,239
Financial liabilities		
Derivative liabilities held for trading	32,940	88,108
Financial liabilities at amortized cost	166,480	1,414,970
Total liabilities (excluding net assets attributable to holders of redeemable units)	199,420	1,503,078

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	1,611,241	(608,207)
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	14,119,192	8,127,526
Total net gains (losses)	15,730,433	7,519,319

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund’s Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Gross Assets/ (Liabilities) (\$)	Amounts Eligible for Offset		Net (\$)
		Financial Instruments (\$)	Collateral received/ paid (\$)	
December 31, 2017				
Derivative assets - Forward Contracts	705,303	-	-	705,303
Derivative assets - Swaps	138,906	(3,907)	-	134,999
Total	844,209	(3,907)	-	840,302
Derivative liabilities - Swaps	(3,907)	3,907	-	-
Total	(3,907)	3,907	-	-
December 31, 2016				
Derivative assets - Forward Contracts	6,981	(2,353)	-	4,628
Derivative assets - Credit Default Swaps	108,070	(1,298)	-	106,772
Total	115,051	(3,651)	-	111,400
Derivative liabilities - Forward Contracts	(30,569)	2,353	-	(28,216)
Derivative liabilities - Credit Default Swaps	(3,539)	1,298	-	(2,241)
Total	(34,108)	3,651	-	(30,457)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	January 11, 2013	January 17, 2013
Series F Units	January 11, 2013	January 17, 2013
Series I Units	January 11, 2013	January 17, 2013
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 Growth Portfolio

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)	1,117,466,746	771,970,250
Short-term investments	-	-
Cash	5,957,019	4,538,919
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	14,077,292
Accrued interest	-	-
Dividends receivable	-	80,634
Distributions receivable from underlying funds	11,863,328	5,240,738
Subscriptions receivable	2,823,340	2,394,420
	1,138,110,433	798,302,253
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	24,898	59,156
Redemptions payable	365,466	128,994
Distributions payable	509	-
Due to investment dealers	15,375,861	23,412,856
Management fees payable	131,293	342,580
Total liabilities (excluding net assets attributable to holders of redeemable units)	15,898,027	23,943,586
Net Assets Attributable to Holders of Redeemable Units	1,122,212,406	774,358,667
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	254,164,719	171,737,541
Series T5	3,686,306	3,196,772
Series T8	784,731	724,702
Series E	-	-
Series F	26,673,458	14,119,372
Series I	798,070,071	556,545,059
Series O	38,833,121	28,035,221
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	13.62	12.94
Series T5	17.11	16.92
Series T8	14.42	14.67
Series E	-	-
Series F	13.98	13.28
Series I	14.45	13.69
Series O	11.21	10.62

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		
Dividend income	2,181,870	1,660,099
Interest income for distribution purposes	17,216	10,702
Distributions from underlying funds	32,214,154	21,386,506
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	22,059,709	9,162,891
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	41,649,125	11,327,950
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	98,122,074	43,548,148
Net gain (loss) on foreign exchange	(241,759)	(236,549)
Other income	-	-
Total income (loss)	97,880,315	43,311,599
Expenses (note 5)		
Management fees	4,631,069	2,801,400
Administration fees	826,502	506,284
Independent review committee fees	5,783	3,592
Withholding tax	327,281	236,886
Transaction costs (note 2)	14,556	12,751
Total operating expenses	5,805,191	3,560,913
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	92,075,124	39,750,686
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	92,075,124	39,750,686
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	17,169,766	6,798,972
Series T5	291,628	123,362
Series T8	62,247	14,209
Series E	-	(572,971)
Series F	1,755,889	477,209
Series I	69,497,971	31,479,454
Series O	3,297,623	1,430,451
Weighted Average Number of Units Outstanding		
Series A	16,005,398	10,217,693
Series T5	206,422	110,358
Series T8	54,428	37,794
Series E	-	1,380,965
Series F	1,425,690	633,580
Series I	47,013,670	31,174,080
Series O	2,948,607	2,177,719

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

Sun Life Granite Balanced Growth Portfolio (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.07	0.67
Series T5	1.41	1.12
Series T8	1.14	0.38
Series E	-	(0.41)
Series F	1.23	0.75
Series I	1.48	1.01
Series O	1.12	0.66

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

For the periods ended December 31

	Series A		Series T5		Series T8		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 171,737,541	87,869,689	3,196,772	417,675	724,702	776,468	14,119,372	5,625,704
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 17,169,766	6,798,972	291,628	123,362	62,247	14,209	1,755,889	477,209
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 99,206,927	92,430,469	1,083,449	2,823,574	224,419	735,351	15,675,253	9,787,315
Redemption of redeemable units	\$ (33,929,394)	(15,354,271)	(720,505)	(74,750)	(183,916)	(770,667)	(4,799,854)	(1,754,098)
Reinvestment of distributions to holders of redeemable units	\$ 7,412,664	3,906,866	86,037	37,138	35,416	20,249	980,431	441,060
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 72,690,197	80,983,064	448,981	2,785,962	75,919	(15,067)	11,855,830	8,474,277
Distributions to Holders of Redeemable Units								
From capital gains	\$ (5,924,929)	(2,486,127)	(87,865)	(46,875)	(18,628)	(10,601)	(621,933)	(203,338)
From net investment income	\$ (1,310,117)	(1,427,841)	(136,386)	(77,149)	(50,109)	(36,545)	(414,944)	(239,366)
Return of capital	\$ (197,739)	(216)	(26,824)	(6,203)	(9,400)	(3,762)	(20,756)	(15,114)
	\$ (7,432,785)	(3,914,184)	(251,075)	(130,227)	(78,137)	(50,908)	(1,057,633)	(457,818)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 82,427,178	83,867,852	489,534	2,779,097	60,029	(51,766)	12,554,086	8,493,668
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 254,164,719	171,737,541	3,686,306	3,196,772	784,731	724,702	26,673,458	14,119,372
Redeemable Unit Transactions								
Balance - beginning of period	13,274,177	6,893,991	188,888	24,139	49,398	50,336	1,062,854	430,167
Units issued	7,352,672	7,280,976	62,823	166,946	15,046	49,807	1,114,735	734,459
Units issued on reinvestment of distributions	541,282	301,724	4,993	2,191	2,415	1,365	69,725	33,183
Units redeemed	(2,502,995)	(1,202,514)	(41,249)	(4,388)	(12,445)	(52,110)	(339,966)	(134,955)
Balance - end of period	18,665,136	13,274,177	215,455	188,888	54,414	49,398	1,907,348	1,062,854

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

Sun Life Granite Balanced Growth Portfolio (continued)

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

For the periods ended December 31

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 556,545,059	286,638,324	28,035,221	20,523,115	774,358,667	415,143,477
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 69,497,971	31,479,454	3,297,623	1,430,451	92,075,124	39,750,686
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 201,891,544	253,334,475	15,877,955	9,501,450	333,959,547	369,603,689
Redemption of redeemable units	\$ (29,864,503)	(14,907,193)	(8,377,940)	(3,419,795)	(77,876,112)	(49,990,642)
Reinvestment of distributions to holders of redeemable units	\$ 37,582,487	21,586,873	1,791,502	1,045,625	47,888,537	27,038,043
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 209,609,528	260,014,155	9,291,517	7,127,280	303,971,972	346,651,090
Distributions to Holders of Redeemable Units						
From capital gains	\$ (18,570,366)	(8,105,846)	(945,766)	(409,019)	(26,169,487)	(11,261,806)
From net investment income	\$ (18,392,351)	(12,513,169)	(845,474)	(592,520)	(21,149,381)	(14,887,492)
Return of capital	\$ (619,770)	(967,859)	-	(44,086)	(874,489)	(1,037,288)
	\$ (37,582,487)	(21,586,874)	(1,791,240)	(1,045,625)	(48,193,357)	(27,186,586)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 241,525,012	269,906,735	10,797,900	7,512,106	347,853,739	359,215,190
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 798,070,071	556,545,059	38,833,121	28,035,221	1,122,212,406	774,358,667
Redeemable Unit Transactions						
Balance - beginning of period	40,668,207	21,379,117	2,639,233	1,971,521	57,882,757	32,062,533
Units issued	14,067,810	18,809,164	1,418,965	900,875	24,032,051	28,042,747
Units issued on reinvestment of distributions	2,587,399	1,576,847	158,930	98,396	3,364,744	2,013,730
Units redeemed	(2,090,221)	(1,096,921)	(753,877)	(331,559)	(5,740,753)	(4,236,253)
Balance - end of period	55,233,195	40,668,207	3,463,251	2,639,233	79,538,799	57,882,757

Statements of Cash Flows

For the periods ended December 31

	2017	2016		2017	2016
	(\$)	(\$)		(\$)	(\$)
Cash Flows from Operating Activities			Net Cash Provided by (Used in) Operating Activities	(254,168,576)	(315,176,121)
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	92,075,124	39,750,686	Cash Flows from Financing Activities		
Adjustments for:			Distributions paid to holders of redeemable units, net of reinvested distributions	(304,311)	(148,543)
Gain on short-term investments	-	-	Proceeds from redeemable units issued	333,530,627	369,446,189
Net realized (gain) loss on sale of investments	(22,059,709)	(9,162,891)	Redemption of redeemable units	(77,639,640)	(50,074,863)
Change in unrealized (appreciation) depreciation in value of investments	(41,649,125)	(11,327,950)	Net Cash Provided by (Used in) Financing Activities	255,586,676	319,222,783
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-	Net increase (decrease) in cash	1,418,100	4,046,662
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-	Cash (bank indebtedness) at beginning of period	4,538,919	492,257
Change in unrealized (appreciation) depreciation in value of swaps	-	-	Cash (bank indebtedness) at end of period	5,957,019	4,538,919
Non-cash income distributions from underlying funds	(32,214,154)	(21,386,506)	Dividends received, net of withholding taxes	1,935,223	1,381,755
Change in fair value of option contracts	-	-	Interest received, net of withholding taxes	17,216	10,702
Change in fair value of credit default swaps	-	-	Interest paid	-	-
Change in margin	-	-			
Purchases of investments	(742,283,464)	(658,110,059)			
Proceeds from sale of investments	498,735,697	349,047,400			
Purchases of short-term investments	-	-			
Proceeds from sale of short-term investments	-	-			
Change in dividends and interest receivable	80,634	(41,458)			
Change in distributions receivable from underlying funds	(6,622,590)	(4,312,290)			
Change in management fees payable	(211,287)	301,999			
Change in other payables and accrued expenses	(19,702)	64,948			

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

Sun Life Granite Balanced Growth Portfolio (continued)

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares Core S&P 500 ETF	386,924	115,506,907	130,336,938	
		115,506,907	130,336,938	11.61
MUTUAL FUNDS				
ABSL Umbrella UCITS Fund, Class E	101,167	14,909,224	18,353,981	
Beutel Goodman Canadian Equity Fund, Class I	2,178,464	83,047,279	90,435,468	
Brandes U.S. Small Cap Equity Fund, Series I	1,044,415	23,371,216	25,266,393	
Invesco Global Real Estate Fund, Series I	2,012,602	25,187,372	24,549,719	
PH&N Bond Fund, Series O	7,945,565	83,364,191	81,047,943	
RBC Global High Yield Bond Fund, Series O	4,299,840	46,446,224	47,139,148	
Sun Life BlackRock Canadian Composite Equity Fund, Series I	6,660,148	72,003,773	74,751,502	
Sun Life BlackRock Canadian Universe Bond Fund, Series I	6,119,655	65,306,116	64,146,223	
Sun Life Granite Tactical Completion Fund, Series I	9,364,898	95,264,017	92,590,741	
Sun Life MFS Canadian Equity Growth Fund, Series I	1,019,876	48,946,506	53,938,793	
Sun Life MFS International Growth Fund, Series I	3,641,186	56,818,979	65,828,282	
Sun Life MFS International Value Fund, Series I	4,232,363	81,431,432	98,957,734	
Sun Life MFS U.S. Value Fund, Series I	1,739,969	46,062,621	47,513,864	
Sun Life MFS U.S. Growth Fund, Series I	1,200,035	31,112,191	38,825,326	
Sun Life NWQ Flexible Income Fund, Series I	2,110,324	21,095,873	21,244,845	
Sun Life Ryan Labs U.S. Core Fixed Income Fund, Series I	2,627,448	26,513,660	26,397,185	
Sun Life Schroder Emerging Markets Fund, Series I	3,215,393	31,143,255	38,685,360	
Sun Life Schroder Global Mid Cap Fund, Series I	2,197,042	23,869,379	25,008,491	
Sun Life Infrastructure Fund, Series I	1,418,300	12,863,744	12,574,930	
Sun Life Sionna Canadian Small Cap Equity Class, Series I	1,660,568	16,235,768	17,143,207	
Templeton Global Bond Fund (Hedged), Series O	2,630,865	22,988,196	22,730,673	
		927,981,016	987,129,808	87.97
Transaction Costs		(4,968)		
Total Investments		1,043,482,955	1,117,466,746	99.58
Other Assets less Liabilities			4,745,660	0.42
Total Net Assets			1,122,212,406	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Balanced Growth Portfolio (the "Portfolio") expose it to a variety of financial risks, which are described below. The Portfolio's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Portfolio are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

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 Portfolio holds assets and liabilities indirectly through underlying externally 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 Portfolio. 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 Portfolio (continued)

(ii) Interest rate risk

The Portfolio is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Portfolio is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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	11.3
Mutual Funds		
Canadian Fixed Income	12.9	18.4
International Equities	16.3	14.9
Tactical Balanced	10.2	13.2
Canadian Equities	14.8	12.4
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
Other Assets less Liabilities	0.4	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 (\$)	
Exchange-Traded Funds	130,336,938	-	-	130,336,938
Mutual Funds	987,129,808	-	-	987,129,808
	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Exchange-Traded Funds	87,725,571	-	-	87,725,571
Mutual Funds	684,244,679	-	-	684,244,679

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Exchange-Traded Funds

Exchange-traded 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.

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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$14,556 (\$12,751 for the period ended December 31, 2016).

Taxation of the Portfolio

The Portfolio currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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

Sun Life Granite Balanced Growth Portfolio (continued)

Interests in Underlying Funds

The Portfolio invests in redeemable units or shares of other investment funds (“underlying funds”) to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Portfolio, along with other investors, which entitles unitholders to a proportionate share of the underlying fund’s net assets. The Portfolio does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Portfolio’s interests in underlying funds are reported at fair value in “investments” in its Statements of Financial Position and its Schedule of Investments, which represents the Portfolio’s maximum exposure to financial loss.

As at December 31, 2017 and December 31, 2016, there were no significant interests in underlying funds.

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	1,117,466,746	771,970,250
Total financial assets at fair value through profit or loss	1,117,466,746	771,970,250
Financial assets at amortized cost		
Cash	5,957,019	4,538,919
Other receivables	14,686,668	21,793,084
Total financial assets at amortized cost	20,643,687	26,332,003
Total assets	1,138,110,433	798,302,253
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	15,898,027	23,943,586
Total liabilities (excluding net assets attributable to holders of redeemable units)	15,898,027	23,943,586

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	98,122,074	43,548,148
Total net gains (losses)	98,122,074	43,548,148

Establishment of the Portfolio

The origin dates on the series of units of the Portfolio are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2012	January 17, 2012
Series T5 Units	January 11, 2012	January 17, 2012
Series T8 Units	January 11, 2012	January 17, 2012
Series F Units	January 11, 2012	January 17, 2012
Series I Units	January 11, 2012	January 17, 2012
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 Portfolio

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)	2,548,843,409	1,770,150,394
Short-term investments	-	-
Cash	9,530,706	5,649,940
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	27,845,804
Accrued interest	-	-
Dividends receivable	-	40,401
Distributions receivable from underlying funds	26,160,271	11,774,851
Subscriptions receivable	5,054,217	5,914,550
	2,589,588,603	1,821,375,940
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	59,649	135,927
Redemptions payable	1,059,234	135,520
Distributions payable	-	-
Due to investment dealers	31,643,961	46,334,517
Management fees payable	308,861	771,729
Total liabilities (excluding net assets attributable to holders of redeemable units)	33,071,705	47,377,693
Net Assets Attributable to Holders of Redeemable Units	2,556,516,898	1,773,998,247
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	607,712,597	384,156,193
Series T5	4,409,010	3,024,957
Series D	44,725,983	48,029,975
Series E	-	-
Series F	49,236,609	18,421,370
Series I	1,757,560,114	1,258,917,964
Series O	92,872,585	61,447,788
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	12.76	12.27
Series T5	16.09	16.07
Series D	10.21	9.77
Series E	-	-
Series F	13.31	12.79
Series I	13.58	13.01
Series O	10.94	10.48

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		
Dividend income	4,291,983	3,184,368
Interest income for distribution purposes	50,963	25,667
Distributions from underlying funds	74,739,523	51,132,894
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	49,712,835	17,850,534
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	76,332,552	18,239,402
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	205,127,856	90,432,865
Net gain (loss) on foreign exchange	(426,084)	76,585
Other income	-	-
Total income (loss)	204,701,772	90,509,450
Expenses (note 5)		
Management fees	10,751,805	5,968,462
Administration fees	1,965,695	1,104,362
Independent review committee fees	14,083	8,088
Withholding tax	643,374	471,517
Transaction costs (note 2)	21,981	18,964
Total operating expenses	13,396,938	7,571,393
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	191,304,834	82,938,057
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	191,304,834	82,938,057
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	35,627,869	14,104,881
Series T5	245,792	106,039
Series D	3,800,072	486,778
Series E	-	(1,324,337)
Series F	2,690,064	451,508
Series I	142,004,389	66,513,194
Series O	6,936,648	2,599,994
Weighted Average Number of Units Outstanding		
Series A	39,516,273	23,278,580
Series T5	223,694	136,817
Series D	4,527,867	4,114,666
Series E	-	3,686,002
Series F	2,585,950	561,822
Series I	110,978,184	75,628,946
Series O	6,887,948	3,863,981

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

Sun Life Granite Balanced Portfolio (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.90	0.61
Series T5	1.10	0.78
Series D	0.84	0.12
Series E	-	(0.36)
Series F	1.04	0.80
Series I	1.28	0.88
Series O	1.01	0.67

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

For the periods ended December 31

	Series A		Series T5		Series D		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 384,156,193	171,767,971	3,024,957	1,389,857	48,029,975	-	-	35,861,201
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 35,627,869	14,104,881	245,792	106,039	3,800,072	486,778	-	(1,324,337)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 274,467,209	234,413,366	1,942,114	1,764,730	1,307,672	49,586,185	-	2,388,220
Redemption of redeemable units	\$ (86,513,283)	(36,121,676)	(642,459)	(174,460)	(8,394,925)	(2,031,828)	-	(36,922,519)
Reinvestment of distributions to holders of redeemable units	\$ 19,586,071	9,924,955	116,653	78,088	1,632,234	1,147,758	-	-
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 207,539,997	208,216,645	1,416,308	1,668,358	(5,455,019)	48,702,115	-	(34,534,299)
Distributions to Holders of Redeemable Units								
From capital gains	\$ (15,217,810)	(5,087,741)	(112,556)	(35,996)	(1,132,775)	(349,486)	-	-
From net investment income	\$ (4,393,652)	(4,656,771)	(78,885)	(103,301)	(516,270)	(809,432)	-	(2,432)
Return of capital	\$ -	(188,792)	(86,606)	-	-	-	-	(133)
	\$ (19,611,462)	(9,933,304)	(278,047)	(139,297)	(1,649,045)	(1,158,918)	-	(2,565)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 223,556,404	212,388,222	1,384,053	1,635,100	(3,303,992)	48,029,975	-	(35,861,201)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 607,712,597	384,156,193	4,409,010	3,024,957	44,725,983	48,029,975	-	-
Redeemable Unit Transactions								
Balance - beginning of period	31,314,260	14,132,461	188,231	84,417	4,916,076	-	-	3,559,053
Units issued	21,533,397	19,329,411	118,050	109,772	126,174	5,001,783	-	242,824
Units issued on reinvestment of distributions	1,526,908	806,577	7,173	4,838	159,075	117,475	-	-
Units redeemed	(6,761,024)	(2,954,189)	(39,410)	(10,796)	(821,396)	(203,182)	-	(3,801,877)
Balance - end of period	47,613,541	31,314,260	274,044	188,231	4,379,929	4,916,076	-	-

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

Sun Life Granite Balanced Portfolio (continued)

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

For the periods ended December 31

	Series F		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 18,421,370	1,111,987	1,258,917,964	695,855,393	61,447,788	24,011,097	1,773,998,247	929,997,506
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 2,690,064	451,508	142,004,389	66,513,194	6,936,648	2,599,994	191,304,834	82,938,057
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 35,431,408	17,661,418	386,156,410	525,400,335	42,995,439	39,814,285	742,300,252	871,028,539
Redemption of redeemable units	\$ (7,216,846)	(781,493)	(29,518,491)	(28,850,958)	(18,359,977)	(4,901,737)	(150,645,981)	(109,784,671)
Reinvestment of distributions to holders of redeemable units	\$ 2,018,472	494,531	87,105,785	48,033,809	4,336,597	2,079,754	114,795,812	61,758,895
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 30,233,034	17,374,456	443,743,704	544,583,186	28,972,059	36,992,302	706,450,083	823,002,763
Distributions to Holders of Redeemable Units								
From capital gains	\$ (1,224,402)	(188,378)	(44,203,019)	(17,279,694)	(2,344,888)	(779,714)	(64,235,450)	(23,721,009)
From net investment income	\$ (883,457)	(308,384)	(42,902,924)	(28,534,257)	(2,139,022)	(1,281,176)	(50,914,210)	(35,695,753)
Return of capital	\$ -	(19,819)	-	(2,219,858)	-	(94,715)	(86,606)	(2,523,317)
	\$ (2,107,859)	(516,581)	(87,105,943)	(48,033,809)	(4,483,910)	(2,155,605)	(115,236,266)	(61,940,079)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 30,815,239	17,309,383	498,642,150	563,062,571	31,424,797	37,436,691	782,518,651	844,000,741
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 49,236,609	18,421,370	1,757,560,114	1,258,917,964	92,872,585	61,447,788	2,556,516,898	1,773,998,247
Redeemable Unit Transactions								
Balance - beginning of period	1,440,255	88,033	96,773,281	54,455,453	5,862,672	2,331,037	140,494,775	74,650,454
Units issued	2,640,424	1,373,682	28,413,936	40,851,504	3,901,009	3,801,212	56,732,990	70,710,188
Units issued on reinvestment of distributions	150,940	38,588	6,384,463	3,678,453	394,616	197,788	8,623,175	4,843,719
Units redeemed	(531,983)	(60,048)	(2,165,621)	(2,212,129)	(1,668,399)	(467,365)	(11,987,833)	(9,709,586)
Balance - end of period	3,699,636	1,440,255	129,406,059	96,773,281	8,489,898	5,862,672	193,863,107	140,494,775

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

Sun Life Granite Balanced Portfolio (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 units from operations (excluding distributions)	191,304,834	82,938,057
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(49,712,835)	(17,850,534)
Change in unrealized (appreciation) depreciation in value of investments	(76,332,552)	(18,239,402)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(74,739,523)	(51,132,894)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(1,562,213,428)	(1,583,571,035)
Proceeds from sale of investments	997,438,590	834,932,826
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	40,401	34,511
Change in distributions receivable from underlying funds	(14,385,420)	(9,729,712)
Change in management fees payable	(462,868)	693,639
Change in other payables and accrued expenses	(54,297)	142,831
Net Cash Provided by (Used in) Operating Activities	(589,117,098)	(761,781,713)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(440,454)	(181,184)
Proceeds from redeemable units issued	743,160,585	874,425,864
Redemption of redeemable units	(149,722,267)	(109,754,378)
Net Cash Provided by (Used in) Financing Activities	592,997,864	764,490,302
Net increase (decrease) in cash	3,880,766	2,708,589
Cash (bank indebtedness) at beginning of period	5,649,940	2,941,351
Cash (bank indebtedness) at end of period	9,530,706	5,649,940
Dividends received, net of withholding taxes	3,689,010	2,747,362
Interest received, net of withholding taxes	50,963	25,667
Interest paid	-	-

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

Sun Life Granite Balanced Portfolio (continued)

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares Core S&P 500 ETF	756,188	226,427,373	254,725,034	
		226,427,373	254,725,034	9.96
MUTUAL FUNDS				
ABSL Umbrella UCITS Fund, Class E	207,774	31,261,491	37,694,849	
Beutel Goodman Canadian Equity Fund, Class I	4,227,090	160,404,582	175,480,860	
Brandes U.S. Small Cap Equity Fund, Series I	2,013,943	44,879,325	48,721,118	
Invesco Global Real Estate Fund, Series I	3,648,917	45,813,446	44,509,489	
PH&N Bond Fund, Series O	26,689,039	280,267,201	272,238,876	
RBC Global High Yield Bond Fund, Series O	11,858,379	127,459,079	130,003,404	
Sun Life BlackRock Canadian Composite Equity Fund, Series I	12,948,494	140,122,730	145,330,009	
Sun Life BlackRock Canadian Universe Bond Fund, Series I	20,210,545	216,015,890	211,846,935	
Sun Life Granite Tactical Completion Fund, Series I	21,411,044	217,636,057	211,690,996	
Sun Life MFS Canadian Equity Growth Fund, Series I	1,979,762	94,517,181	104,704,860	
Sun Life MFS International Growth Fund, Series I	6,998,595	109,501,992	126,526,197	
Sun Life MFS International Value Fund, Series I	8,079,072	155,091,397	188,898,388	
Sun Life MFS U.S. Value Fund, Series I	3,432,876	90,825,490	93,742,580	
Sun Life MFS U.S. Growth Fund, Series I	2,332,935	60,055,631	75,478,605	
Sun Life NWQ Flexible Income Fund, Series I	6,259,676	62,642,790	63,016,781	
Sun Life Ryan Labs U.S. Core Fixed Income Fund, Series I	11,063,637	111,599,487	111,153,041	
Sun Life Schroder Emerging Markets Fund, Series I	6,643,399	66,141,320	79,928,724	
Sun Life Schroder Global Mid Cap Fund, Series I	4,202,163	46,234,391	47,832,376	
Sun Life Infrastructure Fund, Series I	3,071,131	27,862,897	27,229,260	
Sun Life Sionna Canadian Small Cap Equity Class, Series I	3,244,925	32,125,116	33,499,630	
Templeton Global Bond Fund (Hedged), Series O	7,475,856	64,836,801	64,591,397	
		2,185,294,294	2,294,118,375	89.74
Transaction Costs		(9,710)		
Total Investments		2,411,711,957	2,548,843,409	99.70
Other Assets less Liabilities			7,673,489	0.30
Total Net Assets			2,556,516,898	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Balanced Portfolio (the "Portfolio") expose it to a variety of financial risks, which are described below. The Portfolio's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Portfolio are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

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 Portfolio holds assets and liabilities indirectly through underlying externally 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 Portfolio. 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 Portfolio (continued)

(ii) Interest rate risk

The Portfolio is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Portfolio is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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	9.9
Mutual Funds		
Canadian Fixed Income	18.9	22.5
International Equities	13.8	13.6
Tactical Balanced	10.8	13.6
Canadian Equities	12.6	11.2
U.S. Equities	6.6	4.9
U.S. Fixed Income	4.3	-
High Yield Fixed Income	5.1	4.8
Global Fixed Income	2.5	4.2
Global Equities	1.1	3.9
Canadian Focused Equities	4.1	2.7
Real Estate Equities	1.7	1.8
Emerging Markets Equities	3.1	1.8
U.S. Small/Mid Cap Equities	1.9	1.6
Energy Equities	-	1.5
Global Small/Mid Cap Equities	1.9	1.0
Canadian Small/Mid Cap Equities	1.3	0.5
Canadian Money Market	-	0.3
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 (\$)	
Exchange-Traded Funds	254,725,034	-	-	254,725,034
Mutual Funds	2,294,118,375	-	-	2,294,118,375

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Exchange-Traded Funds	175,770,040	-	-	175,770,040
Mutual Funds	1,594,380,354	-	-	1,594,380,354

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Exchange-Traded Funds

Exchange-traded 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.

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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$21,981 (\$18,964 for the period ended December 31, 2016).

Taxation of the Portfolio

The Portfolio currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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

Sun Life Granite Balanced Portfolio (continued)

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Portfolio. Investment by the Company in the Portfolio 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 Portfolio:

	December 31, 2017	
	Units	Market Value (\$)
Series D	-	-

	December 31, 2016	
	Units	Market Value (\$)
Series D	1,038	10,139

The following are transactions in the Portfolio by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series D	-	10,855	-

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series D	10,000	-	371

Interests in Underlying Funds

The Portfolio invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Portfolio, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Portfolio does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Portfolio's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Portfolio's maximum exposure to financial loss.

As at December 31, 2017 and December 31, 2016, the Portfolio had interests in underlying funds as noted in the following tables:

Underlying Fund	As at December 31, 2017	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
ABSL Umbrella UCITS Fund	1	25
Brandes U.S. Small Cap Equity Fund, Class I	2	23
Sun Life Dynamic Energy Fund	-	-
Sun Life Granite Tactical Completion Fund	8	36
Sun Life Infrastructure Fund	1	22
Sun Life MFS Canadian Equity Growth Fund	4	35
Sun Life MFS International Growth Fund	5	21
Sun Life MFS Low Volatility International Equity Fund	-	-
Sun Life MFS U.S. Value Fund	4	35
Sun Life NWQ Flexible Income Fund	2	21
Sun Life Ryan Labs U.S. Core Fixed Income Fund	4	26
Sun Life Schroder Emerging Markets Fund	3	21
Sun Life Schroder Global Mid Cap Fund	2	25
Sun Life Sionna Canadian Small Cap Equity Class	1	21

Underlying Fund	As at December 31, 2016	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
ABSL Umbrella UCITS Fund	1	22
Brandes U.S. Small Cap Equity Fund, Class I	2	24
Sun Life Dynamic Energy Fund	2	38
Sun Life Granite Tactical Completion Fund	12	37
Sun Life Infrastructure Fund	4	32
Sun Life MFS Canadian Equity Growth Fund	3	34
Sun Life MFS International Growth Fund	3	18
Sun Life MFS Low Volatility International Equity Fund	1	41
Sun Life MFS U.S. Value Fund	-	-
Sun Life NWQ Flexible Income Fund	2	28
Sun Life Ryan Labs U.S. Core Fixed Income Fund	-	-
Sun Life Schroder Emerging Markets Fund	2	17
Sun Life Schroder Global Mid Cap Fund	1	30
Sun Life Sionna Canadian Small Cap Equity Class	1	22

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

Sun Life Granite Balanced Portfolio (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	2,548,843,409	1,770,150,394
Total financial assets at fair value through profit or loss	2,548,843,409	1,770,150,394
Financial assets at amortized cost		
Cash	9,530,706	5,649,940
Other receivables	31,214,488	45,575,606
Total financial assets at amortized cost	40,745,194	51,225,546
Total assets	2,589,588,603	1,821,375,940
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	33,071,705	47,377,693
Total liabilities (excluding net assets attributable to holders of redeemable units)	33,071,705	47,377,693

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	205,127,856	90,432,865
Total net gains (losses)	205,127,856	90,432,865

Establishment of the Portfolio

The origin dates on the series of units of the Portfolio are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2012	January 17, 2012
Series T5 Units	January 11, 2012	January 17, 2012
Series D Units	July 29, 2016	July 29, 2016
Series F Units	January 11, 2012	January 17, 2012
Series I Units	January 11, 2012	January 17, 2012
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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.

Fund Merger

As of close of business on August 25, 2016, all assets of the Sun Life MFS Balanced Growth Fund and the Sun Life MFS Balanced Value Fund (the "Terminating Funds") were reclassified into the Sun Life Granite Balanced Portfolio (the "Continuing Fund").

Terminating Funds	Continuing Fund	Net Assets Acquired by Continuing Fund	Units Issued by Continuing Fund
Sun Life MFS Balanced Growth Fund and Sun Life MFS Balanced Value Fund	Sun Life Granite Balanced Portfolio		
Series A	Series A	14,088,195	1,131,964
Series D	Series D	49,454,964	4,988,548
Series F	Series F	5,552,222	427,696
Series I	Series I	4,608,188	349,428
Series O	Series O	5,721,672	538,439

Under the tax reorganization rules in the *Income Tax Act (Canada)*, the discontinuation of the Terminating Funds was executed on a non-taxable basis. The execution of this merger is recorded as a subscription on the Continuing Fund's Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

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

Sun Life Granite Conservative Portfolio

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)	1,200,149,549	890,315,955
Short-term investments	-	-
Cash	7,875,401	909,693
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	19,051,655
Accrued interest	-	-
Dividends receivable	-	-
Distributions receivable from underlying funds	10,572,029	5,293,838
Subscriptions receivable	1,824,728	4,186,534
	1,220,421,707	919,757,675
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	33,728	91,820
Redemptions payable	454,858	95,853
Distributions payable	-	-
Due to investment dealers	12,578,409	27,950,044
Management fees payable	169,577	515,081
Total liabilities (excluding net assets attributable to holders of redeemable units)	13,236,572	28,652,798
Net Assets Attributable to Holders of Redeemable Units	1,207,185,135	891,104,877
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	419,009,553	321,953,351
Series T5	6,876,620	5,603,667
Series E	-	-
Series F	35,284,000	14,658,286
Series I	694,930,187	505,650,469
Series O	51,084,775	43,239,104
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	11.35	11.14
Series T5	14.14	14.35
Series E	-	-
Series F	11.52	11.33
Series I	11.87	11.64
Series O	10.42	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		
Dividend income	1,088,159	787,988
Interest income for distribution purposes	33,230	58,293
Distributions from underlying funds	37,320,907	29,460,030
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	17,444,753	2,108,484
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	11,645,481	(2,757,963)
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	67,532,530	29,656,832
Net gain (loss) on foreign exchange	(116,108)	46,549
Other income	-	-
Total income (loss)	67,416,422	29,703,381
Expenses (note 5)		
Management fees	6,385,379	4,282,739
Administration fees	1,193,283	795,342
Independent review committee fees	9,508	4,204
Withholding tax	163,224	118,181
Transaction costs (note 2)	6,476	7,669
Total operating expenses	7,757,870	5,208,135
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	59,658,552	24,495,246
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	59,658,552	24,495,246
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	17,178,781	6,684,705
Series T5	269,704	98,845
Series E	-	(960,116)
Series F	1,197,305	276,418
Series I	38,121,657	16,953,452
Series O	2,891,105	1,441,942
Weighted Average Number of Units Outstanding		
Series A	32,511,561	21,889,574
Series T5	393,740	258,146
Series E	-	5,790,319
Series F	2,074,862	665,510
Series I	49,499,629	33,337,281
Series O	4,342,140	3,400,957
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.53	0.31
Series T5	0.68	0.38
Series E	-	(0.17)
Series F	0.58	0.42
Series I	0.77	0.51
Series O	0.67	0.42

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

Sun Life Granite Conservative Portfolio (continued)

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

For the periods ended December 31

	Series A		Series T5		Series E		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 321,953,351	130,506,379	5,603,667	2,362,522	-	56,427,133	14,658,286	1,348,672
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 17,178,781	6,684,705	269,704	98,845	-	(960,116)	1,197,305	276,418
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 171,136,700	229,385,192	2,268,177	3,700,895	-	3,637,971	29,880,275	13,855,569
Redemption of redeemable units	\$ (91,231,242)	(44,613,713)	(1,086,124)	(459,215)	-	(59,102,542)	(10,401,244)	(806,812)
Reinvestment of distributions to holders of redeemable units	\$ 11,773,262	7,000,749	195,148	116,509	-	2,146	1,274,289	421,975
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 91,678,720	191,772,228	1,377,201	3,358,189	-	(55,462,425)	20,753,320	13,470,732
Distributions to Holders of Redeemable Units								
From capital gains	\$ (6,848,586)	(2,650,934)	(113,538)	(44,659)	-	-	(573,399)	(119,004)
From net investment income	\$ (4,951,126)	(4,311,905)	(198,025)	(165,898)	-	(4,493)	(751,379)	(310,731)
Return of capital	\$ (1,587)	(47,122)	(62,389)	(5,332)	-	(99)	(133)	(7,801)
	\$ (11,801,299)	(7,009,961)	(373,952)	(215,889)	-	(4,592)	(1,324,911)	(437,536)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 97,056,202	191,446,972	1,272,953	3,241,145	-	(56,427,133)	20,625,714	13,309,614
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 419,009,553	321,953,351	6,876,620	5,603,667	-	-	35,284,000	14,658,286
Redeemable Unit Transactions								
Balance - beginning of period	28,899,258	11,710,101	390,385	159,409	-	5,665,125	1,293,309	118,894
Units issued	14,949,427	20,525,538	157,650	254,536	-	369,647	2,546,326	1,206,649
Units issued on reinvestment of distributions	1,034,569	629,672	13,601	8,007	-	217	110,275	37,314
Units redeemed	(7,954,875)	(3,966,053)	(75,238)	(31,567)	-	(6,034,989)	(887,899)	(69,548)
Balance - end of period	36,928,379	28,899,258	486,398	390,385	-	-	3,062,011	1,293,309

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 505,650,469	275,721,213	43,239,104	23,426,465	891,104,877	489,792,384
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 38,121,657	16,953,452	2,891,105	1,441,942	59,658,552	24,495,246
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 197,753,776	238,784,501	22,786,017	28,361,171	423,824,945	517,725,299
Redemption of redeemable units	\$ (46,595,698)	(25,808,730)	(17,842,026)	(9,990,474)	(167,156,334)	(140,781,486)
Reinvestment of distributions to holders of redeemable units	\$ 30,912,250	17,636,244	2,175,850	1,430,666	46,330,799	26,608,289
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 182,070,328	230,612,015	7,119,841	19,801,363	302,999,410	403,552,102
Distributions to Holders of Redeemable Units						
From capital gains	\$ (11,536,653)	(4,203,125)	(840,461)	(356,276)	(19,912,637)	(7,373,998)
From net investment income	\$ (19,372,941)	(13,057,046)	(1,324,619)	(1,045,490)	(26,598,090)	(18,895,563)
Return of capital	\$ (2,673)	(376,040)	(195)	(28,900)	(66,977)	(465,294)
	\$ (30,912,267)	(17,636,211)	(2,165,275)	(1,430,666)	(46,577,704)	(26,734,855)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 189,279,718	229,929,256	7,845,671	19,812,639	316,080,258	401,312,493
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 694,930,187	505,650,469	51,084,775	43,239,104	1,207,185,135	891,104,877
Redeemable Unit Transactions						
Balance - beginning of period	43,437,993	23,791,023	4,233,213	2,302,881	78,254,158	43,747,433
Units issued	16,345,534	20,306,463	2,152,379	2,742,140	36,151,316	45,404,973
Units issued on reinvestment of distributions	2,596,861	1,518,939	208,373	140,420	3,963,679	2,334,569
Units redeemed	(3,857,157)	(2,178,432)	(1,689,521)	(952,228)	(14,464,690)	(13,232,817)
Balance - end of period	58,523,231	43,437,993	4,904,444	4,233,213	103,904,463	78,254,158

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

Sun Life Granite Conservative Portfolio (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 units from operations (excluding distributions)	59,658,552	24,495,246
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(17,444,753)	(2,108,484)
Change in unrealized (appreciation) depreciation in value of investments	(11,645,481)	2,757,963
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(37,320,907)	(29,460,030)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(794,442,467)	(972,698,938)
Proceeds from sale of investments	554,693,558	606,859,912
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	-	21,983
Change in distributions receivable from underlying funds	(5,278,191)	(4,316,065)
Change in management fees payable	(345,504)	457,230
Change in other payables and accrued expenses	(51,616)	88,805
Net Cash Provided by (Used in) Operating Activities	(252,176,809)	(373,902,378)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(246,905)	(126,566)
Proceeds from redeemable units issued	426,186,751	516,134,733
Redemption of redeemable units	(166,797,329)	(140,821,565)
Net Cash Provided by (Used in) Financing Activities	259,142,517	375,186,602
Net increase (decrease) in cash	6,965,708	1,284,224
Cash (bank indebtedness) at beginning of period	909,693	(374,531)
Cash (bank indebtedness) at end of period	7,875,401	909,693
Dividends received, net of withholding taxes	924,935	691,790
Interest received, net of withholding taxes	33,230	58,293
Interest paid	-	-

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

Sun Life Granite Conservative Portfolio (continued)

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares Core S&P 500 ETF	170,922	52,545,447	57,575,778	
		52,545,447	57,575,778	4.77
MUTUAL FUNDS				
ABSL Umbrella UCITS Fund, Class E	42,185	7,211,807	7,653,302	
Beutel Goodman Canadian Equity Fund, Class I	901,071	34,295,270	37,406,502	
Brandes U.S. Small Cap Equity Fund, Series I	465,220	10,437,774	11,254,566	
Invesco Global Real Estate Fund, Series I	1,060,855	13,364,082	12,940,307	
PH&N Bond Fund, Series O	27,267,868	286,240,120	278,143,157	
RBC Global High Yield Bond Fund, Series O	8,117,877	87,345,828	88,996,281	
Sun Life BlackRock Canadian Composite Equity Fund, Series I	2,756,628	29,975,201	30,939,560	
Sun Life BlackRock Canadian Universe Bond Fund, Series I	20,652,511	220,577,374	216,479,625	
Sun Life Granite Tactical Completion Fund, Series I	10,113,717	103,331,218	99,994,323	
Sun Life MFS Canadian Equity Growth Fund, Series I	422,350	20,262,341	22,337,102	
Sun Life MFS International Growth Fund, Series I	1,675,885	26,274,212	30,297,998	
Sun Life MFS International Value Fund, Series I	1,944,019	37,547,930	45,453,496	
Sun Life MFS U.S. Value Fund, Series I	770,410	20,401,914	21,037,814	
Sun Life MFS U.S. Growth Fund, Series I	539,238	14,008,988	17,446,230	
Sun Life NWQ Flexible Income Fund, Series I	4,202,696	41,795,130	42,308,957	
Sun Life Ryan Labs U.S. Core Fixed Income Fund, Series I	9,082,865	91,600,071	91,252,825	
Sun Life Schroder Emerging Markets Fund, Series I	1,390,770	16,152,657	16,732,777	
Sun Life Schroder Global Mid Cap Fund, Series I	868,594	9,549,783	9,887,032	
Sun Life Infrastructure Fund, Series I	1,243,010	11,344,746	11,020,772	
Sun Life Sionna Canadian Small Cap Equity Class, Series I	684,929	6,815,186	7,071,003	
Templeton Global Bond Fund (Hedged), Series O	5,083,350	44,020,922	43,920,142	
		1,132,552,554	1,142,573,771	94.65
Transaction Costs		(2,211)		
Total Investments		1,185,095,790	1,200,149,549	99.42
Other Assets less Liabilities			7,035,586	0.58
Total Net Assets			1,207,185,135	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Conservative Portfolio (the "Portfolio") expose it to a variety of financial risks, which are described below. The Portfolio's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Portfolio are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

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 Portfolio holds assets and liabilities indirectly through underlying externally 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 Portfolio. 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 Portfolio (continued)

(ii) Interest rate risk

The Portfolio is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Portfolio is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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	40.9	41.5
Tactical Balanced	11.8	14.1
Global Fixed Income	3.6	9.4
High Yield Fixed Income	7.4	7.0
International Equities	6.9	6.0
Canadian Equities	5.7	5.5
U.S. Equities	3.1	3.1
Canadian Money Market	-	2.5
Global Equities	0.9	1.4
Canadian Focused Equities	1.9	1.2
Energy Equities	-	1.0
U.S. Fixed Income	7.6	-
U.S. Small/Mid Cap Equities	0.9	1.0
Global Small/Mid Cap Equities	0.8	0.6
Real Estate Equities	1.1	0.4
Canadian Small/Mid Cap Equities	0.6	0.2
Emerging Markets Equities	1.4	-
Other Assets less Liabilities	0.6	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 (\$)	
Exchange-Traded Funds	57,575,778	-	-	57,575,778
Mutual Funds	1,142,573,771	-	-	1,142,573,771

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Exchange-Traded Funds	44,782,569	-	-	44,782,569
Mutual Funds	845,533,386	-	-	845,533,386

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Exchange-Traded Funds

Exchange-traded 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.

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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$6,476 (\$7,669 for the period ended December 31, 2016).

Taxation of the Portfolio

The Portfolio currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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

Sun Life Granite Conservative Portfolio (continued)

Interests in Underlying Funds

The Portfolio invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Portfolio, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Portfolio does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Portfolio's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Portfolio's maximum exposure to financial loss.

As at December 31, 2017 and December 31, 2016, the Portfolio had interests in underlying funds as noted in the following tables:

Underlying Fund	As at December 31, 2017	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life BlackRock Canadian Universe Bond Fund	18	20
Sun Life Ryan Labs U.S. Core Fixed Income Fund	8	21

Underlying Fund	As at December 31, 2016	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life BlackRock Canadian Universe Bond Fund	13	13
Sun Life Ryan Labs U.S. Core Fixed Income 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	1,200,149,549	890,315,955
Total financial assets at fair value through profit or loss	1,200,149,549	890,315,955
Financial assets at amortized cost		
Cash	7,875,401	909,693
Other receivables	12,396,757	28,532,027
Total financial assets at amortized cost	20,272,158	29,441,720
Total assets	1,220,421,707	919,757,675
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	13,236,572	28,652,798
Total liabilities (excluding net assets attributable to holders of redeemable units)	13,236,572	28,652,798

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	67,532,530	29,656,832
Total net gains (losses)	67,532,530	29,656,832

Establishment of the Portfolio

The origin dates on the series of units of the Portfolio are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2012	January 17, 2012
Series T5 Units	January 11, 2012	January 17, 2012
Series F Units	January 11, 2012	January 17, 2012
Series I Units	January 11, 2012	January 17, 2012
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 Enhanced Income Portfolio

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)	217,863,625	119,542,004
Short-term investments	-	-
Cash	1,156,761	10,256,283
Margin	-	3,600,999
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	524,764	45,044
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	3,498,045
Accrued interest	-	-
Dividends receivable	93,991	-
Distributions receivable from underlying funds	1,354,103	171,159
Subscriptions receivable	279,939	763,977
	221,273,183	137,877,511
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	172,426
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	9,459	21,159
Redemptions payable	90,421	78,611
Distributions payable	-	-
Due to investment dealers	1,565,359	4,355,231
Management fees payable	62,466	154,209
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,727,705	4,781,636
Net Assets Attributable to Holders of Redeemable Units	219,545,478	133,095,875
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	130,362,629	81,335,677
Series E	-	-
Series F	10,797,111	5,928,652
Series I	62,601,952	33,850,733
Series O	15,783,786	11,980,813
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	9.62	9.63
Series E	-	-
Series F	10.14	10.11
Series I	10.76	10.60
Series O	10.01	9.85

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		
Dividend income	1,058,149	320,104
Interest income for distribution purposes	16,746	6,120
Distributions from underlying funds	8,819,397	4,539,627
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	516,073	(313,112)
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	506,589	(197,780)
Net realized gain (loss) on option contracts	323,654	262,979
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	2,861,505	2,267,939
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	479,720	45,044
Change in unrealized appreciation (depreciation) in option contracts	(159,818)	(4,793)
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	14,422,015	6,926,128
Net gain (loss) on foreign exchange	(73,253)	11,784
Other income	-	-
Total income (loss)	14,348,762	6,937,912
Expenses (note 5)		
Management fees	2,094,019	1,300,835
Administration fees	293,368	175,687
Independent review committee fees	2,682	581
Withholding tax	120,731	48,016
Transaction costs (note 2)	20,459	15,246
Total operating expenses	2,531,259	1,540,365
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	11,817,503	5,397,547
Finance Cost		
Interest expense	(13)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	11,817,490	5,397,547
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	6,247,121	3,566,932
Series E	-	(295,271)
Series F	580,484	98,164
Series I	3,855,294	1,408,737
Series O	1,134,591	618,985
Weighted Average Number of Units Outstanding		
Series A	10,676,565	6,586,655
Series E	-	1,147,130
Series F	767,512	259,843
Series I	4,434,131	1,884,201
Series O	1,432,058	913,335
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.59	0.54
Series E	-	(0.26)
Series F	0.76	0.38
Series I	0.87	0.75
Series O	0.79	0.68

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

Sun Life Granite Enhanced Income Portfolio (continued)

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

For the periods ended December 31

	Series A		Series E		Series F	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 81,335,677	42,623,068	-	10,780,275	5,928,652	504,255
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 6,247,121	3,566,932	-	(295,271)	580,484	98,164
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 69,660,987	49,466,504	-	216,414	6,069,300	5,572,914
Redemption of redeemable units	\$ (25,815,160)	(13,660,096)	-	(10,696,927)	(1,456,536)	(173,680)
Reinvestment of distributions to holders of redeemable units	\$ 5,481,260	3,385,391	-	54,164	263,815	97,849
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 49,327,087	39,191,799	-	(10,426,349)	4,876,579	5,497,083
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	(163,882)	-
From net investment income	\$ (3,300,486)	(1,714,641)	-	(26,854)	(373,528)	(68,402)
Return of capital	\$ (3,246,770)	(2,331,481)	-	(31,801)	(51,194)	(102,448)
	\$ (6,547,256)	(4,046,122)	-	(58,655)	(588,604)	(170,850)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 49,026,952	38,712,609	-	(10,780,275)	4,868,459	5,424,397
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 130,362,629	81,335,677	-	-	10,797,111	5,928,652
Redeemable Unit Transactions						
Balance - beginning of period	8,442,866	4,372,351	-	1,135,542	586,271	49,960
Units issued	7,207,148	5,135,150	-	23,480	594,587	543,978
Units issued on reinvestment of distributions	567,794	349,347	-	5,816	25,848	9,622
Units redeemed	(2,669,769)	(1,413,982)	-	(1,164,838)	(142,322)	(17,289)
Balance - end of period	13,548,039	8,442,866	-	-	1,064,384	586,271

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 33,850,733	10,952,320	11,980,813	6,669,088	133,095,875	71,529,006
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 3,855,294	1,408,737	1,134,591	618,985	11,817,490	5,397,547
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 28,836,598	22,468,886	6,375,084	6,654,483	110,941,969	84,379,201
Redemption of redeemable units	\$ (3,940,673)	(979,210)	(3,531,873)	(1,846,222)	(34,744,242)	(27,356,135)
Reinvestment of distributions to holders of redeemable units	\$ 3,433,310	1,178,410	765,682	443,683	9,944,067	5,159,497
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 28,329,235	22,668,086	3,608,893	5,251,944	86,141,794	62,182,563
Distributions to Holders of Redeemable Units						
From capital gains	\$ (1,002,594)	-	(153,781)	-	(1,320,257)	-
From net investment income	\$ (2,200,660)	(484,142)	(546,191)	(235,293)	(6,420,865)	(2,529,332)
Return of capital	\$ (230,056)	(694,268)	(240,539)	(323,911)	(3,768,559)	(3,483,909)
	\$ (3,433,310)	(1,178,410)	(940,511)	(559,204)	(11,509,681)	(6,013,241)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 28,751,219	22,898,413	3,802,973	5,311,725	86,449,603	61,566,869
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 62,601,952	33,850,733	15,783,786	11,980,813	219,545,478	133,095,875
Redeemable Unit Transactions						
Balance - beginning of period	3,194,136	1,048,857	1,216,128	682,904	13,439,401	7,289,614
Units issued	2,668,520	2,127,027	637,073	675,737	11,107,328	8,505,372
Units issued on reinvestment of distributions	318,327	111,599	76,576	45,184	988,545	521,568
Units redeemed	(364,584)	(93,347)	(353,165)	(187,697)	(3,529,840)	(2,877,153)
Balance - end of period	5,816,399	3,194,136	1,576,612	1,216,128	22,005,434	13,439,401

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

Sun Life Granite Enhanced Income Portfolio (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 units from operations (excluding distributions)	11,817,490	5,397,547
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(516,073)	313,112
Change in unrealized (appreciation) depreciation in value of investments	(2,861,505)	(2,267,939)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(479,720)	(45,044)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(8,819,397)	(4,539,627)
Change in fair value of option contracts	(172,426)	172,426
Change in fair value of credit default swaps	-	-
Change in margin	3,600,999	(3,600,999)
Purchases of investments	(143,728,137)	(95,756,558)
Proceeds from sale of investments	58,304,287	54,688,036
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	(93,991)	-
Change in distributions receivable from underlying funds	(1,182,944)	(94,299)
Change in management fees payable	(91,743)	134,145
Change in other payables and accrued expenses	(4,323)	20,647
Net Cash Provided by (Used in) Operating Activities	(84,227,483)	(45,578,553)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(1,565,614)	(853,744)
Proceeds from redeemable units issued	111,426,007	84,046,348
Redemption of redeemable units	(34,732,432)	(27,307,198)
Net Cash Provided by (Used in) Financing Activities	75,127,961	55,885,406
Net increase (decrease) in cash	(9,099,522)	10,306,853
Cash (bank indebtedness) at beginning of period	10,256,283	(50,570)
Cash (bank indebtedness) at end of period	1,156,761	10,256,283
Dividends received, net of withholding taxes	843,427	272,088
Interest received, net of withholding taxes	16,746	6,120
Interest paid	(13)	-

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

Sun Life Granite Enhanced Income Portfolio (continued)

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares Core S&P 500 Index ETF (CAD- Hedged)	370,555	10,280,004	11,264,872	
iShares iBoxx \$ Investment Grade Corporate Bond ETF	69,833	10,904,217	10,636,119	
Vanguard Global ex-U.S. Real Estate ETF	126,455	9,185,448	9,585,686	
Vanguard REIT ETF	75,697	8,437,572	7,870,166	
		38,807,241	39,356,843	17.93
MUTUAL FUNDS				
Dynamic Equity Income Fund, Series O	3,855,810	28,116,842	29,805,416	
Guardian Global Dividend Growth Fund, Series I	1,427,058	25,763,505	28,331,388	
RBC Global High Yield Bond Fund, Series O	4,671,044	50,773,488	51,208,659	
Sun Life Dynamic Energy Fund, Series I	1,030,568	10,187,306	10,144,190	
Sun Life MFS Canadian Bond Fund, Series I	520,340	7,117,602	6,989,523	
Sun Life NWQ Flexible Income Fund, Series I	2,193,001	21,972,304	22,077,162	
Sun Life Granite Tactical Completion Fund, Series I	1,837,041	18,935,839	18,162,825	
Sun Life Infrastructure, Series I	1,329,501	12,413,700	11,787,619	
		175,280,586	178,506,782	81.30
Transaction Costs		(7,367)	-	
Total Investments		214,080,460	217,863,625	99.23
Currency Forward Contracts ⁽¹⁾			524,764	0.24
Other Assets less Liabilities			1,157,089	0.53
Total Net Assets			219,545,478	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating For Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Jan-2018	CAD	21,385,997	USD	(16,657,487)	524,764
							524,764

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Enhanced Income Portfolio (the "Portfolio") expose it to a variety of financial risks, which are described below. The Portfolio's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Portfolio are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Portfolio 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 Portfolio is exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds.

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

Sun Life Granite Enhanced Income Portfolio (continued)

The Portfolio invests in financial assets which 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 Portfolio 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	0.24	-
A/A	-	0.03
Total	0.24	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 Portfolio holds assets and liabilities, either directly or indirectly through underlying internally and externally 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 Portfolio. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

(ii) Interest rate risk

The Portfolio is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Portfolio is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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. Fixed Income	4.8	2.6
U.S. Equities	5.1	-
Global Equities	4.4	3.3
Real Estate Equities	3.6	3.7
Mutual Funds		
Global Equities	18.3	26.9
Canadian Fixed Income	3.2	8.1
High Yield Fixed Income	23.3	19.9
Tactical Balanced	18.3	9.6
Canadian Focused Equities	-	6.3
Canadian Dividend & Income Equities	13.6	6.7
Energy Equities	4.6	2.7
Other Assets less Liabilities	0.8	10.2
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 (\$)	
Financial Assets				
Exchange-Traded Funds	39,356,843	-	-	39,356,843
Mutual Funds	178,506,782	-	-	178,506,782
Currency Forward Contracts	-	524,764	-	524,764
Financial Liabilities				
Option Contracts	172,426	-	-	172,426

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Exchange-Traded Funds	12,859,727	-	-	12,859,727
Mutual Funds	106,682,277	-	-	106,682,277
Currency Forward Contracts	-	45,044	-	45,044
Financial Liabilities				
Option Contracts	172,426	-	-	172,426

There were no transfers between fair value levels 1 and 2 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 Granite Enhanced Income Portfolio (continued)

Exchange-Traded Funds

Exchange-traded 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.

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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of options and foreign currency forward contracts. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$20,459 (\$15,246 for the period ended December 31, 2016).

Taxation of the Portfolio

The Portfolio currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Interests in Underlying Funds

The Portfolio invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Portfolio, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Portfolio does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Portfolio's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Portfolio's maximum exposure to financial loss.

As at December 31, 2017 and December 31, 2016, the Portfolio had interests in underlying funds as noted in the following tables:

Underlying Fund	As at December 31, 2017	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life Dynamic Energy Fund	5	67

Underlying Fund	As at December 31, 2016	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life Dynamic Energy Fund	3	5

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	524,764	45,044
Investments designated at FVTPL	217,863,625	119,542,004
Total financial assets at fair value through profit or loss	218,388,389	119,587,048
Financial assets at amortized cost		
Cash	1,156,761	10,256,283
Other receivables	1,728,033	8,034,180
Total financial assets at amortized cost	2,884,794	18,290,463
Total assets	221,273,183	137,877,511
Financial liabilities		
Derivative liabilities held for trading	-	172,426
Financial liabilities at amortized cost	1,727,705	4,609,210
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,727,705	4,781,636

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	1,150,145	105,450
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	13,271,870	6,820,678
Total net gains (losses)	14,422,015	6,926,128

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Portfolio's Statements of Financial Position if all offset rights were exercised.

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

Sun Life Granite Enhanced Income Portfolio (continued)

Financial Assets and Liabilities

	Gross Assets/ (Liabilities) (\$)	Amounts Eligible for Offset		Net (\$)
		Financial Instruments (\$)	Collateral received/ paid (\$)	
December 31, 2017				
Derivative assets -				
Forward Contracts	524,764	-	-	524,764
Total	524,764	-	-	524,764
Derivative liabilities -				
Forward Contracts	-	-	-	-
Total	-	-	-	-
December 31, 2016				
Derivative assets -				
Forward Contracts	45,044	-	-	45,044
Total	45,044	-	-	45,044
Derivative liabilities -				
Forward Contracts	-	-	-	-
Total	-	-	-	-

Establishment of the Portfolio

The origin dates on the series of units of the Portfolio are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2013	January 17, 2013
Series F Units	January 11, 2013	January 17, 2013
Series I Units	January 11, 2013	January 17, 2013
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 Growth Portfolio

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)	716,773,662	469,724,410
Short-term investments	-	-
Cash	4,725,637	2,076,780
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	8,653,859
Accrued interest	-	112
Dividends receivable	-	37,848
Distributions receivable from underlying funds	7,894,468	3,265,219
Subscriptions receivable	1,845,076	849,813
	731,238,843	484,608,041
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	18,703	30,058
Redemptions payable	99,020	301,777
Distributions payable	-	-
Due to investment dealers	9,857,462	12,596,326
Management fees payable	116,151	269,833
Total liabilities (excluding net assets attributable to holders of redeemable units)	10,091,336	13,197,994
Net Assets Attributable to Holders of Redeemable Units	721,147,507	471,410,047
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	224,800,886	136,896,174
Series T5	112,097	111,634
Series T8	157,260	168,466
Series E	-	-
Series F	15,555,509	5,472,568
Series I	456,558,091	313,676,343
Series O	23,963,664	15,084,862
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	13.71	12.93
Series T5	17.67	17.34
Series T8	14.86	14.99
Series E	-	-
Series F	14.09	13.28
Series I	14.61	13.72
Series O	11.18	10.50

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		
Dividend income	1,525,836	1,128,001
Interest income for distribution purposes	17,313	5,686
Distributions from underlying funds	20,742,847	13,130,130
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	15,123,576	8,252,444
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	29,460,484	6,839,026
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	66,870,056	29,355,287
Net gain (loss) on foreign exchange	(142,581)	(207,596)
Other income	-	-
Total income (loss)	66,727,475	29,147,691
Expenses (note 5)		
Management fees	3,869,718	2,206,472
Administration fees	592,517	343,708
Independent review committee fees	4,501	2,289
Withholding tax	228,875	163,500
Transaction costs (note 2)	9,560	7,294
Total operating expenses	4,705,171	2,723,263
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	62,022,304	26,424,428
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	62,022,304	26,424,428
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	15,992,663	6,000,497
Series T5	10,863	5,201
Series T8	14,553	21,533
Series E	-	(440,163)
Series F	1,068,799	222,148
Series I	42,767,272	19,754,987
Series O	2,168,154	860,225
Weighted Average Number of Units Outstanding		
Series A	13,403,002	8,081,450
Series T5	6,523	6,668
Series T8	10,002	48,531
Series E	-	908,955
Series F	778,510	210,998
Series I	26,457,317	18,939,275
Series O	1,763,862	962,956

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

Sun Life Granite Growth Portfolio (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.19	0.74
Series T5	1.67	0.78
Series T8	1.46	0.44
Series E	-	(0.48)
Series F	1.37	1.05
Series I	1.62	1.04
Series O	1.23	0.89

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

For the periods ended December 31

	Series A		Series T5		Series T8		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 136,896,174	68,867,206	111,634	113,833	168,466	919,248	-	9,442,205
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 15,992,663	6,000,497	10,863	5,201	14,553	21,533	-	(440,163)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 101,912,526	74,530,454	49,775	23,132	36,940	142,375	-	744,352
Redemption of redeemable units	\$ (29,998,500)	(12,509,491)	(59,440)	(30,533)	(61,417)	(913,910)	-	(9,745,977)
Reinvestment of distributions to holders of redeemable units	\$ 6,795,134	3,605,910	7,297	7,219	13,718	60,433	-	284
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 78,709,160	65,626,873	(2,368)	(182)	(10,759)	(711,102)	-	(9,001,341)
Distributions to Holders of Redeemable Units								
From capital gains	\$ (5,699,013)	(2,446,316)	(2,859)	(2,012)	(3,922)	(3,341)	-	-
From net investment income	\$ (1,096,801)	(1,152,086)	(5,173)	(4,464)	(11,078)	(47,791)	-	(650)
Return of capital	\$ (1,297)	-	-	(742)	-	(10,081)	-	(51)
	\$ (6,797,111)	(3,598,402)	(8,032)	(7,218)	(15,000)	(61,213)	-	(701)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 87,904,712	68,028,968	463	(2,199)	(11,206)	(750,782)	-	(9,442,205)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 224,800,886	136,896,174	112,097	111,634	157,260	168,466	-	-
Redeemable Unit Transactions								
Balance - beginning of period	10,586,207	5,409,173	6,436	6,431	11,238	58,395	-	940,601
Units issued	7,518,653	5,879,185	2,794	1,335	2,450	9,382	-	76,723
Units issued on reinvestment of distributions	492,342	278,506	411	417	910	3,991	-	29
Units redeemed	(2,205,214)	(980,657)	(3,298)	(1,747)	(4,013)	(60,530)	-	(1,017,353)
Balance - end of period	16,391,988	10,586,207	6,343	6,436	10,585	11,238	-	-

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

Sun Life Granite Growth Portfolio (continued)

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

For the periods ended December 31

	Series F		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 5,472,568	844,310	313,676,343	197,810,533	15,084,862	5,616,710	471,410,047	283,614,045
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 1,068,799	222,148	42,767,272	19,754,987	2,168,154	860,225	62,022,304	26,424,428
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 11,081,739	4,609,767	116,803,417	114,048,860	10,573,653	9,596,402	240,458,050	203,695,342
Redemption of redeemable units	\$ (2,066,978)	(202,957)	(16,688,935)	(17,938,027)	(3,863,004)	(988,475)	(52,738,274)	(42,329,370)
Reinvestment of distributions to holders of redeemable units	\$ 620,837	202,653	21,784,555	13,341,122	1,115,622	623,556	30,337,163	17,841,177
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 9,635,598	4,609,463	121,899,037	109,451,955	7,826,271	9,231,483	218,056,939	179,207,149
Distributions to Holders of Redeemable Units								
From capital gains	\$ (389,035)	(97,308)	(11,582,566)	(5,651,295)	(611,943)	(271,265)	(18,289,338)	(8,471,537)
From net investment income	\$ (232,332)	(96,079)	(10,199,358)	(6,858,856)	(482,878)	(314,484)	(12,027,620)	(8,474,410)
Return of capital	\$ (89)	(9,966)	(2,637)	(830,981)	(20,802)	(37,807)	(24,825)	(889,628)
	\$ (621,456)	(203,353)	(21,784,561)	(13,341,132)	(1,115,623)	(623,556)	(30,341,783)	(17,835,575)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 10,082,941	4,628,258	142,881,748	115,865,810	8,878,802	9,468,152	249,737,460	187,796,002
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 15,555,509	5,472,568	456,558,091	313,676,343	23,963,664	15,084,862	721,147,507	471,410,047
Redeemable Unit Transactions								
Balance - beginning of period	412,149	64,550	22,864,797	14,729,945	1,437,210	546,362	35,318,037	21,755,457
Units issued	794,672	347,736	8,049,909	8,490,655	952,164	926,121	17,320,642	15,731,137
Units issued on reinvestment of distributions	43,792	15,245	1,482,094	971,670	99,235	59,358	2,118,784	1,329,216
Units redeemed	(146,564)	(15,382)	(1,149,745)	(1,327,473)	(344,209)	(94,631)	(3,853,043)	(3,497,773)
Balance - end of period	1,104,049	412,149	31,247,055	22,864,797	2,144,400	1,437,210	50,904,420	35,318,037

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

Sun Life Granite Growth Portfolio (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 units from operations (excluding distributions)	62,022,304	26,424,428
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(15,123,576)	(8,252,444)
Change in unrealized (appreciation) depreciation in value of investments	(29,460,484)	(6,839,026)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(20,742,847)	(13,130,130)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(500,321,389)	(371,928,510)
Proceeds from sale of investments	324,504,479	214,881,035
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	37,960	(9,303)
Change in distributions receivable from underlying funds	(4,629,249)	(2,623,529)
Change in management fees payable	(153,682)	238,413
Change in other payables and accrued expenses	(1,795)	32,833
Net Cash Provided by (Used in) Operating Activities	(183,868,279)	(161,206,233)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(4,620)	4,861
Proceeds from redeemable units issued	239,462,787	204,767,791
Redemption of redeemable units	(52,941,031)	(42,050,328)
Net Cash Provided by (Used in) Financing Activities	186,517,136	162,722,324
Net increase (decrease) in cash	2,648,857	1,516,091
Cash (bank indebtedness) at beginning of period	2,076,780	560,689
Cash (bank indebtedness) at end of period	4,725,637	2,076,780
Dividends received, net of withholding taxes	1,334,809	955,310
Interest received, net of withholding taxes	17,425	5,574
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares Core S&P 500 ETF	282,006	84,319,084	94,994,878	
		84,319,084	94,994,878	13.17
MUTUAL FUNDS				
ABSL Umbrella UCITS Fund, Class E	70,767	10,138,205	12,838,774	
Beutel Goodman Canadian Equity Fund, Class I	1,593,538	60,862,073	66,153,171	
Brandes U.S. Small Cap Equity Fund, Series I	767,605	17,376,179	18,569,824	
Invesco Global Real Estate Fund, Series I	1,603,259	19,910,146	19,556,557	
PH&N Bond Fund, Series O	2,612,542	27,333,544	26,648,973	
RBC Global High Yield Bond Fund, Series O	2,276,954	24,699,542	24,962,250	
Sun Life BlackRock Canadian Composite Equity Fund, Series I	4,923,652	53,188,803	55,261,589	
Sun Life BlackRock Canadian Universe Bond Fund, Series I	1,995,170	21,253,347	20,913,372	
Sun Life Granite Tactical Completion Fund, Series I	6,023,110	61,334,309	59,550,490	
Sun Life MFS Canadian Equity Growth Fund, Series I	753,141	36,186,963	39,831,828	
Sun Life MFS International Growth Fund, Series I	2,710,018	42,194,825	48,993,868	
Sun Life MFS International Value Fund, Series I	3,131,683	59,427,320	73,222,510	
Sun Life MFS U.S. Value Fund, Series I	1,300,389	34,453,225	35,510,124	
Sun Life MFS U.S. Growth Fund, Series I	865,603	22,028,389	28,005,284	
Sun Life NWQ Flexible Income Fund, Series I	1,059,458	10,631,289	10,665,669	
Sun Life Ryan Labs U.S. Core Fixed Income Fund, Series I	284,644	2,874,088	2,859,729	
Sun Life Schroder Emerging Markets Fund, Series I	2,279,066	21,732,274	27,420,132	
Sun Life Schroder Global Mid Cap Fund, Series I	1,549,132	16,950,719	17,633,459	
Sun Life Infrastructure Fund, Series I	1,089,511	9,976,121	9,659,825	
Sun Life Sionna Canadian Small Cap Equity Class, Series I	1,230,854	12,159,088	12,706,967	
Templeton Global Bond Fund (Hedged), Series O	1,251,665	11,020,371	10,814,389	
		575,730,820	621,778,784	86.22
Transaction Costs		(3,588)		
Total Investments		660,046,316	716,773,662	99.39
Other Assets less Liabilities			4,373,845	0.61
Total Net Assets			721,147,507	100.00

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

Sun Life Granite Growth Portfolio (continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Growth Portfolio (the "Portfolio") expose it to a variety of financial risks, which are described below. The Portfolio's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Portfolio are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

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 Portfolio holds assets and liabilities indirectly through underlying externally 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 Portfolio. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

(ii) Interest rate risk

The Portfolio is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Portfolio is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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 (\$)	
Exchange-Traded Funds	94,994,878	-	-	94,994,878
Mutual Funds	621,778,784	-	-	621,778,784
	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Exchange-Traded Funds	57,479,158	-	-	57,479,158
Mutual Funds	412,245,252	-	-	412,245,252

There were no transfers between fair value levels 1 and 2 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 Granite Growth Portfolio (continued)

Exchange-Traded Funds

Exchange-traded 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.

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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$9,560 (\$7,294 for the period ended December 31, 2016).

Taxation of the Portfolio

The Portfolio currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Interests in Underlying Funds

The Portfolio invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Portfolio, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Portfolio does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Portfolio's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Portfolio's maximum exposure to financial loss.

As at December 31, 2017 and December 31, 2016, there were no significant interests in underlying funds.

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	716,773,662	469,724,410
Total financial assets at fair value through profit or loss	716,773,662	469,724,410
Financial assets at amortized cost		
Cash	4,725,637	2,076,780
Other receivables	9,739,544	12,806,851
Total financial assets at amortized cost	14,465,181	14,883,631
Total assets	731,238,843	484,608,041
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	10,091,336	13,197,994
Total liabilities (excluding net assets attributable to holders of redeemable units)	10,091,336	13,197,994

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	66,870,056	29,355,287
Total net gains (losses)	66,870,056	29,355,287

Establishment of the Portfolio

The origin dates on the series of units of the Portfolio are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2012	January 17, 2012
Series T5 Units	January 11, 2012	January 17, 2012
Series T8 Units	January 11, 2012	January 17, 2012
Series F Units	January 11, 2012	January 17, 2012
Series I Units	January 11, 2012	January 17, 2012
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 Income Portfolio

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)	183,576,556	121,214,344
Short-term investments	-	-
Cash	2,221,558	9,901,242
Margin	-	3,705,100
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	465,948	66,089
Unrealized appreciation on swaps	-	-
Due from investment dealers	540,821	3,192,315
Accrued interest	9,881	-
Dividends receivable	55,472	-
Distributions receivable from underlying funds	1,138,016	134,149
Subscriptions receivable	19,742	52,567
	188,027,994	138,265,806
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	177,086
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	393
Unrealized depreciation on swaps	-	-
Accrued expenses	7,064	19,093
Redemptions payable	373,505	71,603
Distributions payable	-	-
Due to investment dealers	1,138,016	2,614,638
Management fees payable	34,381	110,748
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,552,966	2,993,561
Net Assets Attributable to Holders of Redeemable Units	186,475,028	135,272,245
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	85,953,916	70,621,705
Series T5	71,619	-
Series E	-	-
Series F	7,628,034	4,548,113
Series I	73,323,133	47,465,691
Series O	19,498,326	12,636,736
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	9.95	9.99
Series T5	14.71	-
Series E	-	-
Series F	10.44	10.37
Series I	11.02	10.83
Series O	10.29	10.16

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		
Dividend income	850,205	456,214
Interest income for distribution purposes	19,100	3,582
Distributions from underlying funds	7,961,235	4,620,055
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	426,217	24,277
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	422,173	(146,689)
Net realized gain (loss) on option contracts	156,923	273,563
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	1,262,689	1,008,541
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	400,251	69,603
Change in unrealized appreciation (depreciation) in option contracts	7,490	(4,922)
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	11,506,283	6,304,224
Net gain (loss) on foreign exchange	(82,475)	21,057
Other income	-	-
Total income (loss)	11,423,808	6,325,281
Expenses (note 5)		
Management fees	1,322,625	981,984
Administration fees	241,246	170,869
Independent review committee fees	2,133	680
Withholding tax	83,042	68,432
Transaction costs (note 2)	19,065	16,508
Total operating expenses	1,668,111	1,238,473
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	9,755,697	5,086,808
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	9,755,697	5,086,808
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	4,296,387	2,479,487
Series T5	430	-
Series E	-	(292,453)
Series F	411,370	68,286
Series I	3,898,607	2,280,869
Series O	1,148,903	550,619
Weighted Average Number of Units Outstanding		
Series A	7,738,229	5,715,726
Series T5	4,856	-
Series E	-	1,389,445
Series F	642,087	187,197
Series I	4,891,684	3,807,364
Series O	1,583,845	1,014,079
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.56	0.43
Series T5	0.09	-
Series E	-	(0.21)
Series F	0.64	0.36
Series I	0.80	0.60
Series O	0.73	0.54

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

Sun Life Granite Income Portfolio (continued)

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

For the periods ended December 31

	Series A		Series T5		Series E		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 70,621,705	37,261,902	-	13,596,601	-	13,596,601	4,548,113	842,984
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 4,296,387	2,479,487	430	(292,453)	-	(292,453)	411,370	68,286
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 35,124,645	44,297,492	72,748	377,762	-	377,762	5,278,320	3,925,189
Redemption of redeemable units	\$ (23,911,892)	(13,288,894)	-	(13,680,750)	-	(13,680,750)	(2,463,089)	(248,828)
Reinvestment of distributions to holders of redeemable units	\$ 4,619,743	2,680,667	271	56,227	-	56,227	263,829	55,753
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 15,832,496	33,689,265	73,019	(13,246,761)	-	(13,246,761)	3,079,060	3,732,114
Distributions to Holders of Redeemable Units								
From capital gains	\$ (1,099,707)	-	(933)	-	-	-	(96,656)	-
From net investment income	\$ (2,463,097)	(1,851,313)	-	(28,147)	-	(28,147)	(208,527)	(77,856)
Return of capital	\$ (1,233,868)	(957,636)	(897)	(29,240)	-	(29,240)	(105,326)	(17,415)
	\$ (4,796,672)	(2,808,949)	(1,830)	(57,387)	-	(57,387)	(410,509)	(95,271)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 15,332,211	33,359,803	71,619	(13,596,601)	-	(13,596,601)	3,079,921	3,705,129
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 85,953,916	70,621,705	71,619	-	-	-	7,628,034	4,548,113
Redeemable Unit Transactions								
Balance - beginning of period	7,066,729	3,689,813	-	1,388,565	-	1,388,565	438,454	81,241
Units issued	3,476,596	4,430,433	4,850	39,451	-	39,451	500,049	375,846
Units issued on reinvestment of distributions	459,291	266,035	18	5,835	-	5,835	25,099	5,354
Units redeemed	(2,365,521)	(1,319,552)	-	(1,433,851)	-	(1,433,851)	(232,870)	(23,987)
Balance - end of period	8,637,095	7,066,729	4,868	-	-	-	730,732	438,454

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 47,465,691	34,504,627	12,636,736	8,144,918	135,272,245	107,947,633
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 3,898,607	2,280,869	1,148,903	550,619	9,755,697	4,794,355
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 41,389,042	15,255,860	9,696,351	6,086,156	91,561,106	70,320,221
Redemption of redeemable units	\$ (19,430,199)	(4,575,665)	(3,957,428)	(2,117,307)	(49,762,608)	(47,592,194)
Reinvestment of distributions to holders of redeemable units	\$ 3,357,725	1,852,966	990,130	466,741	9,231,698	5,168,581
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 25,316,568	12,533,161	6,729,053	4,435,590	51,030,196	27,896,608
Distributions to Holders of Redeemable Units						
From capital gains	\$ (945,824)	-	(251,025)	-	(2,394,145)	-
From net investment income	\$ (1,566,935)	(1,229,213)	(505,815)	(327,851)	(4,744,374)	(3,542,527)
Return of capital	\$ (844,974)	(623,753)	(259,526)	(166,540)	(2,444,591)	(1,823,824)
	\$ (3,357,733)	(1,852,966)	(1,016,366)	(494,391)	(9,583,110)	(5,366,351)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 25,857,442	12,961,064	6,861,590	4,491,818	51,202,783	27,324,612
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 73,323,133	47,465,691	19,498,326	12,636,736	186,475,028	135,272,245
Redeemable Unit Transactions						
Balance - beginning of period	4,384,826	3,223,523	1,244,217	807,275	13,134,226	10,578,982
Units issued	3,715,933	1,414,990	936,293	599,957	8,633,721	6,900,128
Units issued on reinvestment of distributions	303,749	171,464	95,753	45,916	883,910	500,439
Units redeemed	(1,750,008)	(425,151)	(381,370)	(208,931)	(4,729,769)	(4,845,323)
Balance - end of period	6,654,500	4,384,826	1,894,893	1,244,217	17,922,088	13,134,226

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

Sun Life Granite Income Portfolio (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 units from operations (excluding distributions)	9,755,697	5,086,808
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(426,217)	(24,277)
Change in unrealized (appreciation) depreciation in value of investments	(1,262,689)	(1,008,541)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(400,251)	(69,603)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(7,961,235)	(4,620,055)
Change in fair value of option contracts	(177,086)	177,086
Change in fair value of credit default swaps	-	-
Change in margin	3,705,100	(3,705,100)
Purchases of investments	(109,760,551)	(101,253,839)
Proceeds from sale of investments	58,217,468	78,983,964
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	(65,353)	-
Change in distributions receivable from underlying funds	(1,003,867)	(69,075)
Change in management fees payable	(76,367)	95,287
Change in other payables and accrued expenses	(6,146)	18,920
Net Cash Provided by (Used in) Operating Activities	(49,461,497)	(26,388,425)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(351,412)	(196,610)
Proceeds from redeemable units issued	91,593,931	70,170,203
Redemption of redeemable units	(49,460,706)	(33,858,253)
Net Cash Provided by (Used in) Financing Activities	41,781,813	36,115,340
Net increase (decrease) in cash	(7,679,684)	9,726,915
Cash (bank indebtedness) at beginning of period	9,901,242	174,327
Cash (bank indebtedness) at end of period	2,221,558	9,901,242
Dividends received, net of withholding taxes	711,691	387,782
Interest received, net of withholding taxes	9,219	3,582
Interest paid	-	-

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

Sun Life Granite Income Portfolio (continued)

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares Core S&P 500 Index ETF (CAD - Hedged)	216,735	6,016,993	6,588,744	
iShares iBoxx \$ Investment Grade Corporate Bond ETF	77,220	11,927,044	11,761,217	
Vanguard Global ex-U.S. Real Estate ETF	101,595	7,370,655	7,701,220	
Vanguard REIT ETF	59,736	6,719,254	6,210,712	
		32,033,946	32,261,893	17.30
MUTUAL FUNDS				
Dynamic Equity Income Fund, Series O	2,999,523	22,036,649	23,186,312	
Guardian Global Dividend Growth Fund, Series I	955,741	17,169,209	18,974,324	
RBC Global High Yield Bond Fund, Series O	1,681,722	18,229,245	18,436,721	
Sun Life Granite Tactical Completion Fund, Series I	1,589,566	16,402,400	15,716,035	
Sun Life MFS Canadian Bond Fund, Series I	3,424,094	47,043,533	45,994,486	
Sun Life NWQ Flexible Income Fund, Series I	1,835,186	18,315,265	18,475,004	
Sun Life Infrastructure Fund, Series I	1,187,857	11,451,567	10,531,781	
		150,647,868	151,314,663	81.15
Transaction Costs		(5,294)	-	
Total Investments		182,676,520	183,576,556	98.45
Currency Forward Contracts ⁽¹⁾			465,948	0.25
Other Assets less Liabilities			2,432,524	1.30
Total Net Assets			186,475,028	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating For Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Jan-2018	CAD	18,989,012	USD	(14,790,482)	465,948
							465,948

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Income Portfolio (the "Portfolio") expose it to a variety of financial risks, which are described below. The Portfolio's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Portfolio are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Portfolio 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 Portfolio is exposed indirectly to credit risk as a result of its investment in underlying internally and externally managed funds.

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

Sun Life Granite Income Portfolio (continued)

The Portfolio invests in financial assets which 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 Portfolio 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	0.25	-
A/A	-	0.05
Total	0.25	0.05

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 Portfolio holds assets and liabilities, either directly or indirectly through underlying internally and externally 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 Portfolio. The value of the securities denominated in other currencies will fluctuate due to changes in exchange rates.

(ii) Interest rate risk

The Portfolio is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Portfolio is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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. Fixed Income	6.3	4.9
U.S. Equities	3.5	-
Global Equities	4.2	-
Real Estate Equities	3.3	6.9
Mutual Funds		
Canadian Fixed Income	24.7	25.9
Global Equities	15.8	22.6
High Yield Fixed Income	9.9	10.3
Tactical Balanced	18.3	8.3
Canadian Focused Equities	-	5.4
Canadian Money Market	-	0.2
Canadian Dividend & Income Equities	12.4	5.1
Other Assets less Liabilities	1.6	10.4
Total	100.0	100.0

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

Sun Life Granite Income Portfolio (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 (\$)	
Financial Assets				
Exchange-Traded Funds	32,261,893	-	-	32,261,893
Mutual Funds	151,314,663	-	-	151,314,663
Currency Forward Contracts	-	465,948	-	465,948
Financial Liabilities				
Currency Forward Contracts	-	-	-	-
Option Contracts	-	-	-	-

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Exchange-Traded Funds	15,891,796	-	-	15,891,796
Mutual Funds	105,322,548	-	-	105,322,548
Currency Forward Contracts	-	66,089	-	66,089
Financial Liabilities				
Currency Forward Contracts	-	393	-	393
Option Contracts	177,086	-	-	177,086

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Exchange-Traded Funds

Exchange-traded 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.

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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of options and foreign currency forward contracts. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$19,065 (\$16,508 for the period ended December 31, 2016).

Taxation of the Portfolio

The Portfolio currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Related Party Transactions

Seed Capital Investment by the Company

The Company is the issuer of the Portfolio. Investment by the Company in the Portfolio 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 Portfolio:

	December 31, 2017	
	Units	Market Value (\$)
Series A	11,745	116,883
Series F	1,048	10,941
Series I	1,019	11,233
Series O	1,063	10,936
Series T5	720	10,595

	December 31, 2016	
	Units	Market Value (\$)
Series A	-	-
Series F	-	-
Series I	-	-
Series O	-	-
Series T5	-	-

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

Sun Life Granite Income Portfolio (continued)

The following are transactions in the Portfolio by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	116,189	-	2,776
Series F	10,860	-	254
Series I	11,131	-	263
Series O	10,858	17	260
Series T5	10,533	-	266

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	-	-	-
Series F	-	-	-
Series I	-	-	-
Series O	-	-	-
Series T5	-	-	-

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada (“SLA”) invested additional seed money to support the launch of the Portfolio and investments were made for the purposes of seed money investments. As at December 31, 2017 and December 31, 2016, SLA held the following position in the Portfolio:

	December 31, 2017	
	Units	Market Value (\$)
Series I	494,425	5,447,871

	December 31, 2016	
	Units	Market Value (\$)
Series I	-	-

The following are transactions in the Portfolio by SLA from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	5,398,371	-	127,664

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	-	-

Interests in Underlying Funds

The Portfolio invests in redeemable units or shares of other investment funds (“underlying funds”) to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Portfolio, along with other investors, which entitles unitholders to a proportionate share of the underlying fund’s net assets. The Portfolio does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Portfolio’s interests in underlying funds are reported at fair value in “investments” in its Statements of Financial Position and its Schedule of Investments, which represents the Portfolio’s maximum exposure to financial loss.

As at December 31, 2017 and December 31, 2016, the Portfolio had interests in underlying funds as noted in the following tables:

Underlying Fund	As at December 31, 2017	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life MFS Canadian Bond Fund	25	34

Underlying Fund	As at December 31, 2016	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Sun Life MFS Canadian Bond Fund	26	28

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	465,948	66,089
Investments designated at FVTPL	183,576,556	121,214,344
Total financial assets at fair value through profit or loss	184,042,504	121,280,433
Financial assets at amortized cost		
Cash	2,221,558	9,901,242
Other receivables	1,763,932	7,084,131
Total financial assets at amortized cost	3,985,490	16,985,373
Total assets	188,027,994	138,265,806
Financial liabilities		
Derivative liabilities held for trading	-	177,479
Financial liabilities at amortized cost	1,552,966	2,816,082
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,552,966	2,993,561

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

Sun Life Granite Income Portfolio (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	986,837	191,555
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	10,519,446	6,112,669
Total net gains (losses)	11,506,283	6,304,224

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Portfolio's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Gross Assets/ (Liabilities) (\$)	Amounts Eligible for Offset		Net (\$)
		Financial Instruments (\$)	Collateral received/ paid (\$)	
December 31, 2017				
Derivative assets - Forward Contracts	465,948	-	-	465,948
Total	465,948	-	-	465,948
Derivative liabilities - Forward Contracts	-	-	-	-
Total	-	-	-	-
December 31, 2016				
Derivative assets - Forward Contracts	66,089	(393)	-	65,696
Total	66,089	(393)	-	65,696
Derivative liabilities - Forward Contracts	(393)	393	-	-
Total	(393)	393	-	-

Establishment of the Portfolio

The origin dates on the series of units of the Portfolio are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2013	January 17, 2013
Series T5 Units	October 27, 2017	October 30, 2017
Series F Units	January 11, 2013	January 17, 2013
Series I Units	January 11, 2013	January 17, 2013
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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.

Fund Merger

As of close of business on October 27, 2017, all assets of the Sun Life Sentry Conservative Balanced Fund (the "Terminating Fund") were reclassified into the Sun Life Granite Income Portfolio (the "Continuing Fund").

Terminating Funds	Continuing Fund	Net Assets Acquired by Continuing Fund	Units Issued by Continuing Fund
Sun Life Sentry Conservative Balanced Fund	Sun Life Granite Income Portfolio		
Series A	Series A	3,842,940	379,276
Series F	Series F	380,279	35,853
Series I	Series I	15,128,433	1,353,290
Series O	Series O	1,092,939	104,607
Series T5	Series T5	72,748	4,850

Under the tax reorganization rules in the *Income Tax Act (Canada)*, the discontinuation of the Terminating Funds was executed on a non-taxable basis. The execution of this merger is recorded as a subscription on the Continuing Fund's Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

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

Sun Life Granite Moderate Portfolio

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)	1,178,151,749	842,099,065
Short-term investments	-	-
Cash	5,173,956	9,241,940
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	17,843,493
Accrued interest	-	-
Dividends receivable	-	75,810
Distributions receivable from underlying funds	11,476,417	5,433,263
Subscriptions receivable	1,709,503	3,407,400
	1,196,511,625	878,100,971
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	32,530	78,420
Redemptions payable	144,825	163,425
Distributions payable	-	-
Due to investment dealers	13,749,641	33,603,020
Management fees payable	174,192	482,077
Total liabilities (excluding net assets attributable to holders of redeemable units)	14,101,188	34,326,942
Net Assets Attributable to Holders of Redeemable Units	1,182,410,437	843,774,029
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	362,745,485	258,689,277
Series T5	2,869,503	3,136,065
Series E	-	-
Series F	40,360,099	14,511,234
Series I	714,273,807	528,434,166
Series O	62,161,543	39,003,287
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	12.72	12.29
Series T5	15.69	15.73
Series E	-	-
Series F	13.11	12.69
Series I	13.41	12.93
Series O	10.93	10.54

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		
Dividend income	1,679,791	1,255,802
Interest income for distribution purposes	20,133	40,736
Distributions from underlying funds	35,294,022	26,103,691
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	21,598,764	6,109,573
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	27,177,338	5,801,745
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	85,770,048	39,311,547
Net gain (loss) on foreign exchange	(209,004)	50,236
Other income	-	-
Total income (loss)	85,561,044	39,361,783
Expenses (note 5)		
Management fees	6,262,424	4,164,709
Administration fees	1,074,441	680,883
Independent review committee fees	8,352	3,997
Withholding tax	251,969	176,974
Transaction costs (note 2)	12,576	13,014
Total operating expenses	7,609,762	5,039,577
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	77,951,282	34,322,206
Finance Cost		
Interest expense	(18)	(2)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	77,951,264	34,322,204
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	19,647,824	8,747,952
Series T5	179,879	54,543
Series E	-	(1,142,770)
Series F	1,845,913	311,207
Series I	52,238,837	24,781,340
Series O	4,038,811	1,569,932
Weighted Average Number of Units Outstanding		
Series A	24,628,599	16,957,812
Series T5	174,883	126,438
Series E	-	4,053,786
Series F	2,000,794	476,307
Series I	45,839,798	31,742,653
Series O	4,569,790	2,436,777
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.80	0.52
Series T5	1.03	0.43
Series E	-	(0.28)
Series F	0.92	0.65
Series I	1.14	0.78
Series O	0.88	0.64

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

Sun Life Granite Moderate Portfolio (continued)

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

For the periods ended December 31

	Series A		Series T5		Series E		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 258,689,277	125,972,946	3,136,065	1,250,738	-	39,959,310	14,511,234	1,412,728
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 19,647,824	8,747,952	179,879	54,543	-	(1,142,770)	1,845,913	311,207
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 147,693,213	160,539,758	1,025,126	2,001,840	-	2,333,062	28,735,852	13,577,331
Redemption of redeemable units	\$ (63,221,818)	(36,538,590)	(1,401,930)	(114,266)	-	(41,147,947)	(4,717,583)	(761,857)
Reinvestment of distributions to holders of redeemable units	\$ 10,525,067	5,313,263	114,760	66,055	-	1,494	1,645,672	418,927
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 94,996,462	129,314,431	(262,044)	1,953,629	-	(38,813,391)	25,663,941	13,234,401
Distributions to Holders of Redeemable Units								
From capital gains	\$ (7,330,763)	(2,762,555)	(58,335)	(33,630)	-	-	(815,970)	(143,494)
From net investment income	\$ (3,077,852)	(2,583,175)	(70,348)	(85,201)	-	(3,039)	(825,043)	(292,162)
Return of capital	\$ (179,463)	(322)	(55,714)	(4,014)	-	(110)	(19,976)	(11,446)
	\$ (10,588,078)	(5,346,052)	(184,397)	(122,845)	-	(3,149)	(1,660,989)	(447,102)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 104,056,208	132,716,331	(266,562)	1,885,327	-	(39,959,310)	25,848,865	13,098,506
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 362,745,485	258,689,277	2,869,503	3,136,065	-	-	40,360,099	14,511,234
Redeemable Unit Transactions								
Balance - beginning of period	21,045,330	10,356,330	199,387	77,572	-	3,935,983	1,143,929	112,391
Units issued	11,600,513	13,239,456	64,008	124,815	-	234,598	2,164,218	1,057,327
Units issued on reinvestment of distributions	823,924	432,558	7,243	4,165	-	149	125,015	33,053
Units redeemed	(4,951,497)	(2,983,014)	(87,763)	(7,165)	-	(4,170,730)	(354,612)	(58,842)
Balance - end of period	28,518,270	21,045,330	182,875	199,387	-	-	3,078,550	1,143,929

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 528,434,166	279,764,136	39,003,287	14,885,303	843,774,029	463,245,161
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 52,238,837	24,781,340	4,038,811	1,569,932	77,951,264	34,322,204
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 165,555,884	240,134,855	29,681,175	27,197,524	372,691,250	445,784,370
Redemption of redeemable units	\$ (31,955,080)	(16,246,165)	(10,572,408)	(4,632,681)	(111,868,819)	(99,441,506)
Reinvestment of distributions to holders of redeemable units	\$ 33,613,922	19,304,666	2,839,980	1,373,038	48,739,401	26,477,443
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 167,214,726	243,193,356	21,948,747	23,937,881	309,561,832	372,820,307
Distributions to Holders of Redeemable Units						
From capital gains	\$ (14,554,029)	(5,667,360)	(1,264,390)	(420,918)	(24,023,487)	(9,027,957)
From net investment income	\$ (18,703,599)	(13,085,508)	(1,533,959)	(929,701)	(24,210,801)	(16,978,786)
Return of capital	\$ (356,294)	(551,798)	(30,953)	(39,210)	(642,400)	(606,900)
	\$ (33,613,922)	(19,304,666)	(2,829,302)	(1,389,829)	(48,876,688)	(26,613,643)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 185,839,641	248,670,030	23,158,256	24,117,984	338,636,408	380,528,868
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 714,273,807	528,434,166	62,161,543	39,003,287	1,182,410,437	843,774,029
Redeemable Unit Transactions						
Balance - beginning of period	40,870,982	21,966,406	3,700,054	1,432,593	66,959,682	37,881,275
Units issued	12,245,124	18,660,775	2,684,168	2,577,820	28,758,031	35,894,791
Units issued on reinvestment of distributions	2,496,503	1,494,898	258,833	130,381	3,711,518	2,095,204
Units redeemed	(2,361,898)	(1,251,097)	(956,806)	(440,740)	(8,712,576)	(8,911,588)
Balance - end of period	53,250,711	40,870,982	5,686,249	3,700,054	90,716,655	66,959,682

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

Sun Life Granite Moderate Portfolio (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 units from operations (excluding distributions)	77,951,264	34,322,204
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(21,598,764)	(6,109,573)
Change in unrealized (appreciation) depreciation in value of investments	(27,177,338)	(5,801,745)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(35,294,022)	(26,103,691)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(749,961,480)	(782,096,411)
Proceeds from sale of investments	495,956,458	451,636,150
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	75,810	(45,391)
Change in distributions receivable from underlying funds	(6,043,154)	(4,409,502)
Change in management fees payable	(307,885)	421,589
Change in other payables and accrued expenses	(33,314)	81,933
Net Cash Provided by (Used in) Operating Activities	(266,432,425)	(338,104,437)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(137,287)	(139,572)
Proceeds from redeemable units issued	374,389,147	446,126,666
Redemption of redeemable units	(111,887,419)	(99,382,363)
Net Cash Provided by (Used in) Financing Activities	262,364,441	346,604,731
Net increase (decrease) in cash	(4,067,984)	8,500,294
Cash (bank indebtedness) at beginning of period	9,241,940	741,646
Cash (bank indebtedness) at end of period	5,173,956	9,241,940
Dividends received, net of withholding taxes	1,503,632	1,031,651
Interest received, net of withholding taxes	20,133	42,522
Interest paid	(18)	(2)

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

Sun Life Granite Moderate Portfolio (continued)

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares Core S&P 500 ETF	286,115	86,915,479	96,379,013	
		86,915,479	96,379,013	8.15
MUTUAL FUNDS				
ABSL Umbrella UCITS Fund, Class E	76,163	11,567,595	13,817,748	
Beutel Goodman Canadian Equity Fund, Class I	1,573,252	59,698,192	65,311,055	
Brandes U.S. Small Cap Equity Fund, Series I	784,296	17,513,181	18,973,599	
Invesco Global Real Estate Fund, Series I	1,676,190	21,107,842	20,446,160	
PH&N Bond Fund, Series O	16,504,783	173,338,669	168,355,386	
RBC Global High Yield Bond Fund, Series O	7,330,343	78,734,040	80,362,552	
Sun Life BlackRock Canadian Composite Equity Fund, Series I	4,854,043	52,566,542	54,480,321	
Sun Life BlackRock Canadian Universe Bond Fund, Series I	12,497,502	133,555,762	130,998,817	
Sun Life Granite Tactical Completion Fund, Series I	9,869,968	100,321,774	97,584,372	
Sun Life MFS Canadian Equity Growth Fund, Series I	742,092	35,511,984	39,247,489	
Sun Life MFS International Growth Fund, Series I	2,711,871	42,536,633	49,027,376	
Sun Life MFS International Value Fund, Series I	3,120,841	60,521,701	72,969,016	
Sun Life MFS U.S. Value Fund, Series I	1,290,015	34,123,839	35,226,830	
Sun Life MFS U.S. Growth Fund, Series I	895,898	23,129,751	28,985,430	
Sun Life NWQ Flexible Income Fund, Series I	3,147,682	31,391,357	31,688,031	
Sun Life Ryan Labs U.S. Core Fixed Income Fund, Series I	6,746,418	68,035,021	67,779,239	
Sun Life Schroder Emerging Markets Fund, Series I	2,495,052	25,585,546	30,018,722	
Sun Life Schroder Global Mid Cap Fund, Series I	1,589,668	17,656,001	18,094,878	
Sun Life Infrastructure Fund, Series I	1,420,289	12,958,751	12,592,567	
Sun Life Sionna Canadian Small Cap Equity Class, Series I	1,212,076	11,936,257	12,513,108	
Templeton Global Bond Fund (Hedged), Series O	3,854,171	33,483,399	33,300,040	
		1,045,273,837	1,081,772,736	91.49
Transaction Costs		(3,706)		
Total Investments		1,132,185,610	1,178,151,749	99.64
Other Assets less Liabilities			4,258,688	0.36
Total Net Assets			1,182,410,437	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Moderate Portfolio (the "Portfolio") expose it to a variety of financial risks, which are described below. The Portfolio's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Portfolio are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

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 Portfolio holds assets and liabilities indirectly through underlying externally 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 Portfolio. 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 Portfolio (continued)

(ii) Interest rate risk

The Portfolio is exposed indirectly to interest rate risk as a result of its investment in underlying internally and externally managed funds.

(iii) Other market risk

The Portfolio is exposed indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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	25.3	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	0.4	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 (\$)	
Exchange-Traded Funds	96,379,013	-	-	96,379,013
Mutual Funds	1,081,772,736	-	-	1,081,772,736
	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Exchange-Traded Funds	68,870,990	-	-	68,870,990
Mutual Funds	773,228,075	-	-	773,228,075

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Exchange-Traded Funds

Exchange-traded 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.

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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$12,576 (\$13,014 for the period ended December 31, 2016).

Taxation of the Portfolio

The Portfolio currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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

Sun Life Granite Moderate Portfolio (continued)

Interests in Underlying Funds

The Portfolio invests in redeemable units or shares of other investment funds (“underlying funds”) to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Portfolio, along with other investors, which entitles unitholders to a proportionate share of the underlying fund’s net assets. The Portfolio does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Portfolio’s interests in underlying funds are reported at fair value in “investments” in its Statements of Financial Position and its Schedule of Investments, which represents the Portfolio’s maximum exposure to financial loss.

As at December 31, 2017 and December 31, 2016, there were no significant interests in underlying funds.

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	1,178,151,749	842,099,065
Total financial assets at fair value through profit or loss	1,178,151,749	842,099,065
Financial assets at amortized cost		
Cash	5,173,956	9,241,940
Other receivables	13,185,920	26,759,966
Total financial assets at amortized cost	18,359,876	36,001,906
Total assets	1,196,511,625	878,100,971
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	14,101,188	34,326,942
Total liabilities (excluding net assets attributable to holders of redeemable units)	14,101,188	34,326,942

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	85,770,048	39,311,547
Total net gains (losses)	85,770,048	39,311,547

Establishment of the Portfolio

The origin dates on the series of units of the Portfolio are shown below:

	Date of creation	Date available for sale
Series A Units	January 11, 2012	January 17, 2012
Series T5 Units	January 11, 2012	January 17, 2012
Series F Units	January 11, 2012	January 17, 2012
Series I Units	January 11, 2012	January 17, 2012
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 Tactical Completion Fund

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)	109,403,796	-
Short-term investments	482,135,474	516,592,399
Cash	9,823,979	8,546,620
Margin	2,765,800	37,647,031
Option contracts, at fair value - long	1,394,054	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	-
Accrued interest	860,036	112,781
Dividends receivable	-	-
Distributions receivable from underlying funds	26	-
Subscriptions receivable	-	-
	606,383,165	562,898,831
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	273,525	-
Option contracts, at fair value - short	8,047,260	8,263,671
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	2,765,800	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	8,190	29,574
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	-	-
Management fees payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable units)	11,094,775	8,293,245
Net Assets Attributable to Holders of Redeemable Units	595,288,390	554,605,586
Net Assets Attributable to Holders of Redeemable Units per Unit - Series I (note 4)	9.89	10.22

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 period ended December 31, 2017 and for the period from February 5, 2016 to December 31, 2016

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	-	12
Interest income for distribution purposes	4,539,673	881,644
Distributions from underlying funds	-	-
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	(3,585,135)	1,356,887
Net realized gain (loss) on futures contracts	3,276,816	265,314
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	33,449,452	26,706,475
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(88,487)	30,607
Change in unrealized appreciation (depreciation) in value of futures contracts	(2,765,800)	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	(994,046)	994,383
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	33,832,473	30,235,322
Net gain (loss) on foreign exchange	(5,042,355)	1,071,545
Other income	-	-
Total income (loss)	28,790,118	31,306,867
Expenses (note 5)		
Management fees	-	-
Administration fees	285,371	107,177
Independent review committee fees	-	1,057
Withholding tax	-	-
Transaction costs (note 2)	7,639,137	1,408,352
Total operating expenses	7,924,508	1,516,586
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	20,865,610	29,790,281
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) - Series I	20,865,610	29,790,281
Weighted Average Number of Units Outstanding - Series I	50,253,876	21,014,518
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) - Series I	0.42	1.42

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

Sun Life Granite Tactical Completion Fund (continued)

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

For the period ended December 31, 2017 and for the period from
February 5, 2016 to December 31, 2016

	Total	
	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 554,605,586	150,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 20,865,610	29,790,281
Redeemable Unit Transactions		
Proceeds from redeemable units issued	\$ 341,483,168	566,776,249
Redemption of redeemable units	\$ (321,666,000)	(42,110,966)
Reinvestment of distributions to holders of redeemable units	\$ 38,737,913	23,690,762
Capitalized distributions	\$ -	-
	\$ 58,555,081	548,356,045
Distributions to Holders of Redeemable Units		
From capital gains	\$ -	(1,068,659)
From net investment income	\$ (38,737,887)	(22,622,081)
Return of capital	\$ -	-
	\$ (38,737,887)	(23,690,740)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 40,682,804	554,455,586
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 595,288,390	554,605,586
Redeemable Unit Transactions		
Balance - beginning of period	54,273,737	15,000
Units issued	33,235,110	55,935,743
Units issued on reinvestment of distributions	3,918,065	2,318,373
Units redeemed	(31,217,568)	(3,995,379)
Balance - end of period	60,209,344	54,273,737

Statements of Cash Flows

For the period ended December 31, 2017 and for the period from
February 5, 2016 to December 31, 2016

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	20,865,610	29,790,281
Adjustments for:		
Gain on short-term investments	458,360	(799,470)
Net realized (gain) loss on sale of investments	3,585,135	(1,356,887)
Change in unrealized (appreciation) depreciation in value of investments	88,487	(30,607)
Change in unrealized (appreciation) depreciation in value of futures contracts	2,765,800	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	(1,610,465)	8,263,671
Change in fair value of credit default swaps	-	-
Change in margin	35,154,756	(37,647,031)
Purchases of investments	(127,503,704)	(35,522)
Proceeds from sale of investments	17,091,707	36,264
Purchases of short-term investments	(2,947,745,422)	(2,060,365,233)
Proceeds from sale of short-term investments	2,979,060,121	1,545,959,044
Change in dividends and interest receivable	(747,255)	(112,781)
Change in distributions receivable from underlying funds	(26)	-
Change in management fees payable	-	-
Change in other payables and accrued expenses	(2,939)	29,586
Net Cash Provided by (Used in) Operating Activities	(18,539,835)	(516,268,685)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	26	22
Proceeds from redeemable units issued	341,483,168	566,776,249
Redemption of redeemable units	(321,666,000)	(42,110,966)
Net Cash Provided by (Used in) Financing Activities	19,817,194	524,665,305
Net increase (decrease) in cash	1,277,359	8,396,620
Cash (bank indebtedness) at beginning of period	8,546,620	150,000
Cash (bank indebtedness) at end of period	9,823,979	8,546,620
Dividends received, net of withholding taxes	-	12
Interest received, net of withholding taxes	3,792,418	768,863
Interest paid	-	-

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

Sun Life Granite Tactical Completion Fund (continued)

Schedule of Investments

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT TERM INVESTMENTS						
Treasury Bills						
Canadian Treasury Bill	0.838%	11-Jan-2018	23,374,000	23,313,671	23,313,671	
Canadian Treasury Bill*	0.971%	08-Feb-2018	32,200,000	32,126,416	32,126,416	
Canadian Treasury Bill**	0.888%	22-Feb-2018	54,356,000	54,219,903	54,219,903	
Canadian Treasury Bill	0.871%	08-Mar-2018	19,744,000	19,698,052	19,698,052	
Canadian Treasury Bill	0.930%	22-Mar-2018	219,000	218,477	218,477	
United States Treasury Bill	1.036%	04-Jan-2018	11,731,000	14,667,143	14,660,228	
United States Treasury Bill	1.043%	11-Jan-2018	22,960,000	28,572,851	28,690,964	
United States Treasury Bill	1.064%	18-Jan-2018	1,403,000	1,759,303	1,753,064	
United States Treasury Bill	1.114%	25-Jan-2018	59,853,000	76,400,977	74,797,542	
United States Treasury Bill	1.212%	01-Feb-2018	34,790,000	44,295,769	43,475,113	
United States Treasury Bill	1.205%	22-Feb-2018	39,521,000	50,042,820	49,364,007	
United States Treasury Bill	1.243%	01-Mar-2018	10,831,000	13,797,838	13,529,341	
United States Treasury Bill	1.304%	22-Mar-2018	2,708,000	3,458,399	3,381,656	
United States Treasury Bill	1.361%	29-Mar-2018	1,103,000	1,377,313	1,377,313	
				363,948,932	360,605,747	60.57
Bankers' Acceptances						
Bank of Montreal	1.332%	29-Jan-2018	15,000,000	14,983,050	14,983,050	
Canadian Imperial Bank of Commerce	1.340%	28-Feb-2018	10,025,000	10,000,038	10,000,038	
National Bank of Canada	1.344%	29-Jan-2018	10,000,000	9,988,600	9,988,600	
The Toronto-Dominion Bank	1.341%	04-Jan-2018	12,170,000	12,131,665	12,131,665	
The Toronto-Dominion Bank	1.310%	29-Jan-2018	5,000,000	4,983,900	4,983,900	
The Toronto-Dominion Bank	1.283%	30-Jan-2018	6,900,000	6,887,166	6,887,166	
				58,974,419	58,974,419	9.91
Discount Commercial Paper						
Honda Canada Finance Inc.	1.534%	11-Jan-2018	10,000,000	9,966,500	9,966,500	
Plaza Trust	1.411%	05-Jan-2018	5,000,000	4,981,900	4,981,900	
Plaza Trust	1.441%	16-Jan-2018	5,000,000	4,981,900	4,981,900	
Plaza Trust	1.421%	16-Feb-2018	5,000,000	4,965,400	4,965,400	
Plaza Trust	1.462%	22-Mar-2018	5,000,000	4,981,250	4,981,250	
Prime Trust	1.389%	22-Jan-2018	10,000,000	9,965,500	9,965,500	
Ridge Trust	1.491%	04-Apr-2018	5,000,000	4,978,850	4,978,850	
Safe Trust	1.449%	23-Mar-2018	6,800,000	6,775,248	6,775,248	
Sound Trust	1.490%	23-Mar-2018	5,000,000	4,981,500	4,981,500	
Storm King Funding	1.432%	12-Mar-2018	6,000,000	5,977,260	5,977,260	
				62,555,308	62,555,308	10.51
Total Short-Term Investments				485,478,659	482,135,474	80.99
BONDS						
Corporate Bonds						
Bank of Montreal	0.202%	29-Mar-2018	10,000,000	10,044,750	10,014,327	
Bank of Nova Scotia	0.203%	20-Apr-2018	5,000,000	5,025,450	5,009,425	
Bank of Nova Scotia	0.157%	27-Jun-2018	15,000,000	15,000,000	15,009,525	
Bank of Nova Scotia	0.148%	05-Sep-2018	5,000,000	5,000,000	5,002,358	
Canadian Imperial Bank of Commerce	0.151%	08-May-2018	8,000,000	8,002,050	8,004,720	
Canadian Imperial Bank of Commerce	0.190%	01-Jun-2018	7,000,000	7,025,210	7,012,792	
Canadian Imperial Bank of Commerce	0.157%	24-Jul-2018	5,000,000	5,000,000	5,006,650	
National Bank of Canada	0.194%	14-Jun-2018	9,284,000	9,319,623	9,302,826	
Royal Bank of Canada	0.155%	11-Apr-2018	15,000,000	15,000,000	15,006,450	
Royal Bank of Canada	0.156%	30-Jul-2018	5,000,000	5,000,000	5,003,675	
Royal Bank of Canada	0.160%	01-Aug-2018	5,000,000	5,000,000	5,003,150	
The Toronto-Dominion Bank	0.212%	28-Mar-2018	20,000,000	20,075,200	20,027,898	
				109,492,283	109,403,796	18.38
Total Bonds				109,492,283	109,403,796	18.38
Total Investments				594,970,942	591,539,270	99.37
Written Option Contracts⁽¹⁾					(6,653,206)	(1.12)
Futures Contracts⁽²⁾					(2,765,800)	(0.46)
Other Assets less Liabilities					13,168,126	2.21
Total Net Assets					595,288,390	100.00

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

Sun Life Granite Tactical Completion Fund (continued)

Schedule of Investments (continued)

⁽¹⁾ Written Option Contracts

	Expiry Date	Number of Contracts	Average Cost (\$)	Current Value (\$)
Financial Select Sector SPDR @23 Put Option	19-Jan-2018	47,800	239,564	37,085
Financial Select Sector @23.5 Put Option	12-Jan-2018	46,700	175,539	34,417
iShares MSCI EAFE ETF @64 Put Option	19-Jan-2018	17,200	344,812	53,877
RUSSELL 2000 Index/OLD @1440 Put Option	26-Jan-2018	580	281,354	279,784
S&P 500 Index @2695 Call Option	05-Jan-2018	2,050	976,048	488,024
S&P 500 Index @2560 Put Option	26-Jan-2018	650	423,497	500,867
			2,440,814	1,394,054
Financial Select Sector @28 Put Option	19-Jan-2018	(47,800)	(2,994,550)	(2,215,967)
iShares MSCI EAFE ETF @70.5 Put Option	19-Jan-2018	(17,000)	(1,405,810)	(1,320,609)
RUSSELL 2000 Index/Old @1545 Put Option	26-Jan-2018	(580)	(1,749,309)	(1,933,051)
S&P 500 Index @2690 Put Option	26-Jan-2018	(650)	(2,093,053)	(2,410,677)
S&P 500 Index @2705 Call Option	05-Jan-2018	(2,050)	(642,137)	(166,956)
			(8,884,859)	(8,047,260)

⁽²⁾ Futures Contracts

Name of Future	Contracted Value (\$)	Expiry Date	Numbers of Contracts	Contracted Price	Current Value (\$)	Unrealized Appreciation/Depreciation (\$)
MTL 10-year Canadian Bond Futures	102,577,500	20-Mar-2018	750	137	101,085,000	(1,492,500)
MTL 10-year Canadian Bond Futures	95,431,000	20-Mar-2018	700	136	94,346,000	(1,085,000)
MTL 10-year Canadian Bond Futures	9,622,900	20-Mar-2018	70	137	9,434,600	(188,300)
						(2,765,800)

*\$19,300,000 of the fair value of this security is held as an initial margin posted for the purchase of futures.

**\$36,000,000 of the fair value of this security is held as an initial margin posted for the purchase of futures.

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Granite Tactical Completion Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which 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	77.60	81.83
AA/Aa	12.33	3.60
A/A	5.77	-
Not Rated	3.90	7.72
Total	99.60	93.15

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

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

Sun Life Granite Tactical Completion Fund (continued)

(b) Market risk

(i) Currency risk

The 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates 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	227,280,759	38.18	9,720,521	1.75
Euro	-	-	36,097	0.01
Total	227,280,759	38.18	9,756,618	1.76

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 Units of the Fund would have increased or decreased respectively by \$11,364,038 (\$487,831 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 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	591,539,270	-	-	591,539,270
December 31, 2016	516,592,399	-	-	516,592,399

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 Units of the Fund would have decreased or increased respectively by \$882,216 (\$954,743 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 Fund.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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	60.6	67.8
Bankers' Acceptances	9.9	24.8
Discount Commercial Paper	10.5	0.5
Bonds		
Corporate Bonds	18.4	-
Option Contracts	(1.1)	(1.5)
Futures	(0.5)	-
Other Assets less Liabilities	2.2	8.4
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 (\$)	
Financial Assets				
Bonds	-	109,403,796	-	109,403,796
Short-Term Investments	-	482,135,474	-	482,135,474
Option Contracts	1,394,054	-	-	1,394,054
Financial Liabilities				
Futures Contracts	-	2,765,800	-	2,765,800
Option Contracts	8,047,260	-	-	8,047,260

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Short-Term Investments	-	516,592,399	-	516,592,399
Financial Liabilities				
Option Contracts	8,263,671	-	-	8,263,671

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and February 5 to December 31, 2016.

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

Sun Life Granite Tactical Completion Fund (continued)

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Bonds have been classified as Level 2.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of option and futures contracts. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Futures contracts are classified as Level 2 and are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out. Gains or losses arising from futures contracts are recorded as unrealized gain (loss) on futures contracts and shown as an asset (liability) on the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$7,639,137 (\$1,408,352 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$5,260,480 (\$nil as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

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 the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

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

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	150,000	159,354	-

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	1,394,054	-
Investments designated at FVTPL	591,539,270	516,592,399
Total financial assets at fair value through profit or loss	592,933,324	516,592,399
Financial assets at amortized cost		
Cash	9,823,979	8,546,620
Other receivables	3,625,862	37,759,812
Total financial assets at amortized cost	13,449,841	46,306,432
Total assets	606,383,165	562,898,831
Financial liabilities		
Derivative liabilities held for trading	10,813,060	8,263,671
Financial liabilities at amortized cost	281,715	29,574
Total liabilities (excluding net assets attributable to holders of redeemable units)	11,094,775	8,293,245

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	32,966,422	27,966,172
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	866,051	2,269,150
Total net gains (losses)	33,832,473	30,235,322

Establishment of the Fund

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

	Date of creation	Date available for sale
Series I Units	February 05, 2016	February 11, 2016

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

Sun Life Infrastructure Fund

(formerly Sun Life Sentry Infrastructure Fund)

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)	109,105,263	210,725,921
Short-term investments	-	-
Cash	19,634,806	6,480,883
Margin	-	-
Option contracts, at fair value - long	-	56,166
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	274,691
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	-
Accrued interest	310	-
Dividends receivable	354,368	521,405
Distributions receivable from underlying funds	-	-
Subscriptions receivable	3,018,201	8,621
	132,112,948	218,067,687
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	4,245
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	25,263
Unrealized depreciation on swaps	-	-
Accrued expenses	2,394	12,802
Redemptions payable	28,138	4,081,661
Distributions payable	-	-
Due to investment dealers	9,187,522	-
Management fees payable	8,311	23,281
Total liabilities (excluding net assets attributable to holders of redeemable units)	9,226,365	4,147,252
Net Assets Attributable to Holders of Redeemable Units	122,886,583	213,920,435
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	15,164,708	10,990,502
Series T5	13,120	11,969
Series T8	14,862	10,003
Series E	-	-
Series F	1,218,138	656,964
Series I	102,737,873	200,190,943
Series O	3,737,882	2,060,054
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	8.05	9.04
Series T5	12.22	13.56
Series T8	11.54	12.79
Series E	-	-
Series F	8.15	9.23
Series I	8.87	9.48
Series O	8.43	9.45

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		
Dividend income	4,935,018	5,049,008
Interest income for distribution purposes	49,276	4,127
Distributions from underlying funds	-	-
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	22,081,730	(2,946,229)
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	1,998,754	(275,506)
Net realized gain (loss) on option contracts	(317,996)	309,454
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(10,878,640)	13,493,070
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	(249,428)	3,019,302
Change in unrealized appreciation (depreciation) in option contracts	266,075	(266,075)
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	17,884,789	18,387,151
Net gain (loss) on foreign exchange	(2,052)	160,018
Other income	-	-
Total income (loss)	17,882,737	18,547,169
Expenses (note 5)		
Management fees	309,244	204,191
Administration fees	109,617	119,589
Independent review committee fees	374	1,126
Withholding tax	327,066	440,938
Transaction costs (note 2)	418,604	353,198
Total operating expenses	1,164,905	1,119,042
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	16,717,832	17,428,127
Finance Cost		
Interest expense	(360)	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	16,717,472	17,428,126
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	1,082,736	732,450
Series T5	1,151	804
Series T8	1,032	972
Series E	-	(51,971)
Series F	79,733	28,631
Series I	15,304,207	16,569,405
Series O	248,613	147,835
Weighted Average Number of Units Outstanding		
Series A	1,435,297	999,803
Series T5	917	806
Series T8	891	1,236
Series E	-	135,780
Series F	96,971	42,465
Series I	12,762,000	18,707,753
Series O	298,392	169,504

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

Sun Life Infrastructure Fund (continued)

(formerly Sun Life Sentry Infrastructure Fund)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.75	0.73
Series T5	1.26	1.00
Series T8	1.16	0.79
Series E	-	(0.38)
Series F	0.82	0.67
Series I	1.20	0.89
Series O	0.83	0.87

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

For the periods ended December 31

	Series A		Series T5		Series T8		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 10,990,502	5,926,165	11,969	9,310	10,003	15,679	-	1,180,415
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 1,082,736	732,450	1,151	804	1,032	972	-	(51,971)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 5,913,594	5,859,755	335	1,853	4,000	-	-	48,195
Redemption of redeemable units	\$ (2,770,066)	(1,521,365)	(335)	-	-	(6,650)	-	(1,176,489)
Reinvestment of distributions to holders of redeemable units	\$ 2,798,547	483,040	2,448	565	2,073	1,281	-	5,461
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 5,942,075	4,821,430	2,448	2,418	6,073	(5,369)	-	(1,122,833)
Distributions to Holders of Redeemable Units								
From capital gains	\$ (2,253,616)	-	(1,851)	-	(1,381)	-	-	-
From net investment income	\$ (596,989)	(213,016)	(597)	(246)	(865)	(557)	-	(2,483)
Return of capital	\$ -	(276,527)	-	(317)	-	(722)	-	(3,128)
	\$ (2,850,605)	(489,543)	(2,448)	(563)	(2,246)	(1,279)	-	(5,611)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 4,174,206	5,064,337	1,151	2,659	4,859	(5,676)	-	(1,180,415)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 15,164,708	10,990,502	13,120	11,969	14,862	10,003	-	-
Redeemable Unit Transactions								
Balance - beginning of period	1,215,980	665,425	882	699	782	1,212	-	132,570
Units issued	627,247	669,642	23	141	337	-	-	5,567
Units issued on reinvestment of distributions	332,976	53,897	192	42	169	100	-	632
Units redeemed	(293,105)	(172,984)	(23)	-	-	(530)	-	(138,769)
Balance - end of period	1,883,098	1,215,980	1,074	882	1,288	782	-	-

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

Sun Life Infrastructure Fund (continued)

(formerly Sun Life Sentry Infrastructure Fund)

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

For the periods ended December 31

	Series F		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 656,964	177,472	200,190,943	154,089,770	2,060,054	1,215,481	213,920,435	162,614,292
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 79,733	28,631	15,304,207	16,569,405	248,613	147,835	16,717,472	17,428,126
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 922,414	567,366	24,906,796	85,141,810	2,023,342	1,006,857	33,770,481	92,625,836
Redemption of redeemable units	\$ (375,269)	(106,606)	(137,664,075)	(55,610,042)	(555,092)	(305,067)	(141,364,837)	(58,726,219)
Reinvestment of distributions to holders of redeemable units	\$ 180,602	11,261	18,525,206	9,084,477	703,283	77,326	22,212,159	9,663,411
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 727,747	472,021	(94,232,073)	38,616,245	2,171,533	779,116	(85,382,197)	43,563,028
Distributions to Holders of Redeemable Units								
From capital gains	\$ (206,251)	-	(12,951,100)	-	(611,739)	-	(16,025,938)	-
From net investment income	\$ (40,055)	(9,207)	(5,574,104)	(3,954,799)	(130,579)	(35,862)	(6,343,189)	(4,216,170)
Return of capital	\$ -	(11,953)	-	(5,129,678)	-	(46,516)	-	(5,468,841)
	\$ (246,306)	(21,160)	(18,525,204)	(9,084,477)	(742,318)	(82,378)	(22,369,127)	(9,685,011)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 561,174	479,492	(97,453,070)	46,101,173	1,677,828	844,573	(91,033,852)	51,306,143
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 1,218,138	656,964	102,737,873	200,190,943	3,737,882	2,060,054	122,886,583	213,920,435
Redeemable Unit Transactions								
Balance - beginning of period	71,159	19,736	21,119,674	16,927,534	218,056	133,731	22,626,533	17,880,907
Units issued	94,624	61,714	2,701,665	9,372,166	200,413	109,629	3,624,309	10,218,859
Units issued on reinvestment of distributions	21,447	1,237	1,991,828	980,476	80,373	8,338	2,426,985	1,044,722
Units redeemed	(37,784)	(11,528)	(14,225,622)	(6,160,502)	(55,373)	(33,642)	(14,611,907)	(6,517,955)
Balance - end of period	149,446	71,159	11,587,545	21,119,674	443,469	218,056	14,065,920	22,626,533

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

Sun Life Infrastructure Fund (continued)

(formerly Sun Life Sentry Infrastructure Fund)

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 units from operations (excluding distributions)	16,717,472	17,428,126
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(22,081,730)	2,946,229
Change in unrealized (appreciation) depreciation in value of investments	10,878,640	(13,493,070)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	249,428	(3,019,302)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	51,921	(51,921)
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(144,680,014)	(158,167,672)
Proceeds from sale of investments	266,272,680	106,944,506
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	166,727	(214,962)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(14,970)	20,230
Change in other payables and accrued expenses	408,196	363,960
Net Cash Provided by (Used in) Operating Activities	127,968,350	(47,243,876)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(156,968)	(21,600)
Proceeds from redeemable units issued	30,760,901	93,847,223
Redemption of redeemable units	(145,418,360)	(54,663,501)
Net Cash Provided by (Used in) Financing Activities	(114,814,427)	39,162,122
Net increase (decrease) in cash	13,153,923	(8,081,754)
Cash (bank indebtedness) at beginning of period	6,480,883	14,562,637
Cash (bank indebtedness) at end of period	19,634,806	6,480,883
Dividends received, net of withholding taxes	4,774,989	4,393,108
Interest received, net of withholding taxes	48,966	4,127
Interest paid	(360)	(1)

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Snam SpA	1,519,123	9,760,496	9,325,101	
		9,760,496	9,325,101	7.59
Industrials				
Abertis Infraestructuras SA	154,880	4,425,430	4,322,547	
ASTM SpA	14,884	561,088	542,592	
Atlantia SpA	230,604	8,919,702	9,131,733	
Ferrovial SA	3,521	90,732	100,254	
Fraport AG Frankfurt Airport Services Worldwide	24,967	3,304,533	3,450,589	
Genesee & Wyoming Inc.	11,171	1,129,126	1,101,956	
MacQuarie Atlas Roads Group	285,752	1,711,002	1,761,412	
Norfolk Southern Corp.	57,542	10,446,564	10,446,846	
Società Iniziative Autostradali e Servizi SpA	24,423	571,252	570,284	
Transurban Group	275,407	3,129,248	3,354,804	
Transurban Group, Rights	22,330	23,885	22,211	
Union Pacific Corp	12,766	1,692,549	2,144,941	
Vinci SA	50,006	5,196,786	6,406,299	
		41,201,897	43,356,468	35.29
Consumer Discretionary				
Eutelsat Communications SA	47,219	1,370,104	1,370,762	
SES SA	152,478	4,017,196	2,984,592	
		5,387,300	4,355,354	3.54
Utilities				
Enagas SA	232,400	8,683,848	8,346,204	
Hera SpA	237,578	1,110,129	1,040,159	
Italgas SpA	345,507	2,774,245	2,645,910	
National Grid PLC	541,350	8,573,104	8,029,413	
Pennon Group PLC	57,879	763,951	768,123	
PG&E Corp.	142,738	9,969,268	8,017,522	
Red Electrica Corp SA	230,676	6,668,876	6,493,467	
REN - Redes Energéticas Nacionais SGPS SA	196,836	734,501	734,144	
Spark Infrastructure Group	175,731	464,221	432,258	
Terna Rete Elettrica Nazionale SpA	1,199,378	9,416,590	8,740,991	
United Utilities Group PLC	485,098	6,850,469	6,820,149	
		56,009,202	52,068,340	42.37
Total Equities		112,358,895	109,105,263	88.79
Transaction Costs		(174,931)	-	
Total Investments		112,183,964	109,105,263	88.79
Other Assets less Liabilities			13,781,320	11.21
Total Net Assets			122,886,583	100.00

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

Sun Life Infrastructure Fund (continued)

(formerly Sun Life Sentry Infrastructure Fund)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Infrastructure Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which 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	-	0.02
AA/Aa	-	0.03
A/A	-	0.11
Total	-	0.16

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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates 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	61,952,424	50.41	33,477,918	15.65
United States Dollar	17,925,421	14.59	52,599,447	24.59
Swiss Franc	-	-	4,544,051	2.12
British Pound	14,820,098	12.06	-	-
Japanese Yen	-	-	5,237,409	2.45
Australian Dollar	5,637,379	4.59	6,399,066	2.99
Total	100,335,322	81.65	102,257,891	47.80

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 Units of the Fund would have increased or decreased respectively by \$5,016,766 (\$5,112,895 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 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 its 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 Units of the Fund would have increased or decreased respectively by \$5,455,263 (\$10,536,296 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 Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

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

Sun Life Infrastructure Fund (continued)

(formerly Sun Life Sentry Infrastructure Fund)

(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 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	7.6	20.4
Industrials	35.3	23.7
Consumer Discretionary	3.5	7.7
Utilities	42.4	24.2
Telecommunication Services	-	10.7
Real Estate	-	5.4
Information Technology	-	3.4
Financials	-	3.0
Other Assets less Liabilities	11.2	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 (\$)	
Financial Assets				
Equities	109,105,263	-	-	109,105,263
Currency Forward Contracts	-	-	-	-
Option Contracts	-	-	-	-
Financial Liabilities				
Currency Forward Contracts	-	-	-	-
Option Contracts	-	-	-	-
	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	210,725,921	-	-	210,725,921
Currency Forward Contracts	-	274,691	-	274,691
Option Contracts	56,166	-	-	56,166
Financial Liabilities				
Currency Forward Contracts	-	25,263	-	25,263
Option Contracts	4,245	-	-	4,245

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

The following is a reconciliation of Level 3 fair value assets as at December 31, 2017 and December 31, 2016.

	December 31, 2017	December 31, 2016
Opening Balance	-	2,999,999
Net purchases and sales	-	(3,199,999)
Transfers in	-	-
Transfers out	-	-
Gains (Losses) Realized	-	200,000
Change in unrealized	-	-
Closing Balance	-	-

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the assets at cost or derive the prices indirectly from other observable market prices.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of options and foreign currency forward contracts. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used. Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$418,604 (\$353,198 for the period ended December 31, 2016).

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

Sun Life Infrastructure Fund (continued)

(formerly Sun Life Sentry Infrastructure Fund)

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 \$11,877 (\$38,153 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$nil (\$2,160,819 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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	
	Units	Market Value (\$)
Series T5	897	10,955
Series T8	951	10,975

	December 31, 2016	
	Units	Market Value (\$)
Series T5	736	9,989
Series T8	782	10,003

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series T5	28	-	2,019
Series T8	28	-	2,043

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series T5	-	-	501
Series T8	-	-	798

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at December 31, 2017 and December 31, 2016, SLA held the following position in the Fund:

	December 31, 2017	
	Units	Market Value (\$)
Series I	-	-

	December 31, 2016	
	Units	Market Value (\$)
Series I	15,793	149,698

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	277	1,280

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	1,049	85,152

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	-	330,857
Investments designated at FVTPL	109,105,263	210,725,921
Total financial assets at fair value through profit or loss	109,105,263	211,056,778
Financial assets at amortized cost		
Cash	19,634,806	6,480,883
Other receivables	3,372,879	530,026
Total financial assets at amortized cost	23,007,685	7,010,909
Total assets	132,112,948	218,067,687
Financial liabilities		
Derivative liabilities held for trading	-	29,508
Financial liabilities at amortized cost	9,226,365	4,117,744
Total liabilities (excluding net assets attributable to holders of redeemable units)	9,226,365	4,147,252

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

Sun Life Infrastructure Fund (continued)

(formerly Sun Life Sentry Infrastructure Fund)

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	1,697,405	2,787,175
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	16,187,384	15,599,976
Total net gains (losses)	17,884,789	18,387,151

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	January 29, 2015	February 02, 2015
Series T5 Units	January 29, 2015	February 02, 2015
Series T8 Units	January 29, 2015	February 02, 2015
Series F Units	January 29, 2015	February 02, 2015
Series I Units	January 29, 2015	February 02, 2015
Series O Units	January 29, 2015	February 02, 2015

Effective February 5, 2016, all Series E units were re-designated to Series A units 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.

Fund Sub-advisor and Name Change

Effective as of the end of business on October 31, 2017, Sentry Investments Inc. was terminated as sub-advisor to Sun Life Sentry Infrastructure Fund and the Fund was renamed Sun Life Infrastructure Fund effective November 1, 2017. Lazard Asset Management (Canada) Inc. was appointed as sub-advisor for the Fund, effective on or about December 15, 2017. The Fund's investment objective and investment strategies will remain unchanged.

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

Sun Life MFS Canadian Bond Fund

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)	132,614,029	124,528,793
Short-term investments	-	-
Cash	514,580	1,111,354
Margin	224,946	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	171,449	121,449
Unrealized appreciation on currency forward contracts	177,062	25,053
Unrealized appreciation on swaps	-	-
Due from investment dealers	664,026	-
Accrued interest	773,738	837,078
Dividends receivable	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	17,732	92,795
	135,157,562	126,716,522
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	37,380
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	282,285	169,570
Unrealized depreciation on currency forward contracts	202,851	402,587
Unrealized depreciation on swaps	-	-
Accrued expenses	3,212	11,635
Redemptions payable	282,383	2,865,820
Distributions payable	-	-
Due to investment dealers	664,061	-
Management fees payable	13,393	58,197
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,448,185	3,545,189
Net Assets Attributable to Holders of Redeemable Units	133,709,377	123,171,333
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	23,769,717	25,960,509
Series D	26,188,101	29,048,752
Series E	-	-
Series F	5,879,437	5,440,245
Series FX	417,278	407,265
Series I	73,682,533	59,266,430
Series O	3,772,311	3,048,132
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	13.92	14.05
Series D	13.98	14.12
Series E	-	-
Series F	10.30	10.39
Series FX	14.04	14.18
Series I	13.43	13.57
Series O	10.00	10.10

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		
Dividend income	-	-
Interest income for distribution purposes	4,130,330	3,819,275
Distributions from underlying funds	-	-
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	81,113	507,566
Net realized gain (loss) on futures contracts	(560,662)	525,651
Net realized gain (loss) on currency forward contracts	1,722,324	(408,556)
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(1,699,537)	(1,487,815)
Change in unrealized appreciation (depreciation) in value of futures contracts	(62,715)	(48,121)
Change in unrealized appreciation (depreciation) in currency forward contracts	351,744	1,019,999
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	3,962,597	3,927,999
Net gain (loss) on foreign exchange	22,806	69,817
Other income	-	-
Total income (loss)	3,985,403	3,997,816
Expenses (note 5)		
Management fees	580,941	571,146
Administration fees	123,133	124,444
Independent review committee fees	1,282	673
Withholding tax	-	-
Transaction costs (note 2)	14,441	-
Total operating expenses	719,797	696,263
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	3,265,606	3,301,553
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	3,265,606	3,301,553
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	423,394	401,964
Series D	654,959	951,114
Series E	-	27,208
Series F	111,434	42,820
Series FX	10,012	16,960
Series I	1,966,957	1,742,219
Series O	98,850	119,268
Weighted Average Number of Units Outstanding		
Series A	1,740,271	1,629,015
Series D	1,962,945	2,082,718
Series E	-	362,020
Series F	529,282	333,475
Series FX	29,075	31,235
Series I	4,657,287	3,468,343
Series O	314,433	337,646

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

Sun Life MFS Canadian Bond Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.24	0.25
Series D	0.33	0.46
Series E	-	0.08
Series F	0.21	0.13
Series FX	0.34	0.54
Series I	0.42	0.50
Series O	0.31	0.35

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

For the periods ended December 31

	Series A		Series D		Series E		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 25,960,509	15,610,320	29,048,752	30,238,423	-	3,646,433	5,440,245	2,399,660
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 423,394	401,964	654,959	951,114	-	27,208	111,434	42,820
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 8,011,944	16,233,456	1,219,492	428,560	-	305,462	2,430,479	4,125,782
Redemption of redeemable units	\$ (10,594,100)	(6,259,858)	(4,664,413)	(2,498,401)	-	(3,978,648)	(2,091,439)	(1,115,839)
Reinvestment of distributions to holders of redeemable units	\$ 599,321	567,971	841,463	849,681	-	7,355	166,430	104,130
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (1,982,835)	10,541,569	(2,603,458)	(1,220,160)	-	(3,665,831)	505,470	3,114,073
Distributions to Holders of Redeemable Units								
From capital gains	\$ (209,166)	(129,136)	(235,572)	(144,149)	-	-	(52,370)	(26,747)
From net investment income	\$ (422,185)	(464,208)	(676,580)	(776,476)	-	(7,810)	(125,342)	(89,561)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (631,351)	(593,344)	(912,152)	(920,625)	-	(7,810)	(177,712)	(116,308)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (2,190,792)	10,350,189	(2,860,651)	(1,189,671)	-	(3,646,433)	439,192	3,040,585
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 23,769,717	25,960,509	26,188,101	29,048,752	-	-	5,879,437	5,440,245
Redeemable Unit Transactions								
Balance - beginning of period	1,848,182	1,111,231	2,056,757	2,141,603	-	362,274	523,516	230,912
Units issued	567,880	1,135,043	86,270	29,711	-	30,336	232,387	388,553
Units issued on reinvestment of distributions	42,729	39,754	59,642	59,133	-	730	16,038	9,864
Units redeemed	(750,802)	(437,846)	(329,661)	(173,690)	-	(393,340)	(200,929)	(105,813)
Balance - end of period	1,707,989	1,848,182	1,873,008	2,056,757	-	-	571,012	523,516

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

Sun Life MFS Canadian Bond Fund (continued)

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

For the periods ended December 31

	Series FX		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 407,265	466,583	59,266,430	40,659,074	3,048,132	2,493,217	123,171,333	95,513,710
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 10,012	16,960	1,966,957	1,742,219	98,850	119,268	3,265,606	3,301,553
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 24,360	-	30,406,168	47,367,310	1,870,528	2,126,805	43,962,971	70,587,375
Redemption of redeemable units	\$ (24,360)	(76,265)	(17,957,022)	(30,502,173)	(1,245,199)	(1,691,158)	(36,576,533)	(46,122,342)
Reinvestment of distributions to holders of redeemable units	\$ 14,281	14,178	2,779,067	1,944,060	135,638	130,259	4,536,200	3,617,634
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 14,281	(62,087)	15,228,213	18,809,197	760,967	565,906	11,922,638	28,082,667
Distributions to Holders of Redeemable Units								
From capital gains	\$ (3,746)	(2,020)	(664,650)	(313,088)	(33,931)	(14,898)	(1,199,435)	(630,038)
From net investment income	\$ (10,534)	(12,171)	(2,114,417)	(1,630,972)	(101,707)	(115,361)	(3,450,765)	(3,096,559)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (14,280)	(14,191)	(2,779,067)	(1,944,060)	(135,638)	(130,259)	(4,650,200)	(3,726,597)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 10,013	(59,318)	14,416,103	18,607,356	724,179	554,915	10,538,044	27,657,623
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 417,278	407,265	73,682,533	59,266,430	3,772,311	3,048,132	133,709,377	123,171,333
Redeemable Unit Transactions								
Balance - beginning of period	28,721	32,915	4,367,244	2,997,047	301,853	246,976	9,126,273	7,122,958
Units issued	1,682	-	2,233,479	3,436,980	184,914	207,532	3,306,612	5,228,155
Units issued on reinvestment of distributions	1,009	982	205,110	140,784	13,459	12,653	337,987	263,900
Units redeemed	(1,682)	(5,176)	(1,320,486)	(2,207,567)	(122,806)	(165,308)	(2,726,366)	(3,488,740)
Balance - end of period	29,730	28,721	5,485,347	4,367,244	377,420	301,853	10,044,506	9,126,273

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

Sun Life MFS Canadian Bond Fund (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 units from operations (excluding distributions)	3,265,606	3,301,553
Adjustments for:		
Gain on short-term investments	(3,465)	(3,720)
Net realized (gain) loss on sale of investments	(81,113)	(507,566)
Change in unrealized (appreciation) depreciation in value of investments	1,699,537	1,487,815
Change in unrealized (appreciation) depreciation in value of futures contracts	62,715	48,121
Change in unrealized (appreciation) depreciation in currency forward contracts	(351,744)	(1,019,999)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	(262,326)	37,380
Purchases of investments	(68,796,265)	(90,503,675)
Proceeds from sale of investments	59,092,639	57,611,406
Purchases of short-term investments	(41,844,602)	(33,497,333)
Proceeds from sale of short-term investments	41,848,067	36,497,663
Change in dividends and interest receivable	63,340	(86,976)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(44,804)	48,714
Change in other payables and accrued expenses	(8,423)	9,451
Net Cash Provided by (Used in) Operating Activities	(5,360,838)	(26,577,166)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(114,000)	(108,963)
Proceeds from redeemable units issued	44,038,034	70,729,396
Redemption of redeemable units	(39,159,970)	(43,299,952)
Net Cash Provided by (Used in) Financing Activities	4,764,064	27,320,481
Net increase (decrease) in cash	(596,774)	743,315
Cash (bank indebtedness) at beginning of period	1,111,354	368,039
Cash (bank indebtedness) at end of period	514,580	1,111,354
Dividends received, net of withholding taxes	-	-
Interest received, net of withholding taxes	4,193,670	3,732,299
Interest paid	-	-

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

Sun Life MFS Canadian Bond Fund (continued)

Schedule of Investments

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS						
Federal Bonds						
Canadian Government Bond	0.750	1-Sep-2021	2,405,000	2,378,190	2,316,981	
Canadian Government Bond	0.500	1-Mar-2022	5,580,000	5,358,473	5,284,730	
Canadian Government Bond	1.500	1-Jun-2023	1,280,000	1,257,779	1,254,184	
Canadian Government Bond	2.500	1-Jun-2024	4,955,000	5,223,104	5,120,561	
Canadian Government Bond	1.500	1-Jun-2026	760,000	759,005	729,348	
Canadian Government Bond	1.000	1-Jun-2027	1,825,000	1,684,729	1,663,199	
Canadian Government Bond	5.750	1-Jun-2033	2,815,000	4,287,759	4,131,829	
Canadian Government Bond	3.500	1-Dec-2045	835,000	1,062,390	1,044,016	
Canadian Government Bond	2.750	1-Dec-2048	1,570,000	1,761,480	1,738,958	
Canadian Government Bond	2.750	1-Dec-2064	880,000	1,028,190	1,010,772	
				24,801,099	24,294,578	18.17
Provincial Bonds						
Province of Alberta	4.000	1-Dec-2019	3,460,000	3,829,617	3,600,552	
Province of Alberta	2.550	1-Jun-2027	1,060,000	1,066,074	1,050,832	
Province of Alberta	2.900	20-Sep-2029	1,970,000	1,990,196	1,989,592	
Province of Alberta	3.450	1-Dec-2043	4,650,000	4,853,076	5,019,553	
Province of British Columbia	3.250	18-Dec-2021	3,375,000	3,633,360	3,524,915	
Province of British Columbia	4.950	18-Jun-2040	500,000	653,380	672,415	
Province of British Columbia	2.800	18-Jun-2048	1,340,000	1,268,658	1,322,431	
Province of Manitoba	4.650	5-Mar-2040	1,190,000	1,416,007	1,499,593	
Province of Manitoba	4.100	5-Mar-2041	1,440,000	1,636,971	1,691,644	
Province of Nova Scotia	2.100	1-Jun-2027	1,340,000	1,265,389	1,279,446	
Province of Nova Scotia	4.400	1-Jun-2042	1,040,000	1,251,276	1,290,645	
Province of Ontario	4.000	2-Jun-2021	6,610,000	7,369,140	7,032,067	
Province of Ontario	3.150	2-Jun-2022	2,880,000	3,090,467	2,996,358	
Province of Ontario	3.500	2-Jun-2024	1,180,000	1,258,116	1,256,022	
Province of Ontario	2.400	2-Jun-2026	1,040,000	1,062,449	1,027,183	
Province of Ontario	4.700	2-Jun-2037	4,050,000	5,084,934	5,132,998	
Province of Ontario	3.450	2-Jun-2045	2,010,000	2,101,745	2,198,531	
Province of Quebec	4.500	1-Dec-2019	1,430,000	1,595,845	1,501,456	
Province of Quebec	4.250	1-Dec-2021	1,155,000	1,254,238	1,247,092	
Province of Saskatchewan	4.750	1-Jun-2040	525,000	632,495	675,854	
				46,313,433	46,009,179	34.41
Municipal Bonds						
City of Montreal	4.250	1-Dec-2032	450,000	502,875	513,179	
Regional Municipality of York	2.350	9-Jun-2027	1,315,000	1,261,190	1,269,323	
				1,764,065	1,782,502	1.33
Corporate Bonds						
Alectra Inc.	3.958	30-Jul-2042	450,000	442,810	484,211	
Altalink LP	3.990	30-Jun-2042	255,000	254,108	277,212	
Bank of Montreal	4.609	10-Sep-2025	1,025,000	1,188,938	1,153,215	
Bruce Power LP	2.844	23-Jun-2021	1,110,000	1,122,486	1,118,212	
Bruce Power LP	4.010	21-Jun-2029	410,000	410,016	427,391	
Cameco Corp.	4.190	24-Jun-2024	370,000	369,852	367,285	
Canadian Western Bank	2.751	29-Jun-2020	780,000	789,360	782,813	
Dollarama Inc.	2.337	22-Jul-2021	945,000	945,208	937,635	
Enbridge Inc.	3.940	30-Jun-2023	230,000	230,000	239,686	
Enbridge Inc.	4.240	27-Aug-2042	1,410,000	1,346,483	1,352,672	
Enercare Solutions Inc.	3.380	21-Feb-2022	415,000	414,925	419,646	
Fairfax Financial Holdings Ltd.	4.250	6-Dec-2027	970,000	969,922	961,217	
General Motors Financial of Canada Ltd.	3.080	22-May-2020	925,000	920,406	934,266	
Glacier Credit Card Trust	2.568	20-Sep-2019	170,000	170,000	170,914	
IGM Financial Inc.	4.560	25-Jan-2047	290,000	290,000	310,497	
KS SP LP / KS SPI LP / ARI SP LP / ARI SPI LP	3.210	15-Jun-2019	277,304	272,539	278,340	
Metro Inc.	3.200	1-Dec-2021	325,000	337,838	331,467	
National Bank of Canada	2.404	28-Oct-2019	505,000	505,000	507,644	
North West Redwater Partnership / NWR Financing Co Ltd.	3.650	1-Jun-2035	335,000	334,776	338,688	
Nova Scotia Power Inc.	3.612	1-May-2045	1,280,000	1,209,102	1,272,178	
Omers Realty Corporation	3.358	5-Jun-2023	410,000	410,000	425,123	
Pembina Pipeline Corp.	4.810	25-Mar-2044	525,000	493,710	538,730	
Power Corp of Canada.	4.810	31-Jan-2047	1,120,000	1,120,000	1,243,617	

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

Sun Life MFS Canadian Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Rogers Communications Inc	6.560	22-Mar-2041	645,000	863,075	860,818	
Royal Bank of Canada	2.333	5-Dec-2023	425,000	423,640	417,844	
Royal Bank of Canada	4.930	16-Jul-2025	1,530,000	1,761,439	1,751,103	
Shaw Communications Inc.	6.750	9-Nov-2039	245,000	290,812	316,009	
The Bank of Nova Scotia	3.270	11-Jan-2021	1,565,000	1,655,695	1,606,968	
The Toronto-Dominion Bank	3.226	24-Jul-2024	2,900,000	3,040,545	2,995,265	
TMX Group Ltd.	2.997	11-Dec-2024	290,000	290,000	288,078	
Toromont Industries Ltd	3.842	27-Oct-2027	245,000	245,000	250,826	
Videotron Ltd.	5.625	15-Jun-2025	490,000	497,113	526,437	
VW Credit Canada Inc.	2.800	20-Aug-2018	460,000	459,595	462,731	
				24,074,393	24,348,738	18.21
Foreign Bonds						
Alibaba Group Holding Ltd.	3.400	6-Dec-2027	420,000	538,633	526,766	
American International Group Inc.	3.750	10-Jul-2025	673,000	913,325	870,772	
Anheuser-Busch InBev Finance Inc.	2.650	1-Feb-2021	302,000	429,275	380,561	
Anheuser-Busch InBev Finance Inc.	3.700	1-Feb-2024	750,000	1,013,913	979,378	
Anheuser-Busch InBev Finance Inc.	4.900	1-Feb-2046	385,000	547,683	561,323	
AT&T Inc.	3.800	1-Mar-2024	140,000	182,408	179,882	
AT&T Inc.	4.500	15-May-2035	943,000	1,195,353	1,178,041	
AT&T Inc.	4.850	25-May-2047	485,000	490,990	488,235	
Bank of America Corp.	3.950	21-Apr-2025	2,181,000	2,808,073	2,828,589	
Becton Dickinson and Co.	4.669	6-Jun-2047	432,000	580,484	588,444	
Berry Plastics Corp.	5.125	15-Jul-2023	375,000	503,047	490,410	
Best Buy Co., Inc.	5.500	15-Mar-2021	500,000	731,739	675,325	
Best Buy Co., Inc., Unsecured Note	5.500	15-Mar-2021	250,000	346,772	337,662	
Building Materials Corp. of America	5.375	15-Nov-2024	300,000	406,459	394,790	
Charter Communications Operating LLC	4.908	23-Jul-2025	350,000	459,524	466,958	
Constellation Brands Inc.	4.250	1-May-2023	350,000	468,233	464,459	
Discover Bank	3.100	4-Jun-2020	774,000	1,007,042	981,838	
Dominion Resources Inc	3.625	1-Dec-2024	300,000	384,767	389,592	
Emera US Finance LP	4.750	15-Jun-2046	591,000	746,574	813,962	
Equinix Inc.	5.375	1-Apr-2023	600,000	809,601	781,086	
ERAC USA Finance LLC	7.000	15-Oct-2037	300,000	453,911	504,157	
Fidelity National Information Services Inc.	5.000	15-Oct-2025	159,000	229,161	220,508	
FirstEnergy Corp.	3.900	15-Jul-2027	1,000,000	1,251,487	1,286,323	
Forest Laboratories Inc.	4.875	15-Feb-2021	186,000	221,071	246,866	
Gilead Sciences Inc.	4.800	1-Apr-2044	400,000	443,518	582,890	
Hanesbrands Inc.	4.875	15-May-2026	402,000	526,839	518,794	
HCA Inc.	5.250	15-Jun-2026	342,000	462,470	455,289	
ING Bank NV	5.800	25-Sep-2023	300,000	418,585	422,350	
Intercontinental Exchange Inc.	4.000	15-Oct-2023	630,000	844,993	843,118	
JPMorgan Chase & Co.	3.125	23-Jan-2025	950,000	1,284,546	1,197,951	
Lear Corp.	5.250	15-Jan-2025	450,000	593,326	602,258	
Liberty Mutual Group Inc.	4.250	15-Jun-2023	325,000	431,450	429,609	
Life Technologies Corp.	5.000	15-Jan-2021	496,000	568,336	657,922	
Masco Corp.	4.375	1-Apr-2026	590,000	791,694	783,961	
Morgan Stanley	3.950	23-Apr-2027	500,000	582,850	637,404	
ONEOK Inc	4.000	13-Jul-2027	694,000	883,415	883,008	
Priceline Group Inc.	3.650	15-Mar-2025	500,000	662,883	637,702	
Reynolds American Inc.	4.000	12-Jun-2022	106,000	130,628	138,907	
Reynolds American Inc.	4.450	12-Jun-2025	76,000	99,312	101,689	
Sabine Pass Liquefaction LLC	5.625	1-Mar-2025	600,000	781,252	830,405	
Sealed Air Corp.	5.125	1-Dec-2024	500,000	667,570	673,458	
Sirius XM Radio Inc.	5.375	15-Apr-2025	750,000	982,022	988,930	
SunTrust Bank/Atlanta GA	3.300	15-May-2026	690,000	900,924	857,780	
The Goldman Sachs Group Inc.	2.625	25-Apr-2021	500,000	662,779	626,532	
The Goldman Sachs Group Inc.	3.625	22-Jan-2023	685,000	929,510	887,637	
UBS Group Funding Jersey Ltd.	3.000	15-Apr-2021	324,000	426,159	409,122	
Wells Fargo & Co.	4.100	3-Jun-2026	871,000	1,173,504	1,145,597	
Wm. Wrigley Jr. Company	3.375	21-Oct-2020	313,000	321,618	401,792	
				32,289,708	32,350,032	24.20
Mortgage-Backed						
AIMCO CLO Series 2015-A	-	15-Jan-2028	530,000	682,480	664,061	
Atrium XII	2.723	22-Apr-2027	510,000	651,092	639,002	

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

Sun Life MFS Canadian Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Babson CLO Ltd 2013-I	-	20-Jan-2028	530,000	676,599	664,061	
Neuberger Berman CLO XX Ltd.	-	15-Jan-2028	456,000	582,539	571,343	
OCP CLO 2015-10 Ltd.	2.671	26-Oct-2027	520,000	664,386	651,531	
OCP CLO 2015-9 Ltd.	2.709	15-Jul-2027	510,000	658,734	639,002	
				3,915,830	3,829,000	2.86
Total Bonds				133,158,528	132,614,029	99.18
Total Investments				133,158,528	132,614,029	99.18
Currency Forward Contracts⁽¹⁾					(25,789)	(0.02)
Futures Contracts⁽²⁾					(110,836)	(0.08)
Other Assets less Liabilities					1,231,973	0.92
Total Net Assets					133,709,377	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
BNP PARIBAS	A-1	12-Jan-2018	CAD	1,022,659	USD	(793,547)	28,584
BNP PARIBAS	A-1	12-Jan-2018	CAD	666,299	USD	(517,068)	18,568
BNP PARIBAS	A-1	12-Jan-2018	CAD	647,834	USD	(510,000)	8,964
BNP PARIBAS	A-1	12-Jan-2018	CAD	68,331	USD	(53,027)	1,905
BNP PARIBAS	A-1	12-Jan-2018	CAD	29,714	USD	(23,150)	714
BNP PARIBAS	A-1	12-Jan-2018	CAD	30,640	USD	(23,918)	679
BNP PARIBAS	A-1	12-Jan-2018	USD	20,587	CAD	(25,692)	97
Brown Brothers Harriman & Co.	NR	12-Jan-2018	CAD	665,373	USD	(516,608)	18,220
Brown Brothers Harriman & Co.	NR	12-Jan-2018	CAD	539,180	USD	(418,097)	15,430
Brown Brothers Harriman & Co.	NR	12-Jan-2018	CAD	668,736	USD	(522,174)	14,612
Brown Brothers Harriman & Co.	NR	12-Jan-2018	CAD	581,735	USD	(456,000)	10,509
Brown Brothers Harriman & Co.	NR	12-Jan-2018	CAD	145,085	USD	(114,217)	2,007
Brown Brothers Harriman & Co.	NR	12-Jan-2018	CAD	31,832	USD	(24,991)	526
Brown Brothers Harriman & Co.	NR	12-Jan-2018	CAD	26,236	USD	(20,557)	485
Citibank	A-2	12-Jan-2018	CAD	653,563	USD	(510,000)	14,690
Citibank	A-2	12-Jan-2018	CAD	1,447	USD	(1,142)	16
HSBC BANK USA	A-1	12-Jan-2018	CAD	681,393	USD	(530,000)	17,464
HSBC BANK USA	A-1	12-Jan-2018	CAD	96,989	USD	(76,205)	1,528
JP Morgan	A-2	12-Jan-2018	CAD	679,503	USD	(530,000)	15,575
JP Morgan	A-2	12-Jan-2018	USD	449,234	CAD	(559,348)	3,394
JP Morgan	A-2	12-Jan-2018	USD	314,365	CAD	(391,315)	2,480
JP Morgan	A-2	12-Jan-2018	CAD	34,643	USD	(27,164)	615
							177,062
BNP PARIBAS	A-1	12-Jan-2018	USD	64,559	CAD	(81,034)	(162)
BNP PARIBAS	A-1	12-Jan-2018	USD	7,711	CAD	(9,944)	(284)
BNP PARIBAS	A-1	12-Jan-2018	USD	106,000	CAD	(133,122)	(338)
BNP PARIBAS	A-1	12-Jan-2018	USD	16,000	CAD	(20,601)	(558)
BNP PARIBAS	A-1	12-Jan-2018	USD	66,046	CAD	(84,961)	(2,226)
Brown Brothers Harriman & Co.	NR	12-Jan-2018	CAD	151,163	USD	(121,000)	(411)
Brown Brothers Harriman & Co.	NR	12-Jan-2018	USD	21,317	CAD	(27,424)	(720)
Citibank	A-2	12-Jan-2018	USD	56,754	CAD	(72,493)	(1,397)
Citibank	A-2	12-Jan-2018	USD	52,902	CAD	(68,164)	(1,894)
Citibank	A-2	12-Jan-2018	USD	450,345	CAD	(571,675)	(7,534)
Citibank	A-2	12-Jan-2018	USD	355,156	CAD	(454,863)	(9,962)
Citibank	A-2	12-Jan-2018	CAD	16,498,532	USD	(13,211,403)	(51,024)
HSBC BANK USA	A-1	16-Jan-2018	USD	530,000	CAD	(681,349)	(17,459)
HSBC BANK USA	A-1	12-Jan-2018	USD	888,977	CAD	(1,144,069)	(30,451)
JP Morgan	A-2	12-Jan-2018	USD	26,374	CAD	(33,459)	(420)
JP Morgan	A-2	12-Jan-2018	USD	980,893	CAD	(1,259,049)	(30,288)
Merrill Lynch	NR	12-Jan-2018	CAD	16,501,835	USD	(13,211,403)	(47,723)
							(202,851)
							(25,789)

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

Sun Life MFS Canadian Bond Fund (continued)

Schedule of Investments (continued)

⁽²⁾ Futures Contracts

Name of Future	Contracted Value (\$)	Expiry Date	Numbers of Contracts	Contracted Price	Current Value (\$)	Unrealized Appreciation/ (Depreciation) (\$)
Canadian 5-Year Bond Futures	(17,382,499)	20-Mar-2018	(111)	125	(17,252,123)	130,376
CBOT 10-Year US T-Note Futures	(577,688)	20-Mar-2018	(3)	154	(575,104)	2,585
CBOT 2-Year US T-Note Futures	(8,066,845)	29-Mar-2018	(30)	107	(8,048,050)	18,794
CBOT 5-Year US T-Note Futures	(3,029,297)	20-Mar-2018	(18)	134	(3,012,248)	17,050
CBOT US Long Bond Futures	(439,287)	29-Mar-2018	(3)	117	(436,643)	2,644
					(29,324,169)	171,449
CBOT Ultra Bond Futures	5,430,768	20-Mar-2018	45	121	5,372,550	(58,217)
MTL 10-Year Canadian Bond Futures	(2,515,610)	20-Mar-2018	(12)	167	(2,520,779)	(5,168)
US 10-Year Ultra Futures	15,044,700	20-Mar-2018	110	137	14,825,800	(218,900)
					17,677,571	(282,285)
						(110,836)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Canadian Bond Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

The Fund invests in financial assets, which 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	22.43	15.48
AA/Aa	9.72	16.77
A/A	38.51	35.61
BBB/Bbb	23.72	29.35
BB/Bb	3.94	3.49
B/B	-	0.42
Not Rated	1.00	-
Total	99.32	101.12

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 Bond Fund (continued)

(b) Market risk

(i) Currency risk

The 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. However, the Fund also holds foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and reduce the current 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.

	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	1,584,445	1.19	1,467,838	1.19
Total	1,584,445	1.19	1,467,838	1.19

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 Units of the Fund would have increased or decreased respectively by \$79,222 (\$73,392 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 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	462,731	39,448,582	92,702,716	132,614,029
December 31, 2016	-	44,895,731	79,633,062	124,528,793

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 Units of the Fund would have decreased or increased respectively by \$15,085,084 (\$14,496,408 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 Fund.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Bonds		
Federal Bonds	18.2	13.0
Provincial Bonds	34.4	36.1
Municipal Bonds	1.3	0.4
Corporate Bonds	18.2	22.1
Foreign Bonds	24.2	29.5
Mortgage-Backed	2.9	-
Other Assets less Liabilities	0.8	(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			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Bonds	-	128,785,029	-	128,785,029
Mortgage Backed	-	-	3,829,000	3,829,000
Futures Contracts	-	171,449	-	171,449
Currency Forward Contracts	-	177,062	-	177,062
Financial Liabilities				
Futures Contracts	-	282,285	-	282,285
Currency Forward Contracts	-	202,851	-	202,851

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Bonds	-	124,528,793	-	124,528,793
Futures Contracts	-	121,449	-	121,449
Currency Forward Contracts	-	25,053	-	25,053
Financial Liabilities				
Futures Contracts	-	169,570	-	169,570
Currency Forward Contracts	-	402,587	-	402,587

There were no transfers between fair value levels 1 and 2 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 MFS Canadian Bond Fund (continued)

The following is a reconciliation of Level 3 fair value assets as at December 31, 2017 and December 31, 2016.

	December 31, 2017 (\$)	December 31, 2016 (\$)
Opening Balance	-	-
Net purchases and sales	2,592,709	-
Net transfers in (out)	1,310,080	-
Gains (Losses) Realized	-	-
Unrealized	(73,789)	-
Closing Balance	3,829,000	-

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the assets at cost or derive the prices indirectly from other observable market prices.

Bonds and Mortgage Backed Securities

Bonds include primarily government and corporate bonds and mortgage backed securities, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. Bonds are classified as Level 2, when the inputs that are significant to valuation are generally observable. When one or more of the inputs that are significant to valuation become unobservable, Bonds are then classified as Level 3.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of foreign currency forward contracts and futures contracts. Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Futures contracts are classified as Level 2 and are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out. Gains or losses arising from futures contracts are recorded as unrealized gain (loss) on futures contracts and shown as an asset (liability) on the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$14,441 (\$nil for the period ended December 31, 2016).

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	348,511	146,502
Investments designated at FVTPL	132,614,029	124,528,793
Total financial assets at fair value through profit or loss	132,962,540	124,675,295
Financial assets at amortized cost		
Cash	514,580	1,111,354
Other receivables	1,680,442	929,873
Total financial assets at amortized cost	2,195,022	2,041,227
Total assets	135,157,562	126,716,522
Financial liabilities		
Derivative liabilities held for trading	485,136	572,157
Financial liabilities at amortized cost	963,049	2,973,032
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,448,185	3,545,189

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	1,450,691	1,088,973
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	2,511,906	2,839,026
Total net gains (losses)	3,962,597	3,927,999

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

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

Sun Life MFS Canadian Bond Fund (continued)

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
December 31, 2017				
Derivative assets - Currency Forward Contracts	177,062	(60,461)	-	116,601
Total	177,062	(60,461)	-	116,601
Derivative liabilities - Currency Forward Contracts	(202,851)	60,461	-	(142,390)
Total	(202,851)	60,461	-	(142,390)
December 31, 2016				
Derivative assets - Currency Forward Contracts	25,053	(10,791)	-	14,262
Total	25,053	(10,791)	-	14,262
Derivative liabilities - Currency Forward Contracts	(402,587)	10,791	-	(391,796)
Total	(402,587)	10,791	-	(391,796)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	March 27, 2009	March 31, 2009
Series D Units	July 15, 1988	July 15, 1988
Series F Units	March 30, 2012	April 02, 2012
Series FX Units	February 13, 2008	February 13, 2008
Series I Units	November 21, 2008	November 28, 2008
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 MFS Canadian Equity Fund

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)	9,683,695	8,251,431
Short-term investments	-	-
Cash	40,500	165,739
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	39,383	-
Accrued interest	-	-
Dividends receivable	22,342	19,028
Distributions receivable from underlying funds	-	-
Subscriptions receivable	9,127	593
	9,795,047	8,436,791
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	518	1,543
Redemptions payable	13,380	3,235
Distributions payable	-	-
Due to investment dealers	2,232	53,988
Management fees payable	3,451	11,253
Total liabilities (excluding net assets attributable to holders of redeemable units)	19,581	70,019
Net Assets Attributable to Holders of Redeemable Units	9,775,466	8,366,772
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	4,653,045	3,619,801
Series D	2,306,164	2,318,956
Series E	-	-
Series F	1,458,202	1,259,677
Series I	931,543	860,843
Series O	426,512	307,495
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	18.81	17.74
Series D	19.69	18.45
Series E	-	-
Series F	19.15	17.93
Series I	19.87	18.50
Series O	11.58	10.79

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		
Dividend income	229,073	174,807
Interest income for distribution purposes	2,015	4,724
Distributions from underlying funds	-	-
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	188,672	42,563
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	339,814	840,195
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	759,574	1,062,289
Net gain (loss) on foreign exchange	(7)	(87)
Other income	-	-
Total income (loss)	759,567	1,062,202
Expenses (note 5)		
Management fees	136,896	97,700
Administration fees	18,682	13,928
Independent review committee fees	175	42
Withholding tax	35	33
Transaction costs (note 2)	2,052	3,217
Total operating expenses	157,840	114,920
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	601,727	947,282
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	601,727	947,282
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	248,299	368,385
Series D	151,269	290,911
Series E	-	(11,634)
Series F	96,403	159,229
Series I	76,034	102,325
Series O	29,722	38,066
Weighted Average Number of Units Outstanding		
Series A	240,279	157,751
Series D	119,573	134,754
Series E	-	35,073
Series F	72,432	62,663
Series I	45,748	38,551
Series O	29,495	23,174
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.03	2.34
Series D	1.27	2.16
Series E	-	(0.33)
Series F	1.33	2.54
Series I	1.66	2.65
Series O	1.01	1.64

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

Sun Life MFS Canadian Equity Fund (continued)

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

For the periods ended December 31

	Series A		Series D		Series E		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 3,619,801	1,873,951	2,318,956	2,354,611	-	320,471	1,259,677	873,422
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 248,299	368,385	151,269	290,911	-	(11,634)	96,403	159,229
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 2,046,720	1,860,153	229,405	26,368	-	11,589	214,019	242,250
Redemption of redeemable units	\$ (1,261,800)	(482,470)	(393,466)	(352,934)	-	(320,415)	(111,909)	(15,334)
Reinvestment of distributions to holders of redeemable units	\$ 806	4,088	4,010	4,229	-	10	6,821	9,192
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 785,726	1,381,771	(160,051)	(322,337)	-	(308,816)	108,931	236,108
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ (781)	(4,306)	(4,010)	(4,229)	-	(21)	(6,809)	(9,082)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (781)	(4,306)	(4,010)	(4,229)	-	(21)	(6,809)	(9,082)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 1,033,244	1,745,850	(12,792)	(35,655)	-	(320,471)	198,525	386,255
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 4,653,045	3,619,801	2,306,164	2,318,956	-	-	1,458,202	1,259,677
Redeemable Unit Transactions								
Balance - beginning of period	204,088	119,659	125,710	145,508	-	34,358	70,253	55,403
Units issued	113,422	113,875	11,820	1,617	-	1,358	11,662	15,288
Units issued on reinvestment of distributions	44	231	204	228	-	1	360	514
Units redeemed	(70,213)	(29,677)	(20,615)	(21,643)	-	(35,717)	(6,111)	(952)
Balance - end of period	247,341	204,088	117,119	125,710	-	-	76,164	70,253

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 860,843	580,682	307,495	160,255	8,366,772	6,163,392
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 76,034	102,325	29,722	38,066	601,727	947,282
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 237,710	257,371	107,546	171,596	2,835,400	2,569,327
Redemption of redeemable units	\$ (243,044)	(79,535)	(18,125)	(62,240)	(2,028,344)	(1,312,928)
Reinvestment of distributions to holders of redeemable units	\$ 10,011	14,093	4,095	4,518	25,743	36,130
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 4,677	191,929	93,516	113,874	832,799	1,292,529
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (10,011)	(14,093)	(4,221)	(4,700)	(25,832)	(36,431)
Return of capital	\$ -	-	-	-	-	-
	\$ (10,011)	(14,093)	(4,221)	(4,700)	(25,832)	(36,431)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 70,700	280,161	119,017	147,240	1,408,694	2,203,380
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 931,543	860,843	426,512	307,495	9,775,466	8,366,772
Redeemable Unit Transactions						
Balance - beginning of period	46,534	35,806	28,496	16,932	475,081	407,666
Units issued	12,697	14,645	9,638	17,266	159,239	164,049
Units issued on reinvestment of distributions	505	759	354	417	1,467	2,150
Units redeemed	(12,855)	(4,676)	(1,654)	(6,119)	(111,448)	(98,784)
Balance - end of period	46,881	46,534	36,834	28,496	524,339	475,081

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

Sun Life MFS Canadian Equity Fund (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 units from operations (Excluding Distributions)	601,727	947,282
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(188,672)	(42,563)
Change in unrealized (appreciation) depreciation in value of investments	(339,814)	(840,195)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(3,074,590)	(3,307,588)
Proceeds from sale of investments	2,077,621	2,108,370
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	(3,314)	(6,087)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(7,802)	9,521
Change in other payables and accrued expenses	1,027	4,517
Net Cash Provided by (Used in) Operating Activities	(933,817)	(1,126,743)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(89)	(301)
Proceeds from redeemable units issued	2,826,866	2,569,270
Redemption of redeemable units	(2,018,199)	(1,310,703)
Net Cash Provided by (Used in) Financing Activities	808,578	1,258,266
Net increase (decrease) in cash	(125,239)	131,523
Cash (bank indebtedness) at beginning of period	165,739	34,216
Cash (bank indebtedness) at end of period	40,500	165,739
Dividends received, net of withholding taxes	225,724	168,687
Interest received, net of withholding taxes	2,015	4,724
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Canadian Natural Resources Ltd.	8,147	297,687	365,963	
Enbridge Inc.	9,734	521,440	478,523	
Husky Energy Inc.	2,698	57,408	47,890	
Seven Generations Energy Ltd.	2,321	55,479	41,267	
Suncor Energy Inc.	11,204	401,758	517,065	
TORC Oil & Gas Ltd.	15,212	104,336	114,698	
Tourmaline Oil Corp.	2,011	75,479	45,811	
TransCanada Corp.	5,961	300,858	364,694	
ZCL Composites Inc.	1,202	10,119	13,474	
		1,824,564	1,989,385	20.35
Materials				
Agnico Eagle Mines Ltd.	3,180	150,372	184,567	
Agrium Inc.	1,852	207,938	267,762	
Barrick Gold Corp.	3,880	82,487	70,538	
CCL Industries Inc., Class B	2,400	85,264	139,392	
Detour Gold Corp.	1,771	37,770	26,175	
First Quantum Minerals Ltd.	5,437	69,573	95,746	
Franco-Nevada Corp.	899	72,145	90,314	
Goldcorp Inc.	6,046	144,518	96,917	
Intertape Polymer Group Inc.	1,360	27,156	29,226	
Lundin Mining Corp.	10,802	60,907	90,305	
Methanex Corp.	473	27,775	36,024	
		965,905	1,126,966	11.53
Industrials				
Air Canada	1,826	21,548	47,257	
Boyd Group Income Fund	635	47,919	64,065	
Canadian National Railway Co.	3,118	191,081	323,181	
Canadian Pacific Railway Ltd.	1,585	309,427	364,011	
New Flyer Industries Inc.	926	39,164	50,004	
Ritchie Bros Auctioneers Inc.	984	44,184	37,038	
SNC-Lavalin Group Inc.	2,338	119,995	133,383	
Stantec Inc.	3,218	107,075	113,145	
Transcontinental Inc., Class A	3,433	61,213	85,276	
Waste Connections Inc.	2,344	125,109	208,946	
		1,066,715	1,426,306	14.59
Consumer Discretionary				
Aritzia Inc.	750	12,429	9,518	
Dollarama Inc.	452	28,886	70,987	
Magna International Inc.	932	53,677	66,396	
Quebecor Inc., Class B	6,555	103,027	155,354	
Restaurant Brands International Inc.	275	15,142	21,249	
Sleep Country Canada Holdings Inc.	463	14,432	15,464	
Thomson Reuters Corp.	3,556	192,740	194,833	
Uni-Select Inc.	1,662	52,628	47,217	
		472,961	581,018	5.94
Consumer Staples				
Alimentation Couche-Tard Inc., Class B	2,937	123,291	192,638	
Loblaw Companies Ltd.	2,512	149,882	171,369	
Maple Leaf Foods Inc.	751	25,456	26,901	
Premium Brands Holdings Corp.	201	9,738	20,735	
		308,367	411,643	4.21

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

Sun Life MFS Canadian Equity Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Health Care				
Jamieson Wellness Inc	700	13,648	15,638	
Valeant Pharmaceuticals International Inc.	619	43,103	16,218	
		56,751	31,856	0.33
Financials				
Bank of Montreal	2,267	201,563	228,038	
CI Financial Corp.	1,392	40,883	41,440	
Element Financial Corp.	6,187	73,380	58,777	
Fairfax Financial Holdings Ltd.	138	85,856	92,369	
IGM Financial Inc.	1,209	53,643	53,377	
Intact Financial Corp.	1,305	98,314	137,012	
Manulife Financial Corp.	14,033	299,434	367,945	
National Bank of Canada	1,003	47,594	62,908	
Royal Bank of Canada	7,668	538,448	787,120	
The Bank of Nova Scotia	6,632	410,066	537,988	
The Toronto-Dominion Bank	10,951	536,537	806,541	
		2,385,718	3,173,515	32.46
Real Estate				
Boardwalk Real Estate Investment Trust	1,861	85,166	80,190	
Dream Office Real Estate Investment Trust	3,708	64,846	82,169	
		150,012	162,359	1.66
Information Technology				
CGI Group Inc.	3,420	208,706	233,586	
Constellation Software Inc.	119	58,399	90,680	
Kinaxis Inc.	542	29,406	41,620	
Mitel Networks Corp.	5,205	56,220	54,028	
Shopify Inc.	79	7,120	10,042	
		359,851	429,956	4.40
Telecommunication Services				
TELUS Corp.	5,542	228,741	263,910	
		228,741	263,910	2.70
Utilities				
Just Energy Group Inc.	3,007	23,954	16,238	
Superior Plus Corp.	5,943	64,607	70,543	
		88,561	86,781	0.89
Total Equities		7,908,146	9,683,695	99.06
Transaction Costs		(3,569)		
Total Investments		7,904,577	9,683,695	99.06
Other Assets less Liabilities			91,771	0.94
Total Net Assets			9,775,466	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Canadian Equity Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Fund had no significant investments in debt instruments and/or derivatives and, therefore, did not have 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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates 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)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	December 31, 2017		December 31, 2016	
United States Dollar	2,662	0.03	2,407	0.03
Total	2,662	0.03	2,407	0.03

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

Sun Life MFS Canadian Equity Fund (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 Units of the Fund would have increased or decreased respectively by \$133 (\$120 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 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 its 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 Units of the Fund would have increased or decreased respectively by \$484,185 (\$412,572 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 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 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	22.4
Materials	11.5	11.7
Industrials	14.6	12.3
Consumer Discretionary	5.9	6.1
Consumer Staples	4.2	3.5
Health Care	0.3	0.1
Financials	32.5	33.0
Real Estate	1.7	2.1
Information Technology	4.4	4.1
Telecommunication Services	2.7	2.2
Utilities	0.9	1.1
Other Assets less Liabilities	0.9	1.4
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 (\$)	
Equities	9,683,695	-	-	9,683,695

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities	8,251,431	-	-	8,251,431

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$2,052 (\$3,217 for the period ended December 31, 2016).

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 \$1,459 (\$2,307 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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

Sun Life MFS Canadian Equity Fund (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	9,683,695	8,251,431
Total financial assets at fair value through profit or loss	9,683,695	8,251,431
Financial assets at amortized cost		
Cash	40,500	165,739
Other receivables	70,852	19,621
Total financial assets at amortized cost	111,352	185,360
Total assets	9,795,047	8,436,791
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	19,581	70,019
Total liabilities (excluding net assets attributable to holders of redeemable units)	19,581	70,019

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	759,574	1,062,289
Total net gains (losses)	759,574	1,062,289

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	March 27, 2009	March 31, 2009
Series D Units	March 25, 2004	March 26, 2004
Series F Units	February 13, 2008	February 13, 2008
Series I Units	November 21, 2008	November 28, 2008
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 MFS Canadian Equity Growth Fund

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)	289,515,306	137,865,794
Short-term investments	5,144,585	2,000,000
Cash	180,447	140,831
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	26,080
Accrued interest	810	25
Dividends receivable	492,575	234,552
Distributions receivable from underlying funds	-	-
Subscriptions receivable	49,443	23,847
	295,383,166	140,291,129
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	5,061	10,504
Redemptions payable	-	1,003
Distributions payable	-	-
Due to investment dealers	354,616	151,828
Management fees payable	8,149	29,492
Total liabilities (excluding net assets attributable to holders of redeemable units)	367,826	192,827
Net Assets Attributable to Holders of Redeemable Units	295,015,340	140,098,302
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	5,274,415	3,358,326
Series D	14,019,541	14,851,380
Series E	-	-
Series F	3,732,297	3,355,707
Series I	271,251,473	118,147,710
Series O	737,614	385,179
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	50.72	45.87
Series D	53.12	47.75
Series E	-	-
Series F	52.29	46.96
Series I	52.89	47.49
Series O	12.44	11.17

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		
Dividend income	4,179,056	2,531,240
Interest income for distribution purposes	29,878	36,920
Distributions from underlying funds	-	-
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	7,074,762	(2,002,783)
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	15,602,474	13,076,463
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	26,886,170	13,641,840
Net gain (loss) on foreign exchange	(10,652)	(28,183)
Other income	-	-
Total income (loss)	26,875,518	13,613,657
Expenses (note 5)		
Management fees	318,939	291,758
Administration fees	147,749	96,589
Independent review committee fees	466	690
Withholding tax	81,920	49,181
Transaction costs (note 2)	108,317	59,695
Total operating expenses	657,391	497,913
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	26,218,127	13,115,744
Finance Cost		
Interest expense	(49)	(87)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	26,218,078	13,115,657
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	428,760	248,344
Series D	1,529,129	1,234,639
Series E	-	(7,425)
Series F	390,406	292,071
Series I	23,814,851	11,309,508
Series O	54,932	38,520
Weighted Average Number of Units Outstanding		
Series A	85,740	63,757
Series D	281,924	325,728
Series E	-	12,741
Series F	70,388	72,363
Series I	3,365,149	2,051,759
Series O	38,510	31,700
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	5.00	3.90
Series D	5.42	3.79
Series E	-	(0.58)
Series F	5.55	4.04
Series I	7.08	5.51
Series O	1.43	1.22

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

Sun Life MFS Canadian Equity Growth Fund (continued)

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

For the periods ended December 31

	Series A		Series D		Series E		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 3,358,326	2,394,387	14,851,380	15,162,448	-	128,987	3,355,707	3,176,363
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 428,760	248,344	1,529,129	1,234,639	-	(7,425)	390,406	292,071
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 1,996,458	837,432	689,991	57,552	-	75	165,691	242,773
Redemption of redeemable units	\$ (509,189)	(121,968)	(3,050,413)	(1,602,523)	-	(121,631)	(179,370)	(355,594)
Reinvestment of distributions to holders of redeemable units	\$ 1,857	1,202	14,632	19,154	-	4	12,751	17,025
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,489,126	716,666	(2,345,790)	(1,525,817)	-	(121,552)	(928)	(95,796)
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ (1,797)	(1,071)	(15,178)	(19,890)	-	(10)	(12,888)	(16,931)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (1,797)	(1,071)	(15,178)	(19,890)	-	(10)	(12,888)	(16,931)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 1,916,089	963,939	(831,839)	(311,068)	-	(128,987)	376,590	179,344
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 5,274,415	3,358,326	14,019,541	14,851,380	-	-	3,732,297	3,355,707
Redeemable Unit Transactions								
Balance - beginning of period	73,215	56,591	311,037	345,726	-	12,740	71,461	73,640
Units issued	41,303	19,488	13,623	1,316	-	8	3,381	5,537
Units issued on reinvestment of distributions	38	27	295	399	-	-	257	363
Units redeemed	(10,555)	(2,891)	(61,027)	(36,404)	-	(12,748)	(3,720)	(8,079)
Balance - end of period	104,001	73,215	263,928	311,037	-	-	71,379	71,461

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 118,147,710	65,768,652	385,179	259,699	140,098,302	86,890,536
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 23,814,851	11,309,508	54,932	38,520	26,218,078	13,115,657
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 168,075,268	41,144,043	367,660	97,478	171,295,068	42,379,353
Redemption of redeemable units	\$ (38,786,356)	(74,493)	(70,157)	(10,518)	(42,595,485)	(2,286,727)
Reinvestment of distributions to holders of redeemable units	\$ 3,249,227	1,967,143	8,613	5,835	3,287,080	2,010,363
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 132,538,139	43,036,693	306,116	92,795	131,986,663	42,102,989
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (3,249,227)	(1,967,143)	(8,613)	(5,835)	(3,287,703)	(2,010,880)
Return of capital	\$ -	-	-	-	-	-
	\$ (3,249,227)	(1,967,143)	(8,613)	(5,835)	(3,287,703)	(2,010,880)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 153,103,763	52,379,058	352,435	125,480	154,917,038	53,207,766
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 271,251,473	118,147,710	737,614	385,179	295,015,340	140,098,302
Redeemable Unit Transactions						
Balance - beginning of period	2,487,986	1,508,147	34,476	25,307	2,978,175	2,022,151
Units issued	3,360,899	940,236	30,124	9,707	3,449,330	976,292
Units issued on reinvestment of distributions	62,504	41,220	707	520	63,801	42,529
Units redeemed	(782,564)	(1,617)	(5,996)	(1,058)	(863,862)	(62,797)
Balance - end of period	5,128,825	2,487,986	59,311	34,476	5,627,444	2,978,175

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

Sun Life MFS Canadian Equity Growth Fund (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 units from operations (excluding distributions)	26,218,078	13,115,657
Adjustments for:		
Gain on short-term investments	(14,136)	(3,835)
Net realized (gain) loss on sale of investments	(7,074,762)	2,002,783
Change in unrealized (appreciation) depreciation in value of investments	(15,602,474)	(13,076,463)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(190,335,270)	(71,577,815)
Proceeds from sale of investments	61,483,545	29,563,829
Purchases of short-term investments	(212,535,561)	(50,996,494)
Proceeds from sale of short-term investments	209,405,112	49,000,329
Change in dividends and interest receivable	(258,808)	(100,772)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(21,343)	23,822
Change in other payables and accrued expenses	102,874	68,587
Net Cash Provided by (Used in) Operating Activities	(128,632,745)	(41,980,372)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(623)	(517)
Proceeds from redeemable units issued	171,269,472	42,832,339
Redemption of redeemable units	(42,596,488)	(2,287,038)
Net Cash Provided by (Used in) Financing Activities	128,672,361	40,544,784
Net increase (decrease) in cash	39,616	(1,435,588)
Cash (bank indebtedness) at beginning of period	140,831	1,576,419
Cash (bank indebtedness) at end of period	180,447	140,831
Dividends received, net of withholding taxes	3,839,113	2,381,312
Interest received, net of withholding taxes	29,093	36,895
Interest paid	(49)	(87)

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

Sun Life MFS Canadian Equity Growth Fund (continued)

Schedule of Investments

As at December 31, 2017

	Yield	Maturity Date	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Treasury Bills						
Canadian Treasury Bill	0.956%	4-Jan-2018	1,500,000	1,499,175	1,499,175	
Canadian Treasury Bill	0.999%	22-Feb-2018	3,000,000	2,995,410	2,995,410	
				4,494,585	4,494,585	1.52
Term Deposit Receipts						
National Bank of Canada	0.950%	21-Jan-2018	650,000	650,000	650,000	
				650,000	650,000	0.22
				5,144,585	5,144,585	1.74

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Caltex Australia Ltd.	6,877	224,352	229,476	
Canadian Natural Resources Ltd.	177,637	6,758,414	7,979,454	
Concho Resources Inc.	313	49,027	58,912	
Enbridge Inc.	220,822	11,526,705	10,855,610	
Oil Search Ltd.	37,134	256,497	283,485	
Pioneer Natural Resources Co.	590	115,169	127,777	
Seven Generations Energy Ltd.	102,982	2,139,413	1,831,020	
Suncor Energy Inc.	259,277	10,078,173	11,965,633	
TORC Oil & Gas Ltd.	281,745	1,849,878	2,124,357	
Tourmaline Oil Corp.	88,594	2,652,459	2,018,171	
TransCanada Corp.	134,051	7,684,883	8,201,240	
	43,334,970	45,675,135	15.48	

Materials				
Agnico Eagle Mines Ltd.	70,426	3,980,276	4,087,525	
Agrium Inc.	36,070	4,516,459	5,215,001	
Air Liquide SA	4,137	578,303	653,856	
Akzo Nobel NV	6,942	730,012	762,653	
CCL Industries Inc.	53,320	2,788,487	3,096,826	
Croda International PLC	5,113	304,567	383,388	
Detour Gold Corp.	78,962	1,489,395	1,167,058	
First Quantum Minerals Ltd.	108,503	1,613,913	1,910,738	
Franco-Nevada Corp.	39,424	3,557,548	3,960,535	
Goldcorp Inc.	53,797	1,055,737	862,366	
Linde AG	2,607	608,316	763,477	
Lundin Mining Corp.	280,374	1,979,419	2,343,927	
Methanex Corp.	20,792	1,161,202	1,583,519	
Monsanto Co.	1,369	193,356	200,311	
Sika AG	28	210,319	278,643	
Symrise AG	4,302	367,136	463,559	
The Sherwin-Williams Co.	1,065	413,730	547,152	
Vulcan Materials Co.	2,358	335,668	379,262	
	25,883,843	28,659,796	9.71	

Industrials				
AMETEK Inc.	2,956	216,843	268,407	
Boyd Group Income Fund	30,341	2,590,587	3,061,103	
Brambles Ltd.	34,750	356,451	342,930	
Brenntag AG	4,974	344,585	394,906	
Canadian National Railway Co.	114,574	10,247,606	11,872,693	
Canadian Pacific Railway Ltd.	36,436	7,418,594	8,366,993	
Equifax Inc.	933	147,502	137,848	
Experian PLC	15,939	393,629	441,970	
Fortive Corp.	2,381	171,615	215,839	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
GEA Group AG	7,119	407,439	428,537	
Honeywell International Inc.	1,059	164,472	203,489	
Intertek Group PLC	6,591	451,305	579,785	
Legrand SA	2,585	214,795	249,648	
Prysmian SpA	8,991	312,273	367,805	
Ritchie Bros Auctioneers Inc.	52,036	2,079,126	1,958,635	
Rolls-Royce Holdings PLC	30,457	453,018	437,239	
Rolls-Royce Holdings PLC, C Shares	1,287,310	2,174	2,182	
Roper Industries Inc.	1,222	317,884	396,554	
Schneider Electric SA	7,320	706,799	780,392	
SNC-Lavalin Group Inc.	46,231	2,509,707	2,637,479	
Stantec Inc.	61,168	2,034,924	2,150,667	
TOTO Ltd.	7,400	364,716	547,336	
Union Pacific Corp.	2,116	273,613	355,530	
Univar Inc.	1,204	42,747	46,705	
Verisk Analytics Inc.	1,954	197,337	235,032	
Waste Connections Inc.	50,527	3,625,232	4,504,987	
Xylem Inc.	2,098	152,825	179,276	
	36,197,798	41,163,967	13.95	

Consumer Discretionary				
Amazon.com Inc.	1,081	1,142,818	1,583,969	
Aramark	5,849	274,840	313,219	
Aritzia Inc.	32,602	480,205	413,719	
Bandai Namco Holdings Inc.	2,600	116,446	106,564	
Burberry Group PLC	12,933	369,990	392,812	
Comcast Corp.	10,206	463,129	512,141	
Compass Group PLC	20,300	508,584	550,508	
Dollar Tree Inc.	878	88,443	118,050	
Dollarama Inc.	20,570	2,130,112	3,230,519	
Kering	1,362	515,988	805,323	
Lululemon Athletica Inc.	489	39,302	48,151	
LVMH Moët Hennessy Louis Vuitton SA	2,864	810,313	1,057,421	
Marriott International Inc.	1,971	224,900	335,192	
Monster Beverage Corp.	3,310	220,906	262,479	
Netflix Inc.	2,391	428,907	575,072	
NIKE Inc.	4,596	331,233	360,196	
Paddy Power Betfair PLC	1,389	188,955	207,761	
Paddy Power PLC	5	548	746	
priceline.com Inc.	194	383,657	422,395	
Publicis Groupe SA	3,794	353,684	323,368	
Quebecor Inc., Class B	152,212	3,059,168	3,607,424	
Restaurant Brands International Inc.	11,415	755,771	882,037	
Ross Stores Inc.	855	57,234	85,969	
Six Flags Entertainment Corp.	1,647	121,124	137,374	
Sleep Country Canada Holdings Inc.	36,138	1,189,926	1,207,009	

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

Sun Life MFS Canadian Equity Growth Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Starbucks Corp.	4,883	331,623	351,364	
Thomson Reuters Corp.	83,792	4,634,372	4,590,964	
Uni-Select Inc.	78,110	2,306,958	2,219,105	
Whitbread PLC	6,630	460,915	449,492	
WPP plc	22,016	573,705	500,398	
Yum China Holdings Inc.	3,723	161,590	186,682	
	22,725,346	25,837,423		8.76

Consumer Staples

Alimentation Couché-				
Tard Inc., Class B	72,926	3,988,109	4,783,216	
AMBEV SA	32,661	247,874	264,359	
China Resources Beer Holdings Co., Ltd.				
Colgate-Palmolive Co.	3,125	279,049	295,421	
Constellation Brands Inc.	1,999	426,711	572,485	
Costco Wholesale Corp.	404	78,594	94,212	
Danone SA	9,894	927,833	1,041,262	
Diageo PLC	20,293	792,513	937,261	
Japan Tobacco Inc.	9,100	397,351	367,509	
Kao Corp.	4,800	380,204	406,761	
Loblaw Companies Ltd.	49,593	3,337,691	3,383,234	
L'Oreal SA	4,125	1,036,993	1,147,833	
Maple Leaf Foods Inc.	33,565	1,146,406	1,202,298	
Nestle SA	16,557	1,685,396	1,783,916	
Pernod-Ricard SA	7,028	1,147,983	1,395,217	
Philip Morris International Inc.	3,050	449,030	403,739	
Premium Brands Holdings Corp.				
Reckitt Benckiser Group PLC	7,874	918,962	923,393	
Sundrug Co., Ltd.	6,900	302,927	402,143	
The Estee Lauder Companies Inc.	1,437	171,684	229,093	
	18,602,637	20,847,514		7.07

Health Care

Abbott Laboratories	3,683	223,815	263,355	
Allergan PLC	426	126,746	87,312	
Bayer AG	5,571	879,151	871,700	
Becton Dickinson and Co.	121	32,803	32,453	
Biogen Inc.	501	185,818	199,974	
BioMarin Pharmaceutical Inc.	710	83,326	79,325	
Bristol-Myers Squibb Co.	3,458	252,879	265,507	
Celgene Corp.	2,601	403,327	340,100	
Cie Generale d'Optique Essilor International SA				
Danaher Corp.	5,186	489,973	603,123	
Edwards Lifesciences Corp.	1,347	191,738	190,222	
Eli Lilly & Co.	1,965	201,855	207,944	
Fresenius Medical Care AG & Co., KGaA				
Jamieson Wellness Inc	35,500	705,183	793,070	
Medtronic PLC	4,092	426,155	414,009	
Mettler-Toledo International Inc.				
Novartis AG	9,780	1,072,390	1,036,132	
Novo Nordisk A/S	5,963	346,612	403,063	
Qiagen NV	9,272	356,174	365,350	
Regeneron Pharmaceuticals Inc.				
Roche Holding AG	4,822	1,559,848	1,528,245	
Stryker Corp.	1,105	184,218	214,377	
Terumo Corp.	12,100	586,659	718,666	
The Cooper Companies Inc.	124	31,796	33,851	
Thermo Fisher Scientific Inc.	3,144	606,047	747,986	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
UnitedHealth Group Inc.	317	76,983	87,563	
Zoetis Inc.	3,962	285,828	357,619	
		11,115,543	11,882,353	4.03

Financials

AEON Financial Service Co., Ltd.				
AIA Group Ltd.	126,800	1,102,795	1,354,549	
Aon PLC	2,391	402,136	401,436	
Bank of Montreal	64,105	5,882,263	6,448,322	
Charles Schwab Corp.	6,034	312,281	388,371	
CI Financial Corp.	43,176	1,235,352	1,285,350	
Credicorp Ltd.	1,179	262,020	306,420	
DBS Group Holdings Ltd.	22,400	408,690	521,878	
Element Financial Corp.	17,992	191,220	170,924	
Grupo Financiero Banorte SAB de CV				
Grupo Financiero Inbursa SAB de CV	39,596	309,177	273,421	
HDFC Bank Ltd.	45,390	97,531	93,363	
HSBC Holdings PLC	6,664	669,562	848,906	
HSBC Holdings PLC	39,734	459,390	516,475	
Intact Financial Corp.	28,500	2,660,948	2,992,215	
IntercontinentalExchange Group, Inc.				
Julius Baer Group Ltd.	3,861	278,398	341,342	
Manulife Financial Corp.	1,913	97,936	146,592	
Morgan Stanley	324,173	7,554,234	8,499,816	
Royal Bank of Canada	4,410	271,277	289,922	
The Bank of Nova Scotia	168,214	14,374,769	17,267,166	
The Blackstone Group LP	137,419	9,794,835	11,147,429	
The Goldman Sachs Group Inc.	1,265	50,438	50,751	
The Toronto-Dominion Bank	628	190,964	200,458	
UBS Group AG	226,537	13,463,214	16,684,450	
	31,177	680,156	719,127	
		61,081,875	71,319,337	24.18

Information Technology

Accenture PLC	6,666	1,002,893	1,278,627	
Activision Blizzard Inc.	7,230	505,364	573,602	
Adobe Systems Inc.	4,976	773,223	1,092,560	
Alibaba Group Holding Ltd.	5,761	967,669	1,244,636	
Alphabet Inc., Class A	1,073	1,149,413	1,416,201	
Alphabet Inc., Class C	628	589,412	823,359	
Amadeus IT Holding SA	9,461	647,068	855,627	
Ampenol Corp.	2,502	235,221	275,241	
Analog Devices Inc.	1,894	198,785	211,275	
Apple Inc.	2,731	477,817	579,070	
Baidu Inc.	2,355	623,693	691,080	
Broadcom Ltd.	1,236	320,975	397,845	
CGI Group Inc.	81,479	5,151,388	5,565,016	
Cognizant Technology Solutions Corp.				
Constellation Software Inc.	3,073	249,154	273,448	
Dassault Systemes SA	5,367	3,298,965	4,089,761	
Electronic Arts Inc.	3,810	423,584	507,820	
Facebook Inc.	3,984	506,158	524,431	
Fidelity National Information Services Inc.	8,064	1,416,622	1,782,907	
Fiserv Inc.	2,900	319,371	341,880	
FleetCor Technologies Inc.	3,287	470,633	540,050	
Global Payments Inc.	855	156,413	206,144	
Intuit Inc.	2,235	269,784	280,705	
Kinaxis Inc.	2,113	329,461	417,718	
MasterCard Inc., Class A	24,238	1,576,528	1,861,236	
MediaTek Inc.	5,211	738,213	988,244	
Mellanox Technologies Ltd.	13,000	186,916	160,921	
Microsoft Corp.	1,707	101,361	138,379	
NHN Corp.	16,414	1,441,626	1,759,201	
	214	178,248	217,900	

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

Sun Life MFS Canadian Equity Growth Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Nice Systems Ltd., ADR	6,921	609,876	797,009	
NVIDIA Corp.	2,182	311,269	529,014	
OBIC Co., Ltd.	2,800	162,629	257,863	
PayPal Holdings Inc.	2,179	158,610	200,995	
PTC Inc.	636	44,660	48,426	
Salesforce.com Inc.	5,130	537,708	657,094	
SAP AG	8,781	1,081,541	1,234,593	
Shopify Inc.	3,517	373,549	447,046	
Taiwan Semiconductor Manufacturing Co., Ltd., ADR	26,071	1,047,202	1,295,188	
Telefonaktiebolaget LM Ericsson, Class B	37,744	362,085	311,038	
Visa Inc., Class A	9,535	1,039,223	1,362,177	
	30,034,310	36,235,327		12.28
Real Estate				
American Tower Corp.	4,007	603,368	716,282	
Boardwalk Real Estate Investment Trust	40,428	1,856,168	1,742,043	
	2,459,536	2,458,325		0.84
Telecommunication Services				
Altice USA Inc	610	23,660	16,226	
SoftBank Corp.	4,300	409,638	426,613	
TELUS Corp.	104,857	4,644,886	4,993,290	
	5,078,184	5,436,129		1.84
Total Equities	256,514,042	289,515,306		98.14
Transaction Costs	(123,381)			
Total Investments	261,535,246	294,659,891		99.88
Other Assets less Liabilities		355,449		0.12
Total Net Assets		295,015,340		100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Canadian Equity Growth Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which 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	1.52	1.43
AA/Aa	0.22	-
Total	1.74	1.43

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

Sun Life MFS Canadian Equity Growth Fund (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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates 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	40,930,669	13.87	20,474,787	14.61
Euro	15,775,206	5.35	6,507,853	4.65
British Pound	6,325,064	2.14	3,076,611	2.20
Swiss Franc	5,514,866	1.87	2,723,342	1.94
Japanese Yen	3,603,680	1.22	1,640,884	1.17
Hong Kong Dollar	1,615,306	0.55	497,936	0.36
Australian Dollar	855,891	0.29	293,560	0.21
Singapore Dollar	519,559	0.18	220,516	0.16
Danish Krone	403,063	0.14	335,870	0.24
Mexican Peso	366,784	0.12	162,950	0.12
Swedish Krona	311,038	0.11	211,158	0.15
Korean Won	216,879	0.07	96,377	0.07
New Taiwan Dollar	160,921	0.05	63,060	0.05
Brazilian Real	-	-	488	-
Total	76,598,926	25.96	36,305,392	25.93

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 Units of the Fund would have increased or decreased respectively by \$3,829,946 (\$1,815,270 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 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	5,144,585	-	-	5,144,585
December 31, 2016	2,000,000	-	-	2,000,000

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 Units of the Fund would have decreased or increased respectively by \$4,888 (\$164 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 its investment in equity securities directly or indirectly through the underlying fund.

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 Units of the Fund would have increased or decreased respectively by \$14,475,765 (\$6,893,290 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 Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

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

Sun Life MFS Canadian Equity Growth Fund (continued)

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The 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	1.5	1.4
Term Deposit Receipts	0.2	-
Equities		
Energy	15.5	16.9
Materials	9.7	8.5
Industrials	14.0	11.9
Consumer Discretionary	8.8	11.0
Consumer Staples	7.1	6.6
Health Care	4.0	4.1
Financials	24.2	24.9
Information Technology	12.3	10.7
Real Estate	0.8	1.6
Telecommunication Services	1.8	1.7
Utilities	-	0.5
Other Assets less Liabilities	0.1	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 (\$)	
Equities	289,513,124	-	2,182	289,515,306
Short-Term Investments	-	5,144,585	-	5,144,585
	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities	137,864,724	-	1,070	137,865,794
Short-Term Investments	-	2,000,000	-	2,000,000

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

The following is a reconciliation of Level 3 fair value assets as at December 31, 2017 and December 31, 2016.

	December 31, 2017 (\$)	December 31, 2016 (\$)
Opening Balance	1,070	2,179
Net purchases and sales	1,124	(1,146)
Net transfers in (out)	-	-
Gains (Losses)		
Realized	6	40
Unrealized	(18)	(3)
Closing Balance	2,182	1,070

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the assets at cost or derive the prices indirectly from other observable market prices.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$108,317 (\$59,695 for the period ended December 31, 2016).

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 \$55,381 (\$34,086 for the period ended December 31, 2016).

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

Sun Life MFS Canadian Equity Growth Fund (continued)

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$23,190 (\$2,397,788 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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 the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	-	-	-
Series E	-	-	-
	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	10,212	11,671	24
Series E	-	10,212	1

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	294,659,891	139,865,794
Total financial assets at fair value through profit or loss	294,659,891	139,865,794
Financial assets at amortized cost		
Cash	180,447	140,831
Other receivables	542,828	284,504
Total financial assets at amortized cost	723,275	425,335
Total assets	295,383,166	140,291,129
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	367,826	192,827
Total liabilities (excluding net assets attributable to holders of redeemable units)	367,826	192,827

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	26,886,170	13,641,840
Total net gains (losses)	26,886,170	13,641,840

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	March 27, 2009	March 31, 2009
Series D Units	July 15, 1988	July 15, 1988
Series F Units	February 13, 2008	February 13, 2008
Series I Units	March 24, 2005	March 24, 2005
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 MFS Canadian Equity Value Fund

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)	19,526,747	24,064,308
Short-term investments	-	-
Cash	115,108	-
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	3,884	302,228
Accrued interest	-	-
Dividends receivable	37,791	48,517
Distributions receivable from underlying funds	-	-
Subscriptions receivable	691	4,192
	19,684,221	24,419,245
Liabilities		
Current Liabilities		
Bank indebtedness	-	171,064
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	988	3,649
Redemptions payable	2,437	18,902
Distributions payable	-	-
Due to investment dealers	4,751	-
Management fees payable	5,867	20,684
Total liabilities (excluding net assets attributable to holders of redeemable units)	14,043	214,299
Net Assets Attributable to Holders of Redeemable Units	19,670,178	24,204,946
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	4,022,188	2,658,776
Series D	10,385,445	10,483,259
Series E	-	-
Series F	1,269,705	1,209,047
Series I	3,037,361	9,133,592
Series O	955,479	720,272
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	20.39	21.24
Series D	21.44	22.19
Series E	-	-
Series F	21.11	21.83
Series I	21.46	22.17
Series O	11.35	11.73

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		
Dividend income	477,700	398,466
Interest income for distribution purposes	5,496	11,874
Distributions from underlying funds	81,752	126,848
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	2,650,801	550,739
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(734,583)	1,776,713
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	2,481,166	2,864,640
Net gain (loss) on foreign exchange	101	(90)
Other income	-	2,291
Total income (loss)	2,481,267	2,866,841
Expenses (note 5)		
Management fees	234,032	200,555
Administration fees	40,713	35,255
Independent review committee fees	339	128
Withholding tax	-	-
Transaction costs (note 2)	6,235	8,288
Total operating expenses	281,319	244,226
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	2,199,948	2,622,615
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,199,948	2,622,615
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	251,887	249,229
Series D	844,536	1,189,814
Series E	-	(8,686)
Series F	101,592	126,463
Series I	922,613	978,265
Series O	79,320	87,530
Weighted Average Number of Units Outstanding		
Series A	162,562	102,690
Series D	457,055	510,040
Series E	-	24,545
Series F	55,773	51,523
Series I	392,828	306,239
Series O	66,912	58,485
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.55	2.43
Series D	1.85	2.33
Series E	-	(0.35)
Series F	1.82	2.45
Series I	2.35	3.19
Series O	1.19	1.50

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

Sun Life MFS Canadian Equity Value Fund (continued)

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

For the periods ended December 31

	Series A		Series D		Series E		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 2,658,776	1,495,807	10,483,259	10,487,725	-	247,285	1,209,047	987,057
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 251,887	249,229	844,536	1,189,814	-	(8,686)	101,592	126,463
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 1,760,786	1,233,962	753,594	158,737	-	11,831	88,568	139,828
Redemption of redeemable units	\$ (649,270)	(319,994)	(1,643,435)	(1,349,852)	-	(250,418)	(112,399)	(44,362)
Reinvestment of distributions to holders of redeemable units	\$ 432,124	17,085	1,081,140	72,486	-	10	125,906	14,477
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 1,543,640	931,053	191,299	(1,118,629)	-	(238,577)	102,075	109,943
Distributions to Holders of Redeemable Units								
From capital gains	\$ (416,765)	(7,387)	(1,085,362)	(30,258)	-	-	(132,976)	(3,072)
From net investment income	\$ (14,517)	(9,898)	(48,287)	(45,267)	-	(22)	(9,324)	(11,312)
Return of capital	\$ (833)	(28)	-	(126)	-	-	(709)	(32)
	\$ (432,115)	(17,313)	(1,133,649)	(75,651)	-	(22)	(143,009)	(14,416)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 1,363,412	1,162,969	(97,814)	(4,466)	-	(247,285)	60,658	221,990
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 4,022,188	2,658,776	10,385,445	10,483,259	-	-	1,269,705	1,209,047
Redeemable Unit Transactions								
Balance - beginning of period	125,202	77,763	472,418	525,238	-	23,899	55,375	50,175
Units issued	80,627	62,754	32,648	7,733	-	1,226	3,876	6,843
Units issued on reinvestment of distributions	21,152	804	50,332	3,257	-	1	5,941	663
Units redeemed	(29,709)	(16,119)	(71,090)	(63,810)	-	(25,126)	(5,053)	(2,306)
Balance - end of period	197,272	125,202	484,308	472,418	-	-	60,139	55,375

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 9,133,592	3,608,812	720,272	528,379	24,204,946	17,355,065
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 922,613	978,265	79,320	87,530	2,199,948	2,622,615
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 3,169,834	5,051,535	314,427	204,605	6,087,209	6,800,498
Redemption of redeemable units	\$ (10,188,679)	(505,021)	(158,541)	(100,242)	(12,752,324)	(2,569,889)
Reinvestment of distributions to holders of redeemable units	\$ 463,142	205,835	115,156	15,112	2,217,468	325,005
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (6,555,703)	4,752,349	271,042	119,475	(4,447,647)	4,555,614
Distributions to Holders of Redeemable Units						
From capital gains	\$ (316,144)	(25,908)	(99,419)	(2,048)	(2,050,666)	(68,673)
From net investment income	\$ (146,997)	(179,428)	(15,736)	(13,028)	(234,861)	(258,955)
Return of capital	\$ -	(498)	-	(36)	(1,542)	(720)
	\$ (463,141)	(205,834)	(115,155)	(15,112)	(2,287,069)	(328,348)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (6,096,231)	5,524,780	235,207	191,893	(4,534,768)	6,849,881
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 3,037,361	9,133,592	955,479	720,272	19,670,178	24,204,946
Redeemable Unit Transactions						
Balance - beginning of period	411,937	180,868	61,383	50,035	1,126,315	907,978
Units issued	138,744	246,630	25,910	19,345	281,805	344,531
Units issued on reinvestment of distributions	20,973	9,259	10,050	1,284	108,448	15,268
Units redeemed	(430,116)	(24,820)	(13,177)	(9,281)	(549,145)	(141,462)
Balance - end of period	141,538	411,937	84,166	61,383	967,423	1,126,315

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

Sun Life MFS Canadian Equity Value Fund (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 units from operations (excluding distributions)	2,199,948	2,622,615
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(2,650,801)	(550,739)
Change in unrealized (appreciation) depreciation in value of investments	734,583	(1,776,713)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(81,752)	(126,848)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(7,135,286)	(10,143,482)
Proceeds from sale of investments	13,967,677	5,437,652
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	10,726	(19,814)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(14,817)	16,958
Change in other payables and accrued expenses	3,574	11,304
Net Cash Provided by (Used in) Operating Activities	7,033,852	(4,529,067)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(69,601)	(3,343)
Proceeds from redeemable units issued	6,090,710	6,796,612
Redemption of redeemable units	(12,768,789)	(2,554,596)
Net Cash Provided by (Used in) Financing Activities	(6,747,680)	4,238,673
Net increase (decrease) in cash	286,172	(290,394)
Cash (bank indebtedness) at beginning of period	(171,064)	119,330
Cash (bank indebtedness) at end of period	115,108	(171,064)
Dividends received, net of withholding taxes	488,426	378,652
Interest received, net of withholding taxes	5,496	11,874
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Canadian Natural Resources Ltd.	12,247	452,484	550,135	
Enbridge Inc.	14,051	758,685	690,747	
Husky Energy Inc.	8,104	168,739	143,846	
Suncor Energy Inc.	16,328	576,304	753,537	
TORC Oil & Gas Ltd	26,569	160,018	200,330	
TransCanada Corp.	8,580	423,490	524,924	
ZCL Composites Inc.	3,552	29,174	39,818	
		2,568,894	2,903,337	14.76
Materials				
Agnico Eagle Mines Ltd.	4,611	191,982	267,622	
Agrium Inc.	3,050	345,562	440,969	
Barrick Gold Corp.	11,630	246,628	211,433	
CCL Industries Inc., Class B	3,435	99,834	199,505	
First Quantum Minerals Ltd.	9,181	96,389	161,677	
Goldcorp Inc.	14,062	308,667	225,414	
Intertape Polymer Group Inc.	3,983	77,563	85,595	
Lundin Mining Corp.	13,971	83,623	116,798	
		1,450,248	1,709,013	8.69
Industrials				
Air Canada	5,337	62,932	138,122	
Canadian National Railway Co.	2,207	122,245	228,756	
Canadian Pacific Railway Ltd.	2,351	442,902	539,931	
New Flyer Industries Inc.	2,726	115,942	147,204	
Waste Connections Inc.	3,703	180,544	330,159	
SNC-Lavalin Group Inc.	3,818	186,080	217,817	
Stantec Inc.	5,479	185,924	192,642	
Transcontinental Inc., Class A	10,177	180,872	252,797	
		1,477,441	2,047,428	10.41
Health Care				
Valeant Pharmaceuticals International Inc.	1,760	138,113	46,112	
		138,113	46,112	0.23
Consumer Discretionary				
Magna International Inc.	2,767	173,423	197,121	
Quebecor Inc., Class B	9,682	145,278	229,463	
Thomson Reuters Corp.	4,893	289,817	268,087	
		608,518	694,671	3.53
Consumer Staples				
Alimentation Couche-Tard Inc., Class B	3,906	201,789	256,195	
Loblaw Companies Ltd.	4,201	249,675	286,592	
		451,464	542,787	2.76
Financials				
Bank of Montreal	2,478	214,825	249,262	
Element Financial Corp.	19,318	230,210	183,521	
Fairfax Financial Holdings Ltd.	407	254,718	272,421	
IGM Financial Inc.	3,524	156,588	155,585	
Intact Financial Corp.	1,996	145,532	209,560	
Manulife Financial Corp.	19,589	369,772	513,624	
National Bank of Canada	2,953	139,047	185,212	
Royal Bank of Canada	11,119	730,274	1,141,365	
The Bank of Nova Scotia	10,508	645,465	852,409	
The Toronto-Dominion Bank	17,041	835,168	1,255,070	
		3,721,599	5,018,029	25.50

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

Sun Life MFS Canadian Equity Value Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Information Technology				
Mitel Networks Corp.	15,312	165,775	158,939	
CGI Group Inc.	4,789	285,264	327,089	
		451,039	486,028	2.47
Real Estate				
Boardwalk Real Estate Investment Trust	2,785	125,547	120,006	
Dream Office Real Estate Investment Trust	10,973	190,751	243,162	
		316,298	363,168	1.85
Telecommunication Services				
TELUS Corp.	9,398	376,274	447,533	
		376,274	447,533	2.28
Utilities				
Just Energy Group Inc.	9,017	71,933	48,692	
Superior Plus Corp.	17,407	186,450	206,621	
		258,383	255,313	1.30
Total Equities		11,818,271	14,513,419	73.78
MUTUAL FUNDS				
Sun Life MFS International Value Fund, Series I	123,729	2,147,551	2,892,929	
Sun Life MFS U.S. Value Fund, Series I	77,650	1,456,901	2,120,399	
Total Mutual Funds		3,604,452	5,013,328	25.49
Transaction Costs		(6,690)		
Total Investments		15,416,033	19,526,747	99.27
Other Assets less Liabilities			143,431	0.73
Total Net Assets			19,670,178	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Canadian Equity Value Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks 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 underlying internally managed funds.

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 holds assets and liabilities, either directly or indirectly through underlying funds, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

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

Sun Life MFS Canadian Equity Value Fund (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	4,042	0.02	7,093	0.03
Total	4,042	0.02	7,093	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 Units of the Fund would have increased or decreased respectively by \$202 (\$355 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 underlying internally managed funds.

(iii) Other market risk

The Fund is exposed indirectly to other market risk as a result of its investment in underlying internally managed funds.

The Fund is also directly exposed to other market risk as a result of its 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 Units of the Fund would have increased or decreased respectively by \$725,671 (\$878,377 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 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 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	14.8	16.2
Materials	8.7	9.9
Industrials	10.4	9.0
Health Care	0.2	0.2
Consumer Discretionary	3.5	1.9
Consumer Staples	2.8	2.1
Financials	25.5	25.9
Information Technology	2.5	2.7
Real Estate	1.8	1.8
Telecommunication Services	2.3	1.7
Utilities	1.3	1.2
Mutual Funds		
U.S. Equities	10.8	12.5
International Equities	14.7	14.3
Other Assets less Liabilities	0.7	0.6
Total	100.0	100.0

Fair Value Disclosure

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

	December 31, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	14,513,419	-	-	14,513,419
Mutual Funds	5,013,328	-	-	5,013,328
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	17,567,540	-	-	17,567,540
Mutual Funds	6,496,768	-	-	6,496,768

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

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

Sun Life MFS Canadian Equity Value Fund (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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$6,235 (\$8,288 for the period ended December 31, 2016).

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 \$4,600 (\$5,980 for the period ended December 31, 2016).

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and 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 underlying funds.

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	19,526,747	24,064,308
Total financial assets at fair value through profit or loss	19,526,747	24,064,308
Financial assets at amortized cost		
Cash	115,108	-
Other receivables	42,366	354,937
Total financial assets at amortized cost	157,474	354,937
Total assets	19,684,221	24,419,245
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	14,043	214,299
Total liabilities (excluding net assets attributable to holders of redeemable units)	14,043	214,299

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	2,481,166	2,864,640
Total net gains (losses)	2,481,166	2,864,640

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	March 27, 2009	March 31, 2009
Series D Units	July 01, 1999	July 01, 1999
Series F Units	February 13, 2008	February 13, 2008
Series I Units	March 24, 2005	March 24, 2005
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 MFS Dividend Income Fund

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)	38,620,295	29,583,534
Short-term investments	-	-
Cash	404,567	354,227
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	-
Accrued interest	-	-
Dividends receivable	140,139	115,609
Distributions receivable from underlying funds	-	-
Subscriptions receivable	120,102	170,867
	39,285,103	30,224,237
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	1,523	4,518
Redemptions payable	500	-
Distributions payable	-	-
Due to investment dealers	6,555	1,056
Management fees payable	8,602	29,354
Total liabilities (excluding net assets attributable to holders of redeemable units)	17,180	34,928
Net Assets Attributable to Holders of Redeemable Units	39,267,923	30,189,309
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	16,583,343	14,075,861
Series D	1,975,614	2,040,155
Series E	-	-
Series F	1,369,789	1,299,007
Series I	16,663,476	10,800,877
Series O	2,675,701	1,973,409
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	13.30	12.64
Series D	13.50	12.82
Series E	-	-
Series F	13.51	12.82
Series I	13.57	12.89
Series O	11.14	10.58

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		
Dividend income	1,207,663	807,712
Interest income for distribution purposes	19,826	28,804
Distributions from underlying funds	-	-
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	1,283,544	(246,139)
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	555,392	3,741,969
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	3,066,425	4,332,346
Net gain (loss) on foreign exchange	606	(2,870)
Other income	-	-
Total income (loss)	3,067,031	4,329,476
Expenses (note 5)		
Management fees	333,703	269,667
Administration fees	54,754	41,069
Independent review committee fees	444	146
Withholding tax	47,609	14,704
Transaction costs (note 2)	21,418	18,697
Total operating expenses	457,928	344,283
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	2,609,103	3,985,193
Finance Cost		
Interest expense	(18)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,609,085	3,985,193
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	967,872	1,963,473
Series D	133,242	310,120
Series E	-	(87,692)
Series F	95,175	196,135
Series I	1,216,483	1,339,405
Series O	196,313	263,752
Weighted Average Number of Units Outstanding		
Series A	1,191,878	1,011,844
Series D	150,797	181,005
Series E	-	212,585
Series F	107,738	101,036
Series I	1,077,306	616,068
Series O	221,979	146,085
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.81	1.94
Series D	0.88	1.71
Series E	-	(0.41)
Series F	0.88	1.94
Series I	1.13	2.17
Series O	0.88	1.81

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

Sun Life MFS Dividend Income Fund (continued)

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

For the periods ended December 31

	Series A		Series D		Series E		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 14,075,861	8,598,306	2,040,155	2,412,829	-	1,950,750	1,299,007	1,149,369
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 967,872	1,963,473	133,242	310,120	-	(87,692)	95,175	196,135
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 4,189,841	5,481,492	227,033	55,145	-	9,537	357,364	145,944
Redemption of redeemable units	\$ (2,648,556)	(1,966,280)	(423,166)	(736,004)	-	(1,872,514)	(371,892)	(183,534)
Reinvestment of distributions to holders of redeemable units	\$ 177,919	156,586	30,509	28,236	-	61	22,016	14,851
Capitalized distributions	\$ -	-	-	-	-	-	-	-
Distributions to Holders of Redeemable Units	\$ 1,719,204	3,671,798	(165,624)	(652,623)	-	(1,862,916)	7,488	(22,739)
From capital gains	\$ (28,296)	-	(3,387)	-	-	-	(2,350)	-
From net investment income	\$ (151,298)	(157,716)	(28,772)	(30,171)	-	(142)	(29,531)	(23,758)
Return of capital	\$ -	-	-	-	-	-	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 2,507,482	5,477,555	(64,541)	(372,674)	-	(1,950,750)	70,782	149,638
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 16,583,343	14,075,861	1,975,614	2,040,155	-	-	1,369,789	1,299,007
Redeemable Unit Transactions								
Balance - beginning of period	1,114,024	780,691	159,088	216,705	-	214,093	101,331	103,314
Units issued	325,973	492,856	17,540	4,785	-	1,109	27,377	12,079
Units issued on reinvestment of distributions	13,899	13,561	2,342	2,414	-	7	1,694	1,265
Units redeemed	(206,969)	(173,084)	(32,670)	(64,816)	-	(215,209)	(29,022)	(15,327)
Balance - end of period	1,246,927	1,114,024	146,300	159,088	-	-	101,380	101,331

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 10,800,877	5,217,538	1,973,409	1,122,111	30,189,309	20,450,903
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 1,216,483	1,339,405	196,313	263,752	2,609,085	3,985,193
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 7,026,155	5,857,641	718,566	776,791	12,518,959	12,326,550
Redemption of redeemable units	\$ (2,380,039)	(1,613,706)	(212,484)	(189,098)	(6,036,137)	(6,561,136)
Reinvestment of distributions to holders of redeemable units	\$ 478,592	216,527	75,503	38,923	784,539	455,184
Capitalized distributions	\$ -	-	-	-	-	-
Distributions to Holders of Redeemable Units	\$ 5,124,708	4,460,462	581,585	626,616	7,267,361	6,220,598
From capital gains	\$ (27,750)	-	(4,600)	-	(66,383)	-
From net investment income	\$ (450,842)	(216,528)	(71,006)	(39,070)	(731,449)	(467,385)
Return of capital	\$ -	-	-	-	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 5,862,599	5,583,339	702,292	851,298	9,078,614	9,738,406
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 16,663,476	10,800,877	2,675,701	1,973,409	39,267,923	30,189,309
Redeemable Unit Transactions						
Balance - beginning of period	837,699	466,661	186,539	122,289	2,398,681	1,903,753
Units issued	534,532	489,144	66,581	79,565	972,003	1,079,538
Units issued on reinvestment of distributions	36,442	18,222	7,008	3,996	61,385	39,465
Units redeemed	(180,893)	(136,328)	(19,846)	(19,311)	(469,400)	(624,075)
Balance - end of period	1,227,780	837,699	240,282	186,539	2,962,669	2,398,681

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

Sun Life MFS Dividend Income Fund (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 units from operations (excluding distributions)	2,609,085	3,985,193
Adjustments for:		
Gain on short-term investments	(108)	-
Net realized (gain) loss on sale of investments	(1,283,544)	246,139
Change in unrealized (appreciation) depreciation in value of investments	(555,392)	(3,741,969)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(22,525,175)	(17,369,592)
Proceeds from sale of investments	15,311,431	11,377,076
Purchases of short-term investments	(1,100,000)	-
Proceeds from sale of short-term investments	1,100,108	-
Change in dividends and interest receivable	(24,530)	(34,409)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(20,752)	24,597
Change in other payables and accrued expenses	18,423	22,506
Net Cash Provided by (Used in) Operating Activities	(6,470,454)	(5,490,459)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(13,293)	(12,201)
Proceeds from redeemable units issued	12,569,724	12,243,283
Redemption of redeemable units	(6,035,637)	(6,590,646)
Net Cash Provided by (Used in) Financing Activities	6,520,794	5,640,436
Net increase (decrease) in cash	50,340	149,977
Cash (bank indebtedness) at beginning of period	354,227	204,250
Cash (bank indebtedness) at end of period	404,567	354,227
Dividends received, net of withholding taxes	1,135,524	758,599
Interest received, net of withholding taxes	19,826	28,804
Interest paid	(18)	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Canadian Natural Resources Ltd.	18,952	710,050	851,324	
Crescent Point Energy Corp.	22,455	431,836	215,119	
Enbridge Inc.	39,435	1,979,668	1,938,625	
ENI SpA	18,782	372,745	389,961	
Pembina Pipeline Corp.	4,682	183,997	213,078	
Suncor Energy Inc.	36,480	1,410,794	1,683,552	
TORC Oil & Gas Ltd.	34,315	275,432	258,735	
TransCanada Corporation	18,179	985,297	1,112,191	
		6,349,819	6,662,585	16.97
Materials				
Agnico Eagle Mines Ltd.	6,787	351,619	393,917	
Agrium Inc.	7,600	954,951	1,098,808	
Barrick Gold Corp.	15,899	394,085	289,044	
Franco-Nevada Corp.	4,830	384,873	485,222	
Goldcorp Inc.	20,239	425,355	324,431	
Stella-Jones Inc.	8,441	371,232	426,271	
Western Forest Products Inc	154,244	383,728	377,898	
		3,265,843	3,395,591	8.65
Industrials				
Canadian Pacific Railway Ltd.	7,264	1,433,535	1,668,250	
Kansas City Southern	6,578	872,206	867,209	
SNC-Lavalin Group Inc.	6,839	389,585	390,165	
Stantec Inc.	10,540	363,637	370,586	
Transcontinental Inc., Class A	17,685	378,510	439,295	
WestJet Airlines Ltd.	28,102	591,756	740,769	
		4,029,229	4,476,274	11.40
Consumer Discretionary				
Gildan Activewear Inc.	14,334	562,550	582,104	
Magna International Inc.	10,105	502,281	719,880	
		1,064,831	1,301,984	3.32
Consumer Staples				
Alimentation Couché-Tard Inc.	7,666	473,731	502,813	
AVI Ltd.	31,355	290,177	350,845	
Greggs PLC	38,746	703,320	918,740	
		1,467,228	1,772,398	4.51
Health Care				
Bayer AG	1,809	277,386	283,056	
		277,386	283,056	0.72
Financials				
Apollo Global Management LLC	7,003	178,652	293,678	
Brookfield Asset Management Inc.	13,160	625,055	720,115	
Element Fleet Management Corp.	12,586	159,599	119,567	
Fairfax Financial Holdings Ltd.	1,123	759,454	751,669	
Insurance Australia Group Ltd.	61,631	353,337	437,279	
Intesa Sanpaolo SpA	137,270	555,845	572,079	
Manulife Financial Corp.	44,615	1,050,635	1,169,805	
National Bank of Canada	16,781	797,193	1,052,504	
Power Financial Corp.	22,058	726,794	761,883	
Royal Bank of Canada	23,832	1,816,985	2,446,355	
Starwood Property Trust Inc.	19,035	546,875	509,193	
The Bank of Nova Scotia	13,738	920,085	1,114,427	
The Toronto-Dominion Bank	38,062	2,139,691	2,803,267	

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

Sun Life MFS Dividend Income Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Thomson Reuters Corp.	20,931	1,238,768	1,146,809	
Zurich Financial Services AG	1,995	664,705	760,787	
	12,533,673	14,659,417	14,659,417	37.34
Real Estate				
Atrium European Real Estate Ltd.	31,466	155,506	196,467	
Canadian Real Estate Investment Trust	3,987	183,170	184,598	
Medical Properties Trust Inc.	56,671	979,605	978,457	
	1,318,281	1,359,522	1,359,522	3.46
Information Technology				
Hitachi Ltd.	57,000	394,753	556,571	
Nomura Research Institute Ltd	4,600	225,852	268,096	
	620,605	620,605	824,667	2.10
Telecommunication Services				
BCE Inc	9,313	554,382	562,319	
Rogers Communications Inc	5,722	371,183	366,494	
TELUS Corp.	20,580	869,057	980,020	
	1,794,622	1,794,622	1,908,833	4.86
Utilities				
Canadian Utilities Ltd., Class A	13,575	509,540	507,841	
Emera Inc	7,699	369,025	361,699	
Engie SA	26,363	602,506	566,984	
Superior Plus Corp.	45,446	517,030	539,444	
	1,998,101	1,998,101	1,975,968	5.02
Total Equities	34,719,618	34,719,618	38,620,295	98.35
Transaction Costs	(20,063)	(20,063)		
Total Investments	34,699,555	34,699,555	38,620,295	98.35
Other Assets less Liabilities			647,628	1.65
Total Net Assets			39,267,923	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Dividend Income Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Fund had no significant investments in debt instruments and/or derivatives and, therefore, did not have 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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

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

Sun Life MFS Dividend Income Fund (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)	
	Percentage of Net Assets (%)	Percentage of Net Assets (%)	Percentage of Net Assets (%)	Percentage of Net Assets (%)
	December 31, 2017		December 31, 2016	
United States Dollar	3,270,185	8.33	2,047,513	6.78
Euro	1,447,220	3.69	143,016	0.47
British Pound	918,740	2.34	596,612	1.98
Japanese Yen	824,667	2.10	312,467	1.04
Swiss Franc	766,124	1.95	607,514	2.01
Australian Dollar	437,279	1.11	289,647	0.96
South African Rand	344,290	0.88	137,949	0.46
Danish Krone	3,747	0.01	289,117	0.96
Norwegian Krone	-	-	5,205	0.02
Total	8,012,252	20.40	4,429,040	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 Units of the Fund would have increased or decreased respectively by \$400,613 (\$221,452 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 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 its 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 Units of the Fund would have increased or decreased respectively by \$1,931,015 (\$1,479,177 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 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 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	21.1
Materials	8.7	9.4
Industrials	11.4	10.6
Consumer Discretionary	3.3	5.4
Consumer Staples	4.5	2.7
Health Care	0.7	-
Financials	37.3	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	1.6	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 (\$)	
Equities	38,053,311	566,984	-	38,620,295
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	29,219,673	363,861	-	29,583,534

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

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

Sun Life MFS Dividend Income Fund (continued)

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$21,418 (\$18,697 for the period ended December 31, 2016).

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 \$11,014 (\$11,947 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$nil (\$768,591 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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	38,620,295	29,583,534
Total financial assets at fair value through profit or loss	38,620,295	29,583,534
Financial assets at amortized cost		
Cash	404,567	354,227
Other receivables	260,241	286,476
Total financial assets at amortized cost	664,808	640,703
Total assets	39,285,103	30,224,237
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	17,180	34,928
Total liabilities (excluding net assets attributable to holders of redeemable units)	17,180	34,928

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	3,066,425	4,332,346
Total net gains (losses)	3,066,425	4,332,346

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	March 27, 2009	March 31, 2009
Series D Units	March 24, 2006	March 27, 2006
Series F Units	February 13, 2008	February 13, 2008
Series I Units	November 21, 2008	November 28, 2008
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 MFS Global Growth Fund

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)	115,954,169	73,674,859
Short-term investments	1,299,090	-
Cash	12,825	338,601
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	1,160,440
Accrued interest	1,622	-
Dividends receivable	139,264	98,355
Distributions receivable from underlying funds	-	-
Subscriptions receivable	236,511	94,624
	117,643,481	75,366,879
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	3,553	8,574
Redemptions payable	290,821	1,034,082
Distributions payable	-	-
Due to investment dealers	-	4,644
Management fees payable	17,591	47,134
Total liabilities (excluding net assets attributable to holders of redeemable units)	311,965	1,094,434
Net Assets Attributable to Holders of Redeemable Units	117,331,516	74,272,445
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	27,034,554	16,775,843
Series T5	294,063	223,706
Series T8	1,264,458	1,934,010
Series D	2,418,629	2,239,947
Series E	-	-
Series EF	-	-
Series F	7,340,148	4,669,649
Series I	73,398,328	44,262,636
Series O	5,581,336	4,166,654
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	18.44	15.39
Series T5	21.30	18.53
Series T8	17.78	15.88
Series D	18.08	14.97
Series E	-	-
Series EF	-	-
Series F	19.75	16.32
Series I	20.79	17.10
Series O	14.68	12.07

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		
Dividend income	1,558,237	1,185,862
Interest income for distribution purposes	9,174	4,654
Distributions from underlying funds	-	-
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	3,943,211	3,110,278
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	14,301,569	(1,897,817)
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	19,812,191	2,402,977
Net gain (loss) on foreign exchange	(102,295)	(77,515)
Other income	-	-
Total income (loss)	19,709,896	2,325,462
Expenses (note 5)		
Management fees	603,846	473,718
Administration fees	126,889	89,303
Independent review committee fees	784	444
Withholding tax	162,288	105,619
Transaction costs (note 2)	58,262	52,992
Total operating expenses	952,069	722,076
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	18,757,827	1,603,386
Finance Cost		
Interest expense	(18)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	18,757,809	1,603,386
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	3,902,773	172,224
Series T5	49,184	(367)
Series T8	310,760	11,656
Series D	485,711	13,769
Series E	-	(90,938)
Series EF	-	(50,671)
Series F	1,166,807	138,548
Series I	11,828,501	1,316,657
Series O	1,014,073	92,508
Weighted Average Number of Units Outstanding		
Series A	1,236,887	980,511
Series T5	13,095	11,697
Series T8	82,095	170,123
Series D	145,173	152,199
Series E	-	128,190
Series EF	-	86,415
Series F	332,835	235,313
Series I	2,941,556	2,526,383
Series O	359,674	345,217

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

Sun Life MFS Global Growth Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	3.16	0.18
Series T5	3.76	(0.03)
Series T8	3.79	0.07
Series D	3.35	0.09
Series E	-	(0.71)
Series EF	-	(0.59)
Series F	3.51	0.59
Series I	4.02	0.52
Series O	2.82	0.27

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

For the periods ended December 31

	Series A		Series T5		Series T8		Series D	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 16,775,843	11,486,946	223,706	226,273	1,934,010	2,769,278	2,239,947	2,325,064
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 3,902,773	172,224	49,184	(367)	310,760	11,656	485,711	13,769
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 11,034,860	8,281,388	81,105	13,468	196,405	574,118	180,599	30,586
Redemption of redeemable units	\$ (4,672,157)	(3,159,022)	(57,441)	(14,584)	(1,071,763)	(1,177,792)	(485,465)	(127,195)
Reinvestment of distributions to holders of redeemable units	\$ 296,026	234,736	11,825	12,692	3,493	5,516	25,215	29,882
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 6,658,729	5,357,102	35,489	11,576	(871,865)	(598,158)	(279,651)	(66,727)
Distributions to Holders of Redeemable Units								
From capital gains	\$ (298,712)	(238,266)	(3,298)	(3,209)	(14,321)	(28,033)	(27,378)	(32,159)
From net investment income	\$ (4,079)	(2,163)	-	-	-	-	-	-
Return of capital	\$ -	-	(11,018)	(10,567)	(94,126)	(220,733)	-	-
	\$ (302,791)	(240,429)	(14,316)	(13,776)	(108,447)	(248,766)	(27,378)	(32,159)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 10,258,711	5,288,897	70,357	(2,567)	(669,552)	(835,268)	178,682	(85,117)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 27,034,554	16,775,843	294,063	223,706	1,264,458	1,934,010	2,418,629	2,239,947
Redeemable Unit Transactions								
Balance - beginning of period	1,089,975	734,331	12,076	11,461	121,765	158,641	149,636	154,044
Units issued	629,019	546,454	3,995	712	11,560	34,870	10,205	2,137
Units issued on reinvestment of distributions	15,856	15,165	573	674	202	337	1,377	1,985
Units redeemed	(268,563)	(205,975)	(2,836)	(771)	(62,399)	(72,083)	(27,423)	(8,530)
Balance - end of period	1,466,287	1,089,975	13,808	12,076	71,128	121,765	133,795	149,636

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

Sun Life MFS Global Growth Fund (continued)

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

For the periods ended December 31

	Series E		Series EF		Series F		Series I	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ -	1,444,823	-	845,224	4,669,649	2,124,398	44,262,636	37,837,654
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ -	(90,938)	-	(50,671)	1,166,807	138,548	11,828,501	1,316,657
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ -	194,050	-	-	2,326,863	2,842,630	25,567,690	12,847,336
Redemption of redeemable units	\$ -	(1,547,863)	-	(794,386)	(776,533)	(389,651)	(8,260,499)	(7,739,011)
Reinvestment of distributions to holders of redeemable units	\$ -	60	-	139	42,951	35,665	1,439,491	1,085,902
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ -	(1,353,753)	-	(794,247)	1,593,281	2,488,644	18,746,682	6,194,227
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	(77,699)	(65,352)	(833,063)	(648,203)
From net investment income	\$ -	(132)	-	(306)	(11,890)	(16,589)	(598,064)	(437,699)
Return of capital	\$ -	-	-	-	-	-	(8,364)	-
	\$ -	(132)	-	(306)	(89,589)	(81,941)	(1,439,491)	(1,085,902)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ -	(1,444,823)	-	(845,224)	2,670,499	2,545,251	29,135,692	6,424,982
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ -	-	-	-	7,340,148	4,669,649	73,398,328	44,262,636
Redeemable Unit Transactions								
Balance - beginning of period	-	122,594	-	86,413	286,212	129,158	2,589,078	2,207,496
Units issued	-	17,218	-	-	125,646	178,731	1,297,963	769,705
Units issued on reinvestment of distributions	-	5	-	14	2,166	2,174	68,381	63,190
Units redeemed	-	(139,817)	-	(86,427)	(42,346)	(23,851)	(425,713)	(451,313)
Balance - end of period	-	-	-	-	371,678	286,212	3,529,709	2,589,078

	Series O		Total	
	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 4,166,654	4,137,311	74,272,445	63,196,971
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 1,014,073	92,508	18,757,809	1,603,386
Redeemable Unit Transactions				
Proceeds from redeemable units issued	\$ 1,065,029	661,743	40,452,551	25,445,319
Redemption of redeemable units	\$ (608,330)	(665,553)	(15,932,188)	(15,615,057)
Reinvestment of distributions to holders of redeemable units	\$ 47,584	36,903	1,866,585	1,441,495
Capitalized distributions	\$ -	-	-	-
	\$ 504,283	33,093	26,386,948	11,271,757
Distributions to Holders of Redeemable Units				
From capital gains	\$ (63,791)	(60,599)	(1,318,262)	(1,075,821)
From net investment income	\$ (39,883)	(31,134)	(653,916)	(488,023)
Return of capital	\$ -	(4,525)	(113,508)	(235,825)
	\$ (103,674)	(96,258)	(2,085,686)	(1,799,669)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 1,414,682	29,343	43,059,071	11,075,474
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 5,581,336	4,166,654	117,331,516	74,272,445
Redeemable Unit Transactions				
Balance - beginning of period	345,148	341,666	4,593,890	3,945,804
Units issued	77,933	55,492	2,156,321	1,605,319
Units issued on reinvestment of distributions	3,225	3,041	91,780	86,585
Units redeemed	(45,984)	(55,051)	(875,264)	(1,043,818)
Balance - end of period	380,322	345,148	5,966,727	4,593,890

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

Sun Life MFS Global Growth Fund (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 units from operations (excluding distributions)	18,757,809	1,603,386
Adjustments for:		
Gain on short-term investments	(3,082)	(176)
Net realized (gain) loss on sale of investments	(3,943,211)	(3,110,278)
Change in unrealized (appreciation) depreciation in value of investments	(14,301,569)	1,897,817
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(44,587,553)	(30,984,639)
Proceeds from sale of investments	21,650,557	20,694,666
Purchases of short-term investments	(25,594,344)	(2,099,830)
Proceeds from sale of short-term investments	24,298,336	2,100,006
Change in dividends and interest receivable	(42,531)	(23,957)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(29,543)	39,301
Change in other payables and accrued expenses	53,241	60,091
Net Cash Provided by (Used in) Operating Activities	(23,741,890)	(9,823,613)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(219,101)	(358,174)
Proceeds from redeemable units issued	40,310,664	25,468,248
Redemption of redeemable units	(16,675,449)	(15,571,276)
Net Cash Provided by (Used in) Financing Activities	23,416,114	9,538,798
Net increase (decrease) in cash	(325,776)	(284,815)
Cash (bank indebtedness) at beginning of period	338,601	623,416
Cash (bank indebtedness) at end of period	12,825	338,601
Dividends received, net of withholding taxes	1,355,040	1,056,286
Interest received, net of withholding taxes	7,552	4,654
Interest paid	(18)	-

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

Sun Life MFS Global Growth Fund (continued)

Schedule of Investments

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Treasury Bills						
Canadian Treasury Bill	0.983%	08-Jan-2018	1,300,000	1,299,090	1,299,090	
Total Short-Term Notes				1,299,090	1,299,090	1.11

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Schlumberger Ltd.	10,404	949,402	878,471	
		949,402	878,471	0.75
Materials				
Chr. Hansen Holding A/S	2,479	116,369	291,549	
Croda International PLC	19,897	1,084,178	1,491,938	
Ecolab Inc.	10,761	1,603,650	1,809,140	
Monsanto Co.	3,046	388,994	445,687	
PPG Industries Inc.	7,598	1,059,614	1,112,111	
Sika AG	116	824,940	1,154,377	
Symrise AG	7,198	488,670	775,616	
The Sherwin-Williams Co.	2,587	925,193	1,329,090	
		6,491,608	8,409,508	7.17

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Industrials				
Adani Ports & Special Economic Zone Ltd.	59,062	380,355	470,309	
Aena SA	4,384	918,605	1,114,699	
Brenntag AG	3,156	185,307	250,567	
Colfax Corp.	12,015	643,343	596,445	
Daikin Industries Ltd.	7,900	1,108,164	1,171,712	
Equifax Inc.	4,092	538,798	604,582	
Experian PLC	57,893	1,350,225	1,605,305	
Fortive Corp.	3,612	151,848	327,384	
Intertek Group PLC	16,946	979,618	1,490,674	
Rolls-Royce Holdings PLC	60,772	910,449	872,439	
Rolls-Royce Holdings PLC, C Shares	2,632,764	4,447	4,462	
Schindler Holding AG	1,680	288,435	484,493	
Union Pacific Corp.	9,506	1,140,911	1,597,198	
United Technologies Corp.	5,934	800,303	948,479	
Verisk Analytics Inc.	13,106	1,424,309	1,576,425	
		10,825,117	13,115,173	11.18

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Consumer Discretionary				
AutoZone Inc.	693	528,307	617,676	
Burberry Group PLC	28,962	812,504	879,659	
Comcast Corp.	35,889	1,797,653	1,800,925	
Compagnie Financiere Richemont SA	3,751	343,726	425,850	
Compass Group PLC	50,751	1,143,864	1,376,298	
Dollarama Inc.	4,555	329,422	715,363	
Lojas Renner SA	25,297	196,786	339,110	
LVMH Moet Hennessy Louis Vuitton SA	5,442	1,226,801	2,009,248	
NIKE Inc.	34,816	2,404,750	2,728,588	
Paddy Power Betfair PLC	9,080	1,276,211	1,358,153	
Starbucks Corp.	33,726	2,500,761	2,426,808	
The TJX Companies Inc.	15,326	1,347,455	1,468,233	
The Walt Disney Co.	2,522	232,150	339,724	
Twenty-First Century Fox Inc.	21,437	824,504	927,454	
VF Corp.	12,665	981,565	1,174,272	
Whitbread PLC	22,837	1,656,717	1,548,271	
		17,603,176	20,135,632	17.16

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Consumer Staples				
Ambev SA, ADR	134,097	978,173	1,085,384	
Carlsberg A/S, Class B	2,360	255,844	355,288	
Colgate-Palmolive Co.	17,249	1,401,876	1,630,628	
Coty Inc.	54,795	1,402,252	1,365,550	
CVS Caremark Corp.	8,836	848,122	802,649	
Danone SA	10,147	850,174	1,067,888	
Diageo PLC	27,629	951,156	1,276,085	
Kose Corp.	8,500	1,076,366	1,662,974	
L'Oreal SA	5,105	1,137,481	1,420,530	
Nestle SA	22,568	2,068,502	2,431,565	
PepsiCo., Inc.	4,984	698,440	748,861	
Pernod Ricard SA	10,432	1,482,113	2,070,987	
Reckitt Benckiser Group PLC	19,199	2,134,165	2,251,490	
Sundrug Co., Ltd.	25,400	1,072,152	1,480,354	
The Estee Lauder Companies Inc.	13,816	1,615,608	2,202,611	
		17,972,424	21,852,844	18.62

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Health Care				
Abbott Laboratories	20,338	1,119,237	1,454,280	
Bayer AG	7,698	1,248,627	1,204,514	
Danaher Corp.	7,824	609,046	909,918	
Express Scripts Holding Co.	2,623	211,002	245,302	
Mettler-Toledo International Inc.	1,268	568,177	984,252	
Roche Holding AG	5,462	1,873,859	1,731,081	
Sonova Holding AG	3,778	641,171	739,308	
The Cooper Companies Inc.	1,879	408,773	512,951	
Thermo Fisher Scientific Inc.	8,985	1,482,548	2,137,613	
Waters Corp.	3,256	543,189	788,135	
Zoetis Inc.	13,894	925,653	1,254,102	
		9,631,282	11,961,456	10.19

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Financials				
Aon PLC	9,948	1,537,776	1,670,215	
Credicorp Ltd.	3,851	679,101	1,000,868	
HDFC Bank Ltd.	12,280	866,840	1,564,311	
Julius Baer Group Ltd.	11,568	546,743	886,448	
Moodys Corp.	9,382	1,313,175	1,735,174	
The Blackstone Group LP	34,259	1,226,788	1,374,446	
The Charles Schwab Corp.	9,170	379,145	590,216	
		6,549,568	8,821,678	7.52

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Information Technology				
Accenture PLC	15,624	1,909,023	2,996,890	
Alibaba Group Holding Ltd.	6,507	827,048	1,405,806	
Alphabet Inc., Class A	3,255	2,851,246	4,296,117	
Amphenol Corp., Class A	12,050	830,445	1,325,603	
Apple Inc.	6,953	1,021,247	1,474,285	
Baidu Inc.	3,490	846,322	1,024,148	
Cognizant Technology Solutions Corp.	17,814	1,241,230	1,585,163	
Dassault Systemes SE	4,261	377,618	567,932	
Electronic Arts Inc.	8,876	1,084,013	1,168,386	
Fidelity National Information Services Inc.	13,965	1,221,422	1,646,327	

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

Sun Life MFS Global Growth Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Fiserv Inc.	8,496	1,133,691	1,395,881	
MasterCard Inc., Class A	6,172	658,131	1,170,493	
Microsoft Corp.	25,402	2,360,190	2,722,507	
NHN Corp.	1,051	789,350	1,070,155	
Samsung Electronics Co., Ltd. Taiwan Semiconductor Manufacturing Co., Ltd., ADR	296	664,203	882,706	
Texas Instruments Inc.	47,116	1,427,815	2,340,687	
Visa Inc., Class A	15,394	1,304,915	2,014,421	
	11,843	975,854	1,691,900	
	21,523,763	30,779,407	26.23	
Total Equities	91,546,340	115,954,169	98.82	
Transaction Costs	(103,898)			
Total Investments	92,741,532	117,253,259	99.93	
Other Assets less Liabilities		78,257	0.07	
Total Net Assets		117,331,516	100.00	

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Global Growth Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which 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	1.11	-
Total	1.11	-

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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

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

Sun Life MFS Global Growth Fund (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	75,070,927	63.98	50,538,562	68.04
British Pound	14,160,137	12.07	8,535,023	11.49
Euro	10,514,824	8.96	5,934,056	7.99
Swiss Franc	7,900,680	6.73	5,155,591	6.94
Japanese Yen	4,315,039	3.68	1,702,354	2.29
Korean Won	1,952,861	1.66	1,177,330	1.59
Danish Krone	650,805	0.55	854,006	1.15
Indian Rupee	470,309	0.40	-	-
Brazilian Real	342,871	0.29	475,530	0.64
Hong Kong Dollar	-	-	357,532	0.48
Swedish Krona	-	-	2	-
Norwegian Krone	-	-	1	-
Total	115,378,453	98.32	74,729,987	100.61

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 Units of the Fund would have increased or decreased respectively by \$5,768,923 (\$3,736,499 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 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	1,299,090	-	-	1,299,090
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 Units of the Fund would have decreased or increased respectively by \$285 (\$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 its 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 Units of the Fund would have increased or decreased respectively by \$5,797,708 (\$3,683,743 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 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 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	0.7	0.9
Materials	7.2	8.2
Industrials	11.2	10.0
Consumer Discretionary	17.2	16.1
Consumer Staples	18.6	19.5
Health Care	10.2	14.9
Financials	7.5	7.3
Information Technology	26.2	22.3
Other Assets less Liabilities	0.1	0.8
Total	100.0	100.0

Fair Value Disclosure

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

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities	115,949,707	-	4,462	115,954,169
Short-Term Investments	-	1,299,090	-	1,299,090
	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities	73,670,010	-	4,849	73,674,859

There were no transfers between fair value levels 1 and 2 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 MFS Global Growth Fund (continued)

The following is a reconciliation of Level 3 fair value assets as at December 31, 2017 and December 31, 2016.

	December 31, 2017 (\$)	December 31, 2016 (\$)
Opening Balance	4,849	9,508
Net purchases and sales	(314)	(4,827)
Net transfers in (out)	-	-
Gains (Losses)		
Realized	27	178
Unrealized	(100)	(10)
Closing Balance	4,462	4,849

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the assets at cost or derive the prices indirectly from other observable market prices.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$58,262 (\$52,992 for the period ended December 31, 2016).

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 \$18,963 (\$19,470 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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	
	Units	Market Value (\$)
Series F	-	-

	December 31, 2016	
	Units	Market Value (\$)
Series F	628	10,253

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	-	-
Series F	15	12,032	-

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	9,527	1
Series F	9,527	-	197

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

Sun Life MFS Global Growth Fund (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	117,253,259	73,674,859
Total financial assets at fair value through profit or loss	117,253,259	73,674,859
Financial assets at amortized cost		
Cash	12,825	338,601
Other receivables	377,397	1,353,419
Total financial assets at amortized cost	390,222	1,692,020
Total assets	117,643,481	75,366,879
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	311,965	1,094,434
Total liabilities (excluding net assets attributable to holders of redeemable units)	311,965	1,094,434

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	19,812,191	2,402,977
Total net gains (losses)	19,812,191	2,402,977

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series T5 Units	August 24, 2011	September 01, 2011
Series T8 Units	August 24, 2011	September 01, 2011
Series D Units	September 10, 2010	November 01, 2012
Series F Units	September 10, 2010	October 01, 2010
Series I Units	September 10, 2010	October 01, 2010
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E and EF units were re-designated to Series A units, under the Front End Sales Charge option, and Series F units, 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 Total Return Fund

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)	531,931,998	411,301,782
Short-term investments	62,930,920	41,993,077
Cash	3,005,716	1,851,464
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	302,214	671,660
Unrealized appreciation on swaps	-	-
Due from investment dealers	229,478	783,573
Accrued interest	1,656,958	1,426,908
Dividends receivable	662,750	529,252
Distributions receivable from underlying funds	-	-
Subscriptions receivable	1,215,331	1,345,470
	601,935,365	459,903,186
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	1,134,408	843,474
Unrealized depreciation on swaps	-	-
Accrued expenses	28,817	82,641
Redemptions payable	72,281	154,442
Distributions payable	-	-
Due to investment dealers	3,687,435	2,243,831
Management fees payable	200,386	650,286
Total liabilities (excluding net assets attributable to holders of redeemable units)	5,123,327	3,974,674
Net Assets Attributable to Holders of Redeemable Units	596,812,038	455,928,512
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	325,777,287	275,418,337
Series T5	8,881,679	7,415,645
Series E	-	-
Series EF	-	-
Series F	85,240,161	55,765,343
Series I	127,525,798	78,345,182
Series O	49,387,113	38,984,005
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	16.44	15.56
Series T5	18.38	18.21
Series E	-	-
Series EF	-	-
Series F	17.19	16.25
Series I	18.14	17.15
Series O	12.72	11.99

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		
Dividend income	8,565,308	6,660,920
Interest income for distribution purposes	4,977,322	3,761,045
Distributions from underlying funds	-	-
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	8,552,526	3,258,874
Net realized gain (loss) on futures contracts	360	-
Net realized gain (loss) on currency forward contracts	4,557,881	718,116
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	21,603,348	2,893,218
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	(660,381)	3,990,025
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	47,596,364	21,282,198
Net gain (loss) on foreign exchange	(529,362)	(818,186)
Other income	-	-
Total income (loss)	47,067,002	20,464,012
Expenses (note 5)		
Management fees	7,579,833	5,879,617
Administration fees	998,975	743,896
Independent review committee fees	8,994	2,284
Withholding tax	1,003,319	815,518
Transaction costs (note 2)	174,545	192,719
Total operating expenses	9,765,666	7,634,034
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	37,301,336	12,829,978
Finance Cost		
Interest expense	(825)	(22)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	37,300,511	12,829,956
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	19,564,468	7,188,631
Series T5	515,212	168,797
Series E	-	(1,012,460)
Series EF	-	(105,348)
Series F	5,025,047	1,797,210
Series I	8,373,347	3,047,606
Series O	3,822,437	1,745,520
Weighted Average Number of Units Outstanding		
Series A	18,586,160	15,368,197
Series T5	428,265	314,667
Series E	-	3,021,323
Series EF	-	367,005
Series F	4,119,620	2,691,861
Series I	5,530,435	3,081,419
Series O	3,539,673	2,804,931

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

Sun Life MFS Global Total Return Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.05	0.47
Series T5	1.20	0.54
Series E	-	(0.34)
Series EF	-	(0.29)
Series F	1.22	0.67
Series I	1.51	0.99
Series O	1.08	0.62

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

For the periods ended December 31

	Series A		Series T5		Series E		Series EF	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 275,418,337	158,324,542	7,415,645	3,921,444	-	32,986,408	-	3,649,402
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 19,564,468	7,188,631	515,212	168,797	-	(1,012,460)	-	(105,348)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 114,554,540	151,721,961	4,393,094	4,551,640	-	2,719,800	-	-
Redemption of redeemable units	\$ (83,705,346)	(41,811,840)	(3,117,682)	(1,015,287)	-	(34,691,751)	-	(3,543,774)
Reinvestment of distributions to holders of redeemable units	\$ 3,556,523	478,501	130,445	92,011	-	588	-	268
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 34,405,717	110,388,622	1,405,857	3,628,364	-	(31,971,363)	-	(3,543,506)
Distributions to Holders of Redeemable Units								
From capital gains	\$ (3,553,834)	-	(98,212)	-	-	-	-	-
From net investment income	\$ (57,401)	(483,458)	(821)	(25,062)	-	(2,585)	-	(548)
Return of capital	\$ -	-	(356,002)	(277,898)	-	-	-	-
	\$ (3,611,235)	(483,458)	(455,035)	(302,960)	-	(2,585)	-	(548)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 50,358,950	117,093,795	1,466,034	3,494,201	-	(32,986,408)	-	(3,649,402)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 325,777,287	275,418,337	8,881,679	7,415,645	-	-	-	-
Redeemable Unit Transactions								
Balance - beginning of period	17,701,558	10,368,695	407,311	208,755	-	2,893,113	-	367,347
Units issued	7,071,821	10,039,128	237,394	249,024	-	243,478	-	-
Units issued on reinvestment of distributions	214,897	30,728	7,050	5,027	-	53	-	27
Units redeemed	(5,174,305)	(2,736,993)	(168,613)	(55,495)	-	(3,136,644)	-	(367,374)
Balance - end of period	19,813,971	17,701,558	483,142	407,311	-	-	-	-

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

Sun Life MFS Global Total Return Fund (continued)

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

For the periods ended December 31

	Series F		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 55,765,343	27,261,622	78,345,182	26,395,857	38,984,005	22,523,954	455,928,512	275,063,229
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 5,025,047	1,797,210	8,373,347	3,047,606	3,822,437	1,745,520	37,300,511	12,829,956
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 43,120,071	33,705,950	46,510,852	51,272,952	17,163,505	20,781,211	225,742,062	264,753,514
Redemption of redeemable units	\$ (18,363,402)	(6,884,378)	(5,703,582)	(2,371,233)	(10,567,421)	(6,063,280)	(121,457,433)	(96,381,543)
Reinvestment of distributions to holders of redeemable units	\$ 1,464,588	518,634	3,873,668	1,562,851	1,425,553	737,872	10,450,777	3,390,725
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 26,221,257	27,340,206	44,680,938	50,464,570	8,021,637	15,455,803	114,735,406	171,762,696
Distributions to Holders of Redeemable Units								
From capital gains	\$ (919,562)	-	(1,384,946)	-	(541,087)	-	(6,497,641)	-
From net investment income	\$ (851,924)	(633,695)	(2,488,723)	(1,562,851)	(899,879)	(741,272)	(4,298,748)	(3,449,471)
Return of capital	\$ -	-	-	-	-	-	(356,002)	(277,898)
	\$ (1,771,486)	(633,695)	(3,873,669)	(1,562,851)	(1,440,966)	(741,272)	(11,152,391)	(3,727,369)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 29,474,818	28,503,721	49,180,616	51,949,325	10,403,108	16,460,051	140,883,526	180,865,283
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 85,240,161	55,765,343	127,525,798	78,345,182	49,387,113	38,984,005	596,812,038	455,928,512
Redeemable Unit Transactions								
Balance - beginning of period	3,432,027	1,711,836	4,568,847	1,576,391	3,251,280	1,923,458	29,361,023	19,049,595
Units issued	2,529,336	2,118,540	2,568,963	3,041,536	1,362,565	1,772,208	13,770,079	17,463,914
Units issued on reinvestment of distributions	84,666	31,867	212,184	91,003	111,383	61,444	630,180	220,149
Units redeemed	(1,086,613)	(430,216)	(320,276)	(140,083)	(841,782)	(505,830)	(7,591,589)	(7,372,635)
Balance - end of period	4,959,416	3,432,027	7,029,718	4,568,847	3,883,446	3,251,280	36,169,693	29,361,023

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

Sun Life MFS Global Total Return Fund (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 units from operations (excluding distributions)	37,300,511	12,829,956
Adjustments for:		
Gain on short-term investments	(313,782)	(121,123)
Net realized (gain) loss on sale of investments	(8,552,526)	(3,258,874)
Change in unrealized (appreciation) depreciation in value of investments	(21,603,348)	(2,893,218)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	660,381	(3,990,025)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(249,762,686)	(278,454,208)
Proceeds from sale of investments	161,111,497	128,145,099
Purchases of short-term investments	(2,384,708,262)	(790,172,611)
Proceeds from sale of short-term investments	2,364,084,201	748,300,657
Change in dividends and interest receivable	(363,548)	(811,142)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(449,900)	562,153
Change in other payables and accrued expenses	120,721	264,487
Net Cash Provided by (Used in) Operating Activities	(102,476,741)	(189,598,849)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(701,614)	(336,644)
Proceeds from redeemable units issued	225,872,201	265,394,757
Redemption of redeemable units	(121,539,594)	(96,325,734)
Net Cash Provided by (Used in) Financing Activities	103,630,993	168,732,379
Net increase (decrease) in cash	1,154,252	(20,866,470)
Cash (bank indebtedness) at beginning of period	1,851,464	22,717,934
Cash (bank indebtedness) at end of period	3,005,716	1,851,464
Dividends received, net of withholding taxes	7,428,491	5,558,085
Interest received, net of withholding taxes	4,747,272	3,237,220
Interest paid	(825)	(22)

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

Sun Life MFS Global Total Return Fund (continued)

Schedule of Investments

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Treasury Bills						
Canadian Treasury Bill	0.983%	08-Jan-2018	12,000,000	11,991,600	11,991,600	
Canadian Treasury Bill	0.956%	04-Jan-2018	18,000,000	17,990,100	17,990,100	
Canadian Treasury Bill	0.999%	22-Feb-2018	33,000,000	32,949,220	32,949,220	
Total Short-Term Notes				62,930,920	62,930,920	10.54
BONDS						
Federal Bonds						
Australia Government Bond	5.750%	15-May-2021	1,837,000	2,021,958	2,007,888	
Australia Government Bond	2.750%	21-Nov-2027	817,000	795,588	807,176	
Australia Government Bond	3.750%	21-Apr-2037	153,000	155,683	164,208	
Austria Government Bond	1.750%	20-Oct-2023	289,000	458,458	478,398	
Belgium Government Bond	4.500%	28-Mar-2026	1,470,000	2,978,758	2,960,745	
Belgium Government Bond	4.000%	28-Mar-2032	258,000	498,583	545,047	
Bundesrepublik Deutschland	1.750%	15-Feb-2024	1,377,000	2,243,368	2,297,037	
Bundesrepublik Deutschland	6.250%	04-Jan-2030	480,000	1,211,809	1,197,509	
Bundesrepublik Deutschland	4.000%	04-Jan-2037	380,000	845,495	875,333	
Bundesrepublik Deutschland	2.500%	04-Jul-2044	26,000	51,492	50,923	
Canadian Government Bond	4.250%	01-Jun-2018	750,000	825,388	759,182	
Canadian Government Bond	2.500%	01-Jun-2024	1,558,000	1,654,385	1,610,058	
Canadian Government Bond	1.500%	01-Jun-2026	1,750,000	1,698,865	1,679,419	
Canadian Government Bond	1.000%	01-Jun-2027	1,200,000	1,104,720	1,093,610	
Canadian Government Bond	5.750%	01-Jun-2033	715,000	1,082,215	1,049,470	
Canadian Government Bond	4.000%	01-Jun-2041	369,000	520,879	483,955	
Commonwealth of Puerto Rico	6.000%	01-Jul-2027	20,000	25,854	24,030	
Denmark Government Bond	1.500%	15-Nov-2023	1,031,000	213,239	226,684	
Denmark Government Bond	1.750%	15-Nov-2025	3,350,000	742,282	758,490	
France Government Bond OAT	4.750%	25-Apr-2035	469,000	1,033,312	1,097,316	
France Government Bond OAT	4.500%	25-Apr-2041	508,000	1,223,659	1,221,352	
Hungary Government International Bond	5.375%	21-Feb-2023	566,000	862,179	790,150	
Indonesia Government International Bond	2.875%	08-Jul-2021	100,000	151,068	164,016	
Indonesia Government International Bond	2.150%	18-Jul-2024	131,000	192,944	207,135	
Ireland Government Bond	5.400%	13-Mar-2025	255,000	489,946	519,346	
Italy Buoni Poliennali Del Tesoro	3.750%	01-Mar-2021	2,029,000	3,214,700	3,388,026	
Italy Buoni Poliennali Del Tesoro	5.500%	01-Sep-2022	681,000	1,276,696	1,249,941	
Italy Buoni Poliennali Del Tesoro	5.500%	01-Sep-2022	956,000	1,808,244	1,754,690	
Italy Buoni Poliennali Del Tesoro	2.500%	01-Dec-2024	4,317,000	6,963,969	6,965,942	
Japan Government Forty Year Bond	2.000%	20-Mar-2052	38,700,000	497,832	573,775	
Japan Government Thirty Year Bond	2.400%	20-Mar-2037	230,600,000	3,417,904	3,437,793	
Japan Government Thirty Year Bond	1.800%	20-Mar-2043	185,350,000	2,639,976	2,581,572	
Japan Government Twenty Year Bond	2.200%	20-Sep-2027	397,600,000	5,371,172	5,348,758	
Japan Government Twenty Year Bond	1.700%	20-Sep-2032	306,200,000	4,378,387	4,100,457	
Japan Government Twenty Year Bond	1.500%	20-Mar-2034	421,650,000	5,511,926	5,524,329	
Kingdom of Belgium Government Bond	1.900%	22-Jun-2038	252,000	413,613	414,875	
Netherlands Government Bond	5.500%	15-Jan-2028	918,000	2,038,115	2,054,955	
Puerto Rico Electric Power Authority	5.000%	01-Jul-2022	95,000	122,095	118,360	
Spain Government Bond	5.400%	31-Jan-2023	1,268,000	2,308,008	2,385,632	
Spain Government Bond	2.750%	31-Oct-2024	500,000	838,965	848,968	
Spain Government Bond	5.150%	31-Oct-2028	358,000	670,001	722,399	
Spain Government Bond	4.700%	30-Jul-2041	339,000	718,598	700,329	
Sweden Government Bond	3.500%	01-Jun-2022	1,700,000	313,790	301,758	
United Kingdom Gilt	4.250%	07-Dec-2027	16,000	35,978	34,911	
United Kingdom Gilt	4.250%	07-Mar-2036	628,000	1,405,771	1,499,409	
United Kingdom Gilt	3.250%	22-Jan-2044	1,368,000	2,956,093	3,020,729	
United Kingdom Gilt	3.750%	22-Jul-2052	150,000	363,596	391,703	
United Kingdom Gilt	4.000%	22-Jan-2060	155,000	416,733	454,833	
United States Treasury Note	1.125%	15-Jun-2018	1,990,000	2,650,100	2,489,569	
United States Treasury Note	1.750%	30-Nov-2019	3,856,000	4,936,619	4,819,758	
United States Treasury Note	2.125%	31-Dec-2022	1,900,000	2,371,024	2,371,013	
United States Treasury Note	2.250%	15-Nov-2027	1,000,000	1,235,428	1,235,472	
United States Treasury Note	5.250%	15-Feb-2029	196,000	324,025	312,843	
United States Treasury Note	4.500%	15-Feb-2036	115,000	199,775	185,545	

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

Sun Life MFS Global Total Return Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
United States Treasury Note	4.500%	15-Aug-2039	1,659,000	2,814,247	2,715,986	
United States Treasury Note	3.625%	15-Feb-2044	2,906,000	4,384,688	4,256,777	
				89,680,195	89,329,584	14.97
Provincial Bonds						
Province of Alberta	4.500%	01-Dec-2040	75,000	87,614	93,619	
Province of British Columbia	2.300%	18-Jun-2026	110,000	107,449	108,258	
				195,063	201,877	0.03
Canadian Corporate Bonds						
Cameco Corp.	5.670%	02-Sep-2019	76,000	85,482	78,839	
Loblaw Companies Limited	4.860%	12-Sep-2023	76,000	84,444	83,328	
Schlumberger Finance Canada Ltd.	2.650%	20-Nov-2022	310,000	395,424	386,886	
Shaw Communications Inc.	5.650%	01-Oct-2019	76,000	86,382	80,371	
TELUS Corp.	5.050%	23-Jul-2020	77,000	86,531	82,135	
				738,263	711,559	0.12
Foreign Corporate Bonds						
ABN AMRO Bank NV	1.800%	04-Jun-2018	200,000	249,879	250,351	
ABN AMRO Bank NV	2.875%	18-Jan-2028	100,000	153,048	163,926	
AerCap Ireland Capital DAC / AerCap Global Aviation Trust	3.650%	21-Jul-2027	306,000	385,055	380,198	
Aetna Inc.	2.800%	15-Jun-2023	183,000	239,537	225,945	
Air Liquide Finance SA	2.250%	27-Sep-2023	400,000	519,573	486,654	
American International Group Inc.	1.875%	21-Jun-2027	100,000	150,158	154,050	
American Tower Corp.	4.700%	15-Mar-2022	200,000	268,860	268,506	
American Tower Corp.	4.000%	01-Jun-2025	475,000	605,327	617,663	
Anheuser-Busch InBev Finance Inc.	3.300%	01-Feb-2023	1,221,000	1,665,074	1,567,250	
Anheuser-Busch InBev Finance Inc.	4.700%	01-Feb-2036	211,000	298,356	296,516	
Anheuser-Busch InBev SA/NV	2.750%	17-Mar-2036	74,000	107,985	122,502	
Anheuser-Busch InBev Worldwide Inc.	5.375%	15-Jan-2020	350,000	514,102	465,423	
Apple Inc.	2.700%	13-May-2022	156,000	186,317	197,009	
Apple Inc.	4.500%	23-Feb-2036	374,000	534,707	538,165	
Apple Inc.	3.600%	31-Jul-2042	100,000	201,377	203,847	
Apple Inc.	4.250%	09-Feb-2047	61,000	79,204	85,150	
APT Pipelines Ltd.	5.000%	23-Mar-2035	198,000	270,892	271,399	
Arion Banki HF	2.500%	26-Apr-2019	300,000	430,879	465,554	
Asahi Group Holdings Ltd.	1.151%	19-Sep-2025	110,000	160,000	165,846	
AT&T Inc.	2.450%	30-Jun-2020	570,000	721,242	713,828	
AT&T Inc.	4.900%	14-Aug-2037	464,000	579,431	590,514	
AT&T Inc.	4.250%	01-Jun-2043	100,000	178,126	185,017	
AT&T Inc.	4.750%	15-May-2046	261,000	321,777	321,073	
AT&T Inc.	5.650%	15-Feb-2047	183,000	256,923	251,868	
Autostrade per l'Italia S.p.A	1.750%	26-Jun-2026	100,000	158,427	156,080	
Bank of America Corp.	2.625%	19-Apr-2021	882,000	1,151,405	1,111,258	
Bank of America Corp.	4.100%	24-Jul-2023	489,000	686,199	651,133	
Bank of America Corp.	3.248%	21-Oct-2027	450,000	590,527	560,194	
Bank of America NA	1.750%	05-Jun-2018	250,000	311,792	313,122	
Barclays Bank PLC	6.000%	14-Jan-2021	100,000	170,146	173,969	
Barclays Bank PLC	6.750%	16-Jan-2023	50,000	98,301	84,936	
Barclays PLC	3.125%	17-Jan-2024	200,000	320,242	355,102	
BAT International Finance PLC	0.875%	13-Oct-2023	100,000	134,049	151,356	
Baxter International Inc.	1.300%	30-May-2025	110,000	166,566	167,799	
Becton Dickinson and Co.	3.734%	15-Dec-2024	29,000	37,634	37,270	
Becton Dickinson and Co.	4.685%	15-Dec-2044	194,000	275,267	266,841	
Belfius Bank SA/NV	3.125%	11-May-2026	100,000	141,189	165,235	
Berkshire Hathaway Inc.	2.750%	15-Mar-2023	95,000	127,020	119,892	
Berkshire Hathaway Inc.	4.500%	11-Feb-2043	175,000	253,660	253,274	
Best Buy Co., Inc.	5.500%	15-Mar-2021	332,000	453,634	448,415	
Boston Gas Co.	3.150%	01-Aug-2027	239,000	298,600	298,858	
Boston Properties LP	3.125%	01-Sep-2023	50,000	63,777	63,219	
BP Capital Markets PLC	2.521%	15-Jan-2020	12,000	13,430	15,166	
BPCE SA	4.500%	15-Mar-2025	200,000	254,341	262,319	
BPCE SA	5.250%	16-Apr-2029	100,000	201,612	207,008	
BPRL International Singapore Pte. Ltd.	4.375%	18-Jan-2027	608,000	860,087	787,920	
Brambles Finance PLC	1.500%	04-Oct-2027	130,000	188,427	198,249	
British Telecommunications PLC	5.750%	07-Dec-2028	65,000	154,043	141,805	

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

Sun Life MFS Global Total Return Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
British Telecommunications PLC	3.125%	21-Nov-2031	100,000	166,755	174,076	
Broadcom Corp. / Broadcom Cayman Finance Ltd.	3.875%	15-Jan-2027	228,000	300,991	281,645	
BUPA Finance PLC	2.000%	05-Apr-2024	110,000	181,212	188,603	
CaixaBank SA	1.125%	12-Jan-2023	200,000	295,180	300,229	
Celgene Corp.	2.875%	15-Aug-2020	264,000	350,530	334,070	
Celgene Corp.	2.750%	15-Feb-2023	344,000	443,199	427,963	
Charter Communications Operating LLC	6.384%	23-Oct-2035	306,000	432,189	448,903	
Chorus Ltd.	1.125%	18-Oct-2023	100,000	146,474	151,672	
Chubb INA Holdings Inc.	2.300%	03-Nov-2020	235,000	310,352	294,093	
Chularat Hospital PCL	2.625%	15-Apr-2021	65,000	99,920	103,144	
Cie Financiere et Industrielle des Autoroutes SA	0.750%	09-Sep-2028	200,000	289,353	286,763	
Cisco Systems Inc.	2.200%	28-Feb-2021	151,000	206,254	188,680	
Citizens Bank NA/Providence RI	2.550%	13-May-2021	250,000	323,336	312,326	
CMS Energy Corp.	5.050%	15-Mar-2022	50,000	63,126	68,167	
CNA Financial Corp.	5.875%	15-Aug-2020	60,000	78,376	81,366	
CNPC General Capital Ltd.	3.400%	16-Apr-2023	628,000	873,893	796,638	
Coach Inc.	4.125%	15-Jul-2027	300,000	404,103	379,469	
Coca-Cola Enterprises Inc.	1.875%	18-Mar-2030	100,000	140,067	156,275	
Coca-Cola European Partners PLC	1.125%	26-May-2024	100,000	144,773	153,274	
Coca-Cola European Partners US LLC	1.875%	18-Mar-2030	100,000	138,206	156,275	
Comcast Corp.	2.750%	01-Mar-2023	311,000	431,224	391,811	
Corp Financiera de Desarrollo SA	4.750%	15-Jul-2025	555,000	781,201	741,975	
Credit Suisse AG	6.500%	08-Aug-2023	200,000	283,817	281,004	
Credit Suisse Group AG	1.250%	17-Jul-2025	135,000	196,696	205,224	
Crown Castle International Corp.	2.250%	01-Sep-2021	244,000	315,064	300,824	
Crown Castle International Corp.	4.450%	15-Feb-2026	350,000	467,481	461,174	
Danone SA	2.077%	02-Nov-2021	200,000	266,681	245,350	
Danone SA	2.589%	02-Nov-2023	373,000	497,360	456,375	
Delphi Automotive PLC	1.500%	10-Mar-2025	100,000	131,933	154,664	
Deutsche Annington Finance BV	2.125%	09-Jul-2022	30,000	43,891	48,361	
Deutsche Bank AG	1.875%	28-Feb-2020	200,000	327,710	341,780	
Deutsche Telekom International Finance BV	1.375%	30-Jan-2027	120,000	170,166	184,335	
Dominion Gas Holdings LLC	2.800%	15-Nov-2020	247,000	325,876	312,061	
Dominion Resources Inc.	2.500%	01-Dec-2019	50,000	56,488	62,772	
DS Smith PLC	1.375%	26-Jul-2024	210,000	304,064	317,562	
DTE Electric Co.	3.700%	15-Mar-2045	100,000	130,105	129,435	
Duke Energy Corp.	2.650%	01-Sep-2026	227,000	296,874	273,043	
Duke Energy Florida LLC	3.200%	15-Jan-2027	450,000	603,203	571,468	
E*TRADE Financial Corp.	2.950%	24-Aug-2022	194,000	247,244	241,279	
EDP Finance BV	4.125%	20-Jan-2021	100,000	154,268	168,635	
EDP Finance BV	1.875%	29-Sep-2023	110,000	155,167	176,272	
Emera US Finance LP	2.700%	15-Jun-2021	91,000	115,667	113,833	
Emera US Finance LP	3.550%	15-Jun-2026	104,000	131,955	130,911	
Empresa Nacional de Telecomunicaciones SA	4.750%	01-Aug-2026	572,000	766,431	751,035	
Empresa Nacional del Petroleo	4.375%	30-Oct-2024	562,000	772,453	737,771	
Enel Finance International NV	4.750%	25-May-2047	400,000	516,834	544,885	
Enersis Americas SA	4.000%	25-Oct-2026	638,000	873,947	815,990	
Enterprise Products Operating LLC	1.650%	07-May-2018	125,000	151,276	156,423	
Equifax Inc.	2.300%	01-Jun-2021	117,000	150,331	143,207	
Esselunga SpA	0.875%	25-Oct-2023	150,000	218,835	226,266	
Esselunga SpA	1.875%	25-Oct-2027	100,000	145,902	153,447	
Exelon Corp.	3.497%	01-Jun-2022	111,000	148,985	141,875	
FCA Capital Ireland PLC	1.250%	21-Jan-2021	200,000	287,464	309,617	
Ferrari NV	1.500%	16-Mar-2023	350,000	513,062	538,275	
Fidelity National Information Services Inc.	3.875%	05-Jun-2024	37,000	44,097	48,458	
Fidelity National Information Services Inc.	5.000%	15-Oct-2025	26,000	33,641	36,058	
Fidelity National Information Services Inc.	3.000%	15-Aug-2026	476,000	585,185	577,546	
Fomento Economico Mexicano SAB de CV	1.750%	20-Mar-2023	200,000	293,820	314,567	
G4S International Finance PLC	1.500%	09-Jan-2023	200,000	294,003	308,789	
G4S International Finance PLC	1.500%	02-Jun-2024	110,000	165,874	167,559	
General Motors Financial Co., Inc.	3.100%	15-Jan-2019	350,000	455,348	440,989	
General Motors Financial Co., Inc.	4.350%	17-Jan-2027	333,000	429,129	434,733	
Gilead Sciences Inc.	2.350%	01-Feb-2020	278,000	360,090	350,055	
Glencore Finance Europe SA	1.250%	17-Mar-2021	100,000	107,822	154,086	
Glencore Funding LLC	3.000%	27-Oct-2022	505,000	633,809	627,722	
Grand City Properties SA	1.375%	03-Aug-2026	300,000	424,451	450,140	

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

Sun Life MFS Global Total Return Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Heathrow Funding Ltd.	1.875%	12-Jul-2032	100,000	148,227	154,756	
Heathrow Funding Ltd.	4.625%	31-Oct-2046	100,000	238,818	221,271	
Hiscox Ltd.	6.125%	24-Nov-2045	100,000	202,716	198,373	
Home Depot Inc.	2.625%	01-Jun-2022	150,000	186,833	189,106	
HSBC Holdings PLC	4.375%	23-Nov-2026	200,000	268,518	262,102	
Huntington Ingalls Industries Inc.	3.483%	01-Dec-2027	140,000	178,296	175,193	
Imerys SA	1.500%	15-Jan-2027	100,000	138,220	152,770	
Imperial Brands Finance PLC	1.375%	27-Jan-2025	200,000	280,683	305,073	
ING Groep NV	0.750%	09-Mar-2022	100,000	140,314	152,642	
ING Groep NV	3.950%	29-Mar-2027	200,000	266,030	261,753	
ING Groep NV	1.375%	11-Jan-2028	100,000	151,820	149,746	
Intercontinental Exchange Inc.	2.750%	01-Dec-2020	68,000	90,122	86,270	
Intercontinental Exchange Inc.	4.000%	15-Oct-2023	350,000	466,631	468,399	
Intercontinental Exchange Inc.	3.750%	01-Dec-2025	112,000	148,577	148,007	
InterContinental Hotels Group PLC	3.750%	14-Aug-2025	200,000	386,788	371,220	
International Bank for Reconstruction & Development	2.800%	13-Jan-2021	155,000	153,765	153,524	
International Bank for Reconstruction & Development	4.250%	24-Jun-2025	30,000	32,696	31,997	
International Finance Corp.	3.250%	22-Jul-2019	45,000	45,543	44,871	
Intesa Sanpaolo SpA	5.250%	28-Jan-2022	50,000	108,637	96,424	
Islandsbanki HF	1.750%	07-Sep-2020	270,000	400,599	420,989	
ITV PLC	2.000%	01-Dec-2023	100,000	159,042	156,102	
Johnson Controls International PLC	1.375%	25-Feb-2025	100,000	142,688	153,740	
JPMorgan Chase & Co.	3.250%	23-Sep-2022	482,000	639,827	618,727	
JPMorgan Chase & Co.	2.950%	01-Oct-2026	709,000	920,493	873,560	
JPMorgan Chase & Co.	3.540%	01-May-2028	223,000	298,140	284,591	
JPMorgan Chase & Co.	4.260%	22-Feb-2048	230,000	301,323	312,721	
Kering	1.250%	10-May-2026	100,000	141,102	154,252	
Kraft Heinz Foods Co.	5.200%	15-Jul-2045	56,000	77,476	77,475	
Kraft Heinz Foods Co.	4.375%	01-Jun-2046	250,000	306,784	311,534	
Laboratory Corporation of America Holdings	3.200%	01-Feb-2022	279,000	356,912	356,743	
Laboratory Corporation of America Holdings	4.700%	01-Feb-2045	200,000	255,941	272,137	
Lear Corp.	3.800%	15-Sep-2027	124,000	156,172	155,813	
Liberty Mutual Group Inc.	4.250%	15-Jun-2023	129,000	178,925	170,522	
Liberty Mutual Group Inc.	2.750%	04-May-2026	100,000	141,731	164,349	
Life Technologies Corp.	6.000%	01-Mar-2020	210,000	295,681	281,754	
Life Technologies Corp.	5.000%	15-Jan-2021	68,000	94,776	90,199	
Lockheed Martin Corp.	3.550%	15-Jan-2026	100,000	132,658	130,324	
LYB International Finance II BV	1.875%	02-Mar-2022	250,000	381,266	395,070	
LyondellBasell Industries NV	5.000%	15-Apr-2019	128,000	177,499	164,705	
Marathon Petroleum Corp.	3.400%	15-Dec-2020	73,000	93,605	93,522	
Marathon Petroleum Corp.	3.625%	15-Sep-2024	142,000	163,150	181,706	
Marsh & McLennan Cos Inc.	3.500%	03-Jun-2024	50,000	56,399	64,819	
Marsh & McLennan Cos Inc.	4.350%	30-Jan-2047	93,000	122,107	129,621	
Martin Marietta Materials Inc.	4.250%	02-Jul-2024	35,000	45,348	46,191	
Martin Marietta Materials Inc.	3.450%	01-Jun-2027	101,000	137,067	124,990	
Martin Marietta Materials Inc.	3.500%	15-Dec-2027	172,000	219,026	214,345	
Merlin Properties Socimi SA	2.225%	25-Apr-2023	100,000	144,594	158,735	
Merlin Properties Socimi SA	1.750%	26-May-2025	110,000	165,760	167,087	
Merlin Properties Socimi SA	1.875%	02-Nov-2026	110,000	157,778	165,631	
Microsoft Corp.	4.100%	06-Feb-2037	425,000	596,874	595,731	
Mitsubishi UFJ Financial Group Inc.	0.872%	07-Sep-2024	110,000	163,964	164,869	
Mohawk Industries Inc.	2.000%	14-Jan-2022	100,000	138,353	158,969	
Morgan Stanley	2.200%	07-Dec-2018	84,000	104,470	105,392	
Morgan Stanley	2.500%	21-Apr-2021	239,000	305,989	299,094	
Morgan Stanley	5.500%	28-Jul-2021	50,000	63,894	68,582	
Morgan Stanley	0.051%	09-Nov-2021	150,000	220,420	226,221	
Morgan Stanley	3.125%	27-Jul-2026	709,000	881,351	877,176	
Morgan Stanley	2.625%	09-Mar-2027	110,000	179,164	191,251	
Morgan Stanley	3.950%	23-Apr-2027	58,000	70,482	73,939	
NBCUniversal Enterprise Inc.	1.974%	15-Apr-2019	300,000	387,075	375,273	
NBCUniversal Media LLC	5.150%	30-Apr-2020	219,000	319,987	292,442	
Neste Oyj	1.500%	07-Jun-2024	100,000	151,575	152,311	
NextEra Energy Capital Holdings Inc.	3.550%	01-May-2027	283,000	383,841	361,893	
NN Group NV	4.625%	08-Apr-2044	100,000	165,910	174,623	
Nordea Bank AB	1.000%	07-Sep-2026	110,000	159,429	167,087	
Nordic Investment Bank	4.750%	28-Feb-2024	80,000	88,242	86,921	

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

Sun Life MFS Global Total Return Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Northwell Healthcare Inc.	4.260%	01-Nov-2047	279,000	342,836	358,375	
ONEOK Inc.	4.950%	13-Jul-2047	410,000	515,369	536,547	
ONGC Videsh Vankorneft Pte Ltd.	3.750%	27-Jul-2026	595,000	786,573	744,533	
Oracle Corp.	3.400%	08-Jul-2024	100,000	132,356	130,031	
Parker-Hannifin Corp.	4.100%	01-Mar-2047	129,000	168,762	174,492	
PepsiCo Inc.	3.100%	17-Jul-2022	164,000	208,798	210,535	
Pertamina Persero PT	6.000%	03-May-2042	599,000	881,438	854,835	
Phillips 66	4.875%	15-Nov-2044	238,000	341,539	342,892	
PNC Bank NA	2.600%	21-Jul-2020	250,000	323,022	315,341	
PostNL NV	1.000%	21-Nov-2024	190,000	285,038	285,889	
PPL Capital Funding Inc.	3.100%	15-May-2026	214,000	273,934	262,908	
PPL Capital Funding Inc.	5.000%	15-Mar-2044	20,000	24,171	29,147	
PPL WEM Ltd.	5.375%	01-May-2021	200,000	287,019	268,754	
Priceline Group Inc.	3.550%	15-Mar-2028	138,000	175,186	171,638	
Progress Energy Inc.	7.050%	15-Mar-2019	50,000	74,978	66,155	
ProSiebenSat.1 Media AG	2.625%	15-Apr-2021	235,000	362,975	372,904	
RCI Banque SA	1.250%	08-Jun-2022	75,000	104,218	116,253	
RCI Banque SA	0.239%	04-Nov-2024	105,000	155,934	159,089	
Reckitt Benckiser Treasury Services PLC	3.625%	21-Sep-2023	400,000	516,644	518,105	
Reckitt Benckiser Treasury Services PLC	3.000%	26-Jun-2027	211,000	279,535	258,510	
RELX Finance BV	1.000%	22-Mar-2024	110,000	157,115	167,848	
Rentokil Initial PLC	0.950%	22-Nov-2024	190,000	283,483	282,359	
Republic Services Inc.	3.375%	15-Nov-2027	77,000	97,795	97,397	
Reynolds American Inc.	8.125%	23-Jun-2019	50,000	69,078	67,787	
Reynolds American Inc.	4.450%	12-Jun-2025	294,000	404,882	393,376	
Reynolds American Inc.	5.700%	15-Aug-2035	171,000	247,753	256,122	
RWE Finance BV	4.750%	31-Jan-2034	200,000	413,105	419,983	
Ryanair Ltd.	1.125%	10-Mar-2023	200,000	292,808	305,675	
Sabine Pass Liquefaction LLC	4.200%	15-Mar-2028	250,000	330,791	317,556	
SCA Hygiene AB	1.625%	30-Mar-2027	300,000	426,851	465,012	
Severn Trent Utilities Finance PLC	1.625%	04-Dec-2022	200,000	339,071	340,547	
Sky PLC	2.500%	15-Sep-2026	200,000	310,345	331,267	
Smiths Group PLC	2.000%	23-Feb-2027	200,000	305,796	312,114	
State Grid Overseas Investment 2016 Ltd.	2.750%	04-May-2022	302,000	408,867	375,442	
TD Ameritrade Holding Corp.	2.950%	01-Apr-2022	29,000	36,039	36,792	
TD Ameritrade Holding Corp.	3.300%	01-Apr-2027	211,000	284,058	267,084	
Tengizchevroil Finance Co International Ltd.	4.000%	15-Aug-2026	650,000	862,487	819,097	
The Goldman Sachs Group Inc.	2.625%	25-Apr-2021	422,000	544,575	528,793	
The Goldman Sachs Group Inc.	5.750%	24-Jan-2022	80,000	103,214	111,205	
The Goldman Sachs Group Inc.	3.625%	22-Jan-2023	331,000	449,150	428,916	
The Goldman Sachs Group Inc.	4.800%	08-Jul-2044	100,000	136,508	143,239	
The Home Depot Inc.	3.000%	01-Apr-2026	124,000	170,623	155,733	
The Priceline Group Inc.	1.800%	03-Mar-2027	300,000	401,777	459,934	
Thermo Fisher Scientific Inc.	3.000%	15-Apr-2023	114,000	148,130	143,886	
Thermo Fisher Scientific Inc.	2.950%	19-Sep-2026	97,000	127,901	118,322	
Thermo Fisher Scientific Inc.	3.200%	15-Aug-2027	600,000	756,683	746,643	
Transurban Finance Co Pty Ltd.	1.750%	29-Mar-2028	200,000	299,973	307,330	
Tyco Electronics Group SA	2.375%	17-Dec-2018	60,000	68,558	75,362	
Tyco Electronics Group SA	1.100%	01-Mar-2023	100,000	139,699	154,109	
UBS Group Funding Jersey Ltd.	1.500%	30-Nov-2024	200,000	283,674	313,002	
UBS Group Funding Switzerland AG	2.859%	15-Aug-2023	417,000	529,027	517,060	
UnitedHealth Group Inc.	2.700%	15-Jul-2020	164,000	212,613	207,934	
UnitedHealth Group Inc.	4.625%	15-Jul-2035	505,000	728,476	738,249	
Unum Group	4.000%	15-Mar-2024	60,000	69,853	78,392	
Valeo SA	1.625%	18-Mar-2026	100,000	149,716	157,584	
Verizon Communications Inc.	3.500%	01-Nov-2024	207,000	270,517	264,396	
Virginia Electric & Power Co.	3.500%	15-Mar-2027	350,000	470,370	454,265	
Visa Inc.	4.150%	14-Dec-2035	208,000	286,179	289,899	
Visa Inc.	4.300%	14-Dec-2045	200,000	280,731	285,874	
Volkswagen Bank GmbH	0.750%	15-Jun-2023	120,000	180,415	180,101	
Volkswagen International Finance NV	2.700%	31-Dec-2049	100,000	143,610	155,236	
Volkswagen Leasing GmbH	1.375%	20-Jan-2025	220,000	323,086	335,399	
Walgreens Boots Alliance Inc.	2.700%	18-Nov-2019	103,000	124,176	129,893	
Wells Fargo & Co.	3.300%	09-Sep-2024	50,000	56,183	63,676	
Wells Fargo & Co.	4.100%	03-Jun-2026	62,000	79,628	81,546	
WM Wrigley Jr Co.	3.375%	21-Oct-2020	100,000	126,819	128,368	

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

Sun Life MFS Global Total Return Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
XLIT Ltd.	3.250%	29-Jun-2047	200,000	293,059	304,441	
Zimmer Biomet Holdings Inc.	1.414%	13-Dec-2022	200,000	285,295	308,233	
Zimmer Holdings Inc.	2.000%	01-Apr-2018	100,000	124,962	125,348	
				71,137,369	70,813,930	11.87
Mortgage Backed						
A Voce CLO Ltd.	2.519%	15-Jul-2026	573,000	763,003	717,937	
Cent CLO 21 Ltd.	2.584%	27-Jul-2026	389,696	510,909	488,267	
Chesapeake Funding II LLC	2.627%	15-Mar-2028	200,000	168,423	159,756	
Comm Mortgage Trust 2015-LC19	3.183%	10-Feb-2048	200,000	260,554	254,083	
Comm Mortgage Trust 2015-LC21 A4	3.708%	10-Jul-2048	205,721	260,638	269,744	
CPS Auto Trust	2.110%	15-Mar-2021	246,000	336,044	306,867	
Dryden 34 Senior Loan Fund	2.519%	15-Oct-2026	331,317	442,375	415,122	
Fannie Mae Pool	4.260%	01-Dec-2019	50,000	60,644	56,905	
Fannie Mae Pool	2.770%	01-Mar-2022	50,000	57,836	56,461	
Fannie Mae Pool	4.500%	01-Jan-2040	423,000	80,967	78,186	
Fannie Mae Pool	4.500%	01-May-2040	569,000	666,805	623,361	
Fannie Mae Pool	5.000%	01-Aug-2040	738,000	213,603	196,915	
Fannie Mae Pool	4.000%	01-Sep-2040	108,000	22,948	22,313	
Fannie Mae Pool	4.000%	01-Sep-2040	193,000	39,112	36,530	
Fannie Mae Pool	4.000%	01-Nov-2040	1,425,000	405,467	388,352	
Fannie Mae Pool	4.000%	01-Dec-2040	1,400,000	531,123	507,873	
Fannie Mae Pool	4.500%	01-Feb-2041	700,000	203,598	193,153	
Fannie Mae Pool	4.500%	01-Feb-2041	63,453	17,030	15,691	
Fannie Mae Pool	4.000%	01-Feb-2041	1,200,000	464,224	444,541	
Fannie Mae Pool	4.500%	01-Apr-2041	282,064	94,333	90,445	
Fannie Mae Pool	4.000%	01-Jun-2041	41,000	39,017	35,968	
Fannie Mae Pool	4.000%	01-Nov-2041	32,573	15,672	13,969	
Fannie Mae Pool	4.000%	01-Jan-2042	144,656	55,968	51,650	
Fannie Mae Pool	4.000%	01-Jan-2042	73,000	29,528	27,863	
Fannie Mae Pool	5.000%	01-Mar-2042	583,000	269,532	254,680	
Fannie Mae Pool	4.000%	01-Dec-2042	21,000	13,017	12,054	
Fannie Mae Pool	4.500%	01-Jan-2043	500,000	328,272	311,517	
Fannie Mae Pool	4.500%	01-Jan-2043	371,000	357,393	327,981	
Fannie Mae Pool	4.000%	01-Jan-2043	31,000	34,990	32,930	
Fannie Mae Pool	4.000%	01-Jan-2043	45,000	42,310	40,184	
Fannie Mae Pool	4.000%	01-Jun-2043	28,821	26,026	24,747	
Fannie Mae Pool	4.000%	01-Jul-2043	27,142	15,530	15,086	
Fannie Mae Pool	4.500%	01-Sep-2043	550,000	336,213	308,613	
Fannie Mae Pool	4.000%	01-Jan-2044	25,000	28,645	26,940	
Fannie Mae Pool	4.500%	01-Apr-2044	400,000	293,297	280,615	
Fannie Mae Pool	4.000%	01-Apr-2044	20,000	21,593	20,493	
Fannie Mae Pool	4.500%	01-Jun-2044	1,000,000	833,076	796,123	
Fannie Mae Pool	4.000%	01-Nov-2044	55,020	35,764	33,166	
Fannie Mae Pool	4.000%	01-Feb-2045	95,406	61,666	62,207	
Fannie Mae Pool	3.500%	01-Mar-2045	57,472	50,587	47,385	
Fannie Mae Pool	3.500%	01-Jul-2046	239,000	294,566	279,918	
Fannie Mae Pool	3.500%	01-Dec-2046	128,000	162,592	153,111	
Fannie Mae Pool	3.500%	01-Jan-2047	35,533	44,965	42,343	
Fannie Mae Pool	3.500%	01-Jan-2047	67,981	86,186	81,160	
FHLMC Multifamily Structured Pass Through Certificates	1.883%	25-May-2019	125,000	157,509	156,336	
FHLMC Multifamily Structured Pass Through Certificates	2.637%	25-Jan-2023	150,000	189,295	189,690	
FHLMC Multifamily Structured Pass Through Certificates	3.300%	25-Apr-2023	249,675	331,812	325,592	
FHLMC Multifamily Structured Pass Through Certificates	3.458%	25-Aug-2023	249,675	334,880	327,906	
FHLMC Multifamily Structured Pass Through Certificates	2.673%	25-Mar-2026	600,000	783,993	747,000	
Flatiron CLO 2013-1 Ltd.	3.003%	17-Jan-2026	549,897	733,118	688,990	
Ford Credit Floorplan Master Owner Trust A	1.877%	15-Jan-2020	1,035,000	1,356,869	1,296,986	
Freddie Mac Gold Pool	4.500%	01-Dec-2039	1,085,000	166,040	158,158	
Freddie Mac Gold Pool	4.500%	01-Jul-2040	155,789	35,858	33,310	
Freddie Mac Gold Pool	4.000%	01-Jan-2041	35,000	23,389	22,346	
Freddie Mac Gold Pool	5.000%	01-Jul-2041	1,100,000	518,665	498,465	
Freddie Mac Gold Pool	4.500%	01-May-2042	450,000	388,268	365,538	
Freddie Mac Gold Pool	4.000%	01-Apr-2044	41,200	26,690	25,901	
Freddie Mac Gold Pool	3.500%	01-Sep-2045	244,760	233,580	215,963	
Freddie Mac Multifamily Structured Pass Through Certificates	3.064%	25-Aug-2024	792,666	1,052,452	1,018,929	
Freddie Mac Multifamily Structured Pass Through Certificates	3.243%	25-Apr-2027	685,000	905,551	886,255	

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

Sun Life MFS Global Total Return Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Freddie Mac Multifamily Structured Pass Through Certificates	3.117%	25-Jun-2027	268,817	351,901	344,386	
Freddie Mac Multifamily Structured Pass Through Certificates	3.194%	25-Jul-2027	793,000	1,004,761	1,019,925	
Freddie Mac Multifamily Structured Pass Through Certificates	3.244%	25-Aug-2027	717,000	921,484	927,356	
Freddie Mac Multifamily Structured Pass Through Certificates	3.187%	25-Sep-2027	329,000	431,695	423,610	
Freddie Mac Multifamily Structured Pass Through Certificates	3.286%	25-Nov-2027	494,000	655,167	640,791	
GS Mortgage Securities Corp. II	3.382%	10-May-2050	230,127	284,611	296,095	
JPMBB Commercial Mortgage Securities Trust 2014-C26	3.494%	15-Jan-2048	261,848	341,986	338,621	
Morgan Stanley Bank of America Merrill Lynch Trust 2015-C21	3.338%	15-Mar-2048	15,893	20,381	20,341	
Morgan Stanley Capital I Trust 2017-HI	3.530%	15-Jun-2050	142,705	197,573	185,222	
Octagon Investment Partners XVII Ltd.	2.817%	25-Oct-2025	717,612	979,969	899,128	
Small Business Administration Participation Certificates	2.220%	01-Mar-2033	25,000	16,331	19,501	
Wells Fargo	3.148%	15-May-2048	71,128	89,345	90,124	
Wells Fargo Commercial Mortgage Trust	3.540%	15-May-2048	230,334	284,135	298,825	
				21,893,349	21,064,495	3.53
Total Bonds				183,644,239	182,121,445	30.52

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
BP PLC	197,374	1,372,703	1,748,600	
Chevron Corp.	8,943	1,172,735	1,402,764	
China Petroleum & Chemical Corp.	984,000	925,217	903,701	
Exxon Mobil Corp.	29,593	3,198,623	3,101,236	
Galp Energia SGPS SA	51,595	960,975	1,189,621	
Lukoil PJSC	15,574	908,892	1,119,007	
Occidental Petroleum Corp.	11,582	1,080,106	1,068,925	
Phillips 66	15,328	1,712,914	1,942,599	
Schlumberger Ltd.	27,637	2,612,056	2,333,556	
Suncor Energy Inc.	30,273	1,130,006	1,397,099	
Valero Energy Corp.	13,107	1,083,036	1,509,378	
Williams Partners LP	15,691	832,212	762,413	
		16,989,475	18,478,899	3.10
Materials				
Akzo Nobel NV	12,407	1,422,090	1,363,041	
CF Industries Holdings Inc.	5,915	279,694	315,271	
Crown Holdings Inc.	6,013	388,285	423,785	
Givaudan SA	933	2,236,235	2,701,462	
LyondellBasell Industries NV	3,669	432,048	507,147	
Monsanto Co.	4,449	596,984	650,973	
Orica Ltd.	39,627	654,497	702,896	
PPG Industries Inc.	25,338	3,335,765	3,708,697	
PTT Global Chemical PCL	596,300	1,486,341	1,948,638	
Rio Tinto PLC	51,135	2,538,431	3,416,511	
The Sherwin-Williams Co.	3,703	1,367,667	1,902,443	
		14,738,037	17,640,864	2.95
Industrials				
3M Co.	12,814	2,645,790	3,778,919	
Air Canada	87,134	1,432,459	2,255,028	
Boeing Co.	4,381	1,373,071	1,618,805	
Bouygues SA	16,844	907,494	1,097,574	
Brambles Ltd.	124,839	1,328,474	1,231,972	
Bunzl PLC	42,465	1,448,511	1,491,313	
Canadian National Railway Co.	6,692	539,012	691,738	
Eaton Corp PLC	16,395	1,625,809	1,623,025	
Equifax Inc.	4,809	733,641	710,516	
Experian PLC	48,436	1,316,389	1,343,073	
Geberit AG	1,418	627,430	782,318	
Honeywell International Inc.	22,045	2,968,316	4,235,981	
Illinois Tool Works Inc.	8,575	1,161,221	1,792,636	
IMI PLC	27,310	521,490	617,021	
Legrand SA	14,826	1,067,571	1,431,831	

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

Sun Life MFS Global Total Return Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Lockheed Martin Corp.	10,278	2,825,188	4,134,406	
Schneider Electric SE	45,524	4,364,114	4,853,355	
Secom Co., Ltd.	19,800	1,951,360	1,873,451	
SGS SA	407	1,079,868	1,329,682	
Stanley Black & Decker Inc.	3,791	537,852	806,013	
Union Pacific Corp.	4,716	568,582	792,382	
United Parcel Service Inc., Class B	13,874	1,832,513	2,071,226	
United Technologies Corp.	10,389	1,362,758	1,660,558	
Yamato Holdings Co., Ltd.	35,200	930,699	887,750	
		35,149,612	43,110,573	7.22
Consumer Discretionary				
Aptiv PLC	10,551	824,921	1,121,437	
Cie Financiere Richemont SA	10,845	892,620	1,231,230	
Comcast Corp.	77,284	3,028,390	3,878,144	
Compass Group PLC	122,238	2,845,192	3,314,929	
Delphi Technologies PLC	3,517	159,435	231,215	
General Motors Co.	30,206	1,308,699	1,551,326	
Hyundai Motor Co.	1,332	218,416	243,194	
Hyundai Motor Co., Preferred Shares	3,165	392,219	377,832	
Johnson Controls International plc	52,866	2,697,936	2,524,336	
Magna International Inc.	31,496	1,971,764	2,243,775	
NIKE Inc.	6,398	483,077	501,422	
Omnicom Group Inc.	20,196	1,946,819	1,842,924	
Persimmon PLC	16,696	703,730	774,808	
RELX NV	46,933	1,098,235	1,353,280	
Sands China Ltd.	151,200	838,774	977,846	
The Gap Inc.	43,357	1,391,661	1,850,272	
Thomson Reuters Corp.	19,277	1,108,649	1,052,830	
Time Warner Inc.	5,279	530,897	605,009	
USS Co., Ltd.	27,700	602,450	735,107	
WPP PLC	103,726	2,346,159	2,357,569	
		25,390,043	28,768,485	4.82
Consumer Staples				
Altria Group Inc.	51,452	4,073,925	4,603,553	
Bakkafrost P/F	5,467	265,436	291,184	
British American Tobacco PLC	29,306	2,153,459	2,492,500	
Coty Inc.	25,397	792,202	632,920	
CVS Caremark Corp.	4,941	546,866	448,833	
Danone SA	18,051	1,683,556	1,899,719	
Essity AB	26,329	217,741	938,795	
General Mills Inc.	35,476	2,477,584	2,635,408	
Greggs PLC	12,703	271,275	301,212	
Heineken NV	23,771	2,468,758	3,108,978	
Henkel AG & Co., KGaA	17,215	2,487,398	2,858,116	
Japan Tobacco Inc.	107,700	4,763,227	4,349,532	
Kao Corp.	50,300	3,138,163	4,262,521	
Marine Harvest ASA	75,494	1,536,260	1,607,461	
Nestle SA	62,387	5,954,323	6,721,821	
Pernod Ricard SA	16,677	2,449,395	3,310,761	
Philip Morris International Inc.	64,896	8,027,543	8,590,516	
Reckitt Benckiser Group PLC	29,473	3,367,823	3,456,334	
Svenska Cellulosa AB SCA	31,282	357,684	404,751	
The JM Smucker Co.	5,353	937,357	833,279	
The Procter & Gamble Co.	33,370	3,617,837	3,841,572	
Tyson Foods Inc.	21,176	1,688,106	2,150,978	
Wesfarmers Ltd.	24,821	1,055,054	1,080,485	
		54,330,972	60,821,229	10.19
Health Care				
Abbott Laboratories	36,673	1,960,957	2,622,323	
Bayer AG	28,006	4,141,990	4,382,126	
Biogen Inc.	2,231	916,865	890,505	
Cigna Corp.	5,204	988,115	1,324,212	
Danaher Corp.	15,464	1,358,066	1,798,437	

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

Sun Life MFS Global Total Return Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Eli Lilly & Co.	25,006	2,605,780	2,646,227	
Hoya Corp.	11,300	733,636	707,348	
Johnson & Johnson	32,527	4,428,645	5,694,222	
McKesson Corp.	13,872	2,726,087	2,710,543	
Medtronic PLC	30,142	2,883,347	3,049,625	
Merck & Co., Inc.	10,137	751,583	714,691	
Novartis AG	34,760	3,786,012	3,682,611	
Pfizer Inc.	106,671	4,471,370	4,840,906	
Roche Holding AG	13,556	4,322,328	4,296,327	
Santen Pharmaceutical Co., Ltd.	78,500	1,314,912	1,546,282	
Thermo Fisher Scientific Inc.	4,196	864,601	998,267	
		38,254,294	41,904,652	7.02
Financials				
ACE Ltd.	10,843	1,699,648	1,985,275	
Agricultural Bank of China Ltd.	614,000	345,999	358,216	
American Express Co.	10,434	983,268	1,298,302	
Aon PLC	20,975	2,876,987	3,521,588	
Apollo Global Management LLC	15,224	612,955	638,434	
Athene Holding Ltd.	20,304	1,326,161	1,315,491	
Barclays Africa Group Ltd.	36,378	476,632	670,035	
BlackRock Inc.	4,056	1,852,551	2,610,645	
BNP Paribas SA	11,890	947,034	1,113,581	
China Construction Bank Corp.	2,130,000	2,214,898	2,458,031	
Citigroup Inc.	20,256	1,792,151	1,888,499	
Daiwa Securities Group Inc.	64,000	535,557	503,198	
DBS Group Holdings Ltd.	29,400	502,064	684,965	
Fairfax Financial Holdings Ltd.	2,265	1,427,943	1,516,055	
Hiscox Ltd.	27,528	527,402	683,068	
ING Groep NV	77,304	1,331,246	1,782,391	
JPMorgan Chase & Co.	45,504	3,777,737	6,097,075	
KBC Group NV	5,510	599,446	589,499	
Legal & General Group PLC	126,512	562,934	586,029	
MetLife Inc.	48,182	2,644,814	3,052,275	
Mitsubishi UFJ Financial Group Inc.	77,700	728,958	714,187	
Moodys Corp.	10,180	1,361,502	1,882,762	
Prudential Financial Inc.	9,571	1,015,142	1,378,832	
Royal Bank of Canada	13,189	1,195,369	1,349,273	
State Street Corp.	16,638	1,571,481	2,034,826	
Svenska Handelsbanken AB	157,297	2,718,899	2,700,807	
The Bank of New York Mellon Corp.	36,933	1,891,587	2,492,371	
The Goldman Sachs Group Inc.	6,271	1,422,963	2,001,704	
The PNC Financial Services Group Inc.	8,443	1,224,955	1,526,388	
The Travelers Cos Inc.	19,520	2,651,017	3,317,412	
TMX Group Ltd.	8,721	614,506	614,307	
U.S. Bancorp	42,874	2,384,607	2,878,250	
UBS Group AG	133,558	2,853,960	3,080,641	
Wells Fargo & Co.	56,413	3,577,278	4,288,298	
Zurich Financial Services AG	9,021	3,014,505	3,440,128	
		55,264,156	67,052,838	11.23
Real Estate				
CK Asset Holdings Ltd.	125,000	1,310,828	1,368,378	
Deutsche Wohnen AG	61,923	2,348,349	3,396,793	
Grand City Properties SA	24,247	706,281	716,838	
Medical Properties Trust Inc.	71,519	1,175,854	1,234,817	
Public Storage	2,070	578,632	542,061	
		6,119,944	7,258,887	1.22
Information Technology				
Accenture PLC	28,728	3,785,549	5,510,411	
Amadeus IT Holding SA	29,493	1,645,064	2,667,265	
Analog Devices Inc.	13,560	1,200,809	1,512,613	
Cadence Design Systems Inc.	21,212	692,353	1,111,469	
CGI Group Inc.	8,828	611,664	602,952	
Check Point Software Technologies Ltd.	10,312	1,317,047	1,338,808	

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

Sun Life MFS Global Total Return Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Cisco Systems Inc.	28,338	1,087,600	1,359,877	
DXC Technology Co.	21,781	2,284,325	2,589,857	
Fidelity National Information Services Inc.	10,668	1,030,838	1,257,646	
Fiserv Inc.	7,245	1,169,269	1,190,343	
Halma PLC	53,969	914,005	1,152,558	
Hirose Electric Co., Ltd.	5,935	948,914	1,087,214	
Hitachi Ltd.	102,000	931,536	995,969	
Hon Hai Precision Industry Co., Ltd.	248,400	857,716	995,656	
Intel Corp.	21,972	1,026,740	1,270,771	
International Business Machines Corp.	7,510	1,460,872	1,443,623	
Nomura Research Institute Ltd.	39,400	1,572,481	2,296,297	
Omron Corp.	20,000	923,178	1,494,858	
Samsung Electronics Co., Ltd.	701	1,179,309	2,090,462	
Spectris PLC	19,312	792,173	814,050	
Taiwan Semiconductor Manufacturing Co., Ltd., ADR	163,011	5,558,761	8,098,264	
Texas Instruments Inc.	35,021	2,672,262	4,582,761	
		33,662,465	45,463,724	7.62
Telecommunication Services				
KDDI Corp.	114,100	3,472,591	3,559,112	
Nippon Telegraph & Telephone Corp.	15,000	812,030	884,402	
SK Telecom Co., Ltd.	1,572	469,075	491,234	
TDC A/S	110,374	851,348	850,444	
Telefonica SA	32,427	492,556	396,397	
Verizon Communications Inc.	18,614	1,149,029	1,234,450	
Vodafone Group PLC	202,060	824,323	804,815	
		8,070,952	8,220,854	1.38
Utilities				
American Electric Power Co., Inc.	16,580	1,292,431	1,528,330	
Duke Energy Corp.	18,047	1,975,940	1,901,886	
Engie	88,055	1,935,772	1,899,119	
Exelon Corp.	53,173	2,308,496	2,625,605	
NextEra Energy Inc.	6,808	543,272	542,658	
SSE PLC	75,516	1,963,821	1,689,511	
Xcel Energy Inc.	14,971	826,042	902,439	
		10,845,774	11,089,548	1.86
Total Equities		298,815,724	349,810,553	58.61
Transaction Costs		(243,954)		
Total Investments		545,146,929	594,862,918	99.67
Currency Forward Contracts ⁽¹⁾			(832,194)	(0.14)
Other Assets less Liabilities			2,781,314	0.47
Total Net Assets			596,812,038	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Brown Brothers Harriman & Co.	NR	12-Jan-2018	CAD	864,950	EUR	(568,000)	9,791
Brown Brothers Harriman & Co.	NR	12-Jan-2018	CAD	313,659	USD	(246,000)	5,497
Brown Brothers Harriman & Co.	NR	12-Jan-2018	CAD	458,001	GBP	(269,000)	1,938
Goldman Sachs & Co.	A-2	12-Jan-2018	CAD	3,211,710	USD	(2,496,000)	84,978
Goldman Sachs & Co.	A-2	12-Jan-2018	CAD	643,242	NOK	(4,029,000)	25,910
Goldman Sachs & Co.	A-2	12-Jan-2018	CAD	957,896	USD	(753,000)	14,622
Goldman Sachs & Co.	A-2	12-Jan-2018	CAD	507,979	SEK	(3,251,000)	10,122
Goldman Sachs & Co.	A-2	12-Jan-2018	CAD	1,272,329	EUR	(845,000)	139
HSBC Bank	A-1	12-Jan-2018	EUR	432,000	CAD	(648,902)	1,495
JP Morgan	A-2	12-Jan-2018	CAD	21,130,306	JPY	(1,888,987,965)	109,771
JP Morgan	A-2	12-Jan-2018	USD	4,292,000	CAD	(5,353,065)	23,399

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

Sun Life MFS Global Total Return Fund (continued)

Schedule of Investments (continued)

⁽¹⁾ Currency Forward Contracts (continued)

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
JP Morgan	A-2	12-Jan-2018	CAD	2,953,438	AUD	(3,003,000)	11,117
JP Morgan	A-2	12-Jan-2018	GBP	122,000	CAD	(203,402)	3,435
							302,214
Brown Brothers Harriman & Co.	NR	12-Jan-2018	CAD	1,396,552	EUR	(928,000)	(599)
BNP Paribas	A-1	12-Jan-2018	CAD	42,104,121	EUR	(28,285,895)	(481,403)
Citibank	A-2	12-Jan-2018	CAD	42,449,623	USD	(33,992,059)	(131,281)
Goldman Sachs & Co.	A-2	12-Jan-2018	SEK	1,244,000	CAD	(193,751)	(3,245)
Goldman Sachs & Co.	A-2	12-Jan-2018	CAD	240,508	EUR	(162,000)	(3,389)
Goldman Sachs & Co.	A-2	12-Jan-2018	EUR	1,223,000	CAD	(1,855,053)	(13,756)
Goldman Sachs & Co.	A-2	12-Jan-2018	CAD	6,414,769	EUR	(4,325,000)	(96,673)
HSBC Bank	A-1	12-Jan-2018	JPY	6,482,000	CAD	(73,475)	(1,343)
JP Morgan	A-2	12-Jan-2018	CAD	466,758	AUD	(480,319)	(3,851)
JP Morgan	A-2	12-Jan-2018	CAD	1,007,817	DKK	(5,039,000)	(11,164)
JP Morgan	A-2	12-Jan-2018	NOK	4,065,000	CAD	(643,144)	(20,300)
JP Morgan	A-2	12-Jan-2018	CAD	9,738,189	GBP	(5,885,264)	(239,514)
Merrill Lynch	NR	12-Jan-2018	CAD	42,458,121	USD	(33,992,059)	(122,789)
UBS AG Warburg	A-1	19-Jan-2018	CAD	296,105	EUR	(200,000)	(5,101)
							(1,134,408)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Global Total Return Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

The Fund invests in financial assets, which 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	17.91	16.25
AA/Aa	2.48	3.74
A/A	7.07	7.67
BBB/Baa	11.07	11.22
BB/Ba	0.05	0.13
Not rated	3.10	2.45
Total	41.68	41.46

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 Total Return Fund (continued)

(b) Market risk

(i) Currency risk

The 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. However, the Fund also holds foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and reduce the current 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.

	Holdings Exposed to Currency Risk (\$CAD)		Holdings Exposed to Currency Risk (\$CAD)	
	Percentage of Net Assets (%)		Percentage of Net Assets (%)	
	December 31, 2017		December 31, 2016	
United States Dollar	203,342,897	34.07	156,848,141	34.40
Euro	38,323,072	6.42	28,664,716	6.29
Swiss Franc	27,389,565	4.59	19,335,075	4.24
Japanese Yen	26,713,866	4.48	18,780,076	4.12
British Pound	26,098,637	4.37	17,953,305	3.94
Hong Kong Dollar	6,066,173	1.02	3,439,192	0.75
Swedish Krona	4,044,237	0.68	4,480,777	0.98
Korean Won	3,202,723	0.54	2,415,748	0.53
Australian Dollar	2,923,246	0.49	3,618,563	0.79
Thai Baht	1,948,638	0.33	1,044,449	0.23
Norwegian Krone	1,904,159	0.32	1,585,141	0.35
New Taiwan Dollar	995,656	0.17	915,837	0.20
Danish Krone	823,141	0.14	620,905	0.14
Singapore Dollar	684,965	0.11	1,379,435	0.30
South African Rand	658,353	0.11	-	-
Brazilian Real	-	-	221,765	0.05
Total	345,119,328	57.84	261,303,125	57.31

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 Units of the Fund would have increased or decreased respectively by \$17,255,966 (\$13,065,156 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 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	67,205,667	36,070,718	141,775,980	245,052,365
December 31, 2016	42,787,670	31,797,184	113,778,978	188,363,832

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 Units of the Fund would have decreased or increased respectively by \$20,615,122 (\$17,457,458 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 its 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 Units of the Fund would have increased or decreased respectively by \$17,490,528 (\$13,246,551 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 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 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	10.5	9.2
Bonds		
Federal Bonds	15.0	16.1
Corporate Bonds	12.0	12.9
Mortgage Backed	3.5	3.1
Equities		
Energy	3.1	3.4
Materials	3.0	2.1
Industrials	7.2	6.8
Consumer Discretionary	4.8	4.6
Consumer Staples	10.2	11.2
Health Care	7.0	6.7
Financials	11.2	11.2
Real Estate	1.2	0.9
Information Technology	7.6	7.3
Telecommunication Services	1.4	2.2
Utilities	1.9	1.7
Other Assets less Liabilities	0.4	0.6
Total	100.0	100.0

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

Sun Life MFS Global Total Return Fund (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 (\$)	
Financial Assets				
Equities	349,481,751	328,802	-	349,810,553
Bonds	-	161,056,950	-	161,056,950
Mortgage Backed Short-Term Investments	-	16,835,125	4,229,370	21,064,495
Currency Forward Contracts	-	62,930,920	-	62,930,920
Currency Forward Contracts	-	302,214	-	302,214
Financial Liabilities				
Currency Forward Contracts	-	1,134,408	-	1,134,408

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	264,588,443	342,584	-	264,931,027
Bonds	-	132,150,421	-	132,150,421
Mortgage Backed Short-Term Investments	-	14,220,334	-	14,220,334
Currency Forward Contracts	-	41,993,077	-	41,993,077
Currency Forward Contracts	-	671,660	-	671,660
Financial Liabilities				
Currency Forward Contracts	-	843,474	-	843,474

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

The following is a reconciliation of Level 3 fair value assets as at December 31, 2017 and December 31, 2016.

	December 31, 2017 (\$)	December 31, 2016 (\$)
Opening Balance	-	237,868
Net purchases and sales	3,429,375	-
Net transfers in (out)	1,044,757	(237,868)
Gains (Losses) Realized	-	-
Unrealized	(244,762)	-
Closing Balance	4,229,370	-

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the assets at cost or derive the prices indirectly from other observable market prices.

Bonds and Mortgage Backed Securities

Bonds include primarily government and corporate bonds and mortgage backed securities, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. Bonds are classified as Level 2, when the inputs that are significant to valuation are generally observable. When one or more of the inputs that are significant to valuation become unobservable, Bonds are then classified as Level 3.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$174,545 (\$192,719 for the period ended December 31, 2016).

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 \$68,204 (\$73,961 for the period ended December 31, 2016).

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

Sun Life MFS Global Total Return Fund (continued)

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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	
	Units	Market Value (\$)
Series F	-	-

	December 31, 2016	
	Units	Market Value (\$)
Series F	643	10,456

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	-	-
Series F	15	11,193	-

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	9,814	1
Series F	9,814	-	143

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	302,214	671,660
Investments designated at FVTPL	594,862,918	453,294,859
Total financial assets at fair value through profit or loss	595,165,132	453,966,519
Financial assets at amortized cost		
Cash	3,005,716	1,851,464
Other receivables	3,764,517	4,085,203
Total financial assets at amortized cost	6,770,233	5,936,667
Total assets	601,935,365	459,903,186
Financial liabilities		
Derivative liabilities held for trading	1,134,408	843,474
Financial liabilities at amortized cost	3,988,919	3,131,200
Total liabilities (excluding net assets attributable to holders of redeemable units)	5,123,327	3,974,674

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	3,897,860	4,708,141
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	43,698,504	16,574,057
Total net gains (losses)	47,596,364	21,282,198

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

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

Sun Life MFS Global Total Return Fund (continued)

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
December 31, 2017				
Derivative assets - Forward Contracts	302,214	(266,727)	-	35,487
Total	302,214	(266,727)	-	35,487
Derivative liabilities - Forward Contracts	(1,134,408)	266,727	-	(867,681)
Total	(1,134,408)	266,727	-	(867,681)
December 31, 2016				
Derivative assets - Forward Contracts	671,660	(51,291)	-	620,369
Total	671,660	(51,291)	-	620,369
Derivative liabilities - Forward Contracts	(843,474)	51,291	-	(792,183)
Total	(843,474)	51,291	-	(792,183)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series T5 Units	August 24, 2011	September 01, 2011
Series F Units	September 10, 2010	October 01, 2010
Series I Units	September 10, 2010	October 01, 2010
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E and EF units were re-designated to Series A units, under the Front End Sales Charge option, and Series F units, 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 Value Fund

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)	424,666,510	251,177,837
Short-term investments	8,943,855	6,394,250
Cash	343,670	592,171
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	399,920	-
Accrued interest	3,255	1,568
Dividends receivable	669,297	386,155
Distributions receivable from underlying funds	-	-
Subscriptions receivable	410,964	516,855
	435,437,471	259,068,836
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	17,869	44,809
Redemptions payable	4,229,277	265,783
Distributions payable	-	-
Due to investment dealers	119,209	26,243
Management fees payable	114,135	341,481
Total liabilities (excluding net assets attributable to holders of redeemable units)	4,480,490	678,316
Net Assets Attributable to Holders of Redeemable Units	430,956,981	258,390,520
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	165,545,843	131,687,076
Series T5	1,510,685	1,110,626
Series T8	3,873,398	3,447,781
Series E	-	-
Series EF	-	-
Series F	81,297,927	54,304,150
Series I	165,125,377	57,519,441
Series O	13,603,751	10,321,446
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	23.22	20.91
Series T5	25.97	24.53
Series T8	21.65	21.07
Series E	-	-
Series EF	-	-
Series F	24.58	22.06
Series I	25.81	23.09
Series O	15.01	13.44

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		
Dividend income	9,510,770	5,685,288
Interest income for distribution purposes	55,846	95,122
Distributions from underlying funds	-	-
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	9,184,361	1,131,855
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	33,401,708	7,807,875
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	52,152,685	14,720,140
Net gain (loss) on foreign exchange	(240,261)	(236,809)
Other income	-	-
Total income (loss)	51,912,424	14,483,331
Expenses (note 5)		
Management fees	4,204,720	3,120,775
Administration fees	613,758	410,470
Independent review committee fees	5,066	1,349
Withholding tax	1,123,174	734,824
Transaction costs (note 2)	165,869	97,754
Total operating expenses	6,112,587	4,365,172
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	45,799,837	10,118,159
Finance Cost		
Interest expense	(142)	(2)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	45,799,695	10,118,157
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	15,459,161	4,529,731
Series T5	126,465	34,161
Series T8	337,856	137,740
Series E	-	(374,367)
Series EF	-	(83,416)
Series F	7,750,975	2,426,185
Series I	20,629,577	2,934,983
Series O	1,495,661	513,140
Weighted Average Number of Units Outstanding		
Series A	6,770,865	5,635,460
Series T5	48,075	39,957
Series T8	151,923	176,792
Series E	-	567,106
Series EF	-	159,072
Series F	2,947,113	2,070,968
Series I	6,097,038	2,045,209
Series O	845,378	734,741

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

Sun Life MFS Global Value Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	2.28	0.80
Series T5	2.63	0.85
Series T8	2.22	0.78
Series E	-	(0.66)
Series EF	-	(0.52)
Series F	2.63	1.17
Series I	3.38	1.44
Series O	1.77	0.70

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

For the periods ended December 31

	Series A		Series T5		Series T8		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 131,687,076	90,311,656	1,110,626	859,218	3,447,781	3,320,186	-	7,030,483
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 15,459,161	4,529,731	126,465	34,161	337,856	137,740	-	(374,367)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 60,450,073	56,234,437	836,387	390,878	1,919,042	1,142,719	-	436,193
Redemption of redeemable units	\$ (42,051,066)	(19,388,474)	(523,894)	(136,068)	(1,624,537)	(873,462)	-	(7,092,033)
Reinvestment of distributions to holders of redeemable units	\$ 17,983	49,704	20,572	13,488	50,334	37,649	-	250
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 18,416,990	36,895,667	333,065	268,298	344,839	306,906	-	(6,655,590)
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ (17,384)	(49,978)	-	-	-	-	-	(526)
Return of capital	\$ -	-	(59,471)	(51,051)	(257,078)	(317,051)	-	-
	\$ (17,384)	(49,978)	(59,471)	(51,051)	(257,078)	(317,051)	-	(526)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 33,858,767	41,375,420	400,059	251,408	425,617	127,595	-	(7,030,483)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 165,545,843	131,687,076	1,510,685	1,110,626	3,873,398	3,447,781	-	-
Redeemable Unit Transactions								
Balance - beginning of period	6,299,200	4,430,258	45,271	34,123	163,640	148,572	-	551,802
Units issued	2,715,441	2,833,682	32,635	16,192	88,477	54,449	-	35,390
Units issued on reinvestment of distributions	802	2,376	803	557	2,325	1,786	-	20
Units redeemed	(1,885,660)	(967,116)	(20,536)	(5,601)	(75,554)	(41,167)	-	(587,212)
Balance - end of period	7,129,783	6,299,200	58,173	45,271	178,888	163,640	-	-

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

Sun Life MFS Global Value Fund (continued)

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

For the periods ended December 31

	Series EF		Series F		Series I		Series O	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ -	1,617,407	54,304,150	31,159,300	57,519,441	36,891,465	10,321,446	9,233,804
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ -	(83,416)	7,750,975	2,426,185	20,629,577	2,934,983	1,495,661	513,140
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ -	-	41,450,268	31,521,553	118,768,158	26,039,876	4,073,191	3,992,652
Redemption of redeemable units	\$ -	(1,533,821)	(22,107,555)	(10,714,373)	(31,791,800)	(8,346,883)	(2,286,547)	(3,415,875)
Reinvestment of distributions to holders of redeemable units	\$ -	148	575,655	472,526	2,988,676	1,132,432	221,510	186,607
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ -	(1,533,673)	19,918,368	21,279,706	89,965,034	18,825,425	2,008,154	763,384
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ -	(318)	(675,566)	(561,041)	(2,988,675)	(1,132,432)	(193,622)	(184,531)
Return of capital	\$ -	-	-	-	-	-	(27,888)	(4,351)
	\$ -	(318)	(675,566)	(561,041)	(2,988,675)	(1,132,432)	(221,510)	(188,882)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ -	(1,617,407)	26,993,777	23,144,850	107,605,936	20,627,976	3,282,305	1,087,642
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ -	-	81,297,927	54,304,150	165,125,377	57,519,441	13,603,751	10,321,446
Redeemable Unit Transactions								
Balance - beginning of period	-	159,069	2,461,245	1,450,151	2,490,956	1,645,669	768,115	707,782
Units issued	-	-	1,743,409	1,495,300	5,069,797	1,172,369	283,201	314,852
Units issued on reinvestment of distributions	-	15	23,158	21,275	114,308	48,683	14,563	13,785
Units redeemed	-	(159,084)	(920,403)	(505,481)	(1,277,454)	(375,765)	(159,860)	(268,304)
Balance - end of period	-	-	3,307,409	2,461,245	6,397,607	2,490,956	906,019	768,115

	Total	
	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 258,390,520	180,423,519
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 45,799,695	10,118,157
Redeemable Unit Transactions		
Proceeds from redeemable units issued	\$ 227,497,119	119,758,308
Redemption of redeemable units	\$ (100,385,399)	(51,500,989)
Reinvestment of distributions to holders of redeemable units	\$ 3,874,730	1,892,804
Capitalized distributions	\$ -	-
	\$ 130,986,450	70,150,123
Distributions to Holders of Redeemable Units		
From capital gains	\$ -	-
From net investment income	\$ (3,875,247)	(1,928,826)
Return of capital	\$ (344,437)	(372,453)
	\$ (4,219,684)	(2,301,279)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 172,566,461	77,967,001
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 430,956,981	258,390,520
Redeemable Unit Transactions		
Balance - beginning of period	12,228,427	9,127,426
Units issued	9,932,960	5,922,234
Units issued on reinvestment of distributions	155,959	88,497
Units redeemed	(4,339,467)	(2,909,730)
Balance - end of period	17,977,879	12,228,427

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

Sun Life MFS Global Value Fund (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 units from operations (excluding distributions)	45,799,695	10,118,157
Adjustments for:		
Gain on short-term investments	(49,418)	(15,524)
Net realized (gain) loss on sale of investments	(9,184,361)	(1,131,855)
Change in unrealized (appreciation) depreciation in value of investments	(33,401,708)	(7,807,875)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(184,547,228)	(96,500,576)
Proceeds from sale of investments	53,171,801	29,890,569
Purchases of short-term investments	(704,602,518)	(391,182,692)
Proceeds from sale of short-term investments	702,102,331	384,803,966
Change in dividends and interest receivable	(284,829)	(128,712)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(227,346)	291,885
Change in other payables and accrued expenses	138,929	136,292
Net Cash Provided by (Used in) Operating Activities	(131,084,652)	(71,526,365)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(344,954)	(408,475)
Proceeds from redeemable units issued	227,603,010	119,819,130
Redemption of redeemable units	(96,421,905)	(51,310,973)
Net Cash Provided by (Used in) Financing Activities	130,836,151	68,099,682
Net increase (decrease) in cash	(248,501)	(3,426,683)
Cash (bank indebtedness) at beginning of period	592,171	4,018,854
Cash (bank indebtedness) at end of period	343,670	592,171
Dividends received, net of withholding taxes	8,104,454	4,823,320
Interest received, net of withholding taxes	54,159	93,554
Interest paid	(142)	(2)

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

Sun Life MFS Global Value Fund (continued)

Schedule of Investments

As at December 31, 2017

	Yield	Maturity Date	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Treasury Bills						
Canadian Treasury Bill	0.945%	04-Jan-2018	3,500,000	3,498,186	3,498,185	
Canadian Treasury Bill	0.983%	08-Jan-2018	4,000,000	3,997,200	3,997,200	
Canadian Treasury Bill	0.999%	22-Feb-2018	1,000,000	998,470	998,470	
				8,493,856	8,493,855	1.97
Term Deposit Receipts						
National Bank of Canada	0.950%	02-Jan-2018	450,000	450,000	450,000	
				450,000	450,000	0.10
Total Short-Term Notes				8,943,856	8,943,855	2.07

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Chevron Corp.	14,169	1,886,600	2,222,494	
Exxon Mobil Corp.	31,057	3,308,188	3,254,659	
Occidental Petroleum Corp.	22,235	2,069,455	2,052,110	
Schlumberger Ltd.	50,704	4,912,819	4,281,239	
Suncor Energy Inc.	55,510	2,122,228	2,561,787	
		14,299,290	14,372,289	3.33
Materials				
Akzo Nobel NV	22,592	2,590,349	2,481,973	
Crown Holdings Inc.	11,845	771,307	834,813	
Givaudan SA	1,690	3,954,443	4,893,324	
Monsanto Co.	8,588	1,176,477	1,256,586	
Orica Ltd.	75,461	1,300,957	1,338,512	
PPG Industries Inc.	45,867	5,957,228	6,713,506	
The Sherwin-Williams Co.	6,822	2,501,576	3,504,853	
		18,252,337	21,023,567	4.88
Industrials				
3M Co.	23,368	4,776,812	6,891,353	
Brambles Ltd.	229,748	2,415,425	2,267,265	
Bunzl PLC	66,068	2,167,458	2,320,219	
Canadian National Railway Co.	12,767	1,017,887	1,319,698	
Equifax Inc.	8,881	1,345,588	1,312,143	
Experian PLC	88,786	2,421,504	2,461,930	
Geberit AG	2,355	1,021,817	1,299,266	
Honeywell International Inc.	41,808	5,631,897	8,033,473	
Illinois Tool Works Inc.	16,056	2,240,584	3,356,567	
IMI PLC	50,201	996,491	1,134,202	
Legrand SA	25,537	1,799,708	2,466,253	
Lockheed Martin Corp.	17,788	4,682,094	7,155,362	
Schneider Electric SE	26,234	2,175,908	2,796,830	
Secom Co., Ltd.	36,000	3,521,937	3,406,274	
SGS SA	779	2,057,590	2,545,018	
Stanley Black & Decker Inc.	6,224	844,244	1,323,298	
Union Pacific Corp.	8,926	1,128,281	1,499,745	
United Parcel Service Inc., Class B	25,496	3,428,789	3,806,255	
United Technologies Corp.	17,342	2,277,069	2,771,913	
Yamato Holdings Co., Ltd.	88,400	2,323,991	2,229,462	
		48,275,074	60,396,526	14.02
Consumer Discretionary				
Aptiv PLC	19,770	1,535,905	2,101,299	
Cie Financiere Richemont SA	20,092	1,734,538	2,281,039	
Comcast Corp.	140,962	5,671,511	7,073,533	
Compass Group PLC	218,727	5,045,944	5,931,580	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Delphi Technologies PLC	6,590	296,848	433,240	
Johnson Controls International plc	98,164	5,113,788	4,687,303	
NIKE Inc.	11,598	875,571	908,955	
Omnicom Group Inc.	37,931	3,743,655	3,461,277	
RELX NV	88,087	2,017,226	2,539,926	
Thomson Reuters Corp.	35,387	2,034,111	1,932,691	
Time Warner Inc.	9,475	997,205	1,085,900	
USS Co., Ltd.	39,800	783,950	1,056,219	
WPP PLC	189,492	4,288,010	4,306,928	
		34,138,262	37,799,890	8.77
Consumer Staples				
British American Tobacco PLC	58,818	4,314,396	5,002,521	
Coty Inc.	47,755	1,424,644	1,190,105	
CVS Caremark Corp.	9,055	965,158	822,542	
Danone SA	30,959	2,738,173	3,258,180	
General Mills Inc.	64,756	4,463,508	4,810,534	
Heineken NV	46,653	4,625,599	6,101,684	
Henkel AG & Co., KGaA	34,157	4,965,460	5,670,907	
Japan Tobacco Inc.	75,200	3,227,048	3,036,999	
Kao Corp.	84,300	4,987,905	7,143,748	
Nestle SA	105,863	9,971,810	11,406,096	
Pernod Ricard SA	31,610	4,643,082	6,275,298	
Philip Morris International Inc.	67,096	7,886,669	8,881,738	
Reckitt Benckiser Group PLC	53,657	5,971,965	6,292,420	
The JM Smucker Co.	9,681	1,708,863	1,507,001	
The Procter & Gamble Co.	24,598	2,551,714	2,831,735	
		64,445,994	74,231,508	17.22
Health Care				
Abbott Laboratories	67,758	3,530,154	4,845,072	
Bayer AG	24,666	3,700,109	3,859,513	
Cigna Corp.	9,782	1,863,073	2,489,132	
Danaher Corp.	28,376	2,534,154	3,300,081	
Hoya Corp.	20,700	1,343,889	1,295,761	
Johnson & Johnson	63,541	8,455,656	11,123,576	
Medtronic PLC	54,978	5,149,068	5,562,414	
Pfizer Inc.	120,417	4,803,499	5,464,722	
Roche Holding AG	11,589	3,605,276	3,672,922	
Santen Pharmaceutical Co., Ltd.	125,600	2,003,020	2,474,052	
Thermo Fisher Scientific Inc.	7,751	1,554,605	1,844,033	
		38,542,503	45,931,278	10.66
Financials				
ACE Ltd.	19,628	3,105,416	3,593,745	
American Express Co.	19,775	1,912,133	2,460,601	

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

Sun Life MFS Global Value Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Aon PLC	38,200	5,230,546	6,413,572	
BlackRock Inc.	7,396	3,397,665	4,760,436	
Citigroup Inc.	36,961	3,266,207	3,445,933	
Daiwa Securities Group Inc.	111,000	934,022	872,733	
Fairfax Financial Holdings Ltd.	4,168	2,565,995	2,789,809	
Hiscox Ltd.	37,423	608,552	928,598	
ING Groep NV	154,727	2,700,002	3,567,525	
JPMorgan Chase & Co.	85,829	7,505,977	11,500,217	
KBC Group NV	10,076	1,096,192	1,078,001	
MetLife Inc.	47,986	2,665,171	3,039,859	
Mitsubishi UFJ Financial Group Inc.	142,400	1,335,954	1,308,883	
Moodys Corp.	18,583	2,461,282	3,436,872	
State Street Corp.	26,422	2,369,123	3,231,408	
Svenska Handelsbanken AB	293,946	5,242,144	5,047,086	
The Bank of New York Mellon Corp.	64,795	3,270,336	4,372,599	
The Goldman Sachs Group Inc.	11,790	2,865,450	3,763,369	
The PNC Financial Services Group Inc.	15,364	2,287,316	2,777,617	
The Travelers Cos., Inc.	37,986	5,159,126	6,455,697	
TMX Group Ltd.	15,875	1,118,635	1,118,235	
U.S. Bancorp.	81,235	4,724,907	5,453,530	
UBS Group AG	242,724	5,246,956	5,598,658	
Wells Fargo & Co.	106,572	6,891,335	8,101,192	
	77,960,442	95,116,175	22.07	
Real Estate				
Deutsche Wohnen AG	112,426	4,137,688	6,167,141	
Grand City Properties SA	44,281	1,289,894	1,309,123	
Public Storage	3,727	1,045,550	975,972	
	6,473,132	8,452,236	1.96	
Utilities				
Duke Energy Corp.	32,931	3,603,689	3,470,439	
	3,603,689	3,470,439	0.81	
Information Technology				
Accenture PLC	54,489	7,212,534	10,451,714	
Amadeus IT Holding SA	54,409	2,994,210	4,920,598	
Analog Devices Inc.	24,794	2,262,867	2,765,762	
Cadence Design Systems Inc.	38,778	1,254,922	2,031,895	
CGI Group Inc.	16,113	1,116,418	1,100,518	
Fidelity National Information Services Inc.	19,506	1,912,030	2,299,553	
Fiserv Inc.	13,253	2,138,598	2,177,449	
Halma PLC	72,523	1,008,760	1,548,796	
Hirose Electric Co., Ltd.	11,144	1,801,953	2,041,434	
International Business Machines Corp.	13,532	2,777,424	2,601,212	
Nomura Research Institute Ltd.	78,200	3,052,552	4,557,626	
Omron Corp.	37,400	1,785,549	2,795,384	
Spectris PLC	27,563	1,108,981	1,161,851	
Taiwan Semiconductor Manufacturing Co., Ltd., ADR	135,679	4,401,817	6,740,430	
Texas Instruments Inc.	63,925	5,120,398	8,365,067	
	39,949,013	55,559,289	12.90	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Telecommunication Services				
KDDI Corp.	195,400	5,791,226	6,095,097	
Verizon Communications Inc.	33,448	2,053,859	2,218,216	
	7,845,085	8,313,313	1.93	
Total Equities	353,784,821	424,666,510	98.55	
Transaction Costs		(261,795)		
Total Investments	362,466,882	433,610,365	100.62	
Other Assets less Liabilities		(2,653,384)	(0.62)	
Total Net Assets		430,956,981	100.00	

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Global Value Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which 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	1.97	1.78
AA/Aa	0.10	0.70
Total	2.07	2.48

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 Value Fund (continued)

(b) Market risk

(i) Currency risk

The 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates 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	255,419,916	59.27	154,957,427	59.97
Euro	52,579,639	12.20	28,228,872	10.92
Japanese Yen	38,406,476	8.91	24,844,015	9.61
Swiss Franc	31,830,572	7.39	17,279,478	6.69
British Pound	31,155,206	7.23	14,003,891	5.42
Swedish Krona	5,047,086	1.17	3,829,282	1.48
Australian Dollar	3,617,985	0.84	3,598,737	1.39
Danish Krone	1,145	-	616,415	0.24
Norwegian Krone	-	-	167,962	0.07
Hong Kong Dollar	-	-	1,078	-
Total	418,058,025	97.01	247,527,157	95.79

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 Units of the Fund would have increased or decreased respectively by \$20,902,901 (\$12,376,358 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 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	8,943,855	-	-	8,943,855
December 31, 2016	6,394,250	-	-	6,394,250

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 Units of the Fund would have decreased or increased respectively by \$2,734 (\$8,707 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 its 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 Units of the Fund would have increased or decreased respectively by \$21,233,326 (\$12,558,892 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 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 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	2.0	1.8
Term Deposit Receipts	0.1	0.7
Equities		
Energy	3.3	3.7
Materials	4.9	3.5
Industrials	14.0	14.2
Consumer Discretionary	8.8	7.8
Consumer Staples	17.2	18.9
Health Care	10.7	10.3
Financials	22.1	21.0
Real Estate	1.9	1.6
Utilities	0.8	-
Information Technology	12.9	13.0
Telecommunication Services	1.9	3.2
Other Assets less Liabilities	(0.6)	0.3
Total	100.0	100.0

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

Sun Life MFS Global Value Fund (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 (\$)	
Equities	424,666,510	-	-	424,666,510
Short-Term Investments	-	8,943,855	-	8,943,855

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities	251,177,837	-	-	251,177,837
Short-Term Investments	-	6,394,250	-	6,394,250

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$165,869 (\$97,754 for the period ended December 31, 2016).

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 \$75,988 (\$42,656 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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	433,610,365	257,572,087
Total financial assets at fair value through profit or loss	433,610,365	257,572,087
Financial assets at amortized cost		
Cash	343,670	592,171
Other receivables	1,483,436	904,578
Total financial assets at amortized cost	1,827,106	1,496,749
Total assets	435,437,471	259,068,836
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	4,480,490	678,316
Total liabilities (excluding net assets attributable to holders of redeemable units)	4,480,490	678,316

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	52,152,685	14,720,140
Total net gains (losses)	52,152,685	14,720,140

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series T5 Units	August 24, 2011	September 01, 2011
Series T8 Units	August 24, 2011	September 01, 2011
Series F Units	September 10, 2010	October 01, 2010
Series I Units	September 10, 2010	October 01, 2010
Series O Units	April 01, 2014	April 01, 2014

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

Sun Life MFS Global Value Fund (continued)

Effective February 5, 2016, all Series E and EF units were re-designated to Series A units, under the Front End Sales Charge option, and Series F units, 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 Fund

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)	592,936,231	295,551,496
Short-term investments	7,243,210	2,800,000
Cash	515,415	247,409
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	71,410
Accrued interest	3,167	35
Dividends receivable	1,126,472	572,703
Distributions receivable from underlying funds	-	-
Subscriptions receivable	858,327	849,064
	602,682,822	300,092,117
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	9,071	16,422
Redemptions payable	97,124	107,893
Distributions payable	-	310
Due to investment dealers	481,859	422,277
Management fees payable	7,976	19,018
Total liabilities (excluding net assets attributable to holders of redeemable units)	596,030	565,920
Net Assets Attributable to Holders of Redeemable Units	602,086,792	299,526,197
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	10,714,336	6,155,784
Series T5	128,786	42,031
Series T8	312,834	25,696
Series D	3,464,343	2,865,022
Series E	-	-
Series EF	-	-
Series F	3,764,859	2,469,302
Series I	582,081,443	287,094,499
Series O	1,620,191	873,863
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	16.38	13.51
Series T5	19.80	17.01
Series T8	16.46	14.57
Series D	16.73	13.70
Series E	-	-
Series EF	-	-
Series F	17.43	14.31
Series I	18.08	14.81
Series O	13.28	10.88

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		
Dividend income	10,879,917	6,552,925
Interest income for distribution purposes	39,335	9,771
Distributions from underlying funds	-	-
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	23,935,375	6,418,559
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	73,629,414	(12,472,408)
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	108,484,041	508,847
Net gain (loss) on foreign exchange	(769,513)	(484,656)
Other income	-	-
Total income (loss)	107,714,528	24,191
Expenses (note 5)		
Management fees	245,376	195,482
Administration fees	337,030	176,537
Independent review committee fees	325	1,740
Withholding tax	1,068,022	548,310
Transaction costs (note 2)	727,546	304,659
Total operating expenses	2,378,299	1,226,728
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	105,336,229	(1,202,537)
Finance Cost		
Interest expense	(307)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	105,335,922	(1,202,537)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	1,454,559	(111,543)
Series T5	10,981	(1,575)
Series T8	4,515	(1,901)
Series D	662,018	(82,103)
Series E	-	(23,447)
Series EF	-	(660)
Series F	593,741	(46,931)
Series I	102,373,876	(938,393)
Series O	236,232	4,016
Weighted Average Number of Units Outstanding		
Series A	502,377	423,785
Series T5	3,025	2,738
Series T8	3,258	3,403
Series D	208,143	210,332
Series E	-	31,983
Series EF	-	1,014
Series F	177,993	164,208
Series I	29,015,734	17,945,941
Series O	87,432	77,996

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

Sun Life MFS International Growth Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	2.90	(0.26)
Series T5	3.63	(0.58)
Series T8	1.39	(0.56)
Series D	3.18	(0.39)
Series E	-	(0.73)
Series EF	-	(0.65)
Series F	3.34	(0.29)
Series I	3.53	(0.05)
Series O	2.70	0.05

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

For the periods ended December 31

	Series A		Series T5		Series T8		Series D	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 6,155,784	4,667,243	42,031	56,733	25,696	71,829	2,865,022	3,087,307
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 1,454,559	(111,543)	10,981	(1,575)	4,515	(1,901)	662,018	(82,103)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 4,801,937	2,622,272	80,765	21,617	294,651	868	88,768	3,612
Redemption of redeemable units	\$ (1,695,989)	(1,020,200)	(4,025)	(33,845)	(7,167)	(42,838)	(150,972)	(142,829)
Reinvestment of distributions to holders of redeemable units	\$ 79,437	94,330	2,269	2,118	1,897	2,286	30,779	54,169
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 3,185,385	1,696,402	79,009	(10,110)	289,381	(39,684)	(31,425)	(85,048)
Distributions to Holders of Redeemable Units								
From capital gains	\$ (80,647)	(95,939)	(958)	(639)	(2,362)	(383)	(26,577)	(44,933)
From net investment income	\$ (745)	(379)	(1,146)	-	(2,213)	-	(4,695)	(10,201)
Return of capital	\$ -	-	(1,131)	(2,378)	(2,183)	(4,165)	-	-
	\$ (81,392)	(96,318)	(3,235)	(3,017)	(6,758)	(4,548)	(31,272)	(55,134)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 4,558,552	1,488,541	86,755	(14,702)	287,138	(46,133)	599,321	(222,285)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 10,714,336	6,155,784	128,786	42,031	312,834	25,696	3,464,343	2,865,022
Redeemable Unit Transactions								
Balance - beginning of period	455,716	328,569	2,472	3,021	1,764	4,331	209,076	215,257
Units issued	306,337	195,503	4,136	1,327	17,599	56	5,470	269
Units issued on reinvestment of distributions	4,827	7,016	119	122	119	151	1,830	3,973
Units redeemed	(112,853)	(75,372)	(223)	(1,998)	(473)	(2,774)	(9,340)	(10,423)
Balance - end of period	654,027	455,716	6,504	2,472	19,009	1,764	207,036	209,076

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

Sun Life MFS International Growth Fund (continued)

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

For the periods ended December 31

	Series E		Series EF		Series F		Series I	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ -	347,050	-	9,970	2,469,302	2,344,952	287,094,499	251,662,224
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ -	(23,447)	-	(660)	593,741	(46,931)	102,373,876	(938,393)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ -	10,728	-	-	1,206,807	650,596	333,144,963	106,432,717
Redemption of redeemable units	\$ -	(334,322)	-	(9,310)	(503,973)	(478,657)	(140,531,895)	(70,062,058)
Reinvestment of distributions to holders of redeemable units	\$ -	11	-	1	52,754	55,132	13,512,334	9,992,435
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ -	(323,583)	-	(9,309)	755,588	227,071	206,125,402	46,363,094
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	(27,200)	(37,981)	(4,434,648)	(4,481,190)
From net investment income	\$ -	(20)	-	(1)	(26,572)	(17,809)	(9,077,686)	(5,511,236)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ -	(20)	-	(1)	(53,772)	(55,790)	(13,512,334)	(9,992,426)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ -	(347,050)	-	(9,970)	1,295,557	124,350	294,986,944	35,432,275
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ -	-	-	-	3,764,859	2,469,302	582,081,443	287,094,499
Redeemable Unit Transactions								
Balance - beginning of period	-	31,468	-	1,014	172,615	156,496	19,386,197	16,223,099
Units issued	-	1,031	-	-	71,228	45,501	20,209,318	7,183,881
Units issued on reinvestment of distributions	-	1	-	-	3,019	3,872	752,800	678,391
Units redeemed	-	(32,500)	-	(1,014)	(30,896)	(33,254)	(8,151,374)	(4,699,174)
Balance - end of period	-	-	-	-	215,966	172,615	32,196,941	19,386,197

	Series O		Total	
	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 873,863	689,209	299,526,197	262,936,517
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 236,232	4,016	105,335,922	(1,202,537)
Redeemable Unit Transactions				
Proceeds from redeemable units issued	\$ 657,510	443,982	340,275,401	110,186,392
Redemption of redeemable units	\$ (142,715)	(257,691)	(143,036,736)	(72,381,750)
Reinvestment of distributions to holders of redeemable units	\$ 31,565	23,579	13,711,035	10,224,061
Capitalized distributions	\$ -	-	-	-
	\$ 546,360	209,870	210,949,700	48,028,703
Distributions to Holders of Redeemable Units				
From capital gains	\$ (12,448)	(13,758)	(4,584,840)	(4,674,823)
From net investment income	\$ (23,816)	(15,048)	(9,136,873)	(5,554,694)
Return of capital	\$ -	(426)	(3,314)	(6,969)
	\$ (36,264)	(29,232)	(13,725,027)	(10,236,486)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 746,328	184,654	302,560,595	36,589,680
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 1,620,191	873,863	602,086,792	299,526,197
Redeemable Unit Transactions				
Balance - beginning of period	80,303	60,464	20,308,143	17,023,719
Units issued	51,182	40,617	20,665,270	7,468,185
Units issued on reinvestment of distributions	2,389	2,178	765,103	695,704
Units redeemed	(11,835)	(22,956)	(8,316,994)	(4,879,465)
Balance - end of period	122,039	80,303	33,421,522	20,308,143

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

Sun Life MFS International Growth Fund (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 units from operations (excluding distributions)	105,335,922	(1,202,537)
Adjustments for:		
Gain on short-term investments	(34,425)	(7,703)
Net realized (gain) loss on sale of investments	(23,935,375)	(6,418,559)
Change in unrealized (appreciation) depreciation in value of investments	(73,629,414)	12,472,408
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(362,416,475)	(134,652,710)
Proceeds from sale of investments	161,999,975	92,780,183
Purchases of short-term investments	(857,912,577)	(222,792,385)
Proceeds from sale of short-term investments	853,503,792	220,000,088
Change in dividends and interest receivable	(556,901)	(326,605)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(11,042)	15,518
Change in other payables and accrued expenses	720,195	317,943
Net Cash Provided by (Used in) Operating Activities	(196,936,325)	(39,814,359)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(14,302)	(12,115)
Proceeds from redeemable units issued	340,266,138	110,006,104
Redemption of redeemable units	(143,047,505)	(72,397,176)
Net Cash Provided by (Used in) Financing Activities	197,204,331	37,596,813
Net increase (decrease) in cash	268,006	(2,217,546)
Cash (bank indebtedness) at beginning of period	247,409	2,464,955
Cash (bank indebtedness) at end of period	515,415	247,409
Dividends received, net of withholding taxes	9,258,126	5,678,045
Interest received, net of withholding taxes	36,203	9,736
Interest paid	(307)	-

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

Sun Life MFS International Growth Fund (continued)

Schedule of Investments

As at December 31, 2017

	Yield	Maturity Date	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Treasury Bills						
Canadian Treasury Bill	0.983%	08-Jan-2018	4,500,000	4,496,850	4,496,850	
Canadian Treasury Bill	0.864%	22-Feb-2018	2,000,000	1,996,360	1,996,360	
				6,493,210	6,493,210	1.08
Term Deposit Receipts						
National Bank of Canada	0.950%	02-Jan-2018	750,000	750,000	750,000	
				750,000	750,000	0.12
Total Short-Term Notes				7,243,210	7,243,210	1.20

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Caltex Australia Ltd.	88,769	2,922,089	2,962,098	
Oil Search Ltd.	482,010	3,478,580	3,679,718	
Suncor Energy Inc.	122,456	4,829,683	5,651,344	
		11,230,352	12,293,160	2.04
Materials				
Air Liquide SA	55,955	7,728,886	8,843,729	
Akzo Nobel NV	93,588	9,652,188	10,281,641	
Croda International PLC	69,557	4,050,805	5,215,596	
Linde AG	37,716	8,533,124	11,045,376	
Sika AG	419	3,115,160	4,169,690	
Symrise AG	58,189	4,822,082	6,270,117	
		37,902,245	45,826,149	7.61
Industrials				
Adani Ports & Special Economic Zone Ltd.	163,517	1,129,712	1,302,082	
Brambles Ltd.	462,831	4,736,867	4,567,441	
Brenntag AG	63,997	4,571,016	5,080,976	
Experian PLC	206,282	5,142,493	5,719,955	
GEA Group AG	96,796	5,529,901	5,826,750	
Intertek Group PLC	92,379	5,757,625	8,126,221	
Legrand SA	35,508	2,826,194	3,429,210	
Prysmian SpA	135,168	4,399,438	5,529,471	
Rolls-Royce Holdings PLC	416,339	6,074,542	5,976,934	
Rolls-Royce Holdings PLC, C Shares	18,620,984	31,452	31,561	
Schneider Electric SA	96,399	8,967,327	10,277,184	
TOTO Ltd.	106,300	5,184,948	7,862,407	
		54,351,515	63,730,192	10.59
Consumer Discretionary				
Bandai Namco Holdings Inc.	37,900	1,763,695	1,553,379	
Burberry Group PLC	169,144	4,677,317	5,137,391	
Compass Group PLC	277,796	6,751,578	7,533,451	
Kering	18,676	6,099,876	11,042,741	
LVMH Moët Hennessy Louis Vuitton SA	39,293	10,299,254	14,507,421	
Paddy Power PLC	20,834	2,774,002	3,116,272	
Publicis Groupe SA	50,603	4,733,342	4,312,972	
Whitbread PLC	90,251	6,681,873	6,118,712	
WPP Plc	294,326	7,867,883	6,689,681	
Yum China Holdings Inc.	49,590	2,046,701	2,486,583	
		53,695,521	62,498,603	10.38

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Consumer Staples				
AMBEV SA, ADR	439,147	3,246,135	3,554,465	
China Resources Beer Holdings Co., Ltd.	830,000	2,916,125	3,731,524	
Danone SA	116,778	10,466,160	12,289,924	
Diageo PLC	266,766	9,944,123	12,320,972	
ITC Ltd.	1,009,430	5,218,124	5,216,372	
Japan Tobacco Inc.	116,700	5,200,935	4,713,003	
Kao Corp.	63,700	5,043,057	5,398,064	
L'Oreal SA	54,630	13,504,009	15,201,484	
Nestle SA	217,313	21,476,037	23,414,158	
Pernod Ricard SA	83,610	12,941,332	16,598,471	
Reckitt Benckiser Group PLC	98,692	11,584,618	11,573,728	
Sundrug Co., Ltd.	138,200	5,881,765	8,054,525	
		107,422,420	122,066,690	20.27
Health Care				
Bayer AG	73,383	11,508,626	11,482,310	
Cie Generale d'Optique Essilor International SA	50,393	8,039,197	8,715,246	
Fresenius Medical Care AG & Co., KGaA	67,684	7,390,630	8,938,858	
Mettler-Toledo International Inc.	9,192	4,756,386	7,135,052	
Novartis AG	134,106	14,766,694	14,207,715	
Novo Nordisk A/S	81,422	4,575,632	5,503,643	
Qiagen	111,746	4,187,003	4,403,195	
Roche Holding AG	62,746	21,022,268	19,886,199	
Terumo Corp.	159,000	7,325,574	9,443,630	
		83,572,010	89,715,848	14.90
Financials				
AEON Financial Service Co.,Ltd.	177,000	4,650,709	5,165,801	
AIA Group Ltd.	1,736,600	14,069,119	18,551,337	
Credicorp Ltd.	16,080	3,157,649	4,179,164	
DBS Group Holdings Ltd.	295,200	5,165,829	6,877,603	
Grupo Financiero Banorte SAB de CV	510,222	3,743,921	3,523,218	
Grupo Financiero Inbursa SAB de CV	610,515	1,330,204	1,255,777	
HDFC Bank Ltd.	93,819	8,471,025	11,951,308	
HSBC Holdings PLC	552,086	6,078,703	7,176,182	
Julius Baer Group Ltd.	33,395	1,760,305	2,559,037	
UBS Group AG	370,123	8,157,091	8,537,237	
		56,584,555	69,776,664	11.59
Information Technology				
Accenture PLC	91,479	13,110,349	17,546,885	
Alibaba Group Holding Ltd.	69,349	9,315,599	14,982,519	

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

Sun Life MFS International Growth Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Amadeus IT Holding SA	130,476	8,258,239	11,799,886	
Baidu Inc.	29,180	7,033,562	8,562,933	
Dassault Systemes SE	53,867	5,657,730	7,179,727	
MediaTek Inc.	196,000	2,282,790	2,426,187	
Mellanox Technologies Ltd.	22,954	1,451,275	1,860,778	
NHN Corp.	2,771	2,304,030	2,821,504	
Nice Systems Ltd., ADR	92,857	7,664,183	10,693,238	
OBIC Co., Ltd.	51,600	3,178,744	4,752,046	
SAP AG	115,442	13,675,026	16,230,937	
Taiwan Semiconductor Manufacturing Co., Ltd., ADR	354,966	13,015,286	17,634,443	
Telefonaktiebolaget LM Ericsson, Class B	507,034	5,255,458	4,178,334	
		92,202,271	120,669,417	20.04
Telecommunication Services				
SoftBank Corp.	64,100	5,829,769	6,359,508	
		5,829,769	6,359,508	1.06
Total Equities		502,790,658	592,936,231	98.48
Transaction Costs		(819,613)		
Total Investments		509,214,255	600,179,441	99.68
Other Assets less Liabilities			1,907,351	0.32
Total Net Assets			602,086,792	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS International Growth Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which 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.

(b) Market risk

(i) Currency risk

The 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates.

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

Sun Life MFS International Growth Fund (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 (%)
Euro	209,582,225	34.81	96,938,320	32.36
United States Dollar	100,609,235	16.71	48,155,093	16.08
British Pound	84,768,062	14.08	47,421,807	15.83
Swiss Franc	73,187,969	12.16	41,584,173	13.88
Japanese Yen	53,187,338	8.83	28,717,452	9.59
Hong Kong Dollar	22,282,861	3.70	7,741,461	2.58
Australian Dollar	11,209,257	1.86	4,383,919	1.46
Singapore Dollar	6,849,778	1.14	3,246,483	1.08
Indian Rupee	6,518,455	1.08	1,878,913	0.63
Danish Krone	5,540,474	0.92	4,965,436	1.66
Mexican Peso	4,778,996	0.79	2,411,757	0.81
Swedish Krona	4,178,334	0.69	3,193,066	1.07
Korean Won	2,810,271	0.47	1,404,347	0.47
New Taiwan Dollar	2,426,187	0.40	1,017,975	0.34
Brazilian Real	6	-	7	-
Norwegian Krone	-	-	1	-
Total	587,929,448	97.64	293,060,210	97.84

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 Units of the Fund would have increased or decreased respectively by \$29,396,472 (\$14,653,011 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 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	7,243,210	-	-	7,243,210
December 31, 2016	2,800,000	-	-	2,800,000

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 Units of the Fund would have decreased or increased respectively by \$3,926 (\$230 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 its 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 Units of the Fund would have increased or decreased respectively by \$29,646,812 (\$14,777,575 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 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 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	2.0	1.6
Materials	7.6	6.1
Industrials	10.6	10.9
Consumer Discretionary	10.4	11.0
Consumer Staples	20.3	20.5
Health Care	14.9	17.2
Financials	11.6	12.3
Information Technology	20.0	18.1
Telecommunication Services	1.1	1.0
Other Assets less Liabilities	0.3	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 (\$)	
Equities	592,904,670	-	31,561	592,936,231
Short-Term Investments	-	7,243,210	-	7,243,210
	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities	295,533,008	-	18,488	295,551,496
Short-Term Investments	-	2,800,000	-	2,800,000

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

Sun Life MFS International Growth Fund (continued)

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

The following is a reconciliation of Level 3 fair value assets as at December 31, 2017 and December 31, 2016.

	December 31, 2017 (\$)	December 31, 2016 (\$)
Opening Balance	18,488	31,457
Net purchases and sales	13,298	(13,581)
Net transfers in (out)	-	-
Gains (Losses)		
Realized	105	588
Unrealized	(330)	24
Closing Balance	31,561	18,488

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the assets at cost or derive the prices indirectly from other observable market prices.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Brokerage Commissions and Other Transaction

Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$727,546 (\$304,659 for the period ended December 31, 2016).

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 \$209,840 (\$104,847 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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	
	Units	Market Value (\$)
Series F	-	-
Series T5	940	18,611
Series T8	1,130	18,597
	December 31, 2016	
	Units	Market Value (\$)
Series F	683	9,764
Series T5	893	15,182
Series T8	1,042	15,181

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	-	-
Series F	14	11,676	-
Series T5	43	-	849
Series T8	44	-	1,352
	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	9,310	1
Series F	9,310	-	245
Series T5	-	-	1,005
Series T8	-	-	1,458

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

Sun Life MFS International Growth Fund (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	600,179,441	298,351,496
Total financial assets at fair value through profit or loss	600,179,441	298,351,496
Financial assets at amortized cost		
Cash	515,415	247,409
Other receivables	1,987,966	1,493,212
Total financial assets at amortized cost	2,503,381	1,740,621
Total assets	602,682,822	300,092,117
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	596,030	565,920
Total liabilities (excluding net assets attributable to holders of redeemable units)	596,030	565,920

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	108,484,041	508,847
Total net gains (losses)	108,484,041	508,847

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series T5 Units	August 24, 2011	September 01, 2011
Series T8 Units	August 24, 2011	September 01, 2011
Series D Units	September 10, 2010	November 01, 2012
Series F Units	September 10, 2010	October 01, 2010
Series I Units	September 10, 2010	October 01, 2010
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E and EF units were re-designated to Series A units, under the Front End Sales Charge option, and Series F units, 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 Value Fund

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)	1,418,462,566	973,616,103
Short-term investments	48,340,091	29,788,335
Cash	781,701	1,421,104
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	1,977,803	5,373,390
Unrealized appreciation on swaps	-	-
Due from investment dealers	989,571	879
Accrued interest	9,980	3,221
Dividends receivable	3,043,476	1,831,759
Distributions receivable from underlying funds	-	-
Subscriptions receivable	2,584,670	2,814,595
	1,476,189,858	1,014,849,386
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	103,941	506,827
Unrealized depreciation on swaps	-	-
Accrued expenses	39,802	88,927
Redemptions payable	472,483	1,127,781
Distributions payable	-	-
Due to investment dealers	-	74,908
Management fees payable	217,915	529,814
Total liabilities (excluding net assets attributable to holders of redeemable units)	834,141	2,328,257
Net Assets Attributable to Holders of Redeemable Units	1,475,355,717	1,012,521,129
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	254,844,245	178,948,419
Series T5	3,966,767	2,940,207
Series T8	2,123,662	1,404,002
Series E	-	-
Series EF	-	-
Series F	286,885,159	147,040,594
Series I	912,821,542	669,928,030
Series O	14,714,342	12,259,877
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	21.14	18.22
Series T5	24.08	21.67
Series T8	20.15	18.67
Series E	-	-
Series EF	-	-
Series F	22.07	18.95
Series I	23.38	20.00
Series O	14.41	12.33

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		
Dividend income	28,374,590	21,226,612
Interest income for distribution purposes	271,701	122,600
Distributions from underlying funds	-	-
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	47,368,161	28,758,345
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	3,728,732	628,201
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	145,647,698	(47,633,807)
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	(2,992,701)	4,866,563
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	222,398,181	7,968,514
Net gain (loss) on foreign exchange	(1,184,983)	(1,783,753)
Other income	-	-
Total income (loss)	221,213,198	6,184,761
Expenses (note 5)		
Management fees	7,167,642	5,062,465
Administration fees	1,272,652	860,040
Independent review committee fees	9,592	5,379
Withholding tax	3,063,067	2,262,070
Transaction costs (note 2)	1,054,405	839,072
Total operating expenses	12,567,358	9,029,026
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	208,645,840	(2,844,265)
Finance Cost		
Interest expense	(1,228)	(3)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	208,644,612	(2,844,268)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	31,134,662	(2,166,745)
Series T5	476,069	(50,028)
Series T8	226,221	(20,876)
Series E	-	(264,576)
Series EF	-	(80,911)
Series F	32,378,277	(477,212)
Series I	142,165,682	2,088
Series O	2,263,701	213,992
Weighted Average Number of Units Outstanding		
Series A	10,662,613	9,130,699
Series T5	150,422	123,093
Series T8	72,888	54,059
Series E	-	434,145
Series EF	-	163,575
Series F	10,294,193	6,401,394
Series I	37,687,546	28,651,398
Series O	962,439	893,791

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

Sun Life MFS International Value Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	2.92	(0.24)
Series T5	3.16	(0.41)
Series T8	3.10	(0.39)
Series E	-	(0.61)
Series EF	-	(0.49)
Series F	3.15	(0.07)
Series I	3.77	-
Series O	2.35	0.24

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

For the periods ended December 31

	Series A		Series T5		Series T8		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 178,948,419	138,777,195	2,940,207	2,338,904	1,404,002	889,679	-	4,754,461
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 31,134,662	(2,166,745)	476,069	(50,028)	226,221	(20,876)	-	(264,576)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 106,820,777	78,427,453	1,914,928	1,432,584	1,568,224	838,981	-	1,075,870
Redemption of redeemable units	\$ (62,018,644)	(36,084,299)	(1,266,999)	(705,946)	(996,033)	(241,115)	-	(5,565,561)
Reinvestment of distributions to holders of redeemable units	\$ 781,068	110,148	67,122	70,129	32,269	29,342	-	186
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 45,583,201	42,453,302	715,051	796,767	604,460	627,208	-	(4,489,505)
Distributions to Holders of Redeemable Units								
From capital gains	\$ (805,489)	(106,750)	-	-	-	-	-	-
From net investment income	\$ (16,505)	(8,583)	-	(1,733)	-	(546)	-	(380)
Return of capital	\$ (43)	-	(164,560)	(143,703)	(111,021)	(91,463)	-	-
	\$ (822,037)	(115,333)	(164,560)	(145,436)	(111,021)	(92,009)	-	(380)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 75,895,826	40,171,224	1,026,560	601,303	719,660	514,323	-	(4,754,461)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 254,844,245	178,948,419	3,966,767	2,940,207	2,123,662	1,404,002	-	-
Redeemable Unit Transactions								
Balance - beginning of period	9,820,563	7,446,618	135,663	100,143	75,183	42,815	-	388,338
Units issued	5,313,334	4,369,781	80,622	64,883	79,926	43,510	-	91,125
Units issued on reinvestment of distributions	36,764	6,053	2,883	3,175	1,637	1,525	-	16
Units redeemed	(3,115,805)	(2,001,889)	(54,401)	(32,538)	(51,359)	(12,667)	-	(479,479)
Balance - end of period	12,054,856	9,820,563	164,767	135,663	105,387	75,183	-	-

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

Sun Life MFS International Value Fund (continued)

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

For the periods ended December 31

	Series EF		Series F		Series I		Series O	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ -	1,524,801	147,040,594	100,513,498	669,928,030	585,121,271	12,259,877	7,549,214
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ -	(80,911)	32,378,277	(477,212)	142,165,682	2,088	2,263,701	213,992
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ -	150,000	181,515,358	83,394,860	293,090,075	264,933,913	3,480,859	8,283,434
Redemption of redeemable units	\$ -	(1,593,828)	(73,689,065)	(36,228,509)	(192,362,245)	(180,129,243)	(3,291,227)	(3,783,181)
Reinvestment of distributions to holders of redeemable units	\$ -	64	2,647,358	1,118,635	17,667,788	12,587,822	264,271	207,083
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ -	(1,443,764)	110,473,651	48,284,986	118,395,618	97,392,492	453,903	4,707,336
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	(879,263)	(68,237)	(2,926,615)	(420,627)	(47,496)	(7,683)
From net investment income	\$ -	(126)	(2,122,573)	(1,210,304)	(14,702,889)	(12,145,563)	(215,083)	(202,982)
Return of capital	\$ -	-	(5,527)	(2,137)	(38,284)	(21,631)	(560)	-
	\$ -	(126)	(3,007,363)	(1,280,678)	(17,667,788)	(12,587,821)	(263,139)	(210,665)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ -	(1,524,801)	139,844,565	46,527,096	242,893,512	84,806,759	2,454,465	4,710,663
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ -	-	286,885,159	147,040,594	912,821,542	669,928,030	14,714,342	12,259,877
Redeemable Unit Transactions								
Balance - beginning of period	-	153,998	7,761,073	5,201,709	33,497,564	28,766,075	994,272	601,851
Units issued	-	15,611	8,611,482	4,445,260	13,423,839	13,387,312	255,311	681,199
Units issued on reinvestment of distributions	-	7	119,407	59,177	751,446	630,637	18,251	16,826
Units redeemed	-	(169,616)	(3,490,925)	(1,945,073)	(8,631,944)	(9,286,460)	(246,705)	(305,604)
Balance - end of period	-	-	13,001,037	7,761,073	39,040,905	33,497,564	1,021,129	994,272

	Total	
	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$1,012,521,129	841,469,023
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 208,644,612	(2,844,268)
Redeemable Unit Transactions		
Proceeds from redeemable units issued	\$ 588,390,221	438,537,095
Redemption of redeemable units	\$ (333,624,213)	(264,331,682)
Reinvestment of distributions to holders of redeemable units	\$ 21,459,876	14,123,409
Capitalized distributions	\$ -	-
	\$ 276,225,884	188,328,822
Distributions to Holders of Redeemable Units	\$ -	-
From capital gains	\$ (4,658,863)	(603,297)
From net investment income	\$ (17,057,050)	(13,570,217)
Return of capital	\$ (319,995)	(258,934)
	\$ (22,035,908)	(14,432,448)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 462,834,588	171,052,106
Net Assets Attributable to Holders of Redeemable Units at end of period	\$1,475,355,717	1,012,521,129
Redeemable Unit Transactions		
Balance - beginning of period	52,284,318	42,701,547
Units issued	27,764,514	23,098,681
Units issued on reinvestment of distributions	930,388	717,416
Units redeemed	(15,591,139)	(14,233,326)
Balance - end of period	65,388,081	52,284,318

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

Sun Life MFS International Value Fund (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 units from operations (excluding distributions)	208,644,612	(2,844,268)
Adjustments for:		
Gain on short-term investments	(259,463)	(103,812)
Net realized (gain) loss on sale of investments	(47,368,161)	(28,758,345)
Change in unrealized (appreciation) depreciation in value of investments	(145,647,698)	47,633,807
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	2,992,701	(4,866,563)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(532,667,878)	(417,839,175)
Proceeds from sale of investments	278,719,269	236,848,157
Purchases of short-term investments	(2,333,731,461)	(1,173,481,982)
Proceeds from sale of short-term investments	2,315,439,168	1,143,797,459
Change in dividends and interest receivable	(1,218,476)	(342,610)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(311,899)	445,960
Change in other payables and accrued expenses	1,005,280	913,452
Net Cash Provided by (Used in) Operating Activities	(254,404,006)	(198,597,920)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(576,032)	(309,058)
Proceeds from redeemable units issued	588,620,146	439,075,722
Redemption of redeemable units	(334,279,511)	(264,269,804)
Net Cash Provided by (Used in) Financing Activities	253,764,603	174,496,860
Net increase (decrease) in cash	(639,403)	(24,101,060)
Cash (bank indebtedness) at beginning of period	1,421,104	25,522,164
Cash (bank indebtedness) at end of period	781,701	1,421,104
Dividends received, net of withholding taxes	24,099,806	18,625,153
Interest received, net of withholding taxes	264,942	119,379
Interest paid	(1,228)	(3)

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

Sun Life MFS International Value Fund (continued)

Schedule of Investments

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM INVESTMENTS						
Treasury Bills						
Canadian Treasury Bill	0.945%	04-Jan-2018	11,900,000	11,893,556	11,893,556	
Canadian Treasury Bill	0.983%	08-Jan-2018	3,000,000	2,997,900	2,997,900	
Canadian Treasury Bill	0.989%	08-Feb-2018	2,500,000	2,497,225	2,497,225	
Canadian Treasury Bill	0.999%	22-Feb-2018	31,000,000	30,951,410	30,951,410	
				48,340,091	48,340,091	3.28
Total Short-Term Investments				48,340,091	48,340,091	3.28
			Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES						
Energy						
Cairn Energy PLC			514,279	1,994,547	1,863,608	
Core Laboratories NV			38,459	5,568,362	5,278,885	
Inpex Corp.			408,700	5,617,825	6,404,957	
				13,180,734	13,547,450	0.92
Materials						
Croda International PLC			39,841	2,924,356	2,987,400	
Givaudan SA			12,266	28,356,257	35,515,682	
Orica Ltd.			395,143	6,955,666	7,008,965	
Sika AG			340	2,928,624	3,383,520	
Symrise AG			189,174	14,218,546	20,384,320	
				55,383,449	69,279,887	4.69
Industrials						
Brambles Ltd.			1,927,230	19,849,208	19,018,841	
Brenntag AG			144,555	9,938,700	11,476,796	
Bunzl PLC			610,826	19,921,890	21,451,381	
Experian PLC			361,266	9,353,947	10,017,478	
GEA Group AG			269,128	14,666,291	16,200,480	
Geberit AG			9,448	4,292,691	5,212,514	
Glory Ltd.			49,300	1,817,844	2,333,174	
IMI PLC			801,168	15,697,003	18,100,965	
Intertek Group PLC			122,312	7,092,599	10,759,310	
Legrand SA			191,735	13,549,718	18,516,940	
MISUMI Group Inc.			189,800	4,545,701	6,924,217	
Nordson Corp.			69,843	8,270,452	12,811,376	
Rentokil Initial PLC			550,691	2,172,812	2,968,131	
Ryanair Holdings PLC			35,889	5,042,476	4,685,104	
Schindler Holding AG			21,033	4,495,017	6,065,677	
Schneider Electric SE			170,141	14,637,076	18,138,885	
Secom Co., Ltd.			165,500	15,768,796	15,659,397	
SGS SA			5,553	14,786,874	18,141,832	
Sohgo Security Services Co., Ltd.			86,400	5,295,933	5,890,807	
Spirax-Sarco Engineering PLC			140,719	9,840,596	13,404,081	
Wartsila OYJ Abp			41,354	2,570,248	3,272,681	
Yamato Holdings Co., Ltd.			491,000	12,269,890	12,383,100	
				215,875,762	253,433,167	17.18
Consumer Discretionary						
Cie Financiere Richemont SA			97,448	8,454,755	11,063,243	
Compass Group PLC			1,097,409	24,480,184	29,760,244	
Esprit Holdings Ltd.			1,795,950	2,729,889	1,203,222	
RELX NV			393,117	9,420,467	11,335,250	
USS Co., Ltd.			179,700	3,723,814	4,768,910	
Yamaha Corporation			39,900	1,200,300	1,846,149	
				50,009,409	59,977,018	4.06
Consumer Staples						
British American Tobacco PLC			301,885	22,008,007	25,675,575	
Colgate-Palmolive Co.			316,621	28,004,919	29,931,657	
Danone SA			379,514	32,907,078	39,940,728	

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

Sun Life MFS International Value Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Diageo PLC	162,167	7,423,576	7,489,917	
Heineken NV	188,948	19,016,408	24,712,258	
Henkel AG & Co., KGaA	197,816	28,242,493	32,842,349	
ITO EN, Ltd.	268,200	10,245,066	13,244,707	
Japan Tobacco Inc.	456,300	19,504,034	18,427,962	
Kao Corp.	401,200	23,572,198	33,998,480	
Kerry Group PLC	124,681	13,327,400	17,539,304	
Kobayashi Pharmaceutical Co., Ltd.	186,000	10,490,629	15,143,443	
KOSE Corporation	20,600	2,284,996	4,030,266	
L'Oreal SA	49,104	13,496,761	13,663,805	
Nestle SA	594,528	56,319,280	64,056,786	
Nissin Foods Holdings Co., Ltd.	46,200	3,888,321	4,229,046	
Pernod Ricard SA	178,298	26,452,377	35,396,174	
Reckitt Benckiser Group PLC	336,394	36,675,817	39,449,323	
Toyo Suisan Kaisha Ltd.	280,300	12,965,948	15,011,358	
		366,825,308	434,783,138	29.47
Health Care				
Bayer AG	88,778	13,084,525	13,891,180	
DENTSPLY SIRONA Inc.	112,973	8,930,307	9,318,163	
Nihon Kohden Corp.	345,000	9,391,212	10,034,400	
Roche Holding AG	43,191	13,221,448	13,688,599	
Rohto Pharmaceutical Co., Ltd.	233,200	5,343,858	7,807,206	
Santen Pharmaceutical Co., Ltd.	806,800	13,128,881	15,892,238	
Terumo Corp.	201,200	7,991,404	11,950,053	
		71,091,635	82,581,839	5.60
Financials				
Bank of Ireland Group PLC	134,561	1,400,176	1,437,082	
Daiwa Securities Group Inc.	623,000	5,057,170	4,898,314	
DnB ASA	326,961	6,279,364	7,617,954	
Fairfax Financial Holdings Ltd.	19,455	11,693,993	13,022,010	
Hiscox Ltd.	345,139	6,464,025	8,564,127	
IG Group Holdings PLC	407,271	4,506,448	4,952,830	
ING Groep NV	522,881	9,115,633	12,056,016	
Jardine Lloyd Thompson Group PLC	282,038	5,346,211	6,649,404	
Julius Baer Group Ltd.	65,692	4,328,457	5,033,934	
Jyske Bank A/S	58,531	3,520,803	4,177,525	
Mebuki Financial Group Inc.	776,400	3,802,769	4,119,121	
North Pacific Bank Ltd.	691,100	3,093,891	2,905,583	
Sumitomo Mitsui Financial Group Inc.	191,500	8,992,875	10,368,596	
Svenska Handelsbanken AB	934,433	17,083,411	16,044,321	
Sydbank A/S	77,611	2,950,187	3,919,241	
The Chiba Bank Ltd.	470,000	3,854,684	4,903,445	
The Hachijuni Bank Ltd.	461,100	3,368,815	3,318,180	
UBS Group AG	718,191	15,949,287	16,565,754	
		116,808,199	130,553,437	8.85
Real Estate				
Deutsche Wohnen AG	477,561	18,833,845	26,196,663	
LEG Immobilien AG	70,234	7,344,394	10,069,205	
TAG Immobilien AG	268,669	4,862,227	6,402,848	
Vonovia SE	452,671	19,003,905	28,188,928	
		50,044,371	70,857,644	4.80
Information Technology				
Amadeus IT Holding SA	359,587	19,945,287	32,520,047	
Analog Devices Inc.	110,097	11,615,728	12,281,281	
ANSYS Inc.	75,990	10,195,165	14,052,228	
Cadence Design Systems Inc.	490,260	16,257,639	25,688,710	
Check Point Software Technologies Ltd.	58,983	6,913,971	7,657,769	
Dassault Systemes	114,261	11,525,664	15,229,414	
Halma PLC	676,975	10,618,865	14,457,432	
Hirose Electric Co., Ltd.	77,755	12,318,642	14,243,690	
Infineon Technologies AG	628,608	12,047,716	21,596,401	
Nomura Research Institute Ltd.	448,000	17,268,288	26,110,182	

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

Sun Life MFS International Value Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
OBIC Co., Ltd.	146,300	9,216,433	13,473,340	
Omron Corp.	180,500	8,801,208	13,491,091	
Samsung Electronics Co., Ltd.	967	3,156,843	2,883,704	
Spectris PLC	213,853	8,368,048	9,014,448	
Taiwan Semiconductor Manufacturing Co., Ltd., ADR	733,148	23,802,039	36,422,240	
Texas Instruments Inc.	131,507	11,301,772	17,208,679	
Yokogawa Electric Corp.	228,800	4,099,022	5,491,716	
		197,452,330	281,822,372	19.10
Telecommunication Services				
KDDI Corp.	693,318	20,231,228	21,626,614	
		20,231,228	21,626,614	1.47
Total Equities		1,156,902,425	1,418,462,566	96.14
Transaction Costs		(1,921,896)		
Total Investments		1,203,320,620	1,466,802,657	99.42
Currency Forward Contracts⁽¹⁾			1,873,862	0.13
Other Assets less Liabilities			6,679,198	0.45
Total Net Assets			1,475,355,717	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
JP Morgan	A-2	23-Feb-2018	EUR	7,978,000	CAD	(11,958,966)	75,055
JP Morgan	A-2	23-Feb-2018	CAD	44,954,336	JPY	(3,862,741,000)	1,902,748
							1,977,803
JP Morgan	A-2	23-Feb-2018	USD	25,477,000	CAD	(32,001,940)	(103,941)
							(103,941)
							1,873,862

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS International Value Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the 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 accompanying notes are an integral part of the financial statements.

Sun Life MFS International Value Fund (continued)

The Fund invests in financial assets, which 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	3.28	2.94
AA/Aa	0.13	0.53
Total	3.41	3.47

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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. However, the Fund also holds foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and reduce the current 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.

	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	443,480,968	30.06	298,986,472	29.53
Japanese Yen	289,168,883	19.60	199,582,891	19.71
British Pound	228,006,277	15.45	139,777,889	13.80
United States Dollar	207,290,097	14.05	127,970,908	12.64
Swiss Franc	180,205,649	12.21	124,596,784	12.31
Australian Dollar	26,124,104	1.77	38,699,118	3.82
Swedish Krona	16,044,321	1.09	17,439,396	1.72
Danish Krone	8,161,009	0.55	6,000,864	0.59
Norwegian Krone	7,617,954	0.52	6,009,900	0.59
Korean Won	2,883,704	0.20	-	-
Hong Kong Dollar	1,203,222	0.08	2,488,671	0.25
Total	1,410,186,188	95.58	961,552,893	94.96

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 Units of the Fund would have increased or decreased respectively by \$70,509,309 (\$48,077,645 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 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	48,340,091	-	-	48,340,091
December 31, 2016	29,788,335	-	-	29,788,335

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 Units of the Fund would have decreased or increased respectively by \$49,572 (\$17,800 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 its 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 Units of the Fund would have increased or decreased respectively by \$70,923,128 (\$48,680,805 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 Fund's investments are considered readily realizable and highly liquid; therefore, the Fund's liquidity risk is considered minimal.

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

Sun Life MFS International Value Fund (continued)

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The 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	3.3	2.9
Equities		
Energy	0.9	0.9
Materials	4.7	4.3
Industrials	17.2	18.5
Consumer Discretionary	4.1	4.5
Consumer Staples	29.5	29.5
Health Care	5.6	4.8
Financials	8.8	10.9
Real Estate	4.8	3.6
Information Technology	19.1	17.1
Telecommunication Services	1.4	2.1
Other Assets less Liabilities	0.6	0.9
Total	100.0	100.0

Fair Value Disclosure

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

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	1,418,462,566	-	-	1,418,462,566
Short-Term Investments	-	48,340,091	-	48,340,091
Currency Forward Contracts	-	1,977,803	-	1,977,803
Financial Liabilities				
Currency Forward Contracts	-	103,941	-	103,941
	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	973,616,103	-	-	973,616,103
Short-Term Investments	-	29,788,335	-	29,788,335
Currency Forward Contracts	-	5,373,390	-	5,373,390
Financial Liabilities				
Currency Forward Contracts	-	506,827	-	506,827

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$1,054,405 (\$839,072 for the period ended December 31, 2016).

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 \$311,212 (\$278,219 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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

Sun Life MFS International Value Fund (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	
	Units	Market Value (\$)
Series F	-	-

	December 31, 2016	
	Units	Market Value (\$)
Series F	541	10,258

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	-	-
Series F	15	11,853	-

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	9,819	1
Series F	9,819	-	114

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	1,977,803	5,373,390
Investments designated at FVTPL	1,466,802,657	1,003,404,438
Total financial assets at fair value through profit or loss	1,468,780,460	1,008,777,828
Financial assets at amortized cost		
Cash	781,701	1,421,104
Other receivables	6,627,697	4,650,454
Total financial assets at amortized cost	7,409,398	6,071,558
Total assets	1,476,189,858	1,014,849,386
Financial liabilities		
Derivative liabilities held for trading	103,941	506,827
Financial liabilities at amortized cost	730,200	1,821,430
Total liabilities (excluding net assets attributable to holders of redeemable units)	834,141	2,328,257

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	736,031	5,494,764
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	221,662,150	2,473,750
Total net gains (losses)	222,398,181	7,968,514

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
December 31, 2017				
Derivative assets - Currency Forward Contracts	1,977,803	(103,941)	-	1,873,862
Total	1,977,803	(103,941)	-	1,873,862
Derivative liabilities - Currency Forward Contracts	(103,941)	103,941	-	-
Total	(103,941)	103,941	-	-
December 31, 2016				
Derivative assets - Currency Forward Contracts	5,373,390	(506,827)	-	4,866,563
Total	5,373,390	(506,827)	-	4,866,563
Derivative liabilities - Currency Forward Contracts	(506,827)	506,827	-	-
Total	(506,827)	506,827	-	-

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series T5 Units	August 24, 2011	September 01, 2011
Series T8 Units	August 24, 2011	September 01, 2011
Series F Units	September 10, 2010	October 01, 2010
Series I Units	September 10, 2010	October 01, 2010
Series O Units	April 01, 2014	April 01, 2014

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

Sun Life MFS International Value Fund (continued)

Effective February 5, 2016, all Series E and EF units were re-designated to Series A units, under the Front End Sales Charge option, and Series F units, 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 Low Volatility Global Equity Fund

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)	6,041,344	4,271,450
Short-term investments	-	-
Cash	81,702	31,011
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	-
Accrued interest	-	33
Dividends receivable	9,132	5,668
Distributions receivable from underlying funds	-	-
Subscriptions receivable	20,703	64,345
	6,152,881	4,372,507
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	195	469
Redemptions payable	500	1,000
Distributions payable	-	226
Due to investment dealers	49,400	102,720
Management fees payable	1,040	2,796
Total liabilities (excluding net assets attributable to holders of redeemable units)	51,135	107,211
Net Assets Attributable to Holders of Redeemable Units	6,101,746	4,265,296
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	1,943,687	1,183,943
Series T5	23,873	31,430
Series T8	11,552	10,594
Series F	215,623	217,417
Series I	3,535,473	2,667,088
Series O	371,538	154,824
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	11.38	10.46
Series T5	15.70	15.16
Series T8	14.81	14.73
Series F	11.54	10.56
Series I	11.57	10.60
Series O	11.52	10.56

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the year ended December 31, 2017 and for the period from February 5, 2016 to December 31, 2016

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	142,256	82,659
Interest income for distribution purposes	237	1,382
Distributions from underlying funds	-	-
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	16,140	30,974
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	421,196	147,399
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	579,829	262,414
Net gain (loss) on foreign exchange	(4,516)	(9,963)
Other income	-	-
Total income (loss)	575,313	252,451
Expenses (note 5)		
Management fees	39,485	13,228
Administration fees	6,553	2,882
Independent review committee fees	45	18
Withholding tax	16,282	9,202
Transaction costs (note 2)	1,785	4,156
Total operating expenses	64,150	29,486
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	511,163	222,965
Finance Cost		
Interest expense	(1)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	511,162	222,965
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	139,084	31,852
Series T5	2,037	1,289
Series T8	958	558
Series F	19,965	9,221
Series I	324,090	174,318
Series O	25,028	5,727
Weighted Average Number of Units Outstanding		
Series A	154,609	54,289
Series T5	1,517	1,583
Series T8	747	693
Series F	20,629	15,593
Series I	265,092	226,586
Series O	22,588	9,222

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

Sun Life MFS Low Volatility Global Equity Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the year ended December 31, 2017 and for the period from February 5, 2016 to December 31, 2016

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.90	0.59
Series T5	1.34	0.81
Series T8	1.28	0.81
Series F	0.97	0.59
Series I	1.22	0.77
Series O	1.11	0.62

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

For the year ended December 31, 2017 and for the period from February 5, 2016 to December 31, 2016

	Series A		Series T5		Series T8		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 1,183,943	100,000	31,430	10,000	10,594	10,000	217,417	10,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 139,084	31,852	2,037	1,289	958	558	19,965	9,221
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 758,111	1,440,076	-	20,138	-	33	173,416	198,197
Redemption of redeemable units	\$ (137,488)	(387,803)	(9,594)	-	-	-	(195,173)	(4)
Reinvestment of distributions to holders of redeemable units	\$ 1,441	13,727	1,159	1,142	911	785	1,426	2,527
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 622,064	1,066,000	(8,435)	21,280	911	818	(20,331)	200,720
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	(4,475)	-	-	-	-	-	(793)
From net investment income	\$ (1,404)	(9,434)	-	(118)	-	(37)	(1,428)	(1,731)
Return of capital	\$ -	-	(1,159)	(1,021)	(911)	(745)	-	-
	\$ (1,404)	(13,909)	(1,159)	(1,139)	(911)	(782)	(1,428)	(2,524)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 759,744	1,083,943	(7,557)	21,430	958	594	(1,794)	207,417
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 1,943,687	1,183,943	23,873	31,430	11,552	10,594	215,623	217,417
Redeemable Unit Transactions								
Balance - beginning of period	113,223	10,000	2,074	667	719	667	20,596	1,000
Units issued	70,114	139,734	-	1,332	-	-	15,172	19,358
Units issued on reinvestment of distributions	128	1,307	74	75	61	52	123	238
Units redeemed	(12,654)	(37,818)	(628)	-	-	-	(17,203)	-
Balance - end of period	170,811	113,223	1,520	2,074	780	719	18,688	20,596

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

Sun Life MFS Low Volatility Global Equity Fund (continued)

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

For the year ended December 31, 2017 and for the period from February 5, 2016 to December 31, 2016

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 2,667,088	10,000	154,824	10,000	4,265,296	150,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 324,090	174,318	25,028	5,727	511,162	222,965
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 611,869	2,492,855	206,988	209,171	1,750,384	4,360,470
Redemption of redeemable units	\$ (67,574)	(10,085)	(15,302)	(70,074)	(425,131)	(467,966)
Reinvestment of distributions to holders of redeemable units	\$ 70,552	48,790	7,183	2,795	82,672	69,766
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 614,847	2,531,560	198,869	141,892	1,407,925	3,962,270
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	(9,654)	-	(575)	-	(15,497)
From net investment income	\$ (70,552)	(39,136)	(6,986)	(2,220)	(80,370)	(52,676)
Return of capital	\$ -	-	(197)	-	(2,267)	(1,766)
	\$ (70,552)	(48,790)	(7,183)	(2,795)	(82,637)	(69,939)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 868,385	2,657,088	216,714	144,824	1,836,450	4,115,296
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 3,535,473	2,667,088	371,538	154,824	6,101,746	4,265,296
Redeemable Unit Transactions						
Balance - beginning of period	251,689	1,000	14,659	1,000	402,960	14,334
Units issued	53,878	247,051	18,288	20,293	157,452	427,768
Units issued on reinvestment of distributions	6,055	4,587	619	264	7,060	6,523
Units redeemed	(6,008)	(949)	(1,321)	(6,898)	(37,814)	(45,665)
Balance - end of period	305,614	251,689	32,245	14,659	529,658	402,960

Statements of Cash Flows

For the year ended December 31, 2017 and for the period from February 5, 2016 to December 31, 2016

	2017	2016		2017	2016
	(\$)	(\$)		(\$)	(\$)
Cash Flows from Operating Activities			Net Cash Provided by (Used in) Operating Activities	(1,317,513)	(3,948,201)
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	511,162	222,965	Cash Flows from Financing Activities		
Adjustments for:			Distributions paid to holders of redeemable units, net of reinvested distributions	(191)	53
Gain on short-term investments	(1)	-	Proceeds from redeemable units issued	1,794,026	4,296,125
Net realized (gain) loss on sale of investments	(16,140)	(30,974)	Redemption of redeemable units	(425,631)	(466,966)
Change in unrealized (appreciation) depreciation in value of investments	(421,196)	(147,399)	Net Cash Provided by (Used in) Financing Activities	1,368,204	3,829,212
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-	Net increase (decrease) in cash	50,691	(118,989)
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-	Cash (bank indebtedness) at beginning of period	31,011	150,000
Change in unrealized (appreciation) depreciation in value of swaps	-	-	Cash (bank indebtedness) at end of period	81,702	31,011
Non-cash income distributions from underlying funds	-	-	Dividends received, net of withholding taxes	122,510	67,789
Change in fair value of option contracts	-	-	Interest received, net of withholding taxes	270	1,349
Change in fair value of credit default swaps	-	-	Interest paid	(1)	-
Change in margin	-	-			
Purchases of investments	(2,506,601)	(5,281,274)			
Proceeds from sale of investments	1,118,938	1,286,761			
Purchases of short-term investments	(100,000)	-			
Proceeds from sale of short-term investments	100,001	-			
Change in dividends and interest receivable	(3,431)	(5,701)			
Change in distributions receivable from underlying funds	-	-			
Change in management fees payable	(1,756)	2,796			
Change in other payables and accrued expenses	1,511	4,625			

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

Sun Life MFS Low Volatility Global Equity Fund (continued)

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Enbridge Inc.	1,300	65,230	63,703	
Exxon Mobil Corp.	777	86,523	81,427	
Occidental Petroleum Corp.	451	41,215	41,624	
Royal Dutch Shell PLC, Class B	1,387	47,486	58,971	
		240,454	245,725	4.03
Materials				
Franco-Nevada Corp.	786	84,817	78,962	
Monsanto Co.	318	43,258	46,529	
PTT Global Chemical PCL	25,600	60,594	83,658	
Symrise AG	605	54,262	65,191	
		242,931	274,340	4.50
Industrials				
Canadian National Railway Co.	504	42,717	52,097	
Lockheed Martin Corp.	291	94,775	117,057	
Owens Corning	403	28,492	46,424	
Schindler Holding AG	100	24,478	28,839	
Waste Connections Inc.	416	37,463	36,976	
		227,925	281,393	4.61
Consumer Discretionary				
ABC-Mart Inc.	1,700	132,061	122,336	
Charter Communications Inc.	142	53,396	59,773	
Comcast Corp.	481	24,368	24,137	
Gildan Activewear Inc.	782	29,562	31,648	
Home Depot Inc.	213	37,473	50,581	
Kia Motors Corp.	1,844	83,875	72,299	
McDonald's Corp.	557	94,008	120,121	
Ross Stores Inc.	1,348	106,458	135,540	
USS Co., Ltd.	1,800	36,542	47,769	
		597,743	664,204	10.89
Consumer Staples				
Altria Group Inc.	931	83,985	83,299	
British American Tobacco Malaysia BHD	2,200	29,836	27,245	
Dairy Farm International Holdings Ltd.	4,100	36,700	40,377	
Ezaki Glico Co., Ltd.	400	25,423	25,003	
General Mills Inc.	1,126	89,612	83,647	
Kimberly-Clark Corp.	375	63,244	56,693	
Lawson Inc.	800	79,282	66,646	
L'Oreal SA	90	25,283	25,044	
Marine Harvest ASA	2,201	45,857	46,865	
Metro Inc., Class A	949	39,947	38,197	
Mondelez International Inc.	714	39,800	38,289	
Nestle SA	1,015	101,613	109,359	
PepsiCo Inc.	714	101,996	107,280	
Remy Cointreau SA	165	25,742	28,673	
Sligro Food Group NV	756	38,434	45,326	
The Procter & Gamble Co.	603	68,082	69,418	
Toyo Suisan Kaisha Ltd.	1,200	63,464	64,266	
		958,300	955,627	15.66
Health Care				
Abbott Laboratories	536	29,832	38,327	
Express Scripts Holding Co.	506	46,586	47,321	
Fisher & Paykel Healthcare Corp., Ltd.	9,704	84,387	124,086	
Integra LifeSciences Holdings Corp.	1,207	67,528	72,379	
Johnson & Johnson	1,017	155,567	178,036	
Merck & Co., Inc.	1,087	81,584	76,637	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Novartis AG	371	37,738	39,305	
Pfizer Inc.	2,103	94,131	95,438	
Roche Holding AG	437	144,294	138,498	
Terumo Corp.	2,500	125,238	148,484	
		866,885	958,511	15.71
Financials				
Bank of Nova Scotia	469	31,001	37,920	
BDO Unibank Inc.	8,410	25,716	34,618	
Beazley PLC	5,887	39,175	53,332	
Credicorp., Ltd.	219	41,488	56,918	
Discover Financial Services	359	26,284	34,599	
Everest Re Group Ltd.	87	25,498	24,119	
Grand City Properties SA	3,669	93,965	108,470	
HSBC Holdings PLC	872	42,651	56,420	
Intact Financial Corp.	695	63,351	72,616	
Public Bank BHD	5,300	32,229	34,097	
Royal Bank of Canada	594	49,449	60,768	
Starwood Property Trust Inc.	959	25,973	25,654	
Swiss Life Holding AG	111	40,071	49,237	
Sydbank A/S	828	31,525	41,813	
The Travelers Cos Inc.	201	30,573	34,160	
XL Group Ltd.	620	28,983	27,313	
Zurich Financial Services AG	115	37,811	43,855	
		665,743	795,909	13.04
Real Estate				
AvalonBay Communities Inc.	375	87,222	83,827	
Public Storage	170	52,243	44,517	
STORE Capital Corp.	999	35,126	32,594	
Sun Communities Inc.	353	41,757	41,036	
		216,348	201,974	3.31
Information Technology				
Adobe Systems Inc.	484	66,962	106,269	
Alphabet Inc., Class A	37	38,819	48,835	
Facebook Inc.	388	68,873	85,785	
Forrester Research Inc.	1,234	60,066	68,339	
Kyocera Corp.	1,300	89,941	106,608	
Nice Systems Ltd., ADR	952	82,140	109,631	
Taiwan Semiconductor Manufacturing Co., Ltd.	3,567	128,772	177,205	
VTech Holdings Ltd.	4,200	69,879	68,933	
		605,452	771,605	12.65
Telecommunication Services				
BCE Inc.	453	26,792	27,250	
HKT Trust & HKT Ltd.	30,000	50,209	47,891	
KDDI Corp.	2,800	100,465	87,340	
SBA Communications Corp.	347	49,406	71,024	
TDC A/S	5,094	34,886	39,250	
TELUS Corp.	2,170	92,689	102,964	
Verizon Communications Inc.	1,061	70,656	70,364	
Vodafone Group PLC	14,208	52,211	56,591	
		477,314	502,674	8.23
Utilities				
Alliant Energy Corp.	1,164	57,607	62,144	
American Electric Power Co., Inc.	613	53,441	56,506	
Avangrid Inc.	499	32,880	31,624	
CLP Holdings Ltd.	5,000	63,796	64,071	
Duke Energy Corporation	243	26,070	25,609	
Osaka Gas Co., Ltd.	600	15,567	14,481	

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

Sun Life MFS Low Volatility Global Equity Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
WEC Energy Group Inc.	745	59,143	62,009	
Xcel Energy Inc.	1,210	68,097	72,938	
		376,601	389,382	6.38
Total Equities		5,475,696	6,041,344	99.01
Transaction Costs		(2,946)		
Total Investments		5,472,750	6,041,344	99.01
Other Assets less Liabilities			60,402	0.99
Total Net Assets			6,101,746	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Low Volatility Global Equity Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Fund had no significant investments in debt instruments and/or derivatives and, therefore, did not have 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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates 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)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	December 31, 2017		December 31, 2016	
United States Dollar	3,675,558	60.24	2,811,418	65.91
Japanese Yen	682,933	11.19	336,114	7.88
Swiss Franc	406,467	6.66	294,024	6.89
Euro	270,957	4.44	133,380	3.13
Hong Kong Dollar	180,895	2.96	90,886	2.13
British Pound	168,011	2.75	141,358	3.31
New Zealand Dollar	122,866	2.01	76,925	1.80
Thai Baht	82,676	1.35	42,702	1.00
Danish Krone	80,267	1.32	51,483	1.21
Korean Won	72,299	1.18	58,111	1.36
Malaysian Ringgit	60,695	0.99	10,666	0.25
Norwegian Krone	46,395	0.76	21,565	0.51
Philippine Peso	34,346	0.56	18,241	0.43
Singapore Dollar	-	-	50,881	1.19
Brazilian Real	-	-	13,676	0.32
Total	5,884,365	96.41	4,151,430	97.32

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 Units of the Fund would have increased or decreased respectively by \$294,218 (\$207,572 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 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.

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

Sun Life MFS Low Volatility Global Equity Fund (continued)

(iii) Other market risk

The Fund is exposed to other market risk as a result of its 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 Units of the Fund would have increased or decreased respectively by \$302,067 (\$213,573 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 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 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	4.0	5.1
Materials	4.5	2.5
Industrials	4.6	4.5
Consumer Discretionary	10.9	10.4
Consumer Staples	15.7	18.5
Health Care	15.7	14.5
Financials	13.0	15.8
Real Estate	3.3	2.9
Information Technology	12.7	10.8
Telecommunication Services	8.2	7.3
Utilities	6.4	7.8
Other Assets less Liabilities	1.0	(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 (\$)	
Equities	5,968,728	72,616	-	6,041,344

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities	4,222,364	49,086	-	4,271,450

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and February 5 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$1,785 (\$4,156 for the period ended December 31, 2016).

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 \$872 (\$1,779 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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

Sun Life MFS Low Volatility Global Equity Fund (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	
	Units	Market Value (\$)
Series A	-	-
Series F	-	-
Series I	10,400	120,313
Series O	-	-
Series T5	736	11,557
Series T8	780	11,552

	December 31, 2016	
	Units	Market Value (\$)
Series A	1,014	10,601
Series F	1,014	10,704
Series I	10,190	107,984
Series O	1,011	10,675
Series T5	699	10,596
Series T8	719	10,594

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	15	11,600	-
Series F	15	11,773	-
Series I	-	-	2,445
Series O	-	11,786	-
Series T5	28	-	543
Series T8	29	-	880

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	10,000	-	145
Series F	10,000	-	148
Series I	100,000	-	2,023
Series O	10,000	78	193
Series T5	10,000	-	494
Series T8	10,000	-	785

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at December 31, 2017 and December 31, 2016, SLA held the following position in the Fund:

	December 31, 2017	
	Units	Market Value (\$)
Series I	213,202	2,466,407

	December 31, 2016	
	Units	Market Value (\$)
Series I	208,900	2,213,668

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	-	50,130

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	2,050,000	-	41,479

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	6,041,344	4,271,450
Total financial assets at fair value through profit or loss	6,041,344	4,271,450
Financial assets at amortized cost		
Cash	81,702	31,011
Other receivables	29,835	70,046
Total financial assets at amortized cost	111,537	101,057
Total assets	6,152,881	4,372,507
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	51,135	107,211
Total liabilities (excluding net assets attributable to holders of redeemable units)	51,135	107,211

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

Sun Life MFS Low Volatility Global Equity Fund (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	579,829	262,414
Total net gains (losses)	579,829	262,414

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	February 05, 2016	February 11, 2016
Series T5 Units	February 05, 2016	February 11, 2016
Series T8 Units	February 05, 2016	February 11, 2016
Series F Units	February 05, 2016	February 11, 2016
Series I Units	February 05, 2016	February 11, 2016
Series O Units	February 05, 2016	February 11, 2016

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

Sun Life MFS Low Volatility International Equity Fund

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)	2,803,039	61,221,181
Short-term investments	-	-
Cash	13,202	537,795
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	-
Accrued interest	-	-
Dividends receivable	108,588	251,586
Distributions receivable from underlying funds	-	-
Subscriptions receivable	80,318	-
	3,005,147	62,010,562
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	81	3,989
Redemptions payable	-	474
Distributions payable	-	-
Due to investment dealers	33,210	-
Management fees payable	342	711
Total liabilities (excluding net assets attributable to holders of redeemable units)	33,633	5,174
Net Assets Attributable to Holders of Redeemable Units	2,971,514	62,005,388
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	571,833	290,275
Series T5	11,001	9,829
Series T8	16,324	14,590
Series F	106,858	77,417
Series I	2,003,600	61,396,825
Series O	261,898	216,452
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	8.58	9.56
Series T5	12.61	14.03
Series T8	12.22	13.63
Series F	8.65	9.62
Series I	9.73	9.82
Series O	8.64	9.61

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Paul Sergi
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the year ended December 31, 2017 and for the period from February 5, 2016 to December 31, 2016

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	1,095,434	2,841,197
Interest income for distribution purposes	190	3,236
Distributions from underlying funds	-	-
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	3,506,748	(2,725,711)
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	323,961	(145,166)
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	4,926,333	(26,444)
Net gain (loss) on foreign exchange	(162,615)	(244,236)
Other income	-	-
Total income (loss)	4,763,718	(270,680)
Expenses (note 5)		
Management fees	11,470	4,731
Administration fees	17,562	49,046
Independent review committee fees	13	559
Withholding tax	164,443	268,854
Transaction costs (note 2)	65,505	323,657
Total operating expenses	258,993	646,847
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	4,504,725	(917,527)
Finance Cost		
Interest expense	(64)	(50)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	4,504,661	(917,577)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	50,126	(2,931)
Series T5	1,171	(176)
Series T8	1,734	(186)
Series F	9,834	(851)
Series I	4,414,199	(912,397)
Series O	27,597	(1,036)
Weighted Average Number of Units Outstanding		
Series A	47,354	19,267
Series T5	739	682
Series T8	1,138	962
Series F	8,398	6,348
Series I	2,794,767	9,678,209
Series O	22,122	16,064

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

Sun Life MFS Low Volatility International Equity Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the year ended December 31, 2017 and for the period from February 5, 2016 to December 31, 2016

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.06	(0.15)
Series T5	1.58	(0.26)
Series T8	1.52	(0.19)
Series F	1.17	(0.13)
Series I	1.58	(0.09)
Series O	1.25	(0.06)

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

For the year ended December 31, 2017 and for the period from February 5, 2016 to December 31, 2016

	Series A		Series T5		Series T8		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 290,275	100,000	9,829	10,000	14,590	10,000	77,417	10,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 50,126	(2,931)	1,171	(176)	1,734	(186)	9,834	(851)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 279,221	193,204	-	-	-	4,774	28,500	119,353
Redemption of redeemable units	\$ (47,791)	-	-	-	-	-	(8,893)	(51,087)
Reinvestment of distributions to holders of redeemable units	\$ 105,920	7,145	2,249	493	3,403	1,101	18,466	2,241
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 337,350	200,349	2,249	493	3,403	5,875	38,073	70,507
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ (59,777)	(7,143)	(1,250)	(154)	(1,915)	(346)	(11,029)	(2,239)
Return of capital	\$ (46,141)	-	(998)	(334)	(1,488)	(753)	(7,437)	-
	\$ (105,918)	(7,143)	(2,248)	(488)	(3,403)	(1,099)	(18,466)	(2,239)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 281,558	190,275	1,172	(171)	1,734	4,590	29,441	67,417
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 571,833	290,275	11,001	9,829	16,324	14,590	106,858	77,417
Redeemable Unit Transactions								
Balance - beginning of period	30,353	10,000	701	667	1,071	667	8,051	1,000
Units issued	29,007	19,602	-	-	-	327	3,099	11,918
Units issued on reinvestment of distributions	12,219	751	171	34	264	77	2,112	234
Units redeemed	(4,940)	-	-	-	-	-	(912)	(5,101)
Balance - end of period	66,639	30,353	872	701	1,335	1,071	12,350	8,051

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

Sun Life MFS Low Volatility International Equity Fund (continued)

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

For the year ended December 31, 2017 and for the period from February 5, 2016 to December 31, 2016

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 61,396,825	10,000	216,452	10,000	62,005,388	150,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 4,414,199	(912,397)	27,597	(1,036)	4,504,661	(917,577)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 6,691,005	139,957,044	82,382	369,993	7,081,108	140,644,368
Redemption of redeemable units	\$ (70,498,428)	(77,657,823)	(64,533)	(162,505)	(70,619,645)	(77,871,415)
Reinvestment of distributions to holders of redeemable units	\$ 2,339,444	2,234,201	55,675	7,757	2,525,157	2,252,938
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (61,467,979)	64,533,422	73,524	215,245	(61,013,380)	65,025,891
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (1,067,837)	(2,234,200)	(32,483)	(7,757)	(1,174,291)	(2,251,839)
Return of capital	\$ (1,271,608)	-	(23,192)	-	(1,350,864)	(1,087)
	\$ (2,339,445)	(2,234,200)	(55,675)	(7,757)	(2,525,155)	(2,252,926)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (59,393,225)	61,386,825	45,446	206,452	(59,033,874)	61,855,388
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 2,003,600	61,396,825	261,898	216,452	2,971,514	62,005,388
Redeemable Unit Transactions						
Balance - beginning of period	6,255,173	1,000	22,519	1,000	6,317,868	14,334
Units issued	667,198	14,054,228	7,994	36,814	707,298	14,122,889
Units issued on reinvestment of distributions	245,964	233,181	6,394	812	267,124	235,089
Units redeemed	(6,962,411)	(8,033,236)	(6,604)	(16,107)	(6,974,867)	(8,054,444)
Balance - end of period	205,924	6,255,173	30,303	22,519	317,423	6,317,868

Statements of Cash Flows

For the year ended December 31, 2017 and for the period from February 5, 2016 to December 31, 2016

	2017	2016		2017	2016
	(\$)	(\$)		(\$)	(\$)
Cash Flows from Operating Activities			Net Cash Provided by (Used in) Operating Activities	63,094,734	(62,385,644)
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	4,504,661	(917,577)	Cash Flows from Financing Activities		
Adjustments for:			Distributions paid to holders of redeemable units, net of reinvested distributions	2	12
Gain on short-term investments	(180)	(3,231)	Proceeds from redeemable units issued	7,000,790	140,644,368
Net realized (gain) loss on sale of investments	(3,506,748)	2,725,711	Redemption of redeemable units	(70,620,119)	(77,870,941)
Change in unrealized (appreciation) depreciation in value of investments	(323,961)	145,166	Net Cash Provided by (Used in) Financing Activities	(63,619,327)	62,773,439
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-	Net increase (decrease) in cash	(524,593)	387,795
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-	Cash (bank indebtedness) at beginning of period	537,795	150,000
Change in unrealized (appreciation) depreciation in value of swaps	-	-	Cash (bank indebtedness) at end of period	13,202	537,795
Non-cash income distributions from underlying funds	-	-	Dividends received, net of withholding taxes	1,073,989	2,320,757
Change in fair value of option contracts	-	-	Interest received, net of withholding taxes	190	3,236
Change in fair value of credit default swaps	-	-	Interest paid	(64)	(50)
Change in margin	-	-			
Purchases of investments	(15,435,020)	(168,407,431)			
Proceeds from sale of investments	77,651,576	103,991,716			
Purchases of short-term investments	(4,200,000)	(91,388,411)			
Proceeds from sale of short-term investments	4,200,180	91,391,642			
Change in dividends and interest receivable	142,998	(251,586)			
Change in distributions receivable from underlying funds	-	-			
Change in management fees payable	(369)	711			
Change in other payables and accrued expenses	61,597	327,646			

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

Sun Life MFS Low Volatility International Equity Fund (continued)

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
BP PLC	5,984	46,537	53,014	
Caltex Australia Ltd.	334	10,711	11,145	
ENI SpA	444	8,872	9,219	
		66,120	73,378	2.47
Materials				
Air Liquide SA	122	17,118	19,282	
Chr. Hansen Holding A/S	207	18,815	24,345	
Croda International PLC	282	17,287	21,145	
JSR Corp.	800	15,798	19,736	
Symrise AG	195	17,731	21,012	
		86,749	105,520	3.55
Industrials				
ANA Holdings Inc.	200	7,632	10,468	
Babcock International Group PLC	1,356	21,878	16,215	
Daikin Industries Ltd.	200	25,002	29,664	
East Japan Railway Co.	400	47,200	48,917	
Experian PLC	887	24,989	24,595	
Glory Ltd.	800	35,138	37,861	
Legrand SA	136	10,774	13,134	
Ryanair Holdings PLC	107	15,489	13,968	
Saab AB	516	26,128	31,507	
Schneider Electric SA	164	15,223	17,484	
Singapore Technologies Engineering Ltd.	6,200	19,614	18,950	
Yamato Holdings Co., Ltd.	500	13,820	12,610	
		262,887	275,373	9.27
Consumer Discretionary				
ABC-Mart Inc.	1,000	75,663	71,961	
GKN PLC	4,530	24,353	24,523	
Informa PLC	4,498	53,411	55,043	
Reed Elsevier PLC	997	24,971	29,386	
RELX NV	875	21,962	25,230	
Paddy Power Betfair PLC	191	28,161	28,569	
Rinnai Corp.	200	22,833	22,690	
Techtronic Industries Co., Ltd.	6,000	34,174	48,997	
Toyota Motor Corp.	300	21,880	24,068	
WPP Plc	427	11,713	9,705	
		319,121	340,172	11.45
Consumer Staples				
Booker Group PLC	8,183	27,545	31,761	
Ezaki Glico Co., Ltd.	700	51,279	43,756	
Heineken Holding NV	117	12,673	14,521	
Henkel AG & Co. KGaA	64	8,863	9,629	
Japan Tobacco Inc.	700	32,681	28,270	
Jerónimo Martins SGPS SA	1,204	28,354	29,336	
Kao Corp.	500	37,387	42,371	
Lawson Inc.	400	39,515	33,323	
Marine Harvest ASA	2,435	52,496	51,847	
Nestlé SA	844	84,442	90,936	
Pernod Ricard SA	71	11,395	14,095	
Reckitt Benckiser Group PLC	614	73,843	72,005	
Seven & I Holdings Co., Ltd.	500	27,519	26,043	
Toyo Suisan Kaisha Ltd.	500	24,485	26,777	
Wesfarmers Ltd.	525	21,816	22,854	
		534,293	537,524	18.09
Health Care				
Astellas Pharma Inc.	500	9,976	7,991	
Bayer AG	188	27,865	29,417	
Cochlear Ltd.	196	30,597	32,889	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Fisher & Paykel Healthcare Corp., Ltd.				
	4,663	43,159	59,627	
Gerresheimer AG	312	32,098	32,446	
Lonza Group AG	51	12,776	17,265	
Novartis AG	732	73,672	77,551	
Roche Holding AG	232	74,769	73,528	
Shionogi & Co., Ltd.	300	19,318	20,344	
Takeda Pharmaceutical Co., Ltd.	100	6,142	7,119	
Terumo Corp.	1,100	58,506	65,333	
		388,878	423,510	14.25
Financials				
Admiral Group PLC	345	11,780	11,707	
AIA Group Ltd.	3,800	32,410	40,594	
Beazley PLC	1,440	9,995	13,045	
Danske Bank A/S	232	10,944	11,327	
DBS Group Holdings Ltd.	1,900	31,296	44,266	
DNB ASA	493	11,134	11,487	
Grand City Properties SA	1,915	53,404	56,615	
Hannover Rueck SE	77	11,450	12,153	
HSBC Holdings PLC	1,442	14,968	18,744	
Insurance Australia Group Ltd.	3,442	20,291	24,421	
Jyske Bank A/S	825	51,647	58,883	
National Australia Bank Ltd.	559	16,799	16,199	
Swiss Re AG	227	26,922	26,632	
Sydbank A/S	692	33,612	34,945	
Tokio Marine Holdings Inc.	300	17,254	17,154	
Westpac Banking Corp.	1,315	40,117	40,400	
Zurich Financial Services AG	117	40,646	44,618	
		434,669	483,190	16.26
Real Estate				
Deutsche Wohnen AG	394	17,958	21,613	
LEG Immobilien AG	111	13,343	15,914	
Unibail-Rodamco SE	120	39,164	37,914	
Vicinity Centres	13,062	36,803	34,818	
		107,268	110,259	3.71
Information Technology				
Amadeus IT Holding SA	491	33,243	44,405	
Kyocera Corp.	400	27,330	32,802	
Nomura Research Institute Ltd.	300	12,981	17,485	
		73,554	94,692	3.19
Telecommunication Services				
KDDI Corp.	1,300	47,772	40,551	
TDC A/S	5,507	40,590	42,432	
Vodafone Group PLC	17,370	68,330	69,186	
		156,692	152,169	5.12
Utilities				
APA Group	4,440	38,115	36,245	
CLP Holdings Ltd.	3,500	47,112	44,850	
Enel SpA	12,258	77,872	94,610	
Tokyo Gas Co., Ltd.	1,100	34,711	31,547	
		197,810	207,252	6.97
Total Equities		2,628,041	2,803,039	94.33
Transaction Costs		(3,797)		
Total Investments		2,624,244	2,803,039	94.33
Other Assets less Liabilities			168,475	5.67
Total Net Assets			2,971,514	100.00

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

Sun Life MFS Low Volatility International Equity Fund (continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Low Volatility International Equity Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Fund had no significant investments in debt instruments and/or derivatives and, therefore, did not have 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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates 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)	
	Percentage of Net Assets (%)	Percentage of Net Assets (%)	December 31, 2017	December 31, 2016
Japanese Yen	721,121	24.27	14,176,921	22.86
Euro	549,447	18.49	12,428,532	20.04
British Pound	478,794	16.11	11,251,361	18.15
Swiss Franc	370,504	12.47	8,060,629	13.00
Australian Dollar	220,969	7.44	4,460,423	7.19
Danish Krone	173,238	5.83	1,951,011	3.15
Hong Kong Dollar	134,441	4.52	2,658,896	4.29
Norwegian Krone	63,334	2.13	928,899	1.50
Singapore Dollar	63,216	2.13	2,462,611	3.97
New Zealand Dollar	59,627	2.01	972,537	1.57
Swedish Krona	30,282	1.02	1,554,332	2.51
United States Dollar	13,444	0.45	-	-
Total	2,878,417	96.87	60,906,152	98.23

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 Units of the Fund would have increased or decreased respectively by \$143,921 (\$3,045,308 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 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 its 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 Units of the Fund would have increased or decreased respectively by \$140,152 (\$3,061,059 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 MFS Low Volatility International Equity Fund (continued)

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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	2.5	3.0
Materials	3.5	3.7
Industrials	9.3	10.8
Consumer Discretionary	11.4	10.6
Consumer Staples	18.1	19.8
Health Care	14.2	11.5
Financials	16.3	14.7
Real Estate	3.7	4.5
Information Technology	3.2	5.3
Telecommunication Services	5.1	6.1
Utilities	7.0	8.7
Other Assets less Liabilities	5.7	1.3
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 (\$)	
Equities	2,803,039	-	-	2,803,039
	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities	61,221,181	-	-	61,221,181

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and February 5 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$65,505 (\$323,657 for the period ended December 31, 2016).

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 \$35,092 (\$103,086 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$1,317,614 (\$1,317,614 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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

Sun Life MFS Low Volatility International Equity Fund (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	
	Units	Market Value (\$)
Series A	-	-
Series F	1,299	11,239
Series I	-	-
Series O	-	-
Series T5	872	11,001
Series T8	901	11,009

	December 31, 2016	
	Units	Market Value (\$)
Series A	1,028	9,835
Series F	1,033	9,930
Series I	10,206	100,172
Series O	1,030	9,897
Series T5	701	9,829
Series T8	721	9,830

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	14	11,066	36
Series F	28	-	2,303
Series I	-	113,845	941
Series O	-	11,237	87
Series T5	27	-	2,220
Series T8	27	-	2,275

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	10,000	-	272
Series F	10,000	-	313
Series I	100,000	-	1,972
Series O	10,000	75	355
Series T5	10,000	-	493
Series T8	10,000	-	784

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at December 31, 2017 and December 31, 2016, SLA held the following position in the Fund:

	December 31, 2017	
	Units	Market Value (\$)
Series I	17,706	172,275

	December 31, 2016	
	Units	Market Value (\$)
Series I	15,401	151,171

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	645	12,501

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	150,000	454	2,969

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	2,803,039	61,221,181
Total financial assets at fair value through profit or loss	2,803,039	61,221,181
Financial assets at amortized cost		
Cash	13,202	537,795
Other receivables	188,906	251,586
Total financial assets at amortized cost	202,108	789,381
Total assets	3,005,147	62,010,562
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	33,633	5,174
Total liabilities (excluding net assets attributable to holders of redeemable units)	33,633	5,174

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

Sun Life MFS Low Volatility International Equity Fund (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	4,926,333	(26,444)
Total net gains (losses)	4,926,333	(26,444)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	February 05, 2016	February 11, 2016
Series T5 Units	February 05, 2016	February 11, 2016
Series T8 Units	February 05, 2016	February 11, 2016
Series F Units	February 05, 2016	February 11, 2016
Series I Units	February 05, 2016	February 11, 2016
Series O Units	February 05, 2016	February 11, 2016

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

Sun Life MFS Monthly Income Fund

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)	22,206,970	19,522,150
Short-term investments	550,000	-
Cash	137,194	842,407
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	10,279	6,253
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	-
Accrued interest	92,766	100,008
Dividends receivable	42,196	38,941
Distributions receivable from underlying funds	-	-
Subscriptions receivable	7,183	6,660
	23,046,588	20,516,419
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	35,535	93,166
Unrealized depreciation on swaps	-	-
Accrued expenses	1,031	3,551
Redemptions payable	342	6,401
Distributions payable	-	-
Due to investment dealers	1,130	796
Management fees payable	4,577	18,181
Total liabilities (excluding net assets attributable to holders of redeemable units)	42,615	122,095
Net Assets Attributable to Holders of Redeemable Units	23,003,973	20,394,324
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	13,253,172	13,100,103
Series T5	339,174	440,359
Series E	-	-
Series EF	-	-
Series F	523,996	660,182
Series I	6,705,950	4,355,960
Series O	2,181,681	1,837,720
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	11.09	11.21
Series T5	15.00	15.42
Series E	-	-
Series EF	-	-
Series F	11.51	11.56
Series I	12.35	12.25
Series O	10.42	10.41

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		
Dividend income	383,158	304,178
Interest income for distribution purposes	353,533	304,057
Distributions from underlying funds	-	-
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	821,232	175,785
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	590,531	(184,494)
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(717,370)	974,318
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	61,657	321,349
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	1,492,741	1,895,193
Net gain (loss) on foreign exchange	(16,680)	10,859
Other income	-	-
Total income (loss)	1,476,061	1,906,052
Expenses (note 5)		
Management fees	191,755	168,938
Administration fees	39,371	32,909
Independent review committee fees	338	106
Withholding tax	15,434	7,967
Transaction costs (note 2)	6,182	7,156
Total operating expenses	253,080	217,076
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	1,222,981	1,688,976
Finance Cost		
Interest expense	(4)	(3)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	1,222,977	1,688,973
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	658,132	1,136,736
Series T5	19,506	33,459
Series E	-	(34,695)
Series EF	-	(185)
Series F	31,907	19,811
Series I	382,425	360,864
Series O	131,007	172,983
Weighted Average Number of Units Outstanding		
Series A	1,165,615	1,059,068
Series T5	24,455	23,097
Series E	-	184,372
Series EF	-	1,013
Series F	50,054	20,351
Series I	461,891	272,821
Series O	194,522	161,341

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

Sun Life MFS Monthly Income Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.56	1.07
Series T5	0.80	1.45
Series E	-	(0.19)
Series EF	-	(0.18)
Series F	0.64	0.97
Series I	0.83	1.32
Series O	0.67	1.07

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

For the periods ended December 31

	Series A		Series T5		Series E		Series EF	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 13,100,103	9,528,746	440,359	262,796	-	1,749,757	-	9,579
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 658,132	1,136,736	19,506	33,459	-	(34,695)	-	(185)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 3,297,301	5,021,034	12,447	226,095	-	6,456	-	-
Redemption of redeemable units	\$ (3,798,204)	(2,582,063)	(117,316)	(75,571)	-	(1,721,421)	-	(9,394)
Reinvestment of distributions to holders of redeemable units	\$ 793,666	380,831	12,144	10,954	-	5,589	-	31
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 292,763	2,819,802	(92,725)	161,478	-	(1,709,376)	-	(9,363)
Distributions to Holders of Redeemable Units								
From capital gains	\$ (411,545)	-	(10,770)	-	-	-	-	-
From net investment income	\$ (386,281)	(265,226)	(16,576)	(17,374)	-	(3,946)	-	(21)
Return of capital	\$ -	(119,955)	(620)	-	-	(1,740)	-	(10)
	\$ (797,826)	(385,181)	(27,966)	(17,374)	-	(5,686)	-	(31)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 153,069	3,571,357	(101,185)	177,563	-	(1,749,757)	-	(9,579)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 13,253,172	13,100,103	339,174	440,359	-	-	-	-
Redeemable Unit Transactions								
Balance - beginning of period	1,168,310	905,511	28,554	17,874	-	185,953	-	1,013
Units issued	291,894	468,584	805	14,902	-	701	-	-
Units issued on reinvestment of distributions	71,026	34,767	797	723	-	602	-	3
Units redeemed	(336,381)	(240,552)	(7,545)	(4,945)	-	(187,256)	-	(1,016)
Balance - end of period	1,194,849	1,168,310	22,611	28,554	-	-	-	-

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

Sun Life MFS Monthly Income Fund (continued)

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

For the periods ended December 31

	Series F		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 660,182	25,359	4,355,960	2,489,366	1,837,720	1,194,942	20,394,324	15,260,545
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 31,907	19,811	382,425	360,864	131,007	172,983	1,222,977	1,688,973
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 52,048	628,480	2,296,028	1,611,335	594,684	688,590	6,252,508	8,181,990
Redemption of redeemable units	\$ (220,137)	(13,497)	(328,463)	(105,604)	(369,252)	(211,951)	(4,833,372)	(4,719,501)
Reinvestment of distributions to holders of redeemable units	\$ 33,090	8,709	361,377	100,192	120,027	51,617	1,320,304	557,923
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (134,999)	623,692	2,328,942	1,605,923	345,459	528,256	2,739,440	4,020,412
Distributions to Holders of Redeemable Units								
From capital gains	\$ (16,305)	-	(208,700)	-	(68,121)	-	(715,441)	-
From net investment income	\$ (16,789)	(5,969)	(152,677)	(69,001)	(64,384)	(40,261)	(636,707)	(401,798)
Return of capital	\$ -	(2,711)	-	(31,192)	-	(18,200)	(620)	(173,808)
	\$ (33,094)	(8,680)	(361,377)	(100,193)	(132,505)	(58,461)	(1,352,768)	(575,606)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (136,186)	634,823	2,349,990	1,866,594	343,961	642,778	2,609,649	5,133,779
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 523,996	660,182	6,705,950	4,355,960	2,181,681	1,837,720	23,003,973	20,394,324
Redeemable Unit Transactions								
Balance - beginning of period	57,106	2,353	355,517	220,459	176,562	123,756	1,786,049	1,456,919
Units issued	4,438	55,249	184,954	135,529	56,265	69,446	538,356	744,411
Units issued on reinvestment of distributions	2,858	763	29,195	8,424	11,468	5,102	115,344	50,384
Units redeemed	(18,869)	(1,259)	(26,462)	(8,895)	(34,905)	(21,742)	(424,162)	(465,665)
Balance - end of period	45,533	57,106	543,204	355,517	209,390	176,562	2,015,587	1,786,049

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

Sun Life MFS Monthly Income Fund (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 units from operations (excluding distributions)	1,222,977	1,688,973
Adjustments for:		
Gain on short-term investments	(535)	-
Net realized (gain) loss on sale of investments	(821,232)	(175,785)
Change in unrealized (appreciation) depreciation in value of investments	717,370	(974,318)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(61,657)	(321,349)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(10,617,320)	(9,165,670)
Proceeds from sale of investments	8,030,514	6,022,368
Purchases of short-term investments	(7,000,000)	-
Proceeds from sale of short-term investments	6,450,535	-
Change in dividends and interest receivable	3,987	(11,989)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(13,604)	15,224
Change in other payables and accrued expenses	3,662	10,145
Net Cash Provided by (Used in) Operating Activities	(2,085,303)	(2,912,401)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(32,464)	(17,683)
Proceeds from redeemable units issued	6,251,985	8,362,333
Redemption of redeemable units	(4,839,431)	(4,713,569)
Net Cash Provided by (Used in) Financing Activities	1,380,090	3,631,081
Net increase (decrease) in cash	(705,213)	718,680
Cash (bank indebtedness) at beginning of period	842,407	123,727
Cash (bank indebtedness) at end of period	137,194	842,407
Dividends received, net of withholding taxes	364,469	290,313
Interest received, net of withholding taxes	360,775	297,966
Interest paid	(4)	(3)

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

Sun Life MFS Monthly Income Fund (continued)

Schedule of Investments

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Term Deposit Receipts						
National Bank of Canada	0.950%	02-Jan-2018	550,000	550,000	550,000	
Total Short-Term Notes				550,000	550,000	2.39
BONDS						
Federal Bonds						
Canadian Government Bond	2.750%	01-Dec-2048	100,000	106,400	110,762	
United States Treasury Note	1.625%	30-Nov-2020	430,000	546,172	533,440	
United States Treasury Note	2.000%	15-Feb-2025	940,000	1,245,956	1,151,522	
United States Treasury Note	2.375%	15-May-2027	200,000	257,116	249,914	
United States Treasury Note	5.000%	15-May-2037	255,000	472,286	438,191	
United States Treasury Note	3.000%	15-May-2042	240,000	333,034	316,588	
United States Treasury Note	2.500%	15-Feb-2045	305,000	377,821	364,399	
				3,338,785	3,164,816	13.76
Provincial Bonds						
Province of Ontario	4.700%	02-Jun-2037	320,000	400,723	405,570	
				400,723	405,570	1.76
Corporate Bonds						
Advance Auto Parts Inc.	4.500%	15-Jan-2022	10,000	10,194	13,142	
American International Group Inc.	4.125%	15-Feb-2024	175,000	232,041	231,989	
Anheuser-Busch InBev Finance Inc.	5.375%	15-Jan-2020	150,000	187,674	199,467	
Anheuser-Busch InBev Finance Inc.	3.650%	01-Feb-2026	50,000	71,176	64,761	
Apple Inc.	3.850%	04-May-2043	150,000	147,468	195,742	
AT&T Inc.	4.500%	15-May-2035	195,000	242,960	243,603	
Bank of America Corp.	3.950%	21-Apr-2025	165,000	217,450	213,992	
Becton Dickinson and Co.	3.734%	15-Dec-2024	47,000	63,903	60,402	
Berkshire Hathaway Inc.	3.400%	31-Jan-2022	220,000	265,474	286,579	
Boeing Capital Corp.	2.900%	15-Aug-2018	100,000	106,667	126,039	
BP Capital Markets PLC	4.742%	11-Mar-2021	120,000	139,946	161,077	
Bruce Power LP	3.969%	23-Jun-2026	85,000	89,675	89,085	
Capital One Financial Corp.	3.200%	05-Feb-2025	100,000	125,565	124,265	
Caterpillar Financial Services Corp.	7.150%	15-Feb-2019	40,000	53,397	52,931	
Coca-Cola Co.	3.150%	01-Nov-2020	100,000	109,149	128,766	
Colgate-Palmolive Co.	2.100%	01-May-2023	200,000	234,533	244,249	
Comcast Corp.	4.750%	01-Mar-2044	55,000	84,231	79,213	
CU Inc.	3.805%	10-Sep-2042	85,000	90,313	89,516	
Dominion Resources Inc.	3.625%	01-Dec-2024	100,000	128,256	129,864	
Fidelity National Information Services Inc.	5.000%	15-Oct-2025	28,000	37,933	38,832	
Forest Laboratories LLC	4.875%	15-Feb-2021	47,000	55,861	62,380	
General Electric Co.	5.500%	08-Jan-2020	145,000	182,762	192,956	
Gilead Sciences Inc.	4.800%	01-Apr-2044	150,000	169,704	218,584	
Goldman Sachs Group Inc.	3.625%	22-Jan-2023	150,000	149,211	194,373	
Home Depot Inc.	4.875%	15-Feb-2044	55,000	88,371	83,519	
IGM Financial Inc.	4.560%	25-Jan-2047	40,000	40,000	42,827	
Intercontinental Exchange Inc.	3.750%	01-Dec-2025	135,000	180,934	178,401	
John Deere Capital Corp.	5.350%	03-Apr-2018	100,000	121,363	126,450	
JPMorgan Chase & Co.	5.500%	28-Jul-2021	100,000	98,785	137,164	
JPMorgan Chase & Co.	3.200%	25-Jan-2023	150,000	146,409	191,835	
Kraft Heinz Foods Co.	5.375%	10-Feb-2020	26,000	31,015	34,532	
Life Technologies Corp.	5.000%	15-Jan-2021	200,000	236,893	265,291	
Medtronic Inc.	3.500%	15-Mar-2025	150,000	207,659	195,147	
Medtronic Inc.	4.625%	15-Mar-2045	50,000	68,569	73,167	
Morgan Stanley	3.875%	29-Apr-2024	100,000	109,433	130,927	
Pembina Pipeline Corp.	4.810%	25-Mar-2044	90,000	93,924	92,354	
Sabine Pass Liquefaction LLC	4.200%	15-Mar-2028	58,000	76,744	73,673	
Sealed Air Corp.	5.125%	01-Dec-2024	60,000	86,121	80,815	
SunTrust Bank/Atlanta GA	3.300%	15-May-2026	250,000	326,422	310,790	
Sydney Airport Finance Co., Pty Ltd.	3.375%	30-Apr-2025	125,000	150,562	156,352	
The Kroger Co.	3.400%	15-Apr-2022	200,000	218,498	256,745	
Total Capital Canada Ltd.	2.750%	15-Jul-2023	65,000	64,010	81,932	
Total Capital International SA	2.875%	17-Feb-2022	100,000	100,023	127,089	
Toyota Motor Credit Corp.	3.300%	12-Jan-2022	100,000	104,234	129,264	
UnitedHealth Group Inc.	3.350%	15-Jul-2022	145,000	192,882	187,723	

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

Sun Life MFS Monthly Income Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Videotron Ltd.	5.625%	15-Jun-2025	85,000	88,188	91,321	
Walgreens Boots Alliance Inc.	3.800%	18-Nov-2024	150,000	193,113	192,216	
WM Wrigley Jr Co.	3.375%	21-Oct-2020	150,000	162,189	192,552	
				6,381,884	6,873,893	29.88
Total Bonds				10,121,392	10,444,279	45.40
			Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES						
Energy						
Canadian Natural Resources Ltd.			5,697	210,135	255,909	
Crescent Point Energy Corp.			6,806	145,507	65,201	
Enbridge Inc.			12,177	594,452	598,621	
Eni SpA			5,692	112,788	118,180	
Pembina Pipeline Corp.			1,419	54,923	64,579	
Suncor Energy Inc.			11,055	413,460	510,188	
TORC Oil & Gas Ltd.			11,483	93,521	86,582	
TransCanada Corporation			5,515	289,459	337,408	
				1,914,245	2,036,668	8.85
Materials						
Agnico Eagle Mines Ltd.			2,065	105,819	119,853	
Agrium Inc.			2,311	287,264	334,124	
Barrick Gold Corp.			4,906	123,669	89,191	
Franco-Nevada Corp.			1,484	116,198	149,083	
Goldcorp Inc.			6,265	137,887	100,428	
Stella-Jones Inc.			2,607	114,369	131,654	
Western Forest Products Inc.			48,024	119,447	117,659	
				1,004,653	1,041,992	4.53
Industrials						
Canadian Pacific Railway Ltd.			2,205	430,056	506,400	
Kansas City Southern			2,001	265,045	263,801	
SNC-Lavalin Group Inc.			2,081	118,548	118,721	
Stantec Inc.			3,206	110,495	112,723	
Transcontinental Inc., Class A			5,507	114,211	136,794	
Westjet Airlines Ltd.			8,640	178,850	227,750	
				1,217,205	1,366,189	5.94
Consumer Discretionary						
Gildan Activewear Inc.			4,345	170,425	176,450	
Magna International Inc.			3,062	125,243	218,137	
				295,668	394,587	1.72
Consumer Staples						
Alimentation Couche-Tard Inc., Class B			2,323	143,294	152,366	
AVI Ltd.			9,576	87,836	107,150	
Greggs PLC			11,741	212,353	278,401	
				443,483	537,917	2.34
Health Care						
Bayer AG			553	84,330	86,528	
				84,330	86,528	0.38
Financials						
Apollo Global Management LLC			2,170	53,213	91,001	
Brookfield Asset Management Inc.			3,988	187,875	218,223	
Element Fleet Management Corp.			3,940	50,590	37,430	
Fairfax Financial Holdings Ltd.			342	231,330	228,914	
Insurance Australia Group Ltd.			18,903	106,577	134,119	
Intesa Sanpaolo SpA			42,045	170,201	175,224	
Manulife Financial Corp.			13,738	321,796	360,210	
National Bank of Canada			5,161	237,271	323,698	
Power Financial Corp.			6,741	211,729	232,834	

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

Sun Life MFS Monthly Income Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Royal Bank of Canada	7,267	526,568	745,958	
Starwood Property Trust Inc.	5,796	166,279	155,045	
The Bank of Nova Scotia	4,214	271,179	341,840	
The Toronto-Dominion Bank	11,605	611,610	854,708	
Thomson Reuters Corp.	6,396	378,862	350,437	
Zurich Insurance Group AG	604	189,973	230,333	
		3,715,053	4,479,974	19.47
Real Estate				
Atrium European Real Estate Ltd.	9,727	48,787	60,733	
Canadian Real Estate Investment Trust	1,206	55,397	55,838	
Medical Properties Trust Inc.	17,205	297,342	297,054	
		401,526	413,625	1.80
Information Technology				
Hitachi Ltd.	14,000	90,411	136,702	
Nomura Research Institute Ltd.	1,400	68,439	81,594	
		158,850	218,296	0.95
Telecommunication Services				
BCE Inc.	2,822	167,875	170,392	
Rogers Communications Inc.	1,733	112,424	110,999	
TELUS Corp.	6,355	261,105	302,625	
		541,404	584,016	2.54
Utilities				
Canadian Utilities Ltd., Class A	4,144	155,603	155,027	
Emera Inc.	2,334	111,884	109,651	
Engie SA	8,070	187,369	173,560	
Superior Plus Corp.	13,872	155,351	164,661	
		610,207	602,899	2.62
Total Equities		10,386,624	11,762,691	51.14
Transaction Costs		(6,223)		-
Total Investments		21,051,793	22,756,970	98.93
Currency Forward Contracts ⁽¹⁾			(25,256)	(0.11)
Other Assets less Liabilities			272,259	1.18
Total Net Assets			23,003,973	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Brown Brothers Harriman & Co.	NR	12-Jan-2018	CAD	549,887	USD	(430,759)	10,279
							10,279
Citibank	A-2	12-Jan-2018	CAD	4,616,029	USD	(3,696,342)	(14,276)
Citibank	A-2	12-Jan-2018	USD	216,000	CAD	(275,791)	(5,210)
Citibank	A-2	12-Jan-2018	USD	134,901	CAD	(171,245)	(2,257)
Citibank	A-2	12-Jan-2018	USD	17,229	CAD	(22,007)	(424)
JP Morgan	A-2	02-Jan-2018	ZAR	11,163	CAD	(1,145)	(16)
Merrill Lynch	NR	12-Jan-2018	CAD	4,616,953	USD	(3,696,342)	(13,352)
							(35,535)
							(25,256)

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

Sun Life MFS Monthly Income Fund (continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS Monthly Income Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

The Fund invests in financial assets, which 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	13.76	4.08
AA/Aa	6.67	7.51
A/A	13.35	17.68
BBB/Bbb	13.27	14.25
BB/Bb	0.75	0.84
Not Rated	0.04	-
Total	47.84	44.36

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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. However, the Fund also holds foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and reduce the current 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.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	December 31, 2017		December 31, 2016	
United States Dollar	1,267,199	5.51	812,837	3.99
Euro	441,631	1.92	50,486	0.25
British Pound	278,401	1.21	210,947	1.03
Swiss Franc	232,027	1.01	210,891	1.03
Japanese Yen	218,296	0.95	101,733	0.50
Australian Dollar	134,119	0.58	102,642	0.50
South African Rand	107,150	0.47	49,097	0.24
Danish Krone	942	-	101,640	0.50
Norwegian Krone	-	-	1,219	0.01
Total	2,679,765	11.65	1,641,492	8.05

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 Units of the Fund would have increased or decreased respectively by \$133,988 (\$82,075 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 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	802,489	2,961,098	7,230,692	10,994,279
December 31, 2016	-	1,909,644	7,130,348	9,039,992

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

Sun Life MFS Monthly Income Fund (continued)

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 Units of the Fund would have decreased or increased respectively by \$1,059,790 (\$931,376 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 its 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 Units of the Fund would have increased or decreased respectively by \$588,135 (\$524,108 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 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 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	2.4	-
Bonds		
Federal Bonds	13.7	0.8
Provincial Bonds	1.8	2.2
Corporate Bonds	29.9	41.3
Equities		
Energy	8.9	11.2
Materials	4.5	4.9
Industrials	5.9	5.6
Consumer Discretionary	1.7	2.8
Consumer Staples	2.3	1.4
Health Care	0.4	-
Financials	19.5	17.7
Real Estate	1.8	2.2
Information Technology	1.0	0.9
Telecommunication Services	2.5	1.4
Utilities	2.6	3.3
Currency Forward Contracts	(0.1)	(0.4)
Other Assets less Liabilities	1.2	4.7
Total	100.0	100.0

Fair Value Disclosure

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

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Short-Term Investments	-	550,000	-	550,000
Equities	11,589,131	173,560	-	11,762,691
Bonds	-	10,444,279	-	10,444,279
Currency Forward Contracts	-	10,279	-	10,279
Financial Liabilities				
Currency Forward Contracts	-	35,535	-	35,535

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	10,353,473	128,685	-	10,482,158
Bonds	-	9,039,992	-	9,039,992
Currency Forward Contracts	-	6,253	-	6,253
Financial Liabilities				
Currency Forward Contracts	-	93,166	-	93,166

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Bonds have been classified as Level 2.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

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

Sun Life MFS Monthly Income Fund (continued)

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$6,182 (\$7,156 for the period ended December 31, 2016).

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 \$3,222 (\$4,624 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$nil (\$323,680 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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	
	Units	Market Value (\$)
Series F	-	-

	December 31, 2016	
	Units	Market Value (\$)
Series F	920	10,634

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	-	-
Series F	24	11,155	279

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	9,394	31
Series F	9,394	-	324

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at December 31, 2017 and December 31, 2016, SLA held the following position in the Fund:

	December 31, 2017	
	Units	Market Value (\$)
Series I	196,090	2,420,765

	December 31, 2016	
	Units	Market Value (\$)
Series I	185,014	2,266,887

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

Sun Life MFS Monthly Income Fund (continued)

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	-	137,082

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	-	65,538

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	10,279	6,253
Investments designated at FVTPL	22,756,970	19,522,150
Total financial assets at fair value through profit or loss	22,767,249	19,528,403
Financial assets at amortized cost		
Cash	137,194	842,407
Other receivables	142,145	145,609
Total financial assets at amortized cost	279,339	988,016
Total assets	23,046,588	20,516,419
Financial liabilities		
Derivative liabilities held for trading	35,535	93,166
Financial liabilities at amortized cost	7,080	28,929
Total liabilities (excluding net assets attributable to holders of redeemable units)	42,615	122,095

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	652,188	136,855
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	840,553	1,758,338
Total net gains (losses)	1,492,741	1,895,193

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Amounts Eligible for Offset		Net (\$)
			Collateral received/ paid (\$)		
December 31, 2017					
Derivative assets -					
Forward Contracts	10,279	-	-	-	10,279
Total	10,279	-	-	-	10,279
Derivative liabilities -					
Forward Contracts	(35,535)	-	-	-	(35,535)
Total	(35,535)	-	-	-	(35,535)
December 31, 2016					
Derivative assets -					
Forward Contracts	6,253	-	-	-	6,253
Total	6,253	-	-	-	6,253
Derivative liabilities -					
Forward Contracts	(93,166)	-	-	-	(93,166)
Total	(93,166)	-	-	-	(93,166)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	August 24, 2011	September 01, 2011
Series T5 Units	August 24, 2011	September 01, 2011
Series F Units	August 24, 2011	September 01, 2011
Series I Units	August 24, 2011	September 01, 2011
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E and EF units were re-designated to Series A units, under the Front End Sales Charge option, and Series F units, 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. Equity Fund

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)	552,014,328	597,509,988
Short-term investments	4,381,525	-
Cash	1,195,710	10,735,417
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	244,821	-
Accrued interest	140	-
Dividends receivable	570,132	582,984
Distributions receivable from underlying funds	-	-
Subscriptions receivable	705,574	1,124,768
	559,112,230	609,953,157
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	8,044	28,928
Redemptions payable	848,138	1,453,199
Distributions payable	-	-
Due to investment dealers	-	-
Management fees payable	20,737	74,521
Total liabilities (excluding net assets attributable to holders of redeemable units)	876,919	1,556,648
Net Assets Attributable to Holders of Redeemable Units	558,235,311	608,396,509
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	11,529,200	9,644,502
Series D	35,021,988	34,200,613
Series E	-	-
Series F	11,753,272	10,404,386
Series I	489,974,293	546,057,548
Series O	9,956,558	8,089,460
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	73.15	65.23
Series D	77.21	68.32
Series E	-	-
Series F	76.84	67.93
Series I	78.25	69.10
Series O	15.84	14.00

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		
Dividend income	9,067,668	9,813,367
Interest income for distribution purposes	205,354	77,379
Distributions from underlying funds	-	-
Changes in fair value on financial assets and financial liabilities at fair value through profit or loss		
Net realized gain (loss) on sale of investments	73,300,453	41,458,523
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	870,844	(17,975,078)
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	83,444,319	33,374,191
Net gain (loss) on foreign exchange	18,426	171,961
Other income	-	-
Total income (loss)	83,462,745	33,546,152
Expenses (note 5)		
Management fees	837,555	750,004
Administration fees	307,778	313,017
Independent review committee fees	1,392	3,785
Withholding tax	1,133,958	1,337,393
Transaction costs (note 2)	101,011	143,267
Total operating expenses	2,381,694	2,547,466
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	81,081,051	30,998,686
Finance Cost		
Interest expense	(3)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	81,081,048	30,998,686
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	1,329,199	386,775
Series D	4,662,051	1,134,588
Series E	-	(79,382)
Series F	1,465,380	410,854
Series I	72,315,325	28,714,387
Series O	1,309,093	431,464
Weighted Average Number of Units Outstanding		
Series A	156,598	143,283
Series D	479,287	523,184
Series E	-	74,570
Series F	152,084	152,832
Series I	6,533,970	8,356,774
Series O	593,715	562,088
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	8.49	2.70
Series D	9.73	2.17
Series E	-	(1.06)
Series F	9.64	2.69
Series I	11.07	3.44
Series O	2.20	0.77

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

Sun Life MFS U.S. Equity Fund (continued)

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

For the periods ended December 31

	Series A		Series D		Series E		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 9,644,502	7,863,132	34,200,613	36,129,234	-	1,117,369	10,404,386	10,260,870
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 1,329,199	386,775	4,662,051	1,134,588	-	(79,382)	1,465,380	410,854
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 4,234,485	3,379,307	1,484,128	386,740	-	7,394	1,691,398	954,788
Redemption of redeemable units	\$ (3,676,503)	(1,984,812)	(5,310,396)	(3,449,959)	-	(1,045,320)	(1,783,939)	(1,216,892)
Reinvestment of distributions to holders of redeemable units	\$ 112,016	1,100	331,043	36	-	44	124,884	26,899
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 669,998	1,395,595	(3,495,225)	(3,063,183)	-	(1,037,882)	32,343	(235,205)
Distributions to Holders of Redeemable Units								
From capital gains	\$ (113,187)	-	(345,313)	-	-	-	(104,706)	-
From net investment income	\$ (113)	(947)	(12)	(26)	-	(105)	(32,725)	(30,438)
Return of capital	\$ (1,199)	(53)	(126)	-	-	-	(11,406)	(1,695)
	\$ (114,499)	(1,000)	(345,451)	(26)	-	(105)	(148,837)	(32,133)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 1,884,698	1,781,370	821,375	(1,928,621)	-	(1,117,369)	1,348,886	143,516
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 11,529,200	9,644,502	35,021,988	34,200,613	-	-	11,753,272	10,404,386
Redeemable Unit Transactions								
Balance - beginning of period	147,865	124,216	500,601	549,087	-	85,003	153,172	156,898
Units issued	60,291	55,980	19,736	6,048	-	587	23,057	15,255
Units issued on reinvestment of distributions	1,502	18	4,202	1	-	3	1,602	401
Units redeemed	(52,056)	(32,349)	(70,960)	(54,535)	-	(85,593)	(24,872)	(19,382)
Balance - end of period	157,602	147,865	453,579	500,601	-	-	152,959	153,172

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 546,057,548	556,745,320	8,089,460	7,147,336	608,396,509	619,263,261
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 72,315,325	28,714,387	1,309,093	431,464	81,081,048	30,998,686
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 44,069,633	48,520,903	1,393,129	832,115	52,872,773	54,081,247
Redemption of redeemable units	\$ (172,468,213)	(87,923,062)	(707,321)	(260,956)	(183,946,372)	(95,881,001)
Reinvestment of distributions to holders of redeemable units	\$ 11,619,091	7,376,279	94,896	35,686	12,281,930	7,440,044
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (116,779,489)	(32,025,880)	780,704	606,845	(118,791,669)	(34,359,710)
Distributions to Holders of Redeemable Units						
From capital gains	\$ (4,851,469)	-	(99,957)	-	(5,514,632)	-
From net investment income	\$ (6,767,622)	(6,987,149)	(122,742)	(91,111)	(6,923,214)	(7,109,776)
Return of capital	\$ -	(389,130)	-	(5,074)	(12,731)	(395,952)
	\$ (11,619,091)	(7,376,279)	(222,699)	(96,185)	(12,450,577)	(7,505,728)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (56,083,255)	(10,687,772)	1,867,098	942,124	(50,161,198)	(10,866,752)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 489,974,293	546,057,548	9,956,558	8,089,460	558,235,311	608,396,509
Redeemable Unit Transactions						
Balance - beginning of period	7,902,849	8,381,031	577,980	531,030	9,282,467	9,827,265
Units issued	584,358	761,971	90,864	63,995	778,306	903,836
Units issued on reinvestment of distributions	145,588	105,371	5,872	2,517	158,766	108,311
Units redeemed	(2,370,884)	(1,345,524)	(46,296)	(19,562)	(2,565,068)	(1,556,945)
Balance - end of period	6,261,911	7,902,849	628,420	577,980	7,654,471	9,282,467

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

Sun Life MFS U.S. Equity Fund (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 units from operations (excluding distributions)	81,081,048	30,998,686
Adjustments for:		
Gain on short-term investments	(26,133)	(1,873)
Net realized (gain) loss on sale of investments	(73,300,453)	(41,458,523)
Change in unrealized (appreciation) depreciation in value of investments	(870,844)	17,975,078
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(111,523,233)	(144,255,814)
Proceeds from sale of investments	231,058,822	182,717,268
Purchases of short-term investments	(74,393,110)	(15,033,557)
Proceeds from sale of short-term investments	69,823,254	14,647,646
Change in dividends and interest receivable	12,712	(21,314)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(53,784)	60,084
Change in other payables and accrued expenses	80,127	166,003
Net Cash Provided by (Used in) Operating Activities	121,888,406	45,793,684
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(168,647)	(65,684)
Proceeds from redeemable units issued	53,291,967	54,093,707
Redemption of redeemable units	(184,551,433)	(94,558,462)
Net Cash Provided by (Used in) Financing Activities	(131,428,113)	(40,530,439)
Net increase (decrease) in cash	(9,539,707)	5,263,245
Cash (bank indebtedness) at beginning of period	10,735,417	5,472,172
Cash (bank indebtedness) at end of period	1,195,710	10,735,417
Dividends received, net of withholding taxes	7,946,562	8,454,660
Interest received, net of withholding taxes	205,214	77,379
Interest paid	(3)	-

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

Sun Life MFS U.S. Equity Fund (continued)

Schedule of Investments

As at December 31, 2017

	Yield	Maturity Date	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Short-Term Notes						
Treasury Bills						
United States Treasury Bill	1.150%	25-Jan-2018	3,500,000	4,381,525	4,381,525	
Total Short-Term Notes				4,381,525	4,381,525	0.78

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Enterprise Products Partners LP	225,712	7,664,890	7,497,150	
EOG Resources Inc.	76,506	7,309,172	10,344,012	
Schlumberger Ltd.	123,522	11,474,430	10,429,734	
		26,448,492	28,270,896	5.06
Materials				
Crown Holdings Inc.	127,829	7,509,856	9,009,148	
PPG Industries Inc.	39,415	5,307,355	5,769,133	
The Sherwin-Williams Co.	15,455	3,778,839	7,940,120	
		16,596,050	22,718,401	4.08
Industrials				
AMETEK Inc.	54,842	3,548,432	4,979,702	
Canadian National Railway Co.	103,448	6,834,002	10,693,204	
Fluor Corp.	48,761	3,120,725	3,155,548	
Honeywell International Inc.	53,846	4,692,789	10,346,593	
United Technologies Corp.	45,945	5,500,478	7,343,762	
		23,696,426	36,518,809	6.54
Consumer Discretionary				
Aramark	81,724	3,706,597	4,376,389	
AutoZone Inc.	2,740	2,398,901	2,442,181	
Comcast Corp.	253,247	6,933,253	12,708,042	
LVMH Moët Hennessy Louis Vuitton SA	21,381	4,219,581	7,894,107	
Newell Rubbermaid Inc.	211,069	9,541,142	8,171,744	
NIKE Inc.	73,228	4,460,741	5,739,001	
Ross Stores Inc.	63,422	3,379,947	6,377,005	
Starbucks Corp.	114,883	8,487,030	8,266,590	
The Interpublic Group of Cos Inc.	59,670	1,815,804	1,507,226	
The Walt Disney Co.	26,526	1,834,935	3,573,160	
Tractor Supply Co.	55,994	4,117,554	5,244,263	
Twenty-First Century Fox Inc.	58,464	1,968,042	2,529,396	
		52,863,527	68,829,104	12.33
Consumer Staples				
Colgate-Palmolive Co.	71,992	4,889,376	6,805,739	
Costco Wholesale Corp.	24,260	4,854,809	5,657,384	
Coty Inc.	175,657	4,500,825	4,377,559	
Danone SA	75,314	5,860,152	7,926,179	
Diageo PLC	107,743	3,242,089	4,976,266	
Kimberly-Clark Corp.	17,627	2,752,708	2,664,855	
Mondelez International Inc.	165,674	6,610,319	8,884,437	
Pernod-Ricard SA	43,437	5,825,106	8,623,224	
The Estée Lauder Cos Inc.	24,611	2,804,555	3,923,600	
		41,339,939	53,839,243	9.64
Health Care				
Abbott Laboratories	80,888	3,827,684	5,783,940	
Biogen Inc.	16,155	5,849,276	6,448,276	
Danaher Corp.	99,982	5,663,330	11,627,737	
Eli Lilly & Co.	74,287	6,867,179	7,861,324	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Johnson & Johnson	60,423	6,880,632	10,577,735	
McKesson Corp.	30,750	6,850,275	6,008,448	
Medtronic PLC	109,545	10,842,673	11,083,244	
Stryker Corp.	17,176	1,696,545	3,332,246	
Thermo Fisher Scientific Inc.	65,304	7,361,803	15,536,415	
Zoetis Inc.	72,746	4,788,213	6,566,208	
		60,627,610	84,825,573	15.21
Financials				
ACE Ltd.	36,102	3,503,326	6,610,015	
Bank of America Corporation	474,100	8,979,634	17,535,498	
BlackRock Inc.	5,815	1,641,670	3,742,825	
JPMorgan Chase & Co.	161,938	9,517,392	21,698,053	
Morgan Stanley	118,011	4,080,206	7,758,278	
The Blackstone Group LP	110,890	4,364,480	4,448,827	
The Goldman Sachs Group Inc.	37,287	6,922,375	11,902,015	
The NASDAQ OMX Group Inc.	71,349	4,030,667	6,868,320	
US Bancorp.	94,053	5,381,418	6,314,038	
		48,421,168	86,877,869	15.56
Information Technology				
Accenture PLC	65,054	6,021,426	12,478,220	
Adobe Systems Inc.	24,070	2,663,897	5,284,953	
Alphabet Inc., Class A	12,141	8,708,306	16,024,319	
Alphabet Inc., Class C	9,747	2,169,568	12,779,107	
Amdocs Ltd.	42,370	3,522,259	3,476,153	
Apple Inc.	30,816	2,595,551	6,534,095	
Broadcom Ltd.	43,102	7,812,398	13,873,733	
Cognizant Technology Solutions Corp.	148,916	8,976,201	13,251,158	
DXC Technology Co.	64,757	6,077,864	7,699,894	
Facebook Inc.	37,775	7,304,975	8,351,847	
Fidelity National Information Services Inc.	95,007	5,857,285	11,200,332	
Hewlett Packard Enterprise Co.	210,746	2,704,813	3,791,801	
MasterCard Inc., Class A	62,532	4,707,826	11,858,923	
Micro Focus International PLC	20,566	454,456	865,549	
Texas Instruments Inc.	61,256	5,058,381	8,015,808	
Visa Inc., Class A	120,491	6,841,248	17,213,431	
		81,476,454	152,699,323	27.35
Telecommunication Services				
American Tower Corp.	80,387	7,960,535	14,369,786	
		7,960,535	14,369,786	2.57

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

Sun Life MFS U.S. Equity Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Utilities				
American Electric Power Co., Inc.	33,254	1,701,108	3,065,324	
		1,701,108	3,065,324	0.55
Total Equities	361,131,309	552,014,328		98.89
Transaction Costs		(152,260)		
Total Investments	365,360,574	556,395,853		99.67
Other Assets less Liabilities			1,839,458	0.33
Total Net Assets			558,235,311	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS U.S. Equity Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which 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	0.78	-
Total	0.78	-

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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates 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)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	December 31, 2017		December 31, 2016	
United States Dollar	527,650,554	94.52	579,657,157	95.28
Euro	24,771,198	4.44	23,224,396	3.82
British Pound	5,017,058	0.90	4,853,836	0.80
Total	557,438,810	99.86	607,735,389	99.90

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 Units of the Fund would have increased or decreased respectively by \$27,871,941 (\$30,386,769 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 MFS U.S. Equity Fund (continued)

(ii) Interest rate risk

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	4,381,525	-	-	4,381,525
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 Units of the Fund would have decreased or increased respectively by \$3,001 (\$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 its 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 Units of the Fund would have increased or decreased respectively by \$27,600,716 (\$29,875,499 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 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 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	0.8	-
Equities		
Energy	5.1	4.9
Materials	4.1	4.9
Industrials	6.5	6.5
Consumer Discretionary	12.3	13.7
Consumer Staples	9.6	9.7
Health Care	15.2	15.1
Financials	15.6	18.8
Information Technology	27.3	21.7
Telecommunication Services	2.6	2.4
Utilities	0.6	0.5
Other Assets less Liabilities	0.3	1.8
Total	100.0	100.0

Fair Value Disclosure

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

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Equities	552,014,328	-	-	552,014,328
Short Term Investments	-	4,381,525	-	4,381,525
	December 31, 2016			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Equities	597,509,988	-	-	597,509,988

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

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

Sun Life MFS U.S. Equity Fund (continued)

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$101,011 (\$143,267 for the period ended December 31, 2016).

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 \$63,975 (\$89,082 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$nil (\$11,065,476 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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	556,395,853	597,509,988
Total financial assets at fair value through profit or loss	556,395,853	597,509,988
Financial assets at amortized cost		
Cash	1,195,710	10,735,417
Other receivables	1,520,667	1,707,752
Total financial assets at amortized cost	2,716,377	12,443,169
Total assets	559,112,230	609,953,157
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	876,919	1,556,648
Total liabilities (excluding net assets attributable to holders of redeemable units)	876,919	1,556,648

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	83,444,319	33,374,191
Total net gains (losses)	83,444,319	33,374,191

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	March 27, 2009	March 31, 2009
Series D Units	July 15, 1988	July 15, 1988
Series F Units	February 13, 2008	February 13, 2008
Series I Units	November 21, 2008	November 28, 2008
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 MFS U.S. Growth Fund

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)	508,683,281	688,432,637
Short-term investments	12,788,600	24,180,907
Cash	1,312,389	153,587
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	28,954	3,458
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	757,171
Accrued interest	4,515	5,182
Dividends receivable	247,977	347,255
Distributions receivable from underlying funds	-	-
Subscriptions receivable	2,191,183	7,037,748
	525,256,899	720,917,945
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	10,520	43,988
Redemptions payable	22,266	659,109
Distributions payable	-	-
Due to investment dealers	3,140,801	7,133,448
Management fees payable	33,489	93,333
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,207,076	7,929,878
Net Assets Attributable to Holders of Redeemable Units	522,049,823	712,988,067
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	57,494,250	39,172,529
Series AH	1,085,063	759,449
Series T5	253,653	206,476
Series T8	453,198	295,058
Series E	-	-
Series EF	-	-
Series F	5,966,864	7,160,673
Series FH	37,650	9,820
Series I	446,861,334	659,608,302
Series IH	180,055	9,863
Series O	9,705,116	5,756,062
Series OH	12,640	9,835
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	27.75	23.42
Series AH	21.28	17.00
Series T5	30.14	26.61
Series T8	25.03	22.72
Series E	-	-
Series EF	-	-
Series F	29.99	24.98
Series FH	12.37	9.79
Series I	32.35	26.82
Series IH	12.39	9.82

	December 31, 2017 (\$)	December 31, 2016 (\$)
Series O	16.97	14.10
Series OH	12.49	9.81

Approved on behalf of Trustee

"signed" Rick Headrick	"signed" Paul Sergi
_____ President	_____ Chief Financial Officer

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

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

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	5,303,192	4,910,841
Interest income for distribution purposes	96,046	58,359
Distributions from underlying funds	-	-
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	120,478,639	9,779,015
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	36,508	4,511
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	9,147,894	(6,943,668)
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	25,496	4,964
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	135,087,775	7,814,022
Net gain (loss) on foreign exchange	(1,244,416)	(669,527)
Other income	-	-
Total income (loss)	133,843,359	7,144,495
Expenses (note 5)		
Management fees	1,153,080	853,224
Administration fees	437,371	397,797
Independent review committee fees	1,341	3,595
Withholding tax	653,080	673,214
Transaction costs (note 2)	134,643	107,407
Total operating expenses	2,379,515	2,035,237
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	131,463,844	5,109,258
Finance Cost		
Interest expense	(3)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	131,463,841	5,109,258
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	8,310,491	(136,893)
Series AH	210,853	(4,845)
Series T5	50,728	(10,121)
Series T8	58,982	(5,073)
Series E	-	(420,434)
Series EF	-	(1,117)
Series F	1,005,750	98,864
Series FH	4,638	(182)
Series I	120,391,233	5,508,749
Series IH	20,504	(137)
Series O	1,407,760	80,584
Series OH	2,902	(137)

	2017 (\$)	2016 (\$)
Weighted Average Number of Units Outstanding		
Series A	1,836,215	1,552,384
Series AH	46,947	42,646
Series T5	8,596	8,093
Series T8	16,300	7,365
Series E	-	284,924
Series EF	-	1,022
Series F	195,468	139,553
Series FH	2,062	1,001
Series I	18,066,479	20,873,707
Series IH	9,458	1,000
Series O	464,185	326,087
Series OH	1,006	999
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	4.53	(0.09)
Series AH	4.49	(0.11)
Series T5	5.90	(1.25)
Series T8	3.62	(0.69)
Series E	-	(1.48)
Series EF	-	(1.09)
Series F	5.15	0.71
Series FH	2.25	(0.18)
Series I	6.66	0.26
Series IH	2.17	(0.14)
Series O	3.03	0.25
Series OH	2.88	(0.14)

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

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

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

For the periods ended December 31

	Series A		Series AH		Series T5		Series T8	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 39,172,529	27,565,974	759,449	689,184	206,476	266,256	295,058	152,418
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 8,310,491	(136,893)	210,853	(4,845)	50,728	(10,121)	58,982	(5,073)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 22,090,074	20,201,817	298,085	205,294	259,106	68,253	311,259	214,417
Redemption of redeemable units	\$ (12,076,426)	(8,459,008)	(183,330)	(130,245)	(257,428)	(113,515)	(191,337)	(59,738)
Reinvestment of distributions to holders of redeemable units	\$ 611,470	5,850	11,980	625	9,238	7,322	15,156	8,632
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 10,625,118	11,748,659	126,735	75,674	10,916	(37,940)	135,078	163,311
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ (9,487)	(5,211)	(800)	(564)	-	-	-	-
Return of capital	\$ (604,401)	-	(11,174)	-	(14,467)	(11,719)	(35,920)	(15,598)
	\$ (613,888)	(5,211)	(11,974)	(564)	(14,467)	(11,719)	(35,920)	(15,598)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 18,321,721	11,606,555	325,614	70,265	47,177	(59,780)	158,140	142,640
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 57,494,250	39,172,529	1,085,063	759,449	253,653	206,476	453,198	295,058
Redeemable Unit Transactions								
Balance - beginning of period	1,672,892	1,143,157	44,672	40,382	7,759	9,202	12,984	5,962
Units issued	836,559	899,198	14,753	12,419	9,159	2,542	12,519	9,257
Units issued on reinvestment of distributions	23,462	255	617	37	315	276	615	374
Units redeemed	(461,164)	(369,718)	(9,045)	(8,166)	(8,817)	(4,261)	(8,010)	(2,609)
Balance - end of period	2,071,749	1,672,892	50,997	44,672	8,416	7,759	18,108	12,984

	Series E		Series EF		Series F		Series FH	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ -	3,758,124	-	10,519	7,160,673	1,366,750	9,820	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ -	(420,434)	-	(1,117)	1,005,750	98,864	4,638	(182)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ -	309,333	-	-	3,561,670	6,539,232	23,201	10,000
Redemption of redeemable units	\$ -	(3,646,857)	-	(9,402)	(5,745,109)	(841,898)	(18)	-
Reinvestment of distributions to holders of redeemable units	\$ -	143	-	1	45,667	1,754	472	30
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ -	(3,337,381)	-	(9,401)	(2,137,772)	5,699,088	23,655	10,030
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ -	(309)	-	(1)	(1,210)	(4,029)	(93)	(28)
Return of capital	\$ -	-	-	-	(60,577)	-	(370)	-
	\$ -	(309)	-	(1)	(61,787)	(4,029)	(463)	(28)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ -	(3,758,124)	-	(10,519)	(1,193,809)	5,793,923	27,830	9,820
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ -	-	-	-	5,966,864	7,160,673	37,650	9,820
Redeemable Unit Transactions								
Balance - beginning of period	-	272,642	-	1,022	286,645	53,720	1,003	-
Units issued	-	23,274	-	-	126,615	267,427	2,000	1,000
Units issued on reinvestment of distributions	-	11	-	-	1,630	70	42	3
Units redeemed	-	(295,927)	-	(1,022)	(215,914)	(34,572)	(2)	-
Balance - end of period	-	-	-	-	198,976	286,645	3,043	1,003

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

Sun Life MFS U.S. Growth Fund (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 units from operations (excluding distributions)	131,463,841	5,109,258
Adjustments for:		
Gain on short-term investments	(92,856)	(45,968)
Net realized (gain) loss on sale of investments	(120,478,639)	(9,779,015)
Change in unrealized (appreciation) depreciation in value of investments	(9,147,894)	6,943,668
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(25,496)	(4,964)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(282,061,605)	(323,295,325)
Proceeds from sale of investments	588,067,375	147,894,568
Purchases of short-term investments	(1,446,623,762)	(589,831,494)
Proceeds from sale of short-term investments	1,458,108,925	565,696,555
Change in dividends and interest receivable	99,945	(94,909)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(59,844)	79,570
Change in other payables and accrued expenses	101,175	144,734
Net Cash Provided by (Used in) Operating Activities	319,351,165	(197,183,322)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(44,510)	(13,102)
Proceeds from redeemable units issued	256,491,759	310,600,716
Redemption of redeemable units	(574,639,612)	(129,351,292)
Net Cash Provided by (Used in) Financing Activities	(318,192,363)	181,236,322
Net increase (decrease) in cash	1,158,802	(15,947,000)
Cash (bank indebtedness) at beginning of period	153,587	16,100,587
Cash (bank indebtedness) at end of period	1,312,389	153,587
Dividends received, net of withholding taxes	4,749,390	4,147,900
Interest received, net of withholding taxes	96,713	53,177
Interest paid	(3)	-

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

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

Schedule of Investments

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Treasury Bills						
Canadian Treasury Bill	0.956%	04-Jan-2018	5,000,000	4,997,250	4,997,250	
Canadian Treasury Bill	0.983%	08-Jan-2018	3,800,000	3,797,340	3,797,340	
Canadian Treasury Bill	0.989%	08-Feb-2018	1,000,000	998,890	998,890	
Canadian Treasury Bill	0.999%	22-Feb-2018	3,000,000	2,995,120	2,995,120	
Total Short-Term Notes				12,788,600	12,788,600	2.45
EQUITIES						
Energy						
Concho Resources Inc.			4,881	787,888	918,689	
Pioneer Natural Resources Co.			9,181	1,942,540	1,988,342	
				2,730,428	2,907,031	0.56
Materials						
Monsanto Co.			21,301	2,905,187	3,116,738	
The Sherwin-Williams Co.			16,563	5,691,077	8,509,363	
Vulcan Materials Co.			36,685	5,023,795	5,900,433	
				13,620,059	17,526,534	3.36
Industrials						
AMETEK Inc.			45,977	3,121,550	4,174,752	
Canadian Pacific Railway Ltd.			20,791	4,160,658	4,760,892	
Danaher Corp.			80,649	7,094,157	9,379,342	
Equifax Inc.			14,517	2,060,573	2,144,846	
Fortive Corp.			37,039	2,320,809	3,357,605	
Honeywell International Inc.			16,465	2,312,730	3,163,775	
Roper Industries Inc.			19,012	4,337,195	6,169,634	
Union Pacific Corp.			32,913	4,119,268	5,530,037	
Univar Inc.			18,717	662,282	726,054	
Verisk Analytics Inc.			30,381	2,973,288	3,654,308	
Xylem Inc.			32,628	2,254,227	2,788,089	
				35,416,737	45,849,334	8.78
Consumer Discretionary						
Amazon.com Inc.			16,826	15,161,683	24,654,818	
Aramark			90,961	4,014,449	4,871,038	
Comcast Corp.			158,721	6,478,266	7,964,687	
Dollar Tree Inc.			13,659	1,399,011	1,836,500	
Lululemon Athletica Inc.			7,612	623,455	749,545	
Marriott International Inc.			30,652	3,065,390	5,212,745	
Monster Beverages Corp.			51,478	3,374,838	4,082,146	
Netflix Inc.			37,175	5,507,971	8,941,153	
NIKE Inc.			71,626	5,005,764	5,613,449	
Priceline.com Inc.			3,003	5,189,099	6,538,407	
Ross Stores Inc.			13,312	835,845	1,338,505	
Six Flags Entertainment Corp.			25,625	1,938,225	2,137,343	
Starbucks Corp.			75,922	5,097,409	5,463,089	
				57,691,405	79,403,425	15.20
Consumer Staples						
Colgate-Palmolive Co.			48,608	4,240,680	4,595,141	
Constellation Brands Inc.			31,090	5,643,288	8,903,725	
Costco Wholesale Corp.			6,295	1,189,427	1,467,982	
Danone SA			18,303	1,637,241	1,926,240	
Pernod Ricard SA			6,857	1,025,102	1,361,269	
Philip Morris International Inc.			47,444	7,032,061	6,280,332	
The Estee Lauder Companies Inc.			22,342	2,467,722	3,561,865	
				23,235,521	28,096,554	5.38
Health Care						
Abbott Laboratories			57,267	3,364,021	4,094,908	
Allergan PLC			6,609	1,957,124	1,354,558	

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

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

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Becton Dickinson and Co.	1,897	514,276	508,785	
Biogen Inc.	7,783	2,903,919	3,106,588	
BioMarin Pharmaceutical Inc.	11,050	1,373,843	1,234,562	
Bristol-Myers Squibb Co.	53,768	3,881,576	4,128,330	
Celgene Corp.	40,452	5,898,486	5,289,393	
Edwards Lifesciences Corp.	20,951	2,907,951	2,958,687	
Eli Lilly & Co.	30,570	3,106,855	3,235,030	
Medtronic PLC	63,645	6,498,321	6,439,300	
Regeneron Pharmaceuticals Inc.	6,056	3,351,586	2,852,721	
Stryker Corp.	17,178	2,591,965	3,332,634	
The Cooper Companies Inc.	1,919	418,406	523,871	
Thermo Fisher Scientific Inc.	48,892	8,578,204	11,631,851	
UnitedHealth Group Inc.	4,938	1,169,027	1,363,995	
Zoetis Inc.	61,624	4,165,248	5,562,313	
		52,680,808	57,617,526	11.04
Financials				
Aon PLC	37,184	5,980,712	6,242,991	
Charles Schwab Corp.	93,677	4,512,926	6,029,403	
Goldman Sachs Group Inc.	9,752	2,948,542	3,112,840	
IntercontinentalExchange Group Inc.	60,050	3,757,014	5,308,886	
Morgan Stanley	68,468	4,178,296	4,501,223	
The Blackstone Group LP.	19,592	757,119	786,017	
Visa Inc., Class A	148,286	13,762,657	21,184,245	
		35,897,266	47,165,605	9.03
Real Estate				
American Tower Corp.	62,042	8,187,910	11,090,478	
		8,187,910	11,090,478	2.12
Telecommunication Services				
Altice USA Inc.	9,495	370,306	252,567	
		370,306	252,567	0.05
Information Technology				
Activision Blizzard Inc.	112,428	7,068,408	8,919,637	
Adobe Systems Inc.	77,364	9,822,154	16,986,502	
Alibaba Group Holding Ltd.	11,056	2,508,664	2,388,596	
Alphabet Inc., Class A	16,691	15,914,531	22,029,644	
Alphabet Inc., Class C	9,760	7,999,958	12,796,151	
Amphenol Corp.	38,922	3,455,633	4,281,752	
Analog Devices Inc.	29,460	3,092,214	3,286,252	
Apple Inc.	42,465	6,387,327	9,004,100	
Broadcom Ltd.	19,140	4,084,031	6,160,810	
Cognizant Technology Solutions Corp.	47,836	3,482,279	4,256,644	
Electronic Arts Inc.	61,842	6,805,716	8,140,531	
Facebook Inc.	125,416	18,034,868	27,728,797	
Fidelity National Information Services Inc.	45,102	4,805,486	5,317,054	
Fiserv Inc.	51,121	6,726,596	8,399,109	
FleetCor Technologies Inc.	13,309	2,462,755	3,208,854	
Global Payments Inc.	34,432	4,080,900	4,324,492	
Intuit Inc.	32,854	4,627,629	6,494,893	
MasterCard Inc., Class A	81,045	9,995,659	15,369,833	
Microsoft Corp.	255,248	21,149,799	27,356,681	
NVIDIA Corp.	33,936	2,931,304	8,227,605	
PayPal Holdings Inc.	33,881	2,322,591	3,125,243	

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

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

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
PTC Inc.	9,885	692,967	752,658	
Salesforce.com Inc.	79,776	7,621,728	10,218,389	
		156,073,197	218,774,227	41.91
Total Equities		385,903,637	508,683,281	97.43
Transaction Costs		(67,138)		-
Total Investments		398,625,099	521,471,881	99.88
Currency Forward Contracts⁽¹⁾			28,954	0.01
Other Assets less Liabilities			548,988	0.11
Total Net Assets			522,049,823	100.00

⁽¹⁾ Currency Forward Contracts

COUNTERPARTY	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Jan-2018	CAD	971,675	USD	(756,834)	23,842
Royal Bank of Canada	A-1+	31-Jan-2018	CAD	162,127	USD	(126,281)	3,977
Royal Bank of Canada	A-1+	31-Jan-2018	CAD	34,481	USD	(26,857)	845
Royal Bank of Canada	A-1+	31-Jan-2018	CAD	11,854	USD	(9,233)	290
							28,954

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS U.S. Growth Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

The Fund invests in financial assets, which 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	2.46	3.18
AA/Aa	-	0.21
Total	2.46	3.39

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 U.S. Growth Fund (continued)

(b) Market risk

(i) Currency risk

The 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. However, the Fund also holds foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and reduce the current 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	502,395,457	96.24	677,531,676	95.03
Euro	3,317,194	0.64	4,858,093	0.68
Total	505,712,651	96.88	682,389,769	95.71

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 Units of the Fund would have increased or decreased respectively by \$25,285,633 (\$34,119,488 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 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	12,788,600	-	-	12,788,600
December 31, 2016	24,180,907	-	-	24,180,907

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 Units of the Fund would have decreased or increased respectively by \$6,796 (\$28,702 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 its 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 Units of the Fund would have increased or decreased respectively by \$25,434,164 (\$34,421,632 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 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 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	3.4
Equities		
Energy	0.6	1.3
Materials	3.4	3.9
Industrials	8.8	9.2
Consumer Discretionary	15.2	19.6
Consumer Staples	5.4	5.6
Health Care	11.0	11.7
Financials	9.0	10.6
Real Estate	2.1	-
Telecommunication Services	0.1	-
Information Technology	41.9	34.6
Other Assets less Liabilities	0.1	0.1
Total	100.0	100.0

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

Sun Life MFS U.S. Growth Fund (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 (\$)
Financial Assets				
Short-Term Investments	-	12,788,600	-	12,788,600
Equities	508,683,281	-	-	508,683,281
Currency Forward Contracts	-	28,954	-	28,954
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Short-Term Investments	-	24,180,907	-	24,180,907
Equities	688,432,637	-	-	688,432,637
Currency Forward Contracts	-	3,458	-	3,458

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$134,643 (\$107,407 for the period ended December 31, 2016).

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 \$71,133 (\$69,021 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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	
	Units	Market Value (\$)
Series AH	14,997	319,096
Series F	-	-
Series FH	1,021	12,626
Series IH	1,012	12,640
Series OH	1,027	12,719
December 31, 2016		
	Units	Market Value (\$)
Series AH	14,773	251,154
Series F	415	10,357
Series FH	1,003	9,822
Series IH	1,001	9,828
Series OH	1,005	9,863

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

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

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AH	740	-	3,561
Series EF	-	-	-
Series F	16	12,143	-
Series FH	29	-	166
Series IH	-	52	223
Series OH	-	45	244
Series T8	-	-	-

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AH	-	-	583
Series EF	-	9,402	1
Series F	9,402	-	30
Series FH	10,000	-	28
Series IH	10,000	-	47
Series OH	10,000	28	42
Series T8	-	21,895	661

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at December 31, 2017 and December 31, 2016, SLA held the following position in the Fund:

	December 31, 2017	
	Units	Market Value (\$)
Series IH	13,506	167,332

	December 31, 2016	
	Units	Market Value (\$)
Series IH	-	-

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series IH	150,000	260	10,550

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series IH	-	-	-

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	28,954	3,458
Investments designated at FVTPL	521,471,881	712,613,544
Total financial assets at fair value through profit or loss	521,500,835	712,617,002
Financial assets at amortized cost		
Cash	1,312,389	153,587
Other receivables	2,443,675	8,147,356
Total financial assets at amortized cost	3,756,064	8,300,943
Total assets	525,256,899	720,917,945
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	3,207,076	7,929,878
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,207,076	7,929,878

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	62,004	9,475
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	135,025,771	7,804,547
Total net gains (losses)	135,087,775	7,814,022

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

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

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

Financial Assets and Liabilities

	Gross Assets/ (Liabilities) (\$)	Amounts Eligible for Offset		Net (\$)
		Financial Instruments (\$)	Collateral received/ paid (\$)	
December 31, 2017				
Derivative assets - Forward Contracts	28,954	-	-	28,954
Total	28,954	-	-	28,954
Derivative liabilities - Forward Contracts	-	-	-	-
Total	-	-	-	-
December 31, 2016				
Derivative assets - Forward Contracts	3,458	-	-	3,458
Total	3,458	-	-	3,458
Derivative liabilities - Forward Contracts	-	-	-	-
Total	-	-	-	-

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series AH Units	September 10, 2010	February 01, 2011
Series T5 Units	August 24, 2011	September 01, 2011
Series T8 Units	August 24, 2011	September 01, 2011
Series F Units	September 10, 2010	October 01, 2010
Series FH Units	July 29, 2016	July 29, 2016
Series I Units	September 10, 2010	October 01, 2010
Series IH Units	July 29, 2016	July 29, 2016
Series O Units	April 01, 2014	April 01, 2014
Series OH Units	July 29, 2016	July 29, 2016

Effective February 5, 2016, all Series E and EF units were re-designated to Series A units, under the Front End Sales Charge option, and Series F units, 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. Value Fund

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)	465,803,915	125,150,288
Short-term investments	6,444,830	1,900,000
Cash	236,948	347,581
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	26,771	3,355
Unrealized appreciation on swaps	-	-
Due from investment dealers	502,367	-
Accrued interest	2,805	3,549
Dividends receivable	642,909	181,488
Distributions receivable from underlying funds	-	-
Subscriptions receivable	689,955	427,408
	474,350,500	128,013,669
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	8,773	11,939
Redemptions payable	581,661	418,184
Distributions payable	-	7
Due to investment dealers	228,462	37,573
Management fees payable	21,310	62,394
Total liabilities (excluding net assets attributable to holders of redeemable units)	840,206	530,097
Net Assets Attributable to Holders of Redeemable Units	473,510,294	127,483,572
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	35,611,583	27,946,776
Series AH	1,004,348	759,143
Series T5	101,334	166,724
Series T8	480,200	247,595
Series E	-	-
Series EF	-	-
Series F	4,966,611	3,017,509
Series FH	30,077	10,488
Series I	423,540,055	90,806,768
Series IH	175,841	10,536
Series O	7,577,444	4,488,925
Series OH	22,801	29,108
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	24.66	22.90
Series AH	19.61	17.21
Series T5	28.37	27.67
Series T8	23.63	23.76
Series E	-	-
Series EF	-	-
Series F	25.83	23.74
Series FH	11.82	10.31
Series I	27.31	25.05
Series IH	11.79	10.32

	December 31, 2017 (\$)	December 31, 2016 (\$)
Series O	15.49	14.21
Series OH	11.88	10.31

Approved on behalf of Trustee

"signed" Rick Headrick	"signed" Paul Sergi
_____ President	_____ Chief Financial Officer

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

Sun Life MFS U.S. Value Fund (continued)

Statements of Comprehensive Income (Loss)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	6,712,081	2,725,967
Interest income for distribution purposes	37,862	3,912
Distributions from underlying funds	-	-
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	9,815,507	3,613,612
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	38,447	(11,686)
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	13,662,680	5,952,986
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	23,416	4,757
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	30,289,993	12,289,548
Net gain (loss) on foreign exchange	(973,007)	(94,067)
Other income	-	-
Total income (loss)	29,316,986	12,195,481
Expenses (note 5)		
Management fees	818,068	570,350
Administration fees	244,779	112,342
Independent review committee fees	967	683
Withholding tax	796,824	384,437
Transaction costs (note 2)	132,134	14,878
Total operating expenses	1,992,772	1,082,690
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	27,324,214	11,112,791
Finance Cost		
Interest expense	(10)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	27,324,204	11,112,791
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	2,449,934	2,098,767
Series AH	117,576	89,152
Series T5	11,037	9,897
Series T8	22,834	17,052
Series E	-	(229,988)
Series EF	-	(643)
Series F	348,846	211,841
Series FH	2,940	485
Series I	23,762,179	8,499,729
Series IH	15,612	536
Series O	589,463	415,633
Series OH	3,783	330

	2017 (\$)	2016 (\$)
Weighted Average Number of Units Outstanding		
Series A	1,413,561	1,101,982
Series AH	48,643	56,123
Series T5	5,740	6,231
Series T8	18,501	8,179
Series E	-	282,851
Series EF	-	1,015
Series F	185,310	89,779
Series FH	1,876	1,001
Series I	9,883,302	3,452,163
Series IH	9,667	1,001
Series O	399,535	283,926
Series OH	2,252	1,061
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.73	1.90
Series AH	2.42	1.59
Series T5	1.92	1.59
Series T8	1.23	2.08
Series E	-	(0.81)
Series EF	-	(0.63)
Series F	1.88	2.36
Series FH	1.57	0.48
Series I	2.40	2.46
Series IH	1.61	0.54
Series O	1.48	1.46
Series OH	1.68	0.31

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

Sun Life MFS U.S. Value Fund (continued)

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

For the periods ended December 31

	Series A		Series AH		Series T5		Series T8	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 27,946,776	19,725,824	759,143	643,039	166,724	181,287	247,595	185,537
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 2,449,934	2,098,767	117,576	89,152	11,037	9,897	22,834	17,052
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 14,572,875	10,848,775	193,308	501,639	88,304	45,000	618,468	106,175
Redemption of redeemable units	\$ (9,358,229)	(4,726,863)	(65,684)	(474,754)	(161,792)	(66,637)	(384,474)	(55,010)
Reinvestment of distributions to holders of redeemable units	\$ 7,063	13,294	860	772	5,002	5,576	11,068	9,776
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 5,221,709	6,135,206	128,484	27,657	(68,486)	(16,061)	245,062	60,941
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ (6,836)	(13,021)	(855)	(705)	-	(211)	(118)	(404)
Return of capital	\$ -	-	-	-	(7,941)	(8,188)	(35,173)	(15,531)
	\$ (6,836)	(13,021)	(855)	(705)	(7,941)	(8,399)	(35,291)	(15,935)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 7,664,807	8,220,952	245,205	116,104	(65,390)	(14,563)	232,605	62,058
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 35,611,583	27,946,776	1,004,348	759,143	101,334	166,724	480,200	247,595
Redeemable Unit Transactions								
Balance - beginning of period	1,220,648	928,150	44,111	41,135	6,026	6,706	10,422	7,739
Units issued	616,070	516,305	10,627	31,459	3,150	1,692	25,909	4,638
Units issued on reinvestment of distributions	295	585	47	47	178	213	466	427
Units redeemed	(392,910)	(224,392)	(3,569)	(28,530)	(5,782)	(2,585)	(16,477)	(2,382)
Balance - end of period	1,444,103	1,220,648	51,216	44,111	3,572	6,026	20,320	10,422

	Series E		Series EF		Series F		Series FH	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ -	3,773,116	-	10,291	3,017,509	1,592,501	10,488	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ -	(229,988)	-	(643)	348,846	211,841	2,940	485
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ -	199,363	-	-	3,820,266	1,935,937	16,649	10,000
Redemption of redeemable units	\$ -	(3,742,349)	-	(9,648)	(2,219,702)	(721,418)	-	-
Reinvestment of distributions to holders of redeemable units	\$ -	113	-	1	4,299	35,782	141	183
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ -	(3,542,873)	-	(9,647)	1,604,863	1,250,301	16,790	10,183
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ -	(255)	-	(1)	(4,607)	(37,134)	(141)	(180)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ -	(255)	-	(1)	(4,607)	(37,134)	(141)	(180)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ -	(3,773,116)	-	(10,291)	1,949,102	1,425,008	19,589	10,488
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ -	-	-	-	4,966,611	3,017,509	30,077	10,488
Redeemable Unit Transactions								
Balance - beginning of period	-	295,271	-	1,015	127,106	72,205	1,017	-
Units issued	-	16,190	-	-	154,913	86,266	1,515	1,000
Units issued on reinvestment of distributions	-	9	-	-	166	1,490	12	17
Units redeemed	-	(311,470)	-	(1,015)	(89,919)	(32,855)	-	-
Balance - end of period	-	-	-	-	192,266	127,106	2,544	1,017

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

Sun Life MFS U.S. Value Fund (continued)

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

For the periods ended December 31

	Series I		Series IH		Series O		Series OH	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 90,806,768	77,250,837	10,536	-	4,488,925	3,301,527	29,108	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 23,762,179	8,499,729	15,612	536	589,463	415,633	3,783	330
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 424,497,272	17,979,562	150,000	10,000	3,770,971	1,590,351	-	28,812
Redemption of redeemable units	\$ (115,526,163)	(12,923,359)	(307)	-	(1,271,915)	(818,585)	(10,090)	(34)
Reinvestment of distributions to holders of redeemable units	\$ 4,996,381	1,805,252	2,031	214	79,681	81,017	218	206
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 313,967,490	6,861,455	151,724	10,214	2,578,737	852,783	(9,872)	28,984
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ (4,996,382)	(1,805,253)	(2,031)	(214)	(79,681)	(81,018)	(218)	(206)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (4,996,382)	(1,805,253)	(2,031)	(214)	(79,681)	(81,018)	(218)	(206)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 332,733,287	13,555,931	165,305	10,536	3,088,519	1,187,398	(6,307)	29,108
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 423,540,055	90,806,768	175,841	10,536	7,577,444	4,488,925	22,801	29,108
Redeemable Unit Transactions								
Balance - beginning of period	3,625,288	3,336,727	1,021	-	315,912	251,289	2,824	-
Units issued	16,058,383	773,196	13,751	1,000	253,821	119,728	-	2,807
Units issued on reinvestment of distributions	179,690	71,200	171	21	5,053	5,633	18	20
Units redeemed	(4,353,279)	(555,835)	(27)	-	(85,446)	(60,738)	(922)	(3)
Balance - end of period	15,510,082	3,625,288	14,916	1,021	489,340	315,912	1,920	2,824
	Total							
	2017	2016						
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 127,483,572	106,663,959						
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 27,324,204	11,112,791						
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 447,728,113	33,255,614						
Redemption of redeemable units	\$ (128,998,356)	(23,538,657)						
Reinvestment of distributions to holders of redeemable units	\$ 5,106,744	1,952,186						
Capitalized distributions	\$ -	-						
	\$ 323,836,501	11,669,143						
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-						
From net investment income	\$ (5,090,869)	(1,938,602)						
Return of capital	\$ (43,114)	(23,719)						
	\$ (5,133,983)	(1,962,321)						
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 346,026,722	20,819,613						
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 473,510,294	127,483,572						
Redeemable Unit Transactions								
Balance - beginning of period	5,354,375	4,940,237						
Units issued	17,138,139	1,554,281						
Units issued on reinvestment of distributions	186,096	79,662						
Units redeemed	(4,948,331)	(1,219,805)						
Balance - end of period	17,730,279	5,354,375						

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

Sun Life MFS U.S. Value Fund (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 units from operations (excluding distributions)	27,324,204	11,112,791
Adjustments for:		
Gain on short-term investments	(32,813)	(2,741)
Net realized (gain) loss on sale of investments	(9,815,507)	(3,613,612)
Change in unrealized (appreciation) depreciation in value of investments	(13,662,680)	(5,952,986)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(23,416)	(4,757)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(424,404,149)	(29,126,700)
Proceeds from sale of investments	106,785,097	18,851,690
Purchases of short-term investments	(915,483,593)	(22,496,975)
Proceeds from sale of short-term investments	910,971,576	20,599,716
Change in dividends and interest receivable	(460,677)	(31,518)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(41,084)	51,685
Change in other payables and accrued expenses	128,968	24,816
Net Cash Provided by (Used in) Operating Activities	(318,714,074)	(10,588,591)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(27,246)	(10,128)
Proceeds from redeemable units issued	447,465,566	33,035,582
Redemption of redeemable units	(128,834,879)	(23,237,789)
Net Cash Provided by (Used in) Financing Activities	318,603,441	9,787,665
Net increase (decrease) in cash	(110,633)	(800,926)
Cash (bank indebtedness) at beginning of period	347,581	1,148,507
Cash (bank indebtedness) at end of period	236,948	347,581
Dividends received, net of withholding taxes	5,453,836	2,313,561
Interest received, net of withholding taxes	38,606	363
Interest paid	(10)	-

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

Sun Life MFS U.S. Value Fund (continued)

Schedule of Investments

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Treasury Bills						
Canadian Treasury Bill	0.956%	04-Jan-2018	1,000,000	999,450	999,450	
Canadian Treasury Bill	0.983%	08-Jan-2018	4,000,000	3,997,200	3,997,200	
Canadian Treasury Bill	0.864%	22-Feb-2018	1,000,000	998,180	998,180	
				5,994,830	5,994,830	1.26
Term Deposit Receipts						
National Bank of Canada	0.950%	02-Jan-2018	450,000	450,000	450,000	
				450,000	450,000	0.10
Total Short-Term Notes				6,444,830	6,444,830	1.36
			Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES						
Energy						
Chevron Corp.			22,914	3,006,766	3,594,201	
EOG Resources Inc.			37,223	4,158,114	5,032,744	
Exxon Mobil Corp.			32,145	3,270,062	3,368,676	
Occidental Petroleum Corp.			41,183	3,310,957	3,800,857	
Schlumberger Ltd.			93,557	8,171,740	7,899,572	
				21,917,639	23,696,050	5.00
Materials						
Crown Holdings Inc.			29,866	2,106,137	2,104,900	
DowDuPont Inc.			21,096	1,633,356	1,882,495	
Monsanto Co.			11,913	1,753,204	1,743,096	
PPG Industries Inc.			64,136	8,600,907	9,387,520	
Sherwin-Williams Co.			8,244	3,525,124	4,235,415	
				17,618,728	19,353,426	4.09
Industrials						
3M Co.			21,505	5,040,664	6,341,943	
Canadian National Railway Co.			25,977	2,442,455	2,685,188	
Danaher Corp.			49,671	4,819,046	5,776,653	
Eaton Corp. PLC			46,584	4,369,140	4,611,590	
Equifax Inc.			16,875	2,575,018	2,493,234	
HD Supply Holdings Inc.			21,504	842,047	1,078,541	
Honeywell International Inc.			47,101	7,278,319	9,050,530	
Illinois Tool Works Inc.			21,348	3,553,512	4,462,880	
Ingersoll-Rand PLC			24,139	2,616,786	2,697,536	
Johnson Controls International PLC			179,101	9,527,016	8,552,021	
Lockheed Martin Corp.			7,610	2,272,468	3,061,182	
Northrop Grumman Corp.			17,784	5,374,833	6,838,680	
Union Pacific Corp.			24,318	3,246,547	4,085,907	
United Parcel Service Inc., Class B			22,262	2,968,162	3,323,457	
United Technologies Corp.			33,464	4,892,537	5,348,823	
				61,818,550	70,408,165	14.86
Consumer Discretionary						
Advance Auto Parts Inc.			4,415	597,333	551,460	
Aptiv PLC			38,264	3,332,529	4,066,976	
Comcast Corp.			170,596	7,659,493	8,560,580	
Delphi Technologies PLC			12,754	644,053	838,473	
Hanesbrands Inc.			81,087	2,402,885	2,124,404	
Harley-Davidson Inc.			11,791	790,354	751,674	
Hasbro Inc.			7,931	980,778	903,183	
Interpublic Group of Cos., Inc.			123,434	3,579,732	3,117,864	
Newell Rubbermaid Inc.			36,687	2,075,537	1,420,373	
NIKE Inc.			13,185	937,980	1,033,331	
Omnicom Group Inc.			60,955	5,962,833	5,562,262	

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

Sun Life MFS U.S. Value Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Stanley Black & Decker Inc.	14,741	2,409,683	3,134,116	
Time Warner Inc.	6,942	821,914	795,601	
		32,195,104	32,860,297	6.94
Consumer Staples				
Altria Group Inc.	23,695	1,942,985	2,120,057	
Archer-Daniels-Midland Co.	42,377	2,267,448	2,128,089	
Coty Inc.	77,866	1,987,821	1,940,504	
CVS Caremark Corp.	22,288	2,173,232	2,024,608	
Danone SA	16,250	1,489,342	1,710,179	
Diageo PLC	125,404	4,617,153	5,791,964	
General Mills Inc.	89,488	5,960,924	6,647,802	
JM Smucker Co.	12,056	1,870,228	1,876,707	
Nestle SA	73,374	7,493,764	7,905,603	
PepsiCo Inc.	21,583	3,136,070	3,242,913	
Philip Morris International Inc.	111,394	15,391,574	14,745,622	
Reckitt Benckiser Group PLC	22,101	2,521,040	2,591,810	
The Procter & Gamble Co.	19,879	2,160,264	2,288,481	
		53,011,845	55,014,339	11.62
Real Estate				
Public Storage	6,634	1,815,642	1,737,215	
		1,815,642	1,737,215	0.37
Health Care				
Abbott Laboratories	91,277	5,283,334	6,526,811	
Cigna Corp.	12,610	2,640,166	3,208,747	
Express Scripts Holding Co.	21,510	1,705,100	2,011,610	
Johnson & Johnson	96,958	14,905,513	16,973,603	
McKesson Corp.	17,819	3,728,124	3,481,773	
Medtronic PLC	104,173	10,868,063	10,539,731	
Merck & Co., Inc.	52,538	3,999,941	3,704,096	
Novartis AG	10,570	1,085,936	1,119,827	
Pfizer Inc.	226,314	9,216,390	10,270,502	
Roche Holding AG	2,933	911,769	929,561	
Thermo Fisher Scientific Inc.	25,384	5,083,954	6,039,084	
		59,428,290	64,805,345	13.69
Financials				
ACE Ltd.	49,934	8,658,275	9,142,554	
American Express Co.	42,318	4,515,662	5,265,625	
Aon PLC	48,401	7,522,244	8,126,264	
BlackRock Inc.	8,395	4,176,390	5,403,442	
Citigroup Inc.	119,103	9,771,033	11,104,163	
Franklin Resources Inc.	30,613	1,766,432	1,661,982	
JPMorgan Chase & Co.	173,160	18,167,509	23,201,687	
MetLife Inc.	87,277	5,193,067	5,528,899	
Moody's Corp.	16,154	2,428,312	2,987,636	
Prudential Financial Inc.	19,365	2,416,783	2,789,791	
State Street Corp.	34,378	3,643,882	4,204,426	
T Rowe Price Group Inc.	18,714	1,835,978	2,460,357	
The Bank of New York Mellon Corp.	77,614	4,571,009	5,237,671	
The Goldman Sachs Group Inc.	37,071	9,938,751	11,833,068	
The NASDAQ OMX Group Inc.	45,757	3,808,263	4,404,739	
The PNC Financial Services Group Inc.	39,125	5,792,519	7,073,305	
The Travelers Cos., Inc.	56,349	8,339,936	9,576,478	
U.S. Bancorp	156,880	9,922,416	10,531,788	
Wells Fargo & Co.	218,814	14,537,453	16,633,395	
		127,005,914	147,167,270	31.07
Information Technology				
Accenture PLC	76,537	11,066,911	14,680,812	
Amdocs Ltd.	14,095	1,149,726	1,156,393	
Analog Devices Inc.	10,723	1,208,259	1,196,147	
Cognizant Technology Solutions Corp.	15,065	1,262,354	1,340,546	
DXC Technology Co.	15,891	1,587,277	1,889,510	
Fidelity National Information Services Inc.	40,796	4,154,646	4,809,422	

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

Sun Life MFS U.S. Value Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Fiserv Inc.	20,168	2,893,363	3,313,574	
International Business Machines Corp.	9,824	1,922,912	1,888,435	
Texas Instruments Inc.	51,281	4,646,566	6,710,504	
		29,892,014	36,985,343	7.81
Telecommunication Services				
Verizon Communications Inc.	57,156	3,184,376	3,790,492	
		3,184,376	3,790,492	0.80
Utilities				
Duke Energy Corporation	58,175	6,157,994	6,130,781	
The Southern Co.	32,140	2,085,964	1,936,567	
Xcel Energy Inc.	31,829	1,823,365	1,918,625	
		10,067,323	9,985,973	2.11
Total Equities		417,955,425	465,803,915	98.36
Transaction Costs		(117,817)		
Total Investments		424,282,438	472,248,745	99.72
Currency Forward Contract⁽¹⁾			26,771	0.01
Other Assets less Liabilities			1,234,778	0.27
Total Net Assets			473,510,294	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Jan-2018	CAD	886,301	USD	(690,337)	21,747
Royal Bank of Canada	A-1+	31-Jan-2018	CAD	156,866	USD	(122,182)	3,848
Royal Bank of Canada	A-1+	31-Jan-2018	CAD	27,019	USD	(21,045)	662
Royal Bank of Canada	A-1+	31-Jan-2018	CAD	20,996	USD	(16,354)	514
							26,771

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life MFS U.S. Value Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Fund held foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies. Risks may arise upon entering into these contracts from the potential inability of counterparties to meet the terms of their contracts and from unanticipated movements in the value of foreign currency relative to the Canadian Dollar. The Fund invests in financial assets, which 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	1.27	-
AA/Aa	0.10	1.49
Total	1.37	1.49

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

Sun Life MFS U.S. Value Fund (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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. However, the Fund also holds foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and reduce the current 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.

	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	445,584,415	94.10	120,418,699	94.46
Swiss Franc	9,986,178	2.11	2,562,668	2.01
British Pound	8,383,775	1.77	1,241,203	0.97
Euro	1,712,344	0.36	387,373	0.30
Total	465,666,712	98.34	124,609,943	97.74

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 Units of the Fund would have increased or decreased respectively by \$23,283,336 (\$6,230,497 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 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	6,444,830	-	-	6,444,830
December 31, 2016	1,900,000	-	-	1,900,000

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 Units of the Fund would have decreased or increased respectively by \$2,460 (\$156 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 its 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 Units of the Fund would have increased or decreased respectively by \$23,290,196 (\$6,257,514 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 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 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	1.3	1.5
Equities		
Energy	5.0	5.1
Materials	4.1	4.0
Industrials	14.9	13.7
Consumer Discretionary	6.9	9.2
Consumer Staples	11.6	12.2
Real Estate	0.4	-
Health Care	13.7	14.1
Financials	31.1	30.0
Information Technology	7.8	7.4
Telecommunication Services	0.8	1.4
Utilities	2.1	1
Other Assets less Liabilities	0.3	0.3
Total	100.0	100.0

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

Sun Life MFS U.S. Value Fund (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 (\$)
Financial Assets				
Short-Term Investments	-	6,444,830	-	6,444,830
Equities	465,803,915	-	-	465,803,915
Currency Forward Contracts	-	26,771	-	26,771
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Short-Term Investments	-	1,900,000	-	1,900,000
Equities	125,150,288	-	-	125,150,288
Currency Forward Contracts	-	3,355	-	3,355

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$132,134 (\$14,878 for the period ended December 31, 2016).

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 \$68,844 (\$9,376 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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	
	Units	Market Value (\$)
Series AH	15,151	297,114
Series F	-	-
Series FH	1,024	12,106
Series IH	1,018	12,090
Series OH	1,032	12,171
December 31, 2016		
	Units	Market Value (\$)
Series AH	15,111	260,052
Series F	473	11,239
Series FH	1,018	10,491
Series IH	1,017	10,484
Series OH	1,021	10,536

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

Sun Life MFS U.S. Value Fund (continued)

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AH	705	-	-
Series EF	-	-	-
Series F	16	12,048	-
Series FH	29	-	44
Series IH	-	50	115
Series OH	-	46	141
Series T5	-	-	-

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series AH	-	-	618
Series EF	-	9,648	1
Series F	9,648	-	163
Series FH	10,000	-	183
Series IH	10,000	-	214
Series OH	10,000	29	206
Series T5	-	22,006	396

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at December 31, 2017 and December 31, 2016, SLA held the following position in the Fund:

	December 31, 2017	
	Units	Market Value (\$)
Series IH	13,883	163,667

	December 31, 2016	
	Units	Market Value (\$)
Series IH	-	-

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series IH	150,000	256	11,158

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series IH	-	-	-

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	26,771	3,355
Investments designated at FVTPL	472,248,745	127,050,288
Total financial assets at fair value through profit or loss	472,275,516	127,053,643
Financial assets at amortized cost		
Cash	236,948	347,581
Other receivables	1,838,036	612,445
Total financial assets at amortized cost	2,074,984	960,026
Total assets	474,350,500	128,013,669
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	840,206	530,097
Total liabilities (excluding net assets attributable to holders of redeemable units)	840,206	530,097

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	61,863	(6,929)
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	30,228,130	12,296,477
Total net gains (losses)	30,289,993	12,289,548

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

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

Sun Life MFS U.S. Value Fund (continued)

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
December 31, 2017				
Derivative assets - Forward Contracts	26,771	-	-	26,771
Total	26,771	-	-	26,771
Derivative liabilities - Forward Contracts	-	-	-	-
Total	-	-	-	-
December 31, 2016				
Derivative assets - Forward Contracts	3,355	-	-	3,355
Total	3,355	-	-	3,355
Derivative liabilities - Forward Contracts	-	-	-	-
Total	-	-	-	-

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series AH Units	September 10, 2010	February 01, 2011
Series T5 Units	August 24, 2011	September 01, 2011
Series T8 Units	August 24, 2011	September 01, 2011
Series F Units	September 10, 2010	October 01, 2010
Series FH Units	July 29, 2016	July 29, 2016
Series I Units	September 10, 2010	October 01, 2010
Series IH Units	July 29, 2016	July 29, 2016
Series O Units	April 01, 2014	April 01, 2014
Series OH Units	July 29, 2016	July 29, 2016

Effective February 5, 2016, all Series E and EF units were re-designated to Series A units, under the Front End Sales Charge option, and Series F units, 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 Milestone 2020 Fund

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)	105,227,311	122,247,719
Short-term investments	-	-
Cash	374,423	294,261
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	55,815	154,609
Accrued interest	-	-
Dividends receivable	-	-
Distributions receivable from underlying funds	61	-
Subscriptions receivable	2,460	12,941
	105,660,070	122,709,530
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	268	-
Redemptions payable	132,515	2,806
Distributions payable	-	-
Due to investment dealers	-	271,201
Management fees payable	27,196	167,057
Total liabilities (excluding net assets attributable to holders of redeemable units)	159,979	441,064
Net Assets Attributable to Holders of Redeemable Units	105,500,091	122,268,466
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	105,500,091	122,268,466
Series E	-	-
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	11.64	11.70
Series E	-	-

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		
Dividend income	-	-
Interest income for distribution purposes	2,019,583	2,065,823
Distributions from underlying funds	386,093	244,222
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	132,978	565,313
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(1,628,710)	(2,198,636)
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	909,944	676,722
Net gain (loss) on foreign exchange	-	-
Other income	-	-
Total income (loss)	909,944	676,722
Expenses (note 5)		
Management fees	1,344,331	1,667,680
Administration fees	-	54,060
Independent review committee fees	2,370	718
Withholding tax	-	-
Transaction costs (note 2)	-	-
Total operating expenses	1,346,701	1,722,458
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	(436,757)	(1,045,736)
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	(436,757)	(1,045,736)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	(436,757)	(1,088,325)
Series E	-	42,589
Weighted Average Number of Units Outstanding		
Series A	9,801,268	9,800,408
Series E	-	1,503,165
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)	(0.04)	(0.11)
Series A	-	0.03
Series E	-	0.03

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

Sun Life Milestone 2020 Fund (continued)

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

For the periods ended December 31

	Series A		Series E		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 122,268,466	88,285,246	-	17,585,226	122,268,466	105,870,472
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ (436,757)	(1,088,325)	-	42,589	(436,757)	(1,045,736)
Redeemable Unit Transactions	\$					
Proceeds from redeemable units issued	\$ 14,260,053	49,657,467	-	246,536	14,260,053	49,904,003
Redemption of redeemable units	\$ (30,591,708)	(14,587,909)	-	(17,873,540)	(30,591,708)	(32,461,449)
Reinvestment of distributions to holders of redeemable units	\$ 22,925	19,670	-	742	22,925	20,412
Capitalized distributions	\$ 1,087,966	1,050,815	-	-	1,087,966	1,050,815
	\$ (15,220,764)	36,140,043	-	(17,626,262)	(15,220,764)	18,513,781
Distributions to Holders of Redeemable Units						
From capital gains	\$ (104,034)	(451,325)	-	-	(104,034)	(451,325)
From net investment income	\$ (1,006,820)	(606,878)	-	(1,541)	(1,006,820)	(608,419)
Return of capital	\$ -	(10,295)	-	(12)	-	(10,307)
	\$ (1,110,854)	(1,068,498)	-	(1,553)	(1,110,854)	(1,070,051)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (16,768,375)	33,983,220	-	(17,585,226)	(16,768,375)	16,397,994
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 105,500,091	122,268,466	-	-	105,500,091	122,268,466
Redeemable Unit Transactions						
Balance - beginning of period	10,453,973	7,481,755	-	1,488,205	10,453,973	8,969,960
Units issued	1,219,566	4,209,556	-	20,879	1,219,566	4,230,435
Units issued on reinvestment of distributions	1,955	1,672	-	63	1,955	1,735
Units redeemed	(2,615,222)	(1,239,010)	-	(1,509,147)	(2,615,222)	(2,748,157)
Balance - end of period	9,060,272	10,453,973	-	-	9,060,272	10,453,973

Statements of Cash Flows

For the periods ended December 31

	2017	2016		2017	2016
	(\$)	(\$)		(\$)	(\$)
Cash Flows from Operating Activities			Net Cash Provided by (Used in) Operating Activities	16,271,590	(17,225,417)
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	(436,757)	(1,045,736)	Cash Flows from Financing Activities		
Adjustments for:			Distributions paid to holders of redeemable units, net of reinvested distributions	37	1,176
Gain on short-term investments	2,733	-	Proceeds from redeemable units issued	14,270,534	49,945,120
Net realized (gain) loss on sale of investments	(132,978)	(565,313)	Redemption of redeemable units	(30,461,999)	(32,468,184)
Change in unrealized (appreciation) depreciation in value of investments	1,628,710	2,198,636	Net Cash Provided by (Used in) Financing Activities	(16,191,428)	17,478,112
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-	Net increase (decrease) in cash	80,162	252,695
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-	Cash (bank indebtedness) at beginning of period	294,261	41,566
Change in unrealized (appreciation) depreciation in value of swaps	-	-	Cash (bank indebtedness) at end of period	374,423	294,261
Non-cash income distributions from underlying funds	(386,093)	(244,222)	Dividends received, net of withholding taxes	-	-
Change in fair value of option contracts	-	-	Interest received, net of withholding taxes	985	4,015
Change in fair value of credit default swaps	-	-	Interest paid	-	-
Change in margin	-	-			
Purchases of investments	(16,712,469)	(52,262,427)			
Proceeds from sale of investments	32,448,098	34,557,224			
Purchases of short-term investments	-	-			
Proceeds from sale of short-term investments	-	-			
Change in dividends and interest receivable	-	-			
Change in distributions receivable from underlying funds	(61)	-			
Change in management fees payable	(139,861)	138,667			
Change in other payables and accrued expenses	268	(2,246)			

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

Sun Life Milestone 2020 Fund (continued)

Schedule of Investments

As at December 31, 2017

	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS					
Federal Bonds					
Government of Canada, Coupon Strip	01-Jun-2020	14,061,756	13,652,584	13,445,172	
			13,652,584	13,445,172	12.74
Provincial Bonds					
Hydro Quebec, Interest Strip	15-Jan-2020	2,220,000	2,152,706	2,130,554	
Hydro Quebec, Interest Strip	15-Feb-2020	6,300,000	5,977,701	6,045,469	
Newfoundland & Labrador Hydro, Coupon Strip	14-Jan-2020	927,000	880,282	889,939	
Newfoundland & Labrador Hydro, Coupon Strip	27-Feb-2020	1,503,000	1,422,893	1,432,199	
Ontario Electricity Financial Corp.	11-Apr-2020	1,452,000	1,406,922	1,384,238	
Ontario Hydro Corp., Coupon Strip	15-Apr-2020	507,000	491,184	483,434	
Ontario Hydro Corp., Coupon Strip	26-May-2020	4,990,000	4,697,409	4,741,520	
Ontario Hydro Corp., Coupon Strip	27-May-2020	1,230,000	1,185,120	1,169,381	
Prince Edward Island, Generic Strip	17-Jul-2019	320,000	309,247	309,693	
Prince Edward Island, Generic Strip	17-Jan-2020	2,308,000	2,210,052	2,204,853	
Prince Edward Island, Generic Strip	29-Jan-2020	835,000	810,533	797,646	
Province of Alberta, Coupon Strip	01-Dec-2019	374,000	362,160	360,261	
Province of Alberta, Coupon Strip	01-Jun-2020	983,000	947,680	935,393	
Province of British Columbia, Interest Strip	23-Aug-2019	800,000	781,593	776,145	
Province of British Columbia, Interest Strip	04-Dec-2019	320,000	311,165	308,612	
Province of British Columbia, Interest Strip	09-Dec-2019	680,000	661,462	655,612	
Province of British Columbia, Interest Strip	08-Mar-2020	1,763,269	1,672,638	1,686,965	
Province of British Columbia, Interest Strip	09-Jun-2020	4,670,000	4,419,349	4,447,082	
Province of British Columbia, Interest Strip	18-Jun-2020	4,991,000	4,769,817	4,752,489	
Province of Manitoba, Coupon Strip	05-Mar-2020	2,175,000	2,101,215	2,081,283	
Province of New Brunswick, Generic Coupon Strip	03-Jun-2019	2,952,000	2,897,766	2,870,717	
Province of New Brunswick, Generic Coupon Strip	03-Dec-2019	2,610,000	2,488,906	2,507,632	
Province of New Brunswick, Generic Coupon Strip	03-Jun-2020	2,575,000	2,419,545	2,441,643	
Province of Newfoundland, Coupon Strip	17-Apr-2020	6,359,000	6,062,580	6,043,232	
Province of Nova Scotia, Generic Strip	01-Dec-2019	100,000	96,492	96,264	
Province of Nova Scotia, Generic Strip	02-Dec-2019	2,582,000	2,464,338	2,484,877	
Province of Nova Scotia, Generic Strip	01-Jun-2020	540,000	522,088	513,394	
Province of Nova Scotia, Generic Strip	02-Jun-2020	747,000	722,197	710,202	
Province of Ontario, Generic Coupon Strip	02-Jun-2020	23,219,000	22,387,875	22,124,212	
Province of Ontario, Generic Coupon Strip	20-Jun-2020	368,000	356,277	349,395	
Province of Quebec, Coupon Strip	31-Mar-2020	874,000	834,841	834,189	
Province of Quebec, Coupon Strip	01-Apr-2020	450,000	430,201	429,359	
Province of Quebec, Coupon Strip	01-Jun-2020	7,685,000	7,283,190	7,323,417	
Province of Saskatchewan, Coupon Strip	01-Jun-2019	204,725	200,616	199,476	
Province of Saskatchewan, Coupon Strip	02-Jun-2019	54,600	53,550	53,210	
Province of Saskatchewan, Coupon Strip	30-Nov-2019	316,000	307,250	304,087	
Province of Saskatchewan, Coupon Strip	01-Dec-2019	204,725	198,785	197,257	
Province of Saskatchewan, Coupon Strip	02-Dec-2019	54,600	53,078	52,636	
Province of Saskatchewan, Coupon Strip	05-Mar-2020	2,447,000	2,322,826	2,343,826	
Province of Saskatchewan, Coupon Strip	01-Jun-2020	204,725	196,751	194,571	
Province of Saskatchewan, Coupon Strip	02-Jun-2020	54,600	52,551	51,934	
			89,922,831	89,718,298	85.04
Total Bonds			103,575,415	103,163,470	97.78
		Number of Units	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS					
Sunlife Milestone Global Equity Fund, Series I		86,536	2,228,147	2,063,841	
			2,228,147	2,063,841	1.96
Total Investments			105,803,562	105,227,311	99.74
Other Assets less Liabilities				272,780	0.26
Total Net Assets				105,500,091	100.00

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

Sun Life Milestone 2020 Fund (continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Milestone 2020 Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is subject to credit risk exposure related to both the direct investment in interest-bearing securities and to the extent of its investment in the underlying fund holding interest-bearing securities.

The Fund invests in financial assets, which 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	12.74	30.99
AA/Aa	42.55	36.05
A/A	38.88	27.31
Not Rated	3.61	2.81
Total	97.78	97.16

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 holds assets and liabilities, either directly or 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.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying internally managed funds. The following table summarizes the Fund's direct 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	-	103,163,470	-	103,163,470
December 31, 2016	-	118,937,469	-	118,937,469

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 Units of the Fund would have decreased or increased respectively by \$2,353,883 (\$3,897,362 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 indirectly to other market risk as a result of its investment in underlying internally managed funds.

(c) Liquidity risk

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

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

Sun Life Milestone 2020 Fund (continued)

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Bonds		
Federal Bonds	12.7	31.1
Provincial Bonds	85.0	49.1
Corporate Bonds	-	17.1
Mutual Fund		
Global Equities	2.0	2.7
Other Assets less Liabilities	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 (\$)	
Bonds	-	103,163,470	-	103,163,470
Mutual Fund	2,063,841	-	-	2,063,841

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Bonds	-	118,937,469	-	118,937,469
Mutual Fund	3,310,250	-	-	3,310,250

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Bonds have been classified as Level 2.

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.

Guaranteed Value

The Fund has a maturity date where the asset mix of the respective fund moves from equities to fixed income as the fund nears maturity. The Fund has been structured to ensure that on the scheduled maturity date, it will have sufficient assets to pay unitholders an amount for each outstanding unit equal to the greatest of the following three values: (i) \$10.00 per unit (the inception unit value); (ii) the highest month-end unit value during the period from the start date until the scheduled maturity date; and (iii) the unit value on the scheduled maturity date (the "Guaranteed Value"). If on the maturity date of the Fund the unit value is less than the Guaranteed Value, then under the sub-advisory agreement, Sun Life Assurance Company of Canada has agreed to pay any shortfall to the applicable Fund.

As at December 31, 2017, the effective guaranteed unit value of the Fund is 11.9108.

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and 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 underlying funds.

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

Sun Life Milestone 2020 Fund (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	105,227,311	122,247,719
Total financial assets at fair value through profit or loss	105,227,311	122,247,719
Financial assets at amortized cost		
Cash	374,423	294,261
Other receivables	58,336	167,550
Total financial assets at amortized cost	432,759	461,811
Total assets	105,660,070	122,709,530
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	159,979	441,064
Total liabilities (excluding net assets attributable to holders of redeemable units)	159,979	441,064

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	909,944	676,722
Total net gains (losses)	909,944	676,722

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 Milestone 2025 Fund

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)	112,373,743	113,532,621
Short-term investments	-	-
Cash	-	90,214
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	82,748	221,877
Accrued interest	-	-
Dividends receivable	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	7,260	25,473
	112,463,751	113,870,185
Liabilities		
Current Liabilities		
Bank indebtedness	60,752	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	3,357	11,680
Redemptions payable	23,708	3,452
Distributions payable	-	-
Due to investment dealers	-	34,605
Management fees payable	55,093	220,223
Total liabilities (excluding net assets attributable to holders of redeemable units)	142,910	269,960
Net Assets Attributable to Holders of Redeemable Units	112,320,841	113,600,225
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	112,320,841	113,600,225
Series E	-	-
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	12.88	12.74
Series E	-	-

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		
Dividend income	-	-
Interest income for distribution purposes	2,391,337	2,223,258
Distributions from underlying funds	2,866,248	1,076,582
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	246,870	65,436
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(1,722,303)	(2,507,080)
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	3,782,152	858,196
Net gain (loss) on foreign exchange	-	-
Other income	-	-
Total income (loss)	3,782,152	858,196
Expenses (note 5)		
Management fees	2,347,481	2,134,999
Administration fees	128,000	116,180
Independent review committee fees	2,406	644
Withholding tax	-	-
Transaction costs (note 2)	-	-
Total operating expenses	2,477,887	2,251,823
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	1,304,265	(1,393,627)
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	1,304,265	(1,393,627)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	1,304,265	(1,356,556)
Series E	-	(37,071)
Weighted Average Number of Units Outstanding		
Series A	9,003,929	8,020,736
Series E	-	935,729
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.14	(0.17)
Series E	-	(0.04)

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

Sun Life Milestone 2025 Fund (continued)

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

For the periods ended December 31

	Series A		Series E		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 113,600,225	78,769,613	-	12,015,508	113,600,225	90,785,121
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 1,304,265	(1,356,556)	-	(37,071)	1,304,265	(1,393,627)
Redeemable Unit Transactions	\$					
Proceeds from redeemable units issued	\$ 18,456,068	44,881,834	-	99,337	18,456,068	44,981,171
Redemption of redeemable units	\$ (21,039,931)	(8,696,202)	-	(12,077,099)	(21,039,931)	(20,773,301)
Reinvestment of distributions to holders of redeemable units	\$ 20,737	14,536	-	653	20,737	15,189
Capitalized distributions	\$ 2,815,526	1,305,715	-	-	2,815,526	1,305,715
	\$ 252,400	37,505,883	-	(11,977,109)	252,400	25,528,774
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	(237,757)	-	-	-	(237,757)
From net investment income	\$ (2,834,553)	(1,080,958)	-	(1,328)	(2,834,553)	(1,082,286)
Return of capital	\$ (1,496)	-	-	-	(1,496)	-
	\$ (2,836,049)	(1,318,715)	-	(1,328)	(2,836,049)	(1,320,043)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (1,279,384)	34,830,612	-	(12,015,508)	(1,279,384)	22,815,104
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 112,320,841	113,600,225	-	-	112,320,841	113,600,225
Redeemable Unit Transactions						
Balance - beginning of period	8,920,266	6,118,997	-	931,914	8,920,266	7,050,911
Units issued	1,429,473	3,470,109	-	7,734	1,429,473	3,477,843
Units issued on reinvestment of distributions	1,606	1,117	-	51	1,606	1,168
Units redeemed	(1,630,106)	(669,957)	-	(939,699)	(1,630,106)	(1,609,656)
Balance - end of period	8,721,239	8,920,266	-	-	8,721,239	8,920,266

Statements of Cash Flows

For the periods ended December 31

	2017	2016		2017	2016
	(\$)	(\$)		(\$)	(\$)
Cash Flows from Operating Activities			Net Cash Provided by (Used in) Operating Activities	2,394,214	(24,090,264)
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	1,304,265	(1,393,627)	Cash Flows from Financing Activities		
Adjustments for:			Distributions paid to holders of redeemable units, net of reinvested distributions	214	861
Gain on short-term investments	101	-	Proceeds from redeemable units issued	18,474,281	44,966,098
Net realized (gain) loss on sale of investments	(246,870)	(65,436)	Redemption of redeemable units	(21,019,675)	(20,770,849)
Change in unrealized (appreciation) depreciation in value of investments	1,722,303	2,507,080	Net Cash Provided by (Used in) Financing Activities	(2,545,180)	24,196,110
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-	Net increase (decrease) in cash	(150,966)	105,846
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-	Cash (bank indebtedness) at beginning of period	90,214	(15,632)
Change in unrealized (appreciation) depreciation in value of swaps	-	-	Cash (bank indebtedness) at end of period	(60,752)	90,214
Non-cash income distributions from underlying funds	(2,866,248)	(1,076,582)	Dividends received, net of withholding taxes	-	-
Change in fair value of option contracts	-	-	Interest received, net of withholding taxes	789	3,690
Change in fair value of credit default swaps	-	-	Interest paid	-	-
Change in margin	-	-			
Purchases of investments	(27,191,371)	(43,069,515)			
Proceeds from sale of investments	29,845,487	18,812,679			
Purchases of short-term investments	-	-			
Proceeds from sale of short-term investments	-	-			
Change in dividends and interest receivable	-	-			
Change in distributions receivable from underlying funds	-	-			
Change in management fees payable	(165,130)	185,377			
Change in other payables and accrued expenses	(8,323)	9,760			

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

Sun Life Milestone 2025 Fund (continued)

Schedule of Investments

As at December 31, 2017

	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS					
Federal Bonds					
Government of Canada, Coupon Strip	01-Dec-2024	12,692,000	11,559,230	10,917,774	
Government of Canada, Coupon Strip	01-Jun-2025	26,177,000	22,787,638	22,254,549	
Government of Canada, Residual Strip	01-Jun-2025	2,200,000	1,923,106	1,900,285	
			36,269,974	35,072,608	31.23
Provincial Bonds					
Hydro Quebec, Interest Strip	15-Feb-2025	1,600,000	1,311,051	1,324,578	
Newfoundland & Labrador Hydro, Coupon Strip	27-Aug-2024	407,000	338,347	336,868	
Ontario Electricity Financial Corp.	11-Apr-2025	2,150,000	1,754,084	1,753,161	
Ontario Hydro, Residual Strip	26-May-2025	322,000	272,300	261,622	
Prince Edward Island, Generic Strip	17-Jan-2024	495,000	406,262	417,551	
Prince Edward Island, Generic Strip	17-Jul-2024	130,000	104,628	108,195	
Prince Edward Island, Generic Strip	17-Jan-2025	765,000	603,439	621,847	
Province of Alberta, Coupon Strip	01-Jun-2023	250,000	219,812	219,015	
Province of Alberta, Coupon Strip	01-Dec-2023	250,000	216,087	216,070	
Province of Alberta, Coupon Strip	01-Jun-2024	547,000	466,328	462,860	
Province of Alberta, Coupon Strip	01-Dec-2024	705,500	594,454	587,248	
Province of Alberta, Coupon Strip	01-Jun-2025	1,228,000	1,031,151	1,003,718	
Province of British Columbia, Interest Strip	18-Jun-2024	8,540,000	7,252,275	7,235,749	
Province of British Columbia, Interest Strip	18-Dec-2024	2,700,000	2,177,158	2,254,138	
Province of British Columbia, Interest Strip	18-Jun-2025	9,647,500	7,725,805	7,901,706	
Province of British Columbia, Principal Strip	23-Aug-2024	1,510,000	1,228,808	1,272,717	
Province of Manitoba, Coupon Strip	05-Sep-2024	158,000	135,500	132,243	
Province of Manitoba, Coupon Strip	05-Mar-2025	2,044,000	1,668,199	1,678,691	
Province of New Brunswick, Generic Coupon Strip	26-Mar-2024	169,000	143,282	140,628	
Province of New Brunswick, Generic Coupon Strip	03-Jun-2024	1,211,000	1,045,548	1,016,675	
Province of New Brunswick, Generic Coupon Strip	26-Sep-2024	262,000	217,846	217,514	
Province of New Brunswick, Generic Coupon Strip	03-Dec-2024	390,000	309,898	321,312	
Province of New Brunswick, Generic Coupon Strip	26-Mar-2025	186,000	151,748	149,253	
Province of New Brunswick, Generic Coupon Strip	03-Jun-2025	3,763,000	2,683,749	3,001,353	
Province of Newfoundland, Coupon Strip	17-Apr-2024	3,442,000	2,908,832	2,892,456	
Province of Newfoundland, Coupon Strip	17-Oct-2024	3,857,000	3,217,661	3,173,308	
Province of Newfoundland, Coupon Strip	17-Apr-2025	7,117,000	5,799,400	5,770,404	
Province of Nova Scotia, Generic Strip	01-Jun-2025	657,000	554,733	536,576	
Province of Ontario, Generic Coupon Strip	02-Jun-2025	5,268,365	4,481,229	4,316,996	
Province of Quebec, Coupon Strip	01-Jun-2025	5,000,000	4,228,015	4,097,567	
Province of Saskatchewan, Coupon Strip	01-Dec-2020	96,187	90,939	90,394	
Province of Saskatchewan, Coupon Strip	02-Dec-2020	81,900	77,924	76,986	
Province of Saskatchewan, Coupon Strip	01-Jun-2021	96,187	89,676	89,193	
Province of Saskatchewan, Coupon Strip	02-Jun-2021	81,900	76,963	75,993	
Province of Saskatchewan, Coupon Strip	01-Dec-2021	96,187	88,336	88,147	
Province of Saskatchewan, Coupon Strip	02-Dec-2021	81,900	75,898	74,932	
Province of Saskatchewan, Coupon Strip	01-Jun-2022	96,187	86,909	86,697	
Province of Saskatchewan, Coupon Strip	02-Jun-2022	81,900	74,781	73,866	
Province of Saskatchewan, Coupon Strip	01-Dec-2022	96,187	85,444	85,608	
Province of Saskatchewan, Coupon Strip	02-Dec-2022	81,900	73,572	72,794	
Province of Saskatchewan, Coupon Strip	01-Jun-2023	236,587	208,416	206,692	
Province of Saskatchewan, Coupon Strip	02-Jun-2023	81,900	72,260	71,676	
Province of Saskatchewan, Coupon Strip	05-Sep-2023	303,320	265,178	262,134	
Province of Saskatchewan, Coupon Strip	01-Dec-2023	342,237	301,810	294,899	
Province of Saskatchewan, Coupon Strip	02-Dec-2023	218,400	192,185	188,180	
Province of Saskatchewan, Coupon Strip	05-Mar-2024	421,600	364,498	359,338	
Province of Saskatchewan, Coupon Strip	01-Jun-2024	342,237	297,760	289,772	
Province of Saskatchewan, Coupon Strip	02-Jun-2024	218,400	189,031	184,908	
Province of Saskatchewan, Coupon Strip	05-Sep-2024	355,000	299,343	297,385	
Province of Saskatchewan, Coupon Strip	01-Dec-2024	342,237	293,098	285,549	
Province of Saskatchewan, Coupon Strip	02-Dec-2024	218,400	185,890	182,213	
Province of Saskatchewan, Coupon Strip	05-Mar-2025	1,177,240	974,673	969,420	
Province of Saskatchewan, Coupon Strip	01-Jun-2025	342,237	288,161	280,200	
Province of Saskatchewan, Coupon Strip	02-Jun-2025	218,400	182,721	178,800	
Province of Saskatchewan, Residual Strip	30-May-2025	4,560,000	3,633,817	3,702,318	
			61,816,912	61,990,113	55.19
Total Bonds			98,086,886	97,062,721	86.42

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

Sun Life Milestone 2025 Fund (continued)

Schedule of Investments

As at December 31, 2017

	Number of Units	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sunlife Milestone Global Equity Fund, Series I	641,985	16,040,831	15,311,022	
		16,040,831	15,311,022	13.63
Total Investments		114,127,717	112,373,743	100.05
Other Assets less Liabilities			(52,902)	(0.05)
Total Net Assets			112,320,841	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Milestone 2025 Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is subject to credit risk exposure related to both the direct investment in interest-bearing securities and to the extent of its investment in the underlying fund holding interest-bearing securities.

The Fund invests in financial assets, which 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	31.23	41.15
AA/Aa	28.32	27.41
A/A	23.63	16.32
Not Rated	3.24	2.23
Total	86.42	87.11

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 holds assets and liabilities, either directly or 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.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying internally managed funds. The following table summarizes the Fund's direct 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	-	814,609	96,248,112	97,062,721
December 31, 2016	-	491,674	98,453,653	98,945,327

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 Units of the Fund would have decreased or increased respectively by \$6,889,619 (\$8,018,368 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 indirectly to other market risk as a result of its investment in underlying internally managed funds.

(c) Liquidity risk

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

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

Sun Life Milestone 2025 Fund (continued)

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Bonds		
Federal Bonds	31.2	41.1
Provincial Bonds	55.2	40.2
Corporate Bonds	-	5.8
Mutual Fund		
Global Equities	13.6	12.8
Other Assets less Liabilities	(0.1)	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 (\$)	
Bonds	-	97,062,721	-	97,062,721
Mutual Fund	15,311,022	-	-	15,311,022

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Bonds	-	98,945,327	-	98,945,327
Mutual Fund	14,587,294	-	-	14,587,294

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Bonds have been classified as Level 2.

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.

Guaranteed Value

The Fund has a maturity date where the asset mix of the respective fund moves from equities to fixed income as the fund nears maturity. The Fund has been structured to ensure that on the scheduled maturity date, it will have sufficient assets to pay unitholders an amount for each outstanding unit equal to the greatest of the following three values: (i) \$10.00 per unit (the inception unit value); (ii) the highest month-end unit value during the period from the start date until the scheduled maturity date; and (iii) the unit value on the scheduled maturity date (the "Guaranteed Value"). If on the maturity date of the Fund the unit value is less than the Guaranteed Value, then under the sub-advisory agreement, Sun Life Assurance Company of Canada has agreed to pay any shortfall to the applicable Fund.

As at December 31, 2017, the effective guaranteed unit value of the Fund is 13.3056.

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and 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 underlying funds.

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

Sun Life Milestone 2025 Fund (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	112,373,743	113,532,621
Total financial assets at fair value through profit or loss	112,373,743	113,532,621
Financial assets at amortized cost		
Cash	-	90,214
Other receivables	90,008	247,350
Total financial assets at amortized cost	90,008	337,564
Total assets	112,463,751	113,870,185
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	142,910	269,960
Total liabilities (excluding net assets attributable to holders of redeemable units)	142,910	269,960

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	3,782,152	858,196
Total net gains (losses)	3,782,152	858,196

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 Milestone 2030 Fund

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)	84,188,227	76,906,414
Short-term investments	-	-
Cash	182,772	264,842
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	142,694
Accrued interest	-	-
Dividends receivable	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	7,820	20,637
	84,378,819	77,334,587
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	4,794	15,963
Redemptions payable	-	5,000
Distributions payable	-	-
Due to investment dealers	735,079	119,425
Management fees payable	38,072	145,522
Total liabilities (excluding net assets attributable to holders of redeemable units)	777,945	285,910
Net Assets Attributable to Holders of Redeemable Units	83,600,874	77,048,677
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	83,600,874	77,048,677
Series E	-	-
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	14.50	13.76
Series E	-	-

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		
Dividend income	-	-
Interest income for distribution purposes	1,934,025	1,750,113
Distributions from underlying funds	4,072,290	1,371,344
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	468,305	159,131
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(390,632)	(1,818,116)
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	6,083,988	1,462,472
Net gain (loss) on foreign exchange	-	-
Other income	-	-
Total income (loss)	6,083,988	1,462,472
Expenses (note 5)		
Management fees	1,618,024	1,418,828
Administration fees	180,534	158,886
Independent review committee fees	1,705	435
Withholding tax	-	-
Transaction costs (note 2)	-	-
Total operating expenses	1,800,263	1,578,149
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	4,283,725	(115,677)
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	4,283,725	(115,677)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	4,283,725	34,586
Series E	-	(150,263)
Weighted Average Number of Units Outstanding		
Series A	5,748,443	5,021,522
Series E	-	1,258,964
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.75	0.01
Series E	-	(0.12)

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

Sun Life Milestone 2030 Fund (continued)

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

For the periods ended December 31

	Series A		Series E		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 77,048,677	46,879,526	-	17,031,889	77,048,677	63,911,415
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 4,283,725	34,586	-	(150,263)	4,283,725	(115,677)
Redeemable Unit Transactions	\$					
Proceeds from redeemable units issued	\$ 12,081,423	35,082,999	-	534,770	12,081,423	35,617,769
Redemption of redeemable units	\$ (9,813,202)	(4,952,494)	-	(17,416,086)	(9,813,202)	(22,368,580)
Reinvestment of distributions to holders of redeemable units	\$ 52,162	44,027	-	10,605	52,162	54,632
Capitalized distributions	\$ 4,214,849	1,499,145	-	-	4,214,849	1,499,145
	\$ 6,535,232	31,673,677	-	(16,870,711)	6,535,232	14,802,966
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (4,266,760)	(1,539,112)	-	(10,915)	(4,266,760)	(1,550,027)
Return of capital	\$ -	-	-	-	-	-
	\$ (4,266,760)	(1,539,112)	-	(10,915)	(4,266,760)	(1,550,027)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 6,552,197	30,169,151	-	(17,031,889)	6,552,197	13,137,262
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 83,600,874	77,048,677	-	-	83,600,874	77,048,677
Redeemable Unit Transactions						
Balance - beginning of period	5,600,803	3,408,951	-	1,238,206	5,600,803	4,647,157
Units issued	853,142	2,543,202	-	39,273	853,142	2,582,475
Units issued on reinvestment of distributions	3,670	3,130	-	776	3,670	3,906
Units redeemed	(691,105)	(354,480)	-	(1,278,255)	(691,105)	(1,632,735)
Balance - end of period	5,766,510	5,600,803	-	-	5,766,510	5,600,803

Statements of Cash Flows

For the periods ended December 31

	2017	2016		2017	2016
	(\$)	(\$)		(\$)	(\$)
Cash Flows from Operating Activities			Net Cash Provided by (Used in) Operating Activities	(2,358,359)	(13,078,606)
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	4,283,725	(115,677)	Cash Flows from Financing Activities		
Adjustments for:			Distributions paid to holders of redeemable units, net of reinvested distributions	251	3,750
Gain on short-term investments	-	-	Proceeds from redeemable units issued	12,094,240	35,643,483
Net realized (gain) loss on sale of investments	(468,305)	(159,131)	Redemption of redeemable units	(9,818,202)	(22,366,080)
Change in unrealized (appreciation) depreciation in value of investments	390,632	1,818,116	Net Cash Provided by (Used in) Financing Activities	2,276,289	13,281,153
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-	Net increase (decrease) in cash	(82,070)	202,547
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-	Cash (bank indebtedness) at beginning of period	264,842	62,295
Change in unrealized (appreciation) depreciation in value of swaps	-	-	Cash (bank indebtedness) at end of period	182,772	264,842
Non-cash income distributions from underlying funds	(4,072,290)	(1,371,344)	Dividends received, net of withholding taxes	-	-
Change in fair value of option contracts	-	-	Interest received, net of withholding taxes	2,324	1,317
Change in fair value of credit default swaps	-	-	Interest paid	-	-
Change in margin	-	-			
Purchases of investments	(24,224,747)	(23,882,683)			
Proceeds from sale of investments	21,851,245	10,498,080			
Purchases of short-term investments	-	-			
Proceeds from sale of short-term investments	-	-			
Change in dividends and interest receivable	-	-			
Change in distributions receivable from underlying funds	-	-			
Change in management fees payable	(107,450)	120,693			
Change in other payables and accrued expenses	(11,169)	13,340			

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

Sun Life Milestone 2030 Fund (continued)

Schedule of Investments

As at December 31, 2017

	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS					
Federal Bonds					
Government of Canada, Coupon Strip	01-Dec-2027	8,036,000	6,773,307	6,401,276	
Government of Canada, Coupon Strip	01-Jun-2028	4,873,000	4,042,204	3,836,305	
Government of Canada, Coupon Strip	01-Dec-2028	1,885,100	1,566,746	1,465,384	
Government of Canada, Coupon Strip	01-Jun-2029	233,539	181,388	180,165	
Government of Canada, Coupon Strip	01-Dec-2029	2,676,561	2,058,351	2,037,377	
Government of Canada, Coupon Strip	01-Jun-2030	5,768,000	4,217,593	4,336,068	
Government of Canada, Residual Strip	01-Jun-2029	9,509,339	7,661,975	7,515,841	
			26,501,564	25,772,416	30.83
Provincial Bonds					
Hydro Quebec, Interest Strip	15-Aug-2029	1,552,000	1,092,782	1,099,095	
Hydro Quebec, Interest Strip	15-Feb-2030	3,000,000	2,129,004	2,091,716	
Prince Edward Island, Generic Strip	17-Jan-2029	760,065	506,472	543,856	
Prince Edward Island, Generic Strip	17-Jul-2029	640,000	413,259	432,961	
Prince Edward Island, Generic Strip	17-Jan-2030	918,975	593,400	634,904	
Province of Alberta, Coupon Strip	01-Jun-2028	222,750	163,379	164,523	
Province of Alberta, Coupon Strip	01-Dec-2028	222,750	159,547	161,798	
Province of Alberta, Coupon Strip	01-Jun-2029	222,750	156,495	158,909	
Province of Alberta, Coupon Strip	01-Dec-2029	222,750	153,443	156,208	
Province of Alberta, Coupon Strip	01-Jun-2030	222,750	150,237	153,899	
Province of British Columbia, Interest Strip	18-Jun-2029	5,068,000	3,372,986	3,633,452	
Province of British Columbia, Interest Strip	18-Dec-2029	7,000,000	4,563,080	4,940,888	
Province of British Columbia, Interest Strip	18-Jun-2030	1,534,000	998,656	1,068,714	
Province of British Columbia, Principal Strip	18-Jun-2029	4,000,000	2,743,296	2,922,198	
Province of Manitoba, Coupon Strip	05-Mar-2030	1,850,000	1,292,167	1,276,114	
Province of New Brunswick, Generic Coupon Strip	26-Mar-2028	257,000	185,528	187,985	
Province of New Brunswick, Generic Coupon Strip	03-Jun-2028	429,000	307,283	311,387	
Province of New Brunswick, Generic Coupon Strip	03-Jun-2029	544,000	353,902	375,251	
Province of New Brunswick, Generic Coupon Strip	03-Dec-2029	116,910	79,406	79,111	
Province of New Brunswick, Generic Coupon Strip	03-Jun-2030	1,886,150	1,212,346	1,253,278	
Province of Newfoundland, Coupon Strip	17-Oct-2028	659,565	464,594	469,143	
Province of Newfoundland, Coupon Strip	17-Apr-2029	819,600	549,971	568,608	
Province of Newfoundland, Coupon Strip	17-Oct-2029	711,600	466,309	487,635	
Province of Newfoundland, Coupon Strip	17-Apr-2030	892,890	592,152	611,701	
Province of Nova Scotia, Generic Strip	01-Dec-2028	988,000	661,707	716,938	
Province of Nova Scotia, Generic Strip	01-Dec-2029	660,000	425,200	459,415	
Province of Nova Scotia, Generic Strip	01-Jun-2030	668,000	418,094	455,962	
Province of Nova Scotia, Generic Strip	02-Jun-2030	200,000	140,359	136,545	
Province of Ontario, Generic Coupon Strip	02-Jun-2030	7,515,300	5,089,847	5,202,491	
Province of Quebec, Coupon Strip	01-Apr-2030	1,500,000	1,021,287	1,025,320	
Province of Quebec, Coupon Strip	01-Jun-2030	800,000	549,117	552,810	
Province of Saskatchewan, Coupon Strip	01-Dec-2025	72,140	57,669	58,155	
Province of Saskatchewan, Coupon Strip	02-Dec-2025	61,425	49,566	49,513	
Province of Saskatchewan, Coupon Strip	01-Jun-2026	72,140	56,512	56,996	
Province of Saskatchewan, Coupon Strip	02-Jun-2026	61,425	48,637	48,528	
Province of Saskatchewan, Coupon Strip	01-Dec-2026	72,140	55,474	56,091	
Province of Saskatchewan, Coupon Strip	02-Dec-2026	61,425	47,696	47,757	
Province of Saskatchewan, Coupon Strip	01-Jun-2027	72,140	54,474	54,930	
Province of Saskatchewan, Coupon Strip	02-Jun-2027	61,425	46,712	46,768	
Province of Saskatchewan, Coupon Strip	01-Dec-2027	72,140	53,283	54,054	
Province of Saskatchewan, Coupon Strip	02-Dec-2027	61,425	45,749	46,022	
Province of Saskatchewan, Coupon Strip	01-Jun-2028	72,140	52,231	53,199	
Province of Saskatchewan, Coupon Strip	02-Jun-2028	61,425	44,821	45,295	
Province of Saskatchewan, Coupon Strip	05-Sep-2028	606,000	436,869	443,013	
Province of Saskatchewan, Coupon Strip	01-Dec-2028	72,140	51,076	52,391	
Province of Saskatchewan, Coupon Strip	02-Dec-2028	61,425	43,846	44,606	
Province of Saskatchewan, Coupon Strip	01-Jun-2029	72,140	50,021	51,320	
Province of Saskatchewan, Coupon Strip	02-Jun-2029	61,425	42,956	43,695	
Province of Saskatchewan, Coupon Strip	05-Sep-2029	557,000	369,988	393,223	
Province of Saskatchewan, Coupon Strip	01-Dec-2029	72,140	49,071	50,593	
Province of Saskatchewan, Coupon Strip	02-Dec-2029	61,425	42,110	43,076	
Province of Saskatchewan, Coupon Strip	05-Mar-2030	472,000	302,878	326,956	
Province of Saskatchewan, Coupon Strip	01-Jun-2030	72,140	48,074	49,585	

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

Sun Life Milestone 2030 Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Province of Saskatchewan, Coupon Strip	02-Jun-2030	61,425	41,267	42,217	
Province of Saskatchewan, Residual Strip	05-Mar-2029	2,900,000	2,067,418	2,097,802	
			35,163,703	36,588,600	43.76
Total Bonds			61,665,267	62,361,016	74.59
	Number of Units	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets	
MUTUAL FUNDS					
Sunlife Milestone Global Equity Fund, Series I	915,206	22,999,484	21,827,211		
		22,999,484	21,827,211	26.11	
Total Investments		84,664,751	84,188,227	100.70	
Other Assets less Liabilities			(587,353)	(0.70)	
Total Net Assets			83,600,874	100.00	

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Milestone 2030 Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is subject to credit risk exposure related to both the direct investment in interest-bearing securities and to the extent of its investment in the underlying fund holding interest-bearing securities.

The Fund invests in financial assets, which 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	30.83	37.98
AA/Aa	26.34	27.14
A/A	14.54	7.48
Not Rated	2.88	2.96
Total	74.59	75.56

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 holds assets and liabilities, either directly or 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.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying internally managed funds. The following table summarizes the Fund's direct 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	-	-	62,361,016	62,361,016
December 31, 2016	-	-	58,330,727	58,330,727

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

Sun Life Milestone 2030 Fund (continued)

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 Units of the Fund would have decreased or increased respectively by \$7,171,064 (\$7,276,199 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 indirectly to other market risk as a result of its investment in underlying internally managed funds.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Bonds		
Federal Bonds	30.8	38.0
Provincial Bonds	43.8	35.7
Corporate Bonds	-	2.0
Mutual Fund		
Global Equities	26.1	24.1
Other Assets less Liabilities	(0.7)	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			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	-	62,361,016	-	62,361,016
Mutual Fund	21,827,211	-	-	21,827,211
December 31, 2016				
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Bonds	-	58,330,727	-	58,330,727
Mutual Fund	18,575,687	-	-	18,575,687

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Bonds have been classified as Level 2.

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.

Guaranteed Value

The Fund has a maturity date where the asset mix of the respective fund moves from equities to fixed income as the fund nears maturity. The Fund has been structured to ensure that on the scheduled maturity date, it will have sufficient assets to pay unitholders an amount for each outstanding unit equal to the greatest of the following three values: (i) \$10.00 per unit (the inception unit value); (ii) the highest month-end unit value during the period from the start date until the scheduled maturity date; and (iii) the unit value on the scheduled maturity date (the "Guaranteed Value"). If on the maturity date of the Fund the unit value is less than the Guaranteed Value, then under the sub-advisory agreement, Sun Life Assurance Company of Canada has agreed to pay any shortfall to the applicable Fund.

As at December 31, 2017, the effective guaranteed unit value of the Fund is 14.5810.

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$188,382 (\$316,530 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and 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 underlying funds.

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

Sun Life Milestone 2030 Fund (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	84,188,227	76,906,414
Total financial assets at fair value through profit or loss	84,188,227	76,906,414
Financial assets at amortized cost		
Cash	182,772	264,842
Other receivables	7,820	163,331
Total financial assets at amortized cost	190,592	428,173
Total assets	84,378,819	77,334,587
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	777,945	285,910
Total liabilities (excluding net assets attributable to holders of redeemable units)	777,945	285,910

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	6,083,988	1,462,472
Total net gains (losses)	6,083,988	1,462,472

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 Milestone 2035 Fund

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)	53,239,324	45,490,962
Short-term investments	-	-
Cash	37,948	351,817
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	90,114
Accrued interest	-	-
Dividends receivable	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	3,742	5,277
	53,281,014	45,938,170
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	2,990	9,289
Redemptions payable	-	-
Distributions payable	-	-
Due to investment dealers	817,979	205,744
Management fees payable	25,760	86,555
Total liabilities (excluding net assets attributable to holders of redeemable units)	846,729	301,588
Net Assets Attributable to Holders of Redeemable Units	52,434,285	45,636,582
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	52,434,285	45,636,582
Series E	-	-
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	15.45	14.01
Series E	-	-

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		
Dividend income	-	-
Interest income for distribution purposes	1,103,250	957,132
Distributions from underlying funds	3,626,739	1,268,770
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	479,148	(51,960)
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	650,298	(820,902)
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	5,859,435	1,353,040
Net gain (loss) on foreign exchange	-	-
Other income	-	-
Total income (loss)	5,859,435	1,353,040
Expenses (note 5)		
Management fees	987,198	824,243
Administration fees	107,458	89,414
Independent review committee fees	1,020	249
Withholding tax	-	-
Transaction costs (note 2)	-	-
Total operating expenses	1,095,676	913,906
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	4,763,759	439,134
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	4,763,759	439,134
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	4,763,759	485,295
Series E	-	(46,161)
Weighted Average Number of Units Outstanding		
Series A	3,317,020	2,863,428
Series E	-	146,971
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.44	0.17
Series E	-	(0.31)

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

Sun Life Milestone 2035 Fund (continued)

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

For the periods ended December 31

	Series A		Series E		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 45,636,582	32,406,258	-	1,973,258	45,636,582	34,379,516
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 4,763,759	485,295	-	(46,161)	4,763,759	439,134
Redeemable Unit Transactions	\$					
Proceeds from redeemable units issued	\$ 9,594,096	15,824,765	-	136,091	9,594,096	15,960,856
Redemption of redeemable units	\$ (7,560,359)	(3,080,203)	-	(2,063,089)	(7,560,359)	(5,143,292)
Reinvestment of distributions to holders of redeemable units	\$ 6,989	3,116	-	84	6,989	3,200
Capitalized distributions	\$ 3,855,627	1,335,937	-	-	3,855,627	1,335,937
	\$ 5,896,353	14,083,615	-	(1,926,914)	5,896,353	12,156,701
Distributions to Holders of Redeemable Units						
From capital gains	\$ (166,369)	(32,630)	-	-	(166,369)	(32,630)
From net investment income	\$ (3,695,241)	(1,305,956)	-	(183)	(3,695,241)	(1,306,139)
Return of capital	\$ (799)	-	-	-	(799)	-
	\$ (3,862,409)	(1,338,586)	-	(183)	(3,862,409)	(1,338,769)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 6,797,703	13,230,324	-	(1,973,258)	6,797,703	11,257,066
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 52,434,285	45,636,582	-	-	52,434,285	45,636,582
Redeemable Unit Transactions						
Balance - beginning of period	3,256,314	2,341,016	-	142,522	3,256,314	2,483,538
Units issued	650,431	1,133,964	-	10,110	650,431	1,144,074
Units issued on reinvestment of distributions	472	219	-	6	472	225
Units redeemed	(512,732)	(218,885)	-	(152,638)	(512,732)	(371,523)
Balance - end of period	3,394,485	3,256,314	-	-	3,394,485	3,256,314

Statements of Cash Flows

For the periods ended December 31

	2017	2016		2017	2016
	(\$)	(\$)		(\$)	(\$)
Cash Flows from Operating Activities			Net Cash Provided by (Used in) Operating Activities	(2,349,348)	(10,416,971)
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	4,763,759	439,134	Cash Flows from Financing Activities		
Adjustments for:			Distributions paid to holders of redeemable units, net of reinvested distributions	207	368
Gain on short-term investments	-	-	Proceeds from redeemable units issued	9,595,631	15,965,039
Net realized (gain) loss on sale of investments	(479,148)	51,960	Redemption of redeemable units	(7,560,359)	(5,143,292)
Change in unrealized (appreciation) depreciation in value of investments	(650,298)	820,902	Net Cash Provided by (Used in) Financing Activities	2,035,479	10,822,115
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-	Net increase (decrease) in cash	(313,869)	405,144
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-	Cash (bank indebtedness) at beginning of period	351,817	(53,327)
Change in unrealized (appreciation) depreciation in value of swaps	-	-	Cash (bank indebtedness) at end of period	37,948	351,817
Non-cash income distributions from underlying funds	(3,626,739)	(1,268,770)	Dividends received, net of withholding taxes	-	-
Change in fair value of option contracts	-	-	Interest received, net of withholding taxes	2,089	4,587
Change in fair value of credit default swaps	-	-	Interest paid	-	-
Change in margin	-	-			
Purchases of investments	(18,143,549)	(15,928,615)			
Proceeds from sale of investments	15,853,721	5,387,443			
Purchases of short-term investments	-	-			
Proceeds from sale of short-term investments	-	-			
Change in dividends and interest receivable	-	-			
Change in distributions receivable from underlying funds	-	-			
Change in management fees payable	(60,795)	73,134			
Change in other payables and accrued expenses	(6,299)	7,841			

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

Sun Life Milestone 2035 Fund (continued)

Schedule of Investments

As at December 31, 2017

	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS					
Federal Bonds					
Government of Canada, Coupon Strip	01-Dec-2033	690,000	501,798	475,177	
Government of Canada, Coupon Strip	01-Jun-2034	4,852,000	3,406,794	3,299,426	
Government of Canada, Coupon Strip	01-Dec-2034	4,957,022	3,319,389	3,329,509	
Government of Canada, Coupon Strip	01-Jun-2035	6,944,000	4,405,346	4,597,035	
Government of Canada, Residual Strip	01-Jun-2033	3,280,000	2,383,940	2,366,312	
			14,017,267	14,067,459	26.83
Provincial Bonds					
Hydro Quebec, Interest Strip	15-Feb-2035	1,605,000	958,145	952,565	
Hydro Quebec, Residual Strip	15-Feb-2035	2,710,000	1,603,057	1,657,166	
Province of Alberta, Coupon Strip	01-Jun-2033	148,500	89,463	92,556	
Province of Alberta, Coupon Strip	01-Dec-2033	148,500	87,893	90,863	
Province of Alberta, Coupon Strip	01-Jun-2034	148,500	86,219	89,471	
Province of Alberta, Coupon Strip	01-Dec-2034	148,500	84,690	88,101	
Province of British Columbia, Interest Strip	18-Jun-2033	1,839,000	1,110,845	1,160,468	
Province of British Columbia, Interest Strip	18-Dec-2033	2,000,000	1,268,866	1,243,795	
Province of British Columbia, Interest Strip	18-Jun-2034	800,000	498,972	489,968	
Province of British Columbia, Interest Strip	18-Dec-2034	1,600,000	985,892	949,756	
Province of British Columbia, Interest Strip	18-Jun-2035	5,467,000	3,148,465	3,251,774	
Province of New Brunswick, Generic Coupon Strip	26-Mar-2033	774,000	457,039	469,642	
Province of New Brunswick, Generic Coupon Strip	03-Jun-2033	876,000	513,278	528,710	
Province of New Brunswick, Generic Coupon Strip	26-Sep-2033	645,000	373,353	384,943	
Province of New Brunswick, Generic Coupon Strip	03-Dec-2033	1,275,000	739,862	758,313	
Province of New Brunswick, Generic Coupon Strip	26-Mar-2034	240,000	134,566	140,771	
Province of New Brunswick, Generic Coupon Strip	03-Jun-2034	345,000	194,207	201,515	
Province of New Brunswick, Generic Coupon Strip	03-Dec-2034	438,000	241,605	251,263	
Province of Newfoundland, Coupon Strip	17-Apr-2033	208,950	122,650	126,239	
Province of Newfoundland, Coupon Strip	17-Oct-2033	127,860	78,136	77,394	
Province of Newfoundland, Coupon Strip	17-Apr-2034	93,000	57,119	54,365	
Province of Newfoundland, Coupon Strip	17-Apr-2035	34,860	19,042	19,670	
Province of Ontario, Generic Coupon Strip	02-Jun-2035	5,312,000	3,238,622	3,129,722	
Province of Ontario, Generic Residual Strip	10-Jan-2035	925,000	556,037	529,466	
Province of Ontario, Generic Residual Strip	02-Jun-2035	820,000	508,007	498,902	
Province of Saskatchewan, Coupon Strip	01-Dec-2030	188,694	131,592	128,002	
Province of Saskatchewan, Coupon Strip	02-Dec-2030	118,950	82,422	80,686	
Province of Saskatchewan, Coupon Strip	01-Jun-2031	188,694	129,517	125,442	
Province of Saskatchewan, Coupon Strip	02-Jun-2031	118,950	80,945	79,072	
Province of Saskatchewan, Coupon Strip	01-Dec-2031	188,694	127,252	123,757	
Province of Saskatchewan, Coupon Strip	02-Dec-2031	118,950	79,472	78,011	
Province of Saskatchewan, Coupon Strip	01-Jun-2032	188,694	125,116	121,170	
Province of Saskatchewan, Coupon Strip	02-Jun-2032	118,950	77,961	76,379	
Province of Saskatchewan, Coupon Strip	01-Dec-2032	188,694	122,958	119,449	
Province of Saskatchewan, Coupon Strip	02-Dec-2032	118,950	76,498	75,294	
Province of Saskatchewan, Coupon Strip	05-Mar-2033	171,180	103,769	107,523	
Province of Saskatchewan, Coupon Strip	01-Jun-2033	188,694	120,758	117,660	
Province of Saskatchewan, Coupon Strip	02-Jun-2033	118,950	75,146	74,168	
Province of Saskatchewan, Coupon Strip	05-Sep-2033	253,080	150,326	156,478	
Province of Saskatchewan, Coupon Strip	01-Dec-2033	188,694	118,792	115,824	
Province of Saskatchewan, Coupon Strip	02-Dec-2033	118,950	73,839	73,009	
Province of Saskatchewan, Coupon Strip	05-Mar-2034	177,180	103,359	107,762	
Province of Saskatchewan, Coupon Strip	01-Jun-2034	188,694	116,625	113,909	
Province of Saskatchewan, Coupon Strip	02-Jun-2034	118,950	72,614	71,802	
Province of Saskatchewan, Coupon Strip	05-Sep-2034	177,180	101,516	105,908	
Province of Saskatchewan, Coupon Strip	01-Dec-2034	188,694	114,774	111,962	
Province of Saskatchewan, Coupon Strip	02-Dec-2034	118,950	71,401	70,574	
Province of Saskatchewan, Coupon Strip	05-Mar-2035	177,180	99,702	104,093	
Province of Saskatchewan, Coupon Strip	01-Jun-2035	188,694	112,679	108,995	
Province of Saskatchewan, Coupon Strip	02-Jun-2035	118,950	70,303	68,704	
			19,695,366	19,753,031	37.67
Total Bonds			33,712,633	33,820,490	64.50

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

Sun Life Milestone 2035 Fund (continued)

Schedule of Investments

As at December 31, 2017

	Number of Units	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sunlife Milestone Global Equity Fund, Series I	814,224	20,516,203	19,418,834	
		20,516,203	19,418,834	37.03
Total Investments		54,228,836	53,239,324	101.53
Other Assets less Liabilities			(805,039)	(1.53)
Total Net Assets			52,434,285	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Milestone 2035 Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is subject to credit risk exposure related to both the direct investment in interest-bearing securities and to the extent of its investment in the underlying fund holding interest-bearing securities.

The Fund invests in financial assets, which 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	26.83	27.92
AA/Aa	20.29	21.17
A/A	16.69	12.13
Not Rated	0.69	0.72
Total	64.50	61.94

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 holds assets and liabilities, either directly or 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.

(ii) Interest rate risk

The Fund is exposed indirectly to interest rate risk as a result of its investment in underlying internally managed funds. The following table summarizes the Fund's direct 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	-	-	33,820,490	33,820,490
December 31, 2016	-	-	28,270,473	28,270,473

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 Units of the Fund would have decreased or increased respectively by \$5,627,307 (\$4,984,301 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 indirectly to other market risk as a result of its investment in underlying internally managed funds.

(c) Liquidity risk

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

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

Sun Life Milestone 2035 Fund (continued)

(d) Concentration risk

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

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Bonds		
Federal Bonds	26.8	27.9
Provincial Bonds	37.7	32.6
Corporate Bonds	-	1.5
Mutual Fund		
Global Equities	37.0	37.7
Other Assets less Liabilities	(1.5)	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 (\$)	
Bonds	-	33,820,490	-	33,820,490
Mutual Fund	19,418,834	-	-	19,418,834

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Bonds	-	28,270,473	-	28,270,473
Mutual Fund	17,220,489	-	-	17,220,489

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Bonds have been classified as Level 2.

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.

Guaranteed Value

The Fund has a maturity date where the asset mix of the respective fund moves from equities to fixed income as the fund nears maturity. The Fund has been structured to ensure that on the scheduled maturity date, it will have sufficient assets to pay unitholders an amount for each outstanding unit equal to the greatest of the following three values: (i) \$10.00 per unit (the inception unit value); (ii) the highest month-end unit value during the period from the start date until the scheduled maturity date; and (iii) the unit value on the scheduled maturity date (the "Guaranteed Value"). If on the maturity date of the Fund the unit value is less than the Guaranteed Value, then under the sub-advisory agreement, Sun Life Assurance Company of Canada has agreed to pay any shortfall to the applicable Fund.

As at December 31, 2017, the effective guaranteed unit value of the Fund is 15.44689.

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and 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 underlying funds.

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

Sun Life Milestone 2035 Fund (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	53,239,324	45,490,962
Total financial assets at fair value through profit or loss	53,239,324	45,490,962
Financial assets at amortized cost		
Cash	37,948	351,817
Other receivables	3,742	95,391
Total financial assets at amortized cost	41,690	447,208
Total assets	53,281,014	45,938,170
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	846,729	301,588
Total liabilities (excluding net assets attributable to holders of redeemable units)	846,729	301,588

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	5,859,435	1,353,040
Total net gains (losses)	5,859,435	1,353,040

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 Milestone Global Equity Fund

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)	-	-
Short-term investments	396,672,811	319,627,790
Cash	10,750,947	12,460,820
Margin	1,587,164	11,627,424
Option contracts, at fair value - long	238,374	691,311
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	5,144,907	6,146,168
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	-
Accrued interest	489,717	132,315
Dividends receivable	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	187,751	633,807
	415,071,671	351,319,635
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	4,359,778	6,256,410
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	1,782,225	941,524
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	-	-
Redemptions payable	38,523	615,089
Distributions payable	-	-
Due to investment dealers	-	-
Management fees payable	-	-
Total liabilities (excluding net assets attributable to holders of redeemable units)	6,180,526	7,813,023
Net Assets Attributable to Holders of Redeemable Units	408,891,145	343,506,612
Net Assets Attributable to Holders of Redeemable Units per Unit - Series I (note 4)	23.85	19.62

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		
Dividend income	-	-
Interest income for distribution purposes	2,255,886	1,380,860
Distributions from underlying funds	-	-
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	-	-
Net realized gain (loss) on futures contracts	75,267,438	25,590,587
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	(1,138,463)	(1,555,766)
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	-	-
Change in unrealized appreciation (depreciation) in value of futures contracts	(1,841,962)	3,088,082
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	(214,664)	276,303
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	74,328,235	28,780,066
Net gain (loss) on foreign exchange	(80,109)	(391,863)
Other income	-	-
Total income (loss)	74,248,126	28,388,203
Expenses (note 5)		
Management fees	-	-
Administration fees	-	-
Independent review committee fees	-	1,920
Withholding tax	-	-
Transaction costs (note 2)	41,806	59,697
Total operating expenses	41,806	61,617
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	74,206,320	28,326,586
Finance Cost		
Interest expense	(2,606)	(2,381)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) - Series I	74,203,714	28,324,205
Weighted Average Number of Units Outstanding - Series I		
	17,456,882	17,509,816
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) - Series I	4.25	1.62

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

Sun Life Milestone Global Equity Fund (continued)

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

For the periods ended December 31

	Total	
	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 343,506,612	314,797,714
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 74,203,714	28,324,205
Redeemable Unit Transactions		
Proceeds from redeemable units issued	\$ 101,105,960	99,036,759
Redemption of redeemable units	\$ (109,925,141)	(98,652,066)
Reinvestment of distributions to holders of redeemable units	\$ -	-
Capitalized distributions	\$ 76,341,893	25,352,561
	\$ 67,522,712	25,737,254
Distributions to Holders of Redeemable Units		
From capital gains	\$ -	-
From net investment income	\$ (76,341,893)	(25,352,561)
Return of capital	\$ -	-
	\$ (76,341,893)	(25,352,561)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 65,384,533	28,708,898
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 408,891,145	343,506,612
Redeemable Unit Transactions		
Balance - beginning of period	17,505,707	17,500,348
Units issued	4,578,682	5,453,948
Units issued on reinvestment of distributions	-	-
Units redeemed	(4,939,716)	(5,448,589)
Balance - end of period	17,144,673	17,505,707

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 units from operations (excluding distributions)	74,203,714	28,324,205
Adjustments for:		
Gain on short-term investments	(1,883,220)	(1,459,269)
Net realized (gain) loss on sale of investments	-	-
Change in unrealized (appreciation) depreciation in value of investments	-	-
Change in unrealized (appreciation) depreciation in value of futures contracts	1,841,962	(3,088,082)
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	452,937	57,136
Change in fair value of credit default swaps	-	-
Change in margin	8,143,628	(10,030,086)
Purchases of investments	-	-
Proceeds from sale of investments	-	-
Purchases of short-term investments	(1,568,926,029)	(1,348,731,715)
Proceeds from sale of short-term investments	1,493,764,228	1,322,357,011
Change in dividends and interest receivable	(357,402)	79,229
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	-	-
Change in other payables and accrued expenses	-	-
Net Cash Provided by (Used in) Operating Activities	7,239,818	(12,491,571)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	-	-
Proceeds from redeemable units issued	101,552,016	98,809,353
Redemption of redeemable units	(110,501,707)	(100,581,590)
Net Cash Provided by (Used in) Financing Activities	(8,949,691)	(1,772,237)
Net increase (decrease) in cash	(1,709,873)	(14,263,808)
Cash (bank indebtedness) at beginning of period	12,460,820	26,724,628
Cash (bank indebtedness) at end of period	10,750,947	12,460,820
Dividends received, net of withholding taxes	-	-
Interest received, net of withholding taxes	1,898,484	1,460,089
Interest paid	(2,606)	(2,381)

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

Sun Life Milestone Global Equity Fund (continued)

Schedule of Investments

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT TERM INVESTMENTS						
Treasury Bills						
Canadian Treasury Bill	0.986%	11-Jan-2018	53,698,000	53,556,237	53,556,237	
Canadian Treasury Bill	0.841%	25-Jan-2018	58,593,000	58,508,040	58,508,040	
Canadian Treasury Bill	0.855%	08-Feb-2018	2,645,000	2,638,943	2,638,943	
Canadian Treasury Bill*	0.914%	22-Feb-2018	272,935,000	272,271,994	272,271,994	
Canadian Treasury Bill	0.882%	08-Mar-2018	9,718,000	9,697,597	9,697,597	
Total Investments				396,672,811	396,672,811	97.01
Option contracts⁽¹⁾					238,374	0.06
Unrealized appreciation/(depreciation) on futures contracts⁽²⁾					3,362,682	0.82
Other Assets less Liabilities					8,617,278	2.11
Total Net Assets					408,891,145	100.00

⁽¹⁾ Option Contracts

	Expiry Date	Number of Contracts	Average Cost (\$)	Current Value (\$)
S&P 500 Index @1675 Put Option	16-Mar-2018	100	177,292	5,638
S&P 500 Index @1700 Put Option	15-Jun-2018	50	177,919	14,409
S&P 500 Index @1700 Put Option	15-Jun-2018	25	68,599	7,204
S&P 500 Index @1700 Put Option	21-Sep-2018	90	116,148	67,659
S&P 500 Index @1750 Put Option	21-Dec-2018	100	293,191	143,464
			833,149	238,374

⁽²⁾ Futures Contracts Schedule

Name of Future	Contracted Value (\$)	Expiry Date	Numbers of Contracts	Contracted Price	Current Value (\$)	Unrealized Appreciation/(Depreciation) (\$)
Australian SPI 200 Index	13,076,390	15-Mar-2018	89	5,997	13,126,541	50,151
CME Nikkei 225 Index	39,490,791	08-Mar-2018	278	22,675	39,603,995	113,204
E-Mini MSCI Emerging Market Index	40,830,258	16-Mar-2018	580	1,124	42,283,680	1,453,422
E-Mini MSCI Emerging Market Index	10,206,656	16-Mar-2018	145	1,124	10,570,920	364,264
LIFFE FTSE 100 Index	26,534,346	16-Mar-2018	211	7,420	27,315,767	781,421
S&P 500 Index Emini	239,879,361	16-Mar-2018	1,445	2,650	242,246,606	2,367,245
S&P Canada 60 Index	15,303,200	15-Mar-2018	80	956	15,318,400	15,200
					390,465,909	5,144,907
EUREX DJ EURO STOXX 50 Index	69,781,758	16-Mar-2018	1,297	3,576	68,162,103	(1,619,655)
S&P 500 Index Emini	(9,896,113)	16-Mar-2018	(60)	2,633	(10,058,683)	(162,570)
					58,103,420	(1,782,225)

*\$21,050,000 of the fair value of this security is held as an initial margin posted for the purchase of futures.

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

Sun Life Milestone Global Equity Fund (continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Milestone Global Equity Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which 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	97.01	93.04
AA/Aa	0.06	0.20
Total	97.07	93.24

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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates 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	33,621,035	8.22	19,710,680	5.74
British Pound	5,909,583	1.45	2,945,752	0.86
Australian Dollar	1,630,022	0.40	512,054	0.15
Euro	(1,214,284)	(0.30)	1,043,307	0.30
Total	39,946,356	9.77	24,211,793	7.05

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 Units of the Fund would have increased or decreased respectively by \$1,997,318 (\$1,210,590 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 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	396,672,811	-	-	396,672,811
December 31, 2016	319,627,790	-	-	319,627,790

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 Units of the Fund would have decreased or increased respectively by \$472,189 (\$463,220 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 its investment in indexed equity linked 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 Units of the Fund would have increased or decreased respectively by \$22,428,466 (\$18,895,855 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 Milestone Global Equity Fund (continued)

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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	97.0	93.1
Option Contracts	0.1	0.2
Futures Contracts	0.8	1.5
Other Assets less Liabilities	2.1	5.2
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 (\$)	
Financial Assets				
Short-Term Investments	-	396,672,811	-	396,672,811
Futures Contracts	-	5,144,907	-	5,144,907
Option Contracts	238,374	-	-	238,374
Financial Liabilities				
Futures Contracts	-	1,782,225	-	1,782,225

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Short-Term Investments	-	319,627,790	-	319,627,790
Futures Contracts	-	6,146,168	-	6,146,168
Option Contracts	691,311	-	-	691,311
Financial Liabilities				
Futures Contracts	-	941,524	-	941,524

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of options and futures contracts. Option contracts are classified as Level 1, as the option contracts are actively traded and a reliable price is observable.

Futures contracts are classified as Level 2 and are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out. Gains or losses arising from futures contracts are recorded as unrealized gain (loss) on futures contracts and shown as an asset (liability) on the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$41,806 (\$59,697 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$210,952 (\$133,752 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

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

Sun Life Milestone Global Equity Fund (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	5,383,281	6,837,479
Investments designated at FVTPL	396,672,811	319,627,790
Total financial assets at fair value through profit or loss	402,056,092	326,465,269
Financial assets at amortized cost		
Cash	10,750,947	12,460,820
Other receivables	2,264,632	12,393,546
Total financial assets at amortized cost	13,015,579	24,854,366
Total assets	415,071,671	351,319,635
Financial liabilities		
Derivative liabilities held for trading	1,782,225	941,524
Financial liabilities at amortized cost	4,398,301	6,871,499
Total liabilities (excluding net assets attributable to holders of redeemable units)	6,180,526	7,813,023

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	72,072,349	27,399,206
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	2,255,886	1,380,860
Total net gains (losses)	74,328,235	28,780,066

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

Establishment of the Fund

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

	Date of creation	Date available for sale
Series I Units	September 10, 2010	October 01, 2010

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

Sun Life Money Market Fund

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)	-	-
Short-term investments	3,004,067,625	3,245,443,778
Cash	-	3,213,223
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	-
Accrued interest	5,793,676	5,301,556
Dividends receivable	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	-	-
	3,009,861,301	3,253,958,557
Liabilities		
Current Liabilities		
Bank indebtedness	2,684,343	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	4,196	9,824
Redemptions payable	27,000	-
Distributions payable	366,116	1,340
Due to investment dealers	-	-
Management fees payable	11,017	46,406
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,092,672	57,570
Net Assets Attributable to Holders of Redeemable Units	3,006,768,629	3,253,900,987
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	75,201,788	86,808,374
Series D	1,836,248	2,488,739
Series E	-	-
Series EF	-	-
Series F	5,311,722	3,202,191
Series I	2,920,972,675	3,152,233,084
Series O	3,446,196	9,168,599
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	10.00	10.00
Series D	10.00	10.00
Series E	-	-
Series EF	-	-
Series F	10.00	10.00
Series I	10.00	10.00
Series O	10.00	10.00

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		
Dividend income	-	-
Interest income for distribution purposes	25,191,801	22,917,271
Distributions from underlying funds	-	-
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	-	-
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	-	-
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	25,191,801	22,917,271
Net gain (loss) on foreign exchange	-	-
Other income	-	-
Total income (loss)	25,191,801	22,917,271
Expenses (note 5)		
Management fees	470,072	441,501
Administration fees	166,352	180,239
Independent review committee fees	1,937	22,195
Withholding tax	-	-
Transaction costs (note 2)	-	-
Total operating expenses	638,361	643,935
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	24,553,440	22,273,336
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	24,553,440	22,273,336
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	207,690	110,356
Series D	10,777	10,405
Series E	-	1,601
Series EF	-	4
Series F	14,939	6,938
Series I	24,273,383	22,096,991
Series O	46,651	47,041
Weighted Average Number of Units Outstanding		
Series A	8,254,944	7,813,587
Series D	207,147	262,312
Series E	-	1,603,027
Series EF	-	1,001
Series F	280,321	168,846
Series I	302,217,393	328,289,931
Series O	600,421	694,506

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

Sun Life Money Market Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.03	0.01
Series D	0.05	0.04
Series E	-	-
Series EF	-	-
Series F	0.05	0.04
Series I	0.08	0.07
Series O	0.08	0.07

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

For the periods ended December 31

	Series A		Series D		Series E		Series EF	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 86,808,374	50,843,774	2,488,739	3,369,249	-	14,698,059	-	10,013
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 207,690	110,356	10,777	10,405	-	1,601	-	4
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 163,649,305	209,092,978	227,386	462,125	-	5,335,365	-	-
Redemptions of redeemable units	\$ (175,508,685)	(173,238,247)	(892,013)	(1,351,721)	-	(20,035,023)	-	(10,017)
Reinvestment of distributions to holders of redeemable units	\$ 252,736	109,738	12,146	9,086	-	1,618	-	4
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (11,606,644)	35,964,469	(652,481)	(880,510)	-	(14,698,040)	-	(10,013)
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ (207,632)	(110,225)	(10,787)	(10,405)	-	(1,620)	-	(4)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (207,632)	(110,225)	(10,787)	(10,405)	-	(1,620)	-	(4)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (11,606,586)	35,964,600	(652,491)	(880,510)	-	(14,698,059)	-	(10,013)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 75,201,788	86,808,374	1,836,248	2,488,739	-	-	-	-
Redeemable Unit Transactions								
Balance - beginning of period	8,680,845	5,084,398	248,874	336,925	-	1,469,804	-	1,001
Units issued	16,364,173	20,909,298	22,702	46,213	-	533,537	-	-
Units issued on reinvestment of distributions	26,031	10,974	1,250	909	-	162	-	-
Units redeemed	(17,550,869)	(17,323,825)	(89,201)	(135,173)	-	(2,003,503)	-	(1,001)
Balance - end of period	7,520,180	8,680,845	183,625	248,874	-	-	-	-

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

Sun Life Money Market Fund (continued)

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

For the periods ended December 31

	Series F		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 3,202,191	1,087,749	3,152,233,084	3,247,460,736	9,168,599	7,494,518	3,253,900,987	3,324,964,098
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 14,939	6,938	24,273,383	22,096,991	46,651	47,041	24,553,440	22,273,336
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 9,617,183	5,718,095	562,813,856	1,198,894,234	13,562,237	20,409,733	749,869,967	1,439,912,530
Redemptions of redeemable units	\$ (7,522,848)	(3,610,591)	(818,347,733)	(1,316,218,862)	(19,358,882)	(18,782,377)	(1,021,630,161)	(1,533,246,838)
Reinvestment of distributions to holders of redeemable units	\$ 15,196	6,938	24,273,510	22,097,087	74,248	46,726	24,627,836	22,271,197
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 2,109,531	2,114,442	(231,260,367)	(95,227,541)	(5,722,397)	1,674,082	(247,132,358)	(71,063,111)
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ (14,939)	(6,938)	(24,273,425)	(22,097,102)	(46,657)	(47,042)	(24,553,440)	(22,273,336)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (14,939)	(6,938)	(24,273,425)	(22,097,102)	(46,657)	(47,042)	(24,553,440)	(22,273,336)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 2,109,531	2,114,442	(231,260,409)	(95,227,652)	(5,722,403)	1,674,081	(247,132,358)	(71,063,111)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 5,311,722	3,202,191	2,920,972,675	3,152,233,084	3,446,196	9,168,599	3,006,768,629	3,253,900,987
Redeemable Unit Transactions								
Balance - beginning of period	320,220	108,775	315,223,285	324,746,039	916,859	749,451	325,390,083	332,496,393
Units issued	961,709	571,810	56,281,386	119,889,423	1,355,523	2,040,973	74,985,493	143,991,254
Units issued on reinvestment of distributions	1,529	694	2,427,351	2,209,709	8,126	4,673	2,464,287	2,227,121
Units redeemed	(752,285)	(361,059)	(81,834,774)	(131,621,886)	(1,935,888)	(1,878,238)	(102,163,017)	(153,324,685)
Balance - end of period	531,173	320,220	292,097,248	315,223,285	344,620	916,859	300,676,846	325,390,083

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

Sun Life Money Market Fund (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 units from operations (excluding distributions)	24,553,440	22,273,336
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	-	-
Change in unrealized (appreciation) depreciation in value of investments	-	-
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	-	-
Proceeds from sale of investments	-	-
Purchases of short-term investments	(14,357,878,656)	(16,224,112,740)
Proceeds from sale of short-term investments	14,599,254,809	16,299,372,477
Change in dividends and interest receivable	(492,120)	(1,338,529)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(35,389)	39,308
Change in other payables and accrued expenses	(5,628)	6,405
Net Cash Provided by (Used in) Operating Activities	265,396,456	96,240,257
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	439,172	(2,041)
Proceeds from redeemable units issued	749,869,967	1,439,912,530
Redemption of redeemable units	(1,021,603,161)	(1,533,246,838)
Net Cash Provided by (Used in) Financing Activities	(271,294,022)	(93,336,349)
Net increase (decrease) in cash	(5,897,566)	2,903,908
Cash (bank indebtedness) at beginning of period	3,213,223	309,315
Cash (bank indebtedness) at end of period	(2,684,343)	3,213,223
Dividends received, net of withholding taxes	-	-
Interest received, net of withholding taxes	24,699,681	21,578,742
Interest paid	-	-

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

Sun Life Money Market Fund (continued)

Schedule of Investments

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT-TERM NOTES						
Treasury Bills						
Canadian Treasury Bill	0.943%	11-Jan-2018	100,200,000	99,934,461	99,934,461	
Canadian Treasury Bill	1.001%	22-Feb-2018	206,400,000	205,929,245	205,929,245	
Canadian Treasury Bill	0.872%	08-Mar-2018	175,000,000	174,590,187	174,590,187	
Canadian Treasury Bill	0.970%	22-Mar-2018	251,200,000	250,338,164	250,338,164	
Canadian Treasury Bill	1.057%	05-Apr-2018	221,400,000	220,398,839	220,398,839	
Province of Manitoba	1.050%	31-Jan-2018	37,600,000	37,516,904	37,516,904	
Province of Manitoba	1.042%	28-Feb-2018	75,000,000	74,805,750	74,805,750	
Province of Manitoba	1.072%	07-Mar-2018	67,400,000	67,226,174	67,226,174	
Province of Ontario	1.042%	21-Feb-2018	82,100,000	81,887,361	81,887,361	
Province of Ontario	1.270%	11-Apr-2018	75,900,000	75,443,082	75,443,082	
Province of Quebec	1.029%	23-Feb-2018	50,400,000	50,270,976	50,270,976	
Province of Quebec	1.112%	09-Mar-2018	18,500,000	18,456,710	18,456,710	
				1,356,797,853	1,356,797,853	45.12
Bankers' Acceptances						
Bank of Montreal	1.290%	12-Feb-2018	119,900,000	119,545,096	119,545,096	
Canadian Imperial Bank of Commerce	1.041%	16-Mar-2018	28,800,000	28,504,224	28,504,224	
Canadian Imperial Bank of Commerce	1.530%	13-Apr-2018	36,500,000	36,223,695	36,223,695	
Canadian Imperial Bank of Commerce	1.461%	07-May-2018	20,500,000	20,351,785	20,351,785	
Canadian Imperial Bank of Commerce	1.489%	24-May-2018	34,600,000	34,344,998	34,344,998	
JPMorgan Chase Bank, N.A.	1.218%	05-Jan-2018	14,300,000	14,289,990	14,289,990	
JPMorgan Chase Bank, N.A.	1.340%	15-Jan-2018	24,320,000	24,239,014	24,239,014	
JPMorgan Chase Bank, N.A.	1.267%	30-Jan-2018	19,800,000	19,761,588	19,761,588	
JPMorgan Chase Bank, N.A.	1.352%	27-Feb-2018	28,600,000	28,527,070	28,527,070	
National Bank of Canada	1.303%	26-Jan-2018	118,900,000	118,772,777	118,772,777	
Royal Bank of Canada	1.310%	31-Jan-2018	30,300,000	30,200,313	30,200,313	
Royal Bank of Canada	1.050%	14-Feb-2018	50,000,000	49,480,500	49,480,500	
Royal Bank of Canada	1.302%	28-Feb-2018	39,700,000	39,572,960	39,572,960	
The Toronto-Dominion Bank	1.231%	10-Jan-2018	11,600,000	11,589,444	11,589,444	
The Toronto-Dominion Bank	1.247%	23-Jan-2018	48,400,000	48,307,556	48,307,556	
The Toronto-Dominion Bank	1.260%	30-Jan-2018	29,000,000	28,944,030	28,944,030	
The Toronto-Dominion Bank	1.358%	27-Feb-2018	29,800,000	29,723,712	29,723,712	
				682,378,752	682,378,752	22.69
Discount Commercial Paper						
Honda Canada Finance Inc.	1.290%	05-Jan-2018	6,700,000	6,669,582	6,669,582	
Honda Canada Finance Inc.	1.421%	12-Jan-2018	30,000,000	29,860,500	29,860,500	
Honda Canada Finance Inc.	1.270%	16-Jan-2018	7,000,000	6,956,180	6,956,180	
Honda Canada Finance Inc.	1.520%	02-Apr-2018	27,800,000	27,593,168	27,593,168	
Honda Canada Finance Inc.	1.070%	03-Apr-2018	10,900,000	10,787,730	10,787,730	
Honda Canada Finance Inc.	1.530%	11-Apr-2018	5,000,000	4,962,550	4,962,550	
Honda Canada Finance Inc.	1.590%	23-Apr-2018	13,200,000	13,097,304	13,097,304	
Honda Canada Finance Inc.	1.540%	02-May-2018	7,200,000	7,145,136	7,145,136	
Honda Canada Finance Inc.	1.541%	04-May-2018	13,600,000	13,494,600	13,494,600	
Imperial Oil Limited	1.095%	11-Jan-2018	37,800,000	37,784,124	37,784,124	
Nestlé Capital Canada Ltd.	1.143%	30-Jan-2018	34,000,000	33,920,614	33,920,614	
Nestlé Capital Canada Ltd.	1.147%	01-Feb-2018	7,000,000	6,987,260	6,987,260	
Nestlé Capital Canada Ltd.	1.159%	06-Feb-2018	25,000,000	24,939,000	24,939,000	
Nestlé Capital Canada Ltd.	1.150%	13-Feb-2018	29,000,000	28,931,514	28,931,514	
Nestlé Capital Canada Ltd.	1.202%	22-Feb-2018	7,500,000	7,482,750	7,482,750	
Nestlé Capital Canada Ltd.	1.228%	01-Mar-2018	16,600,000	16,559,330	16,559,330	
Toyota Credit Canada Inc.	0.971%	11-Jan-2018	17,700,000	17,575,215	17,575,215	
Toyota Credit Canada Inc.	0.970%	12-Jan-2018	50,000,000	49,646,500	49,646,500	
Toyota Credit Canada Inc.	1.449%	08-May-2018	3,000,000	2,969,460	2,969,460	
Toyota Credit Canada Inc.	1.629%	24-Aug-2018	50,000,000	49,404,500	49,404,500	
				396,767,017	396,767,017	13.20
Promissory Notes						
Province of Alberta	1.110%	09-Jan-2018	30,000,000	29,918,100	29,918,100	
Province of Alberta	1.071%	16-Jan-2018	45,200,000	45,089,076	45,089,076	
Province of Alberta	1.058%	06-Mar-2018	19,200,000	19,153,344	19,153,344	
Province of Alberta	1.069%	13-Mar-2018	33,200,000	33,113,902	33,113,902	
Province of British Columbia	1.050%	22-Feb-2018	114,850,000	114,534,226	114,534,226	
Province of British Columbia	1.058%	27-Feb-2018	25,000,000	24,945,750	24,945,750	

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

Sun Life Money Market Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Province of British Columbia	1.061%	08-Mar-2018	15,000,000	14,956,950	14,956,950	
Province of Quebec	0.760%	17-Jan-2018	20,000,000	19,850,000	19,850,000	
Province of Quebec	1.079%	30-Jan-2018	25,000,000	24,930,000	24,930,000	
				326,491,348	326,491,348	10.86
Bearer Deposit Notes						
Manulife Bank of Canada	1.100%	06-Mar-2018	46,200,000	45,698,730	45,698,730	
Manulife Bank of Canada	1.600%	19-Mar-2018	55,100,000	54,668,567	54,668,567	
Manulife Bank of Canada	1.100%	23-Apr-2018	21,800,000	21,564,778	21,564,778	
The Bank of Nova Scotia	1.319%	29-Jan-2018	57,200,000	57,004,376	57,004,376	
The Bank of Nova Scotia	1.318%	28-Feb-2018	62,900,000	62,696,204	62,696,204	
				241,632,655	241,632,655	8.04
Total Investments				3,004,067,625	3,004,067,625	99.91
Transaction Costs				-	-	-
Total Investments				3,004,067,625	3,004,067,625	99.91
Other Assets less Liabilities					2,701,004	0.09
Total Net Assets					3,006,768,629	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Money Market Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund invests in financial assets, which 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	62.10	55.97
AA/Aa	33.86	43.77
Not Rated	3.95	-
Total	99.91	99.74

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 holds assets and liabilities, including cash and cash equivalents that are denominated primarily in the Canadian Dollar, the functional currency of the Fund. As a result, the Fund did not have any significant exposure to currency risk.

(ii) Interest rate risk

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	3,004,067,625	-	-	3,004,067,625
December 31, 2016	3,245,443,778	-	-	3,245,443,778

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

Sun Life Money Market Fund (continued)

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 Units of the Fund would have decreased or increased respectively by \$4,939,863 (\$5,673,609 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 Fund.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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	45.1	53.5
Bankers' Acceptances	22.7	20.5
Discount Commercial Paper	13.2	14.0
Promissory Notes	10.9	3.8
Bearer Deposit Notes	8.0	7.9
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 (\$)	
Short-Term Investments	-	3,004,067,625	-	3,004,067,625

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Short-Term Investments	-	3,245,443,778	-	3,245,443,778

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

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 the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units 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	-	10,017	4
Series F	10,017	10,031	14

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	3,004,067,625	3,245,443,778
Total financial assets at fair value through profit or loss	3,004,067,625	3,245,443,778
Financial assets at amortized cost		
Cash	-	3,213,223
Other receivables	5,793,676	5,301,556
Total financial assets at amortized cost	5,793,676	8,514,779
Total assets	3,009,861,301	3,253,958,557
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	3,092,672	57,570
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,092,672	57,570

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

Sun Life Money Market Fund (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	25,191,801	22,917,271
Total net gains (losses)	25,191,801	22,917,271

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	September 10, 2010	October 01, 2010
Series D Units	September 10, 2010	March 30, 2012
Series F Units	September 10, 2010	October 01, 2010
Series I Units	September 10, 2010	October 01, 2010
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E and EF units were re-designated to Series A units, under the Front End Sales Charge option, and Series F units, 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 Multi-Strategy Bond Fund

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)	362,856,029	394,493,787
Short-term investments	5,232,646	6,539,984
Cash	491,581	476,532
Margin	196,678	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	44,194	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	188,689	-
Accrued interest	479,163	590,861
Dividends receivable	-	-
Distributions receivable from underlying funds	432,221	319,586
Subscriptions receivable	945,121	4,253,044
	370,866,322	406,673,794
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	36,985	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	7,209	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	3,152	11,245
Redemptions payable	852	16,913
Distributions payable	-	-
Due to investment dealers	1,408,714	4,545,833
Management fees payable	1,124	4,860
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,458,036	4,578,851
Net Assets Attributable to Holders of Redeemable Units	369,408,286	402,094,943
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	3,092,710	3,558,675
Series E	-	-
Series EF	-	-
Series F	534,348	147,973
Series I	365,523,799	398,259,773
Series O	257,429	128,522
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	9.77	9.76
Series E	-	-
Series EF	-	-
Series F	9.80	9.79
Series I	9.78	9.78
Series O	9.94	9.94

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		
Dividend income	-	-
Interest income for distribution purposes	3,237,032	9,022,814
Distributions from underlying funds	8,106,332	9,743,180
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	(1,356,380)	12,580
Net realized gain (loss) on futures contracts	309,875	15,948
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	1,745,180	(6,108,166)
Change in unrealized appreciation (depreciation) in value of futures contracts	36,985	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	12,079,024	12,686,356
Net gain (loss) on foreign exchange	(32)	-
Other income	-	-
Total income (loss)	12,078,992	12,686,356
Expenses (note 5)		
Management fees	46,666	51,201
Administration fees	132,303	179,479
Independent review committee fees	78	3,331
Withholding tax	-	-
Transaction costs (note 2)	2	156,855
Total operating expenses	179,049	390,866
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	11,899,943	12,295,490
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	11,899,943	12,295,490
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	49,390	13,600
Series E	-	3,294
Series EF	-	60
Series F	4,943	95
Series I	11,840,779	12,277,511
Series O	4,831	930
Weighted Average Number of Units Outstanding		
Series A	329,222	358,477
Series E	-	60,760
Series EF	-	1,008
Series F	24,542	11,830
Series I	38,758,529	52,503,775
Series O	22,734	8,901
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.15	0.04
Series E	-	0.05
Series EF	-	0.06
Series F	0.20	0.01
Series I	0.31	0.23
Series O	0.21	0.10

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

Sun Life Multi-Strategy Bond Fund (continued)

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

For the periods ended December 31

	Series A		Series E		Series EF		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 3,558,675	2,949,950	-	611,123	-	9,920	147,973	69,310
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 49,390	13,600	-	3,294	-	60	4,943	95
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 473,501	1,332,350	-	50	-	-	434,133	204,334
Redemption of redeemable units	\$ (988,914)	(737,268)	-	(614,443)	-	(9,979)	(52,712)	(125,771)
Reinvestment of distributions to holders of redeemable units	\$ 43,420	58,930	-	627	-	19	5,022	2,432
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (471,993)	654,012	-	(613,766)	-	(9,960)	386,443	80,995
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ (43,362)	(58,887)	-	(651)	-	(20)	(5,011)	(2,427)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (43,362)	(58,887)	-	(651)	-	(20)	(5,011)	(2,427)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (465,965)	608,725	-	(611,123)	-	(9,920)	386,375	78,663
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 3,092,710	3,558,675	-	-	-	-	534,348	147,973
Redeemable Unit Transactions								
Balance - beginning of period	364,763	298,764	-	60,790	-	1,008	15,107	7,000
Units issued	48,134	133,947	-	5	-	-	44,273	20,455
Units issued on reinvestment of distributions	4,484	5,931	-	62	-	2	511	243
Units redeemed	(100,688)	(73,879)	-	(60,857)	-	(1,010)	(5,380)	(12,591)
Balance - end of period	316,693	364,763	-	-	-	-	54,511	15,107

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 398,259,773	745,043,013	128,522	70,587	402,094,943	748,753,903
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 11,840,779	12,277,511	4,831	930	11,899,943	12,295,490
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 31,039,647	52,974,406	162,921	83,578	32,110,202	54,594,718
Redemption of redeemable units	\$ (75,616,400)	(412,035,157)	(38,845)	(26,573)	(76,696,871)	(413,549,191)
Reinvestment of distributions to holders of redeemable units	\$ 11,140,066	16,206,873	6,420	2,812	11,194,928	16,271,693
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (33,436,687)	(342,853,878)	130,496	59,817	(33,391,741)	(342,682,780)
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (11,140,029)	(16,206,873)	(6,420)	(2,812)	(11,194,822)	(16,271,670)
Return of capital	\$ (37)	-	-	-	(37)	-
	\$ (11,140,066)	(16,206,873)	(6,420)	(2,812)	(11,194,859)	(16,271,670)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (32,735,974)	(346,783,240)	128,907	57,935	(32,686,657)	(346,658,960)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 365,523,799	398,259,773	257,429	128,522	369,408,286	402,094,943
Redeemable Unit Transactions						
Balance - beginning of period	40,727,486	75,264,216	12,932	7,015	41,120,288	75,638,793
Units issued	3,159,298	5,336,837	16,221	8,265	3,267,926	5,499,509
Units issued on reinvestment of distributions	1,133,555	1,628,159	643	278	1,139,193	1,634,675
Units redeemed	(7,650,028)	(41,501,726)	(3,901)	(2,626)	(7,759,997)	(41,652,689)
Balance - end of period	37,370,311	40,727,486	25,895	12,932	37,767,410	41,120,288

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

Sun Life Multi-Strategy Bond Fund (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 units from operations (excluding distributions)	11,899,943	12,295,490
Adjustments for:		
Gain on short-term investments	(46,414)	(14,897)
Net realized (gain) loss on sale of investments	1,356,380	(12,580)
Change in unrealized (appreciation) depreciation in value of investments	(1,745,180)	6,108,166
Change in unrealized (appreciation) depreciation in value of futures contracts	(36,985)	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(8,106,332)	(9,743,180)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	(159,693)	-
Purchases of investments	(425,021,596)	(1,659,117,419)
Proceeds from sale of investments	461,828,675	2,008,899,577
Purchases of short-term investments	(86,998,185)	(90,035,445)
Proceeds from sale of short-term investments	88,351,938	89,827,775
Change in dividends and interest receivable	111,698	2,757,337
Change in distributions receivable from underlying funds	(112,635)	(319,586)
Change in management fees payable	(3,736)	3,917
Change in other payables and accrued expenses	(8,091)	163,243
Net Cash Provided by (Used in) Operating Activities	41,309,787	360,812,398
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	69	23
Proceeds from redeemable units issued	35,418,125	53,141,909
Redemption of redeemable units	(76,712,932)	(413,693,317)
Net Cash Provided by (Used in) Financing Activities	(41,294,738)	(360,551,385)
Net increase (decrease) in cash	15,049	261,013
Cash (bank indebtedness) at beginning of period	476,532	215,519
Cash (bank indebtedness) at end of period	491,581	476,532
Dividends received, net of withholding taxes	-	-
Interest received, net of withholding taxes	3,331,361	11,740,333
Interest paid	-	-

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

Sun Life Multi-Strategy Bond Fund (continued)

Schedule of Investments

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
SHORT TERM INVESTMENTS						
Treasury Bills						
Canadian Treasury Bill	0.930%	25-Jan-2018	200,000	199,686	199,686	
				199,686	199,686	0.05
Bankers' Acceptances						
Bank of Montreal	1.377%	19-Mar-2018	1,350,000	1,345,505	1,345,505	
Canadian Imperial Bank of Commerce	1.392%	16-Mar-2018	100,000	99,666	99,666	
Royal Bank of Canada	1.411%	27-Mar-2018	1,550,000	1,544,544	1,544,544	
The Toronto-Dominion Bank	1.374%	05-Mar-2018	150,000	149,502	149,502	
The Toronto-Dominion Bank	1.374%	05-Mar-2018	350,000	348,877	348,877	
The Toronto-Dominion Bank	1.376%	06-Mar-2018	300,000	299,016	299,016	
The Toronto-Dominion Bank	1.376%	06-Mar-2018	1,250,000	1,245,850	1,245,850	
				5,032,960	5,032,960	1.36
Total Short-Term Investments				5,232,646	5,232,646	1.41
BONDS						
Federal Bonds						
Canada Housing Trust No. 1	1.200%	15-Jun-2020	4,148,000	4,096,938	4,085,052	
Canada Housing Trust No. 1	1.250%	15-Dec-2020	9,068,000	8,899,878	8,897,697	
Canada Housing Trust No. 1	1.750%	15-Jun-2022	1,897,000	1,877,259	1,869,107	
Canada Housing Trust No. 1	2.400%	15-Dec-2022	2,200,000	2,239,292	2,226,026	
Canada Housing Trust No. 1	2.350%	15-Sep-2023	1,270,000	1,286,396	1,279,754	
Canadian Government Bond	0.750%	01-Sep-2021	2,051,000	1,987,809	1,975,937	
Canadian Government Bond	1.000%	01-Sep-2022	2,367,000	2,276,137	2,276,270	
Canadian Government Bond	1.000%	01-Jun-2027	65,000	59,300	59,237	
Canadian Government Bond	5.750%	01-Jun-2033	431,000	639,981	632,618	
Canadian Government Bond	5.000%	01-Jun-2037	2,274,000	3,237,298	3,264,869	
Canadian Government Bond	3.500%	01-Dec-2045	1,316,000	1,630,348	1,645,419	
Canadian Government Bond	2.750%	01-Dec-2048	392,000	434,173	434,186	
				28,664,809	28,646,172	7.76
Provincial Bonds						
Province of Alberta	1.350%	01-Sep-2021	961,000	966,122	936,398	
Province of Alberta	1.600%	01-Sep-2022	316,000	315,245	307,315	
Province of Alberta	3.100%	01-Jun-2024	149,000	158,211	154,790	
Province of Alberta	2.350%	01-Jun-2025	794,000	798,108	784,242	
Province of Alberta	2.550%	01-Jun-2027	670,000	661,504	664,205	
Province of Alberta	3.300%	01-Dec-2046	1,202,000	1,213,350	1,269,346	
Province of Alberta	3.050%	01-Dec-2048	1,585,000	1,578,076	1,602,608	
Province of British Columbia	4.700%	18-Jun-2037	304,000	387,412	388,897	
Province of British Columbia	3.200%	18-Jun-2044	178,000	186,609	188,545	
Province of Manitoba	2.450%	02-Jun-2025	97,000	98,785	96,336	
Province of Manitoba	6.300%	05-Mar-2031	466,000	646,955	639,553	
Province of Manitoba	4.600%	05-Mar-2038	231,000	280,518	286,262	
Province of New Brunswick	5.500%	27-Jan-2034	255,000	331,497	335,919	
Province of New Brunswick	4.550%	26-Mar-2037	331,000	393,675	402,910	
Province of New Brunswick	3.550%	03-Jun-2043	219,000	223,885	236,014	
Province of Newfoundland and Labrador	2.300%	02-Jun-2025	685,000	659,647	667,150	
Province of Newfoundland and Labrador	3.000%	02-Jun-2026	1,953,000	1,992,292	1,985,387	
Province of Newfoundland and Labrador	2.850%	02-Jun-2028	687,000	684,953	683,321	
Province of Newfoundland and Labrador	3.300%	17-Oct-2046	662,000	630,652	670,674	
Province of Newfoundland and Labrador	3.700%	17-Oct-2048	125,000	138,256	136,524	
Province of Nova Scotia	4.700%	01-Jun-2041	326,000	403,905	418,816	
Province of Ontario	4.200%	02-Jun-2020	331,000	353,743	348,790	
Province of Ontario	4.000%	02-Jun-2021	464,000	495,872	493,628	
Province of Ontario	2.850%	02-Jun-2023	7,762,000	8,071,310	7,977,314	
Province of Ontario	3.500%	02-Jun-2024	2,692,000	2,894,600	2,865,433	
Province of Ontario	2.600%	02-Jun-2027	4,703,000	4,698,654	4,698,266	
Province of Ontario	6.500%	08-Mar-2029	291,000	400,818	396,242	
Province of Ontario	5.600%	02-Jun-2035	797,000	1,088,785	1,095,635	
Province of Ontario	4.700%	02-Jun-2037	781,000	987,988	989,845	
Province of Ontario	2.800%	02-Jun-2048	2,039,000	1,993,659	1,984,408	
Province of Quebec	4.500%	01-Dec-2020	2,311,000	2,526,593	2,474,879	
Province of Quebec	3.500%	01-Dec-2022	3,600,000	4,022,901	3,811,549	
Province of Quebec	3.000%	01-Sep-2023	2,812,000	2,939,486	2,914,806	

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

Sun Life Multi-Strategy Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Province of Quebec	2.750%	01-Sep-2027	5,161,000	5,220,588	5,230,305	
Province of Quebec	6.000%	01-Oct-2029	488,000	664,270	647,968	
Province of Quebec	4.250%	01-Dec-2043	136,000	164,269	168,372	
Province of Quebec	3.500%	01-Dec-2045	355,000	397,685	393,157	
Province of Quebec	3.500%	01-Dec-2048	561,000	632,892	627,571	
Province of Saskatchewan	2.650%	02-Jun-2027	1,299,000	1,288,537	1,299,970	
Province of Saskatchewan	3.300%	02-Jun-2048	1,098,000	1,132,493	1,165,646	
				52,724,800	52,438,996	14.20
Corporate Bonds						
407 International Inc.	4.450%	15-Nov-2041	250,000	274,800	288,341	
407 International Inc.	3.830%	11-May-2046	549,000	576,262	579,597	
407 International Inc.	3.600%	21-May-2047	65,000	68,027	66,202	
Aéroports de Montreal	3.918%	12-Jun-2045	28,000	31,442	31,879	
AltaGas Ltd.	4.990%	04-Oct-2047	64,000	64,000	67,680	
AltaLink LP	4.922%	17-Sep-2043	175,000	218,198	217,544	
AltaLink LP	4.090%	30-Jun-2045	75,000	80,937	82,994	
Bank of Montreal	3.340%	08-Dec-2025	664,000	693,344	676,029	
Bell Canada Inc.	3.550%	02-Mar-2026	292,000	310,743	297,066	
Bell Canada Inc.	2.900%	12-Aug-2026	485,000	485,571	468,847	
Bell Canada Inc.	3.600%	29-Sep-2027	157,000	156,543	158,819	
Bell Canada Inc.	4.450%	27-Feb-2047	75,000	75,398	77,396	
Canadian Imperial Bank of Commerce	3.420%	26-Jan-2026	878,000	916,197	895,292	
Capital Power Corp.	4.284%	18-Sep-2024	574,000	574,000	583,688	
Choice Properties LP	3.600%	20-Sep-2022	563,000	594,650	578,955	
Choice Properties Real Estate Investment Trust	4.293%	08-Feb-2024	1,293,000	1,406,751	1,364,947	
Choice Properties Real Estate Investment Trust	4.055%	24-Nov-2025	450,000	472,642	467,104	
CU Inc.	6.215%	06-Mar-2024	741,000	929,982	886,742	
CU Inc.	4.543%	24-Oct-2041	42,000	51,399	49,165	
CU Inc.	4.722%	09-Sep-2043	126,000	155,618	152,426	
Empire Life Insurance Co.	3.383%	16-Dec-2026	287,000	287,000	287,886	
Empire Life Insurance Co.	3.664%	15-Mar-2028	224,000	224,000	225,327	
Enbridge Gas Distribution Inc.	4.770%	17-Dec-2021	284,000	323,832	310,016	
Enbridge Inc.	3.940%	30-Jun-2023	18,000	18,919	18,758	
Enbridge Inc.	3.200%	08-Jun-2027	836,000	830,259	807,768	
Enbridge Inc.	4.240%	27-Aug-2042	65,000	60,728	62,357	
Enbridge Inc.	4.570%	11-Mar-2044	201,000	197,548	202,995	
Enbridge Inc.	5.375%	27-Sep-2077	199,000	201,241	198,329	
First Capital Realty Inc.	3.604%	06-May-2026	75,000	74,802	74,437	
GE Capital Canada Funding Co.	4.600%	26-Jan-2022	888,000	1,020,743	956,815	
Greater Toronto Airports Authority	7.050%	12-Jun-2030	73,000	103,278	104,326	
Greater Toronto Airports Authority	7.100%	04-Jun-2031	108,000	156,396	157,312	
Greater Toronto Airports Authority	6.980%	15-Oct-2032	38,000	55,982	56,079	
Greater Toronto Airports Authority	5.630%	07-Jun-2040	36,000	50,186	50,367	
Greater Toronto Airports Authority	5.300%	25-Feb-2041	60,000	79,103	81,513	
Greater Toronto Airports Authority	4.530%	02-Dec-2041	42,000	51,401	52,009	
H&R Real Estate Investment Trust	2.923%	06-May-2022	232,000	232,223	228,773	
H&R Real Estate Investment Trust	3.369%	30-Jan-2024	427,000	427,290	422,904	
Hydro One Inc.	7.350%	03-Jun-2030	644,000	923,387	907,721	
Intact Financial Corp.	2.850%	07-Jun-2027	568,000	567,903	546,811	
Inter Pipeline Ltd.	2.608%	13-Sep-2023	1,006,000	1,017,746	982,691	
Inter Pipeline Ltd.	2.734%	18-Apr-2024	641,000	635,156	624,637	
Loblaws Cos Ltd.	4.860%	12-Sep-2023	538,000	614,359	589,876	
Loblaws Cos Ltd.	6.500%	22-Jan-2029	380,000	477,768	470,377	
Metro Inc.	4.270%	04-Dec-2047	42,000	41,958	42,127	
North West Redwater Partnership	3.200%	22-Jul-2024	130,000	133,318	132,275	
North West Redwater Partnership	4.250%	01-Jun-2029	51,000	55,145	55,338	
OMERS Realty Corp.	3.244%	04-Oct-2027	406,000	410,655	413,383	
Pembina Pipeline Corp.	3.710%	11-Aug-2026	320,000	324,776	322,010	
Pembina Pipeline Corp.	4.240%	15-Jun-2027	249,000	254,376	258,664	
Pembina Pipeline Corp.	4.750%	30-Apr-2043	136,000	135,143	137,922	
Pembina Pipeline Corp.	4.810%	25-Mar-2044	136,000	136,291	139,557	
Pembina Pipeline Corp.	4.740%	21-Jan-2047	52,000	51,078	52,682	
Plenary Properties LTAP LP	6.288%	31-Jan-2044	58,666	76,802	78,409	
Rogers Communications Inc.	6.680%	04-Nov-2039	61,000	82,638	82,126	
Rogers Communications Inc.	6.560%	22-Mar-2041	99,000	128,657	132,126	

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

Sun Life Multi-Strategy Bond Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Yield	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Royal Bank of Canada	2.860%	04-Mar-2021	1,385,000	1,435,885	1,405,890	
Shaw Communications Inc.	6.750%	09-Nov-2039	747,000	949,229	963,505	
Smart Real Estate Investment Trust	2.876%	21-Mar-2022	332,000	336,707	330,336	
Smart Real Estate Investment Trust	3.556%	06-Feb-2025	235,000	235,324	234,599	
Smart Real Estate Investment Trust	3.444%	28-Aug-2026	408,000	401,656	398,185	
TELUS Corp.	5.150%	26-Nov-2043	131,000	144,469	145,516	
TELUS Corp.	4.850%	05-Apr-2044	138,000	146,535	147,075	
TELUS Corp.	4.750%	17-Jan-2045	79,000	82,192	83,067	
Toromont Industries Ltd.	3.842%	27-Oct-2027	252,000	252,000	257,993	
TransCanada PipeLines Ltd.	4.550%	15-Nov-2041	110,000	118,509	121,577	
TransCanada PipeLines Ltd.	4.350%	06-Jun-2046	235,000	247,110	252,556	
TransCanada PipeLines Ltd.	4.330%	16-Sep-2047	233,000	232,960	249,442	
TransCanada Trust	4.650%	18-May-2077	474,000	476,338	473,496	
				23,657,505	23,320,653	6.31
Total Bonds				105,047,114	104,405,821	28.27

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
PHN Bond Fund, Series O	10,888,624	114,453,954	111,068,317	
Sun Life BlackRock Canadian Universe Bond Fund, Series I	10,527,628	113,092,019	110,350,596	
Templeton Global Bond Fund, Series O	1,960,165	24,666,037	24,070,826	
Templeton Global Bond Hedged, Series O	1,500,054	12,886,674	12,960,469	
Total Mutual Funds		265,098,684	258,450,208	69.96
Total Investments		375,378,444	368,088,675	99.64
Unrealized appreciation/(depreciation) on futures contracts ⁽¹⁾			36,985	0.01
Other Assets less Liabilities			1,282,626	0.35
Total Net Assets			369,408,286	100.00

⁽¹⁾ Futures Contracts Schedule

Name of Future	Contracted Value (\$)	Expiry Date	Numbers of Contracts	Contracted Price	Current Value (\$)	Unrealized Appreciation/ (Depreciation) (\$)
MTL 10-year Canadian Bond Futures	(2,723,414)	20-Mar-2018	(20)	136	(2,695,600)	27,814
MTL 10-year Canadian Bond Futures	(959,840)	20-Mar-2018	(7)	137	(943,460)	16,380
					(3,639,060)	44,194
CBOT 10-year U.S. T-Note Futures	5,136,219	20-Mar-2018	33	124	5,129,010	(7,209)
					5,129,010	(7,209)

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

Sun Life Multi-Strategy Bond Fund (continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Multi-Strategy Bond Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks 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 underlying internally and externally managed funds.

The Fund invests in financial assets, which 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	9.33	6.40
AA/Aa	6.19	3.69
A/A	10.03	14.05
BBB/Bbb	4.13	4.92
Not rated	-	0.78
Total	29.68	29.84

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 holds assets and liabilities indirectly through underlying internally and externally 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.

(ii) Interest rate risk

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

The following table summarizes the Fund's direct 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	5,232,646	33,513,433	70,892,388	109,638,467
December 31, 2016	7,912,407	33,652,341	78,405,563	119,970,311

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 Units of the Fund would have decreased or increased respectively by \$11,127,148 (\$12,450,455 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 indirectly to other market risk as a result of its investment in underlying internally and externally managed funds.

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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		
Bankers' Acceptances	1.4	1.6
Bonds		
Federal Bonds	7.8	4.4
Provincial Bonds	14.2	12.6
Corporate Bonds	6.3	11.2
Mutual Funds		
Canadian Fixed Income	59.9	59.9
Global Fixed Income	10.0	10.0
Futures Contracts	0.1	-
Other Assets less Liabilities	0.3	0.3
Total	100.0	100.0

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

Sun Life Multi-Strategy Bond Fund (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 (\$)	
Financial Assets				
Bonds	-	109,638,467	-	109,638,467
Short-Term Investments	-	5,232,646	-	5,232,646
Mutual Funds	258,450,208	-	-	258,450,208
Futures Contracts	-	44,194	-	44,194
Financial Liabilities				
Futures Contracts	-	7,209	-	7,209

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Bonds	-	113,545,322	-	113,545,322
Short-Term Investments	-	6,539,984	-	6,539,984
Mutual Funds	280,948,465	-	-	280,948,465

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Bonds have been classified as Level 2.

Short-term investments

Short-term investments include primarily treasury bills, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Fund's short-term investments have been classified as Level 2.

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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of futures contracts, which are classified as Level 2 and are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out. Gains or losses arising from futures contracts are recorded as unrealized gain (loss) on futures contracts and shown as an asset (liability) on the Statements of Financial Position until the ontracts are closed out or expire, at which time the gains (losses) are realized.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$2 (\$156,855 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$9,007,486 (\$9,837,385 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

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	
	Units	Market Value (\$)
Series F	1,048	10,275

	December 31, 2016	
	Units	Market Value (\$)
Series F	1,025	10,044

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

Sun Life Multi-Strategy Bond Fund (continued)

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series O	-	-	-
Series EF	-	-	-
Series F	26	-	197

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series O	-	10,641	127
Series EF	-	9,979	19
Series F	9,979	-	216

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and 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 underlying funds.

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	44,194	-
Investments designated at FVTPL	368,088,675	401,033,771
Total financial assets at fair value through profit or loss	368,132,869	401,033,771
Financial assets at amortized cost		
Cash	491,581	476,532
Other receivables	2,241,872	5,163,491
Total financial assets at amortized cost	2,733,453	5,640,023
Total assets	370,866,322	406,673,794
Financial liabilities		
Derivative liabilities held for trading	7,209	-
Financial liabilities at amortized cost	1,450,827	4,578,851
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,458,036	4,578,851

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

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	346,860	15,948
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	11,732,164	12,670,408
Total net gains (losses)	12,079,024	12,686,356

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	August 24, 2011	September 01, 2011
Series F Units	August 24, 2011	September 01, 2011
Series I Units	August 24, 2011	September 01, 2011
Series O Units	April 01, 2014	April 01, 2014

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

Sun Life Multi-Strategy Target Return Fund

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)	28,326,450	34,080,287
Short-term investments	-	-
Cash	50,618,535	36,501,288
Margin	3,865,946	1,522,458
Option contracts, at fair value - long	2,821,106	4,120,181
Credit default swaps, sell protection	644,046	855,822
Unrealized appreciation on futures contracts	457,912	204,504
Unrealized appreciation on currency forward contracts	671,223	278,877
Unrealized appreciation on swaps	34,022,476	10,266,214
Due from investment dealers	-	578,026
Accrued interest	115,423	163,004
Dividends receivable	2,862	9,911
Distributions receivable from underlying funds	-	-
Subscriptions receivable	76,119	189,922
	121,622,098	88,770,494
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	560,972	1,681,247
Option contracts, at fair value - short	341,766	383,307
Credit default swaps, buy protection	-	51,973
Unrealized depreciation on futures contracts	362,621	198,007
Unrealized depreciation on currency forward contracts	526,089	832,543
Unrealized depreciation on swaps	34,390,790	10,157,566
Accrued expenses	3,226	8,766
Redemptions payable	419,097	14
Distributions payable	-	-
Due to investment dealers	-	-
Management fees payable	16,282	56,893
Total liabilities (excluding net assets attributable to holders of redeemable units)	36,620,843	13,370,316
Net Assets Attributable to Holders of Redeemable Units	85,001,255	75,400,178
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	6,603,340	6,471,540
Series F	38,435,874	36,820,839
Series I	39,952,070	31,995,065
Series O	9,971	112,734
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	9.56	9.98
Series F	9.70	10.01
Series I	9.80	10.05
Series O	9.81	10.05

Approved on behalf of Trustee

"signed" Rick Headrick	"signed" Paul Sergi
President	Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the year ended December 31, 2017 and for the period from May 11, 2016 to December 31, 2016

	2017 (\$)	2016 (\$)
Investment Income		
Dividend income	93,821	48,414
Interest income for distribution purposes	467,519	444,364
Distributions from underlying funds	-	-
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	(219,413)	(354,901)
Net realized gain (loss) on futures contracts	1,111,375	1,416,885
Net realized gain (loss) on currency forward contracts	210,532	(250,658)
Net realized gain (loss) on option contracts	(146,804)	(251,137)
Net realized gain (loss) on swaps	(1,109,065)	388,799
Change in unrealized appreciation (depreciation) in value of investments	262,272	286,402
Change in unrealized appreciation (depreciation) in value of futures contracts	88,794	6,497
Change in unrealized appreciation (depreciation) in currency forward contracts	698,800	(553,666)
Change in unrealized appreciation (depreciation) in option contracts	(2,035,560)	721,325
Change in unrealized appreciation (depreciation) in value of swaps	(502,058)	197,916
Net gains (losses) on investments	(1,079,787)	2,100,240
Net gain (loss) on foreign exchange	(87,111)	(7,810)
Other income	-	-
Total income (loss)	(1,166,898)	2,092,430
Expenses (note 5)		
Management fees	791,065	189,318
Administration fees	137,646	42,512
Independent review committee fees	1,086	231
Withholding tax	14,821	28,435
Transaction costs (note 2)	48,746	20,396
Total operating expenses	993,364	280,892
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	(2,160,262)	1,811,538
Finance Cost		
Interest expense	(4,509)	(1,601)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		
	(2,164,771)	1,809,937
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	(292,670)	114,536
Series F	(1,232,669)	681,713
Series I	(638,450)	1,010,353
Series O	(982)	3,335
Weighted Average Number of Units Outstanding		
Series A	730,034	318,839
Series F	4,479,834	1,860,470
Series I	3,731,685	4,725,686
Series O	1,856	8,771
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	(0.40)	0.36
Series F	(0.28)	0.37
Series I	(0.17)	0.21
Series O	(0.53)	0.38

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

Sun Life Multi-Strategy Target Return Fund (continued)

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

For the year ended December 31, 2017 and for the period from May 11, 2016 to December 31, 2016

	Series A		Series F		Series I	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 6,471,540	10,000	36,820,839	10,000	31,995,065	20,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ (292,670)	114,536	(1,232,669)	681,713	(638,450)	1,010,353
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 2,808,103	6,607,803	33,884,237	37,470,121	9,383,646	50,965,339
Redemption of redeemable units	\$ (2,383,572)	(243,920)	(31,036,872)	(1,174,865)	(788,191)	(20,000,627)
Reinvestment of distributions to holders of redeemable units	\$ 2,007	107,170	16,612	584,947	457,077	769,080
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 426,538	6,471,053	2,863,977	36,880,203	9,052,532	31,733,792
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (2,024)	(124,049)	(15,924)	(751,077)	(447,266)	(769,080)
Return of capital	\$ (44)	-	(349)	-	(9,811)	-
	\$ (2,068)	(124,049)	(16,273)	(751,077)	(457,077)	(769,080)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 131,800	6,461,540	1,615,035	36,810,839	7,957,005	31,975,065
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 6,603,340	6,471,540	38,435,874	36,820,839	39,952,070	31,995,065
Redeemable Unit Transactions						
Balance - beginning of period	648,707	1,000	3,679,996	1,000	3,182,287	2,000
Units issued	285,920	661,422	3,438,977	3,737,374	929,470	5,094,399
Units issued on reinvestment of distributions	206	10,734	1,693	58,423	46,339	76,436
Units redeemed	(244,408)	(24,449)	(3,156,753)	(116,801)	(79,879)	(1,990,548)
Balance - end of period	690,425	648,707	3,963,913	3,679,996	4,078,217	3,182,287

	Series O		Total	
	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 112,734	10,000	75,400,178	50,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ (982)	3,335	(2,164,771)	1,809,937
Redeemable Unit Transactions				
Proceeds from redeemable units issued	\$ -	115,000	46,075,986	95,158,263
Redemption of redeemable units	\$ (101,781)	(15,601)	(34,310,416)	(21,435,013)
Reinvestment of distributions to holders of redeemable units	\$ 78	2,667	475,774	1,463,864
Capitalized distributions	\$ -	-	-	-
	\$ (101,703)	102,066	12,241,344	75,187,114
Distributions to Holders of Redeemable Units				
From capital gains	\$ -	-	-	-
From net investment income	\$ (76)	(2,667)	(465,290)	(1,646,873)
Return of capital	\$ (2)	-	(10,206)	-
	\$ (78)	(2,667)	(475,496)	(1,646,873)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (102,763)	102,734	9,601,077	75,350,178
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 9,971	112,734	85,001,255	75,400,178
Redeemable Unit Transactions				
Balance - beginning of period	11,218	1,000	7,522,208	5,000
Units issued	-	11,507	4,654,367	9,504,702
Units issued on reinvestment of distributions	8	265	48,246	145,858
Units redeemed	(10,209)	(1,554)	(3,491,249)	(2,133,352)
Balance - end of period	1,017	11,218	8,733,572	7,522,208

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

Sun Life Multi-Strategy Target Return Fund (continued)

Statements of Cash Flows

For the year ended December 31, 2017 and for the period from May 11, 2016 to December 31, 2016

	2017 (\$)	2016 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	(2,164,771)	1,809,937
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	219,413	354,901
Change in unrealized (appreciation) depreciation in value of investments	(262,272)	(286,402)
Change in unrealized (appreciation) depreciation in value of futures contracts	(88,794)	(6,497)
Change in unrealized (appreciation) depreciation in currency forward contracts	(698,800)	553,666
Change in unrealized (appreciation) depreciation in value of swaps	476,962	(108,648)
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	1,257,534	(3,736,874)
Change in fair value of credit default swaps	159,803	(803,849)
Change in margin	(3,463,763)	158,789
Purchases of investments	(38,743,793)	(60,501,345)
Proceeds from sale of investments	45,108,815	25,754,137
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	54,630	(172,915)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(40,611)	56,893
Change in other payables and accrued expenses	4,160	29,162
Net Cash Provided by (Used in) Operating Activities	1,818,513	(36,899,045)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	278	(183,009)
Proceeds from redeemable units issued	46,189,789	94,968,341
Redemption of redeemable units	(33,891,333)	(21,434,999)
Net Cash Provided by (Used in) Financing Activities	12,298,734	73,350,333
Net increase (decrease) in cash	14,117,247	36,451,288
Cash (bank indebtedness) at beginning of period	36,501,288	50,000
Cash (bank indebtedness) at end of period	50,618,535	36,501,288
Dividends received, net of withholding taxes	91,416	10,068
Interest received, net of withholding taxes	511,781	281,360
Interest paid	(4,509)	(1,601)

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

Sun Life Multi-Strategy Target Return Fund (continued)

Schedule of Investments

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS						
Federal Bonds						
Indonesia Treasury Bond	8.250%	15-Jul-2021	6,230,000,000	647,125	619,922	
Indonesia Treasury Bond	7.000%	15-May-2022	12,200,000,000	1,220,070	1,169,470	
Indonesia Treasury Bond	7.000%	15-May-2027	16,540,000,000	1,599,360	1,605,352	
Mexican Bonos	5.750%	05-Mar-2026	22,500,000	1,474,759	1,263,927	
Mexican Bonos	7.500%	03-Jun-2027	22,500,000	1,660,380	1,412,840	
United States Treasury Inflation Indexed Bonds	0.375%	15-Jul-2027	6,250,000	7,728,859	7,791,825	
United States Treasury Inflation Indexed Bonds	0.375%	15-Feb-2047	2,600,000	3,418,086	3,462,524	
Total Bonds				17,748,639	17,325,860	20.38

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
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EQUITIES				
Energy				
Galp Energia SGPS SA	2,221	53,651	51,209	
Neste Oil OYJ	580	41,535	46,555	
OMV AG	647	50,677	51,426	
Tenaris SA	2,115	40,308	41,876	
		186,171	191,066	0.22

Materials				
Arkema SA	322	50,884	49,197	
Covestro AG	624	76,477	80,767	
Evonik Industries AG	678	32,234	32,000	
Huhtamaki OYJ	434	23,937	22,854	
K+S AG	867	27,345	27,073	
Lanxess AG	415	41,476	41,390	
Smurfit Kappa Group PLC	997	38,445	42,285	
Solvay SA	333	61,205	58,067	
Stora Enso OYJ	2,611	51,384	51,932	
Symrise AG	553	56,754	59,588	
Umicore SA	863	48,336	51,229	
Voestalpine AG	506	36,380	37,947	
		544,857	554,329	0.65

Industrials				
ACS Actividades de Construccion y Servicios SA	1,247	61,674	61,200	
Aeroports de Paris	127	28,583	30,285	
Alstom SA	715	36,318	37,226	
Andritz AG	323	22,234	22,882	
Brenntag AG	658	50,502	52,241	
Bureau Veritas SA	1,200	39,598	41,146	
CNH Industrial NV	4,517	73,550	75,911	
Deutsche Lufthansa AG	1,066	41,671	49,270	
Edenred	1,067	38,739	38,817	
Eiffage SA	444	60,369	61,016	
GEA Group AG	751	44,857	45,207	
Getlink SE	2,105	34,220	33,951	
Kingspan Group PLC	689	36,205	37,660	
KION Group AG	304	30,171	32,922	
Leonardo SpA	1,828	34,917	27,283	
MAN SE	155	21,722	22,247	
MTU Aero Engines AG	236	50,167	53,047	
Osram Licht AG	436	45,228	49,152	
Prysmian SpA	982	40,734	40,172	
Randstad Holding NV	559	41,872	43,094	
Rexel SA	1,374	31,105	31,256	
Teleperformance	248	44,313	44,570	
Thales SA	472	62,624	63,827	
Wartsila OYJ Abp	687	56,302	54,368	
Zodiac Aerospace	934	34,249	35,032	
		1,061,924	1,083,782	1.28

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

Sun Life Multi-Strategy Target Return Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Consumer Discretionary				
Accor SA	933	57,454	60,360	
Faurecia	334	33,117	32,729	
Hugo Boss AG	287	28,715	30,632	
Nokian Renkaat OYJ	621	34,265	35,317	
Paddy Power Betfair PLC	392	56,640	58,506	
Peugeot SA	2,544	74,150	64,896	
Porsche Automobil Holding SE	694	63,879	72,860	
ProSiebenSat.1 Media AG	1,050	46,039	45,347	
SES SA	1,737	33,375	34,000	
Zalando SE	653	39,634	43,341	
		467,268	477,988	0.56
Consumer Staples				
Beiersdorf AG	446	64,405	65,693	
Heineken Holding NV	455	54,463	56,469	
Jeronimo Martins SGPS SA	1,108	26,018	26,997	
		144,886	149,159	0.18
Health Care				
Eurofins Scientific SE	49	37,154	37,421	
Grifols SA	1,336	50,677	49,095	
Orion OYJ	472	23,430	22,071	
QIAGEN NV	1,046	41,793	41,216	
UCB SA	560	54,137	55,759	
		207,191	205,562	0.24
Financials				
ABN AMRO Group NV	1,863	69,128	75,399	
Aegon NV	8,116	63,800	64,900	
Ageas	900	53,749	55,131	
Banco BPM SpA	6,863	28,696	27,053	
Banco de Sabadell SA	25,438	62,300	63,379	
Bank of Ireland Group PLC	4,205	40,467	44,887	
Bankia SA	4,225	24,381	25,344	
Bankinter SA	2,925	33,162	34,784	
Erste Group Bank AG	1,375	74,077	74,691	
EXOR NV	514	40,947	39,517	
Groupe Bruxelles Lambert SA	366	49,678	49,554	
Hannover Rueck SE	272	44,149	42,928	
Mediobanca SpA	2,767	40,428	39,382	
Natixis SA	4,128	40,448	40,966	
SCOR SE	799	42,287	40,325	
Wendel SA	132	27,501	28,678	
		735,198	746,918	0.88
Real Estate				
Gecina SA	219	45,083	50,709	
Klepierre	941	48,351	51,909	
LEG Immobilien AG	287	36,989	41,146	
		130,423	143,764	0.17
Information Technology				
Ingenico	267	31,260	35,756	
UBISOFT Entertainment	300	28,903	28,950	
United Internet AG	567	44,138	48,915	
Wirecard AG	521	62,568	72,954	
		166,869	186,575	0.22
Telecommunication Services				
Elisa OYJ	682	34,359	33,574	
Iliad SA	126	38,877	37,867	
Proximus	712	30,266	29,298	
Telecom Italia SpA	52,310	57,971	56,705	
		161,473	157,444	0.19

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

Sun Life Multi-Strategy Target Return Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Utilities				
EDP - Energias de Portugal SA	11,836	52,069	51,375	
Electricite de France SA	2,169	39,647	34,004	
Enagas SA	1,028	36,628	36,919	
Endesa SA	1,434	40,476	38,522	
Fortum OYJ	1,982	53,837	49,203	
Gas Natural SDG SA	1,609	43,100	46,600	
Innogy SE	585	36,012	28,759	
Red Electrica Corp SA	1,961	53,018	55,202	
Rubis SCA	382	32,538	33,898	
RWE AG	2,327	79,182	59,518	
Suez	1,717	39,463	37,884	
Terna Rete Elettrica Nazionale SpA	6,387	49,859	46,548	
Uniper SE	880	34,541	34,424	
		590,370	552,856	0.65
Total Equities		4,396,630	4,449,443	5.24
MUTUAL FUNDS				
Aviva Emerging Markets Equity Small Cap Fund, Series Z	2,419	3,512,432	4,413,606	
Global Equity Endurance Fund, Series Z	2,157	2,125,611	2,137,541	
Total Mutual Funds		5,638,043	6,551,147	7.71
Transaction Costs		(5,535)	-	
Total Investments		27,783,312	28,326,450	33.33
Currency Forward Contracts⁽¹⁾			145,134	0.17
Option Contracts⁽²⁾			2,479,340	2.92
Futures contracts⁽³⁾			95,291	0.11
Swap Contracts⁽⁴⁾⁽⁵⁾			275,732	0.32
Other Assets less Liabilities			53,679,308	63.15
Total Net Assets			85,001,255	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
BNP Paribas	A-1	22-Feb-2018	INR	109,204,127	USD	(1,651,680)	59,655
BNP Paribas	A-1	22-Jan-2018	INR	108,355,163	USD	(1,651,680)	51,383
BNP Paribas	A-1	22-Feb-2018	AUD	424,487	CAD	(410,284)	5,362
Citibank	A-2	22-Feb-2018	CAD	1,657,407	USD	(1,300,000)	29,696
Citibank	A-2	22-Feb-2018	CAD	420,500	GBP	(245,068)	4,685
Goldman Sachs & Co.	A-2	22-Feb-2018	CAD	17,769,576	USD	(13,984,000)	260,542
Goldman Sachs & Co.	A-2	22-Feb-2018	CAD	3,735,881	USD	(2,940,000)	54,776
Goldman Sachs & Co.	A-2	22-Feb-2018	CAD	3,341,961	USD	(2,630,000)	49,001
Goldman Sachs & Co.	A-2	22-Feb-2018	CAD	1,851,415	USD	(1,456,995)	27,146
Goldman Sachs & Co.	A-2	22-Mar-2018	INR	85,624,903	USD	(1,316,901)	13,610
Goldman Sachs & Co.	A-2	22-Feb-2018	CAD	4,400,000	EUR	(2,908,649)	12,695
Goldman Sachs & Co.	A-2	22-Feb-2018	USD	290,000	JPY	(32,582,080)	1
JP Morgan	A-2	22-Feb-2018	CAD	1,150,000	USD	(906,672)	14,782
JP Morgan	A-2	22-Feb-2018	CAD	540,000	EUR	(357,722)	427
Merrill Lynch	NR	21-Nov-2018	CAD	3,462,083	USD	(2,700,000)	87,462
							671,223
BNP Paribas	A-1	22-Feb-2018	EUR	42,725	CAD	(65,000)	(555)
BNP Paribas	A-1	22-Feb-2018	USD	56,117	CAD	(72,000)	(1,735)
BNP Paribas	A-1	22-Feb-2018	JPY	365,331,340	USD	(3,256,000)	(5,420)
BNP Paribas	A-1	22-Feb-2018	USD	282,141	CAD	(361,993)	(8,724)
Citibank	A-2	22-Feb-2018	GBP	18,883	CAD	(32,446)	(407)
Citibank	A-2	22-Feb-2018	USD	1,200,000	CAD	(1,529,921)	(27,418)
Goldman Sachs & Co.	A-2	22-Feb-2018	EUR	230,000	CAD	(347,928)	(1,004)
Goldman Sachs & Co.	A-2	22-Feb-2018	CAD	4,722,000	AUD	(4,899,645)	(75,565)
Goldman Sachs & Co.	A-2	22-Mar-2018	MXN	32,956,719	AUD	(2,266,469)	(140,981)

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

Sun Life Multi-Strategy Target Return Fund (continued)

Schedule of Investments (continued)

⁽¹⁾ Currency Forward Contracts (continued)

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Merrill Lynch	NR	22-Feb-2018	USD	7,700,000	CAD	(9,905,003)	(263,748)
Societe Generale Securities Corp.	A-1	22-Feb-2018	CAD	346,389	EUR	(230,000)	(532)
							(526,089)

⁽²⁾ Option Contracts

		Expiry Date	Number of Contracts	Average Cost (\$)	Current Value (\$)
EURO STOXX 50 Volatility @4050 CALL Option	CALL	16-Mar-2018	281	20,900	846
S&P 500 Index @2825 CALL Option	CALL	16-Mar-2018	70	14,993	14,033
USD CALL JPY PUT @100.0 OTC Option	CALLPUT OTC	10-May-2022	636,408	65,031	55,135
USD CALL JPY PUT @91.40 OTC Option	CALLPUT OTC	13-Aug-2021	500,000	57,987	79,871
USD CALL JPY PUT @96 OTC Option	CALLPUT OTC	21-Apr-2022	1,084,296	110,979	123,129
USD CALL JPY PUT @96.5 OTC Option	CALLPUT OTC	22-Apr-2022	1,084,296	108,340	119,250
USD CALL JPY PUT @97.5 OTC Option	CALLPUT OTC	13-Jun-2022	1,097,076	118,974	111,699
USD CALL JPY PUT @98.00 OTC Option	CALLPUT OTC	02-Jun-2022	1,405,847	152,894	138,767
USD CALL JPY PUT @98.9 OTC Option	CALLPUT OTC	06-May-2022	445,000	46,445	41,655
USD CALL JPY PUT @99.0 OTC Option	CALLPUT OTC	13-Jun-2022	1,097,077	115,119	101,159
USD CALL JPY PUT @99.15 OTC Option	CALLPUT OTC	09-Feb-2022	600,000	70,165	56,407
USD CALL JPY PUT @99.16 OTC Option	CALLPUT OTC	25-Nov-2021	750,000	94,657	71,772
USD CALL JPY PUT @99.7 OTC Option	CALLPUT OTC	20-Oct-2022	4,210,000	426,466	359,109
USD CALL JPY PUT @99.8 OTC Option	CALLPUT OTC	20-Jan-2022	370,000	43,567	33,447
USD CALL JPY PUT @99.82 OTC Option	CALLPUT OTC	13-May-2022	950,000	95,850	83,395
USD CALL SAR PUT @3.8 OTC Option	CALLPUT OTC	21-May-2019	1,675,000	38,842	25,805
USD CALL SAR PUT @3.8596 OTC Option	CALLPUT OTC	13-Dec-2018	800,000	39,818	5,428
USD CALL SAR PUT @3.86 OTC Option	CALLPUT OTC	27-Nov-2018	750,000	40,095	4,801
USD CALL SAR PUT @3.87 OTC Option	CALLPUT OTC	12-Sep-2018	560,000	24,057	2,412
USD CALL SAR PUT @3.88 OTC Option	CALLPUT OTC	09-Jul-2018	1,000,000	43,853	3,243
USD CALL SAR PUT @3.89 OTC Option	CALLPUT OTC	06-Jun-2018	2,360,000	101,885	5,691
USD PUT TRY CALL @3.8 OTC Option	CALLPUT OTC	10-Jul-2019	454,491	15,774	8,102
USD PUT TRY CALL @3.8 OTC Option	CALLPUT OTC	19-Jun-2019	452,993	20,399	8,088
USD PUT TRY CALL @3.8 OTC Option	CALLPUT OTC	17-Jul-2019	226,497	9,418	4,033
USD PUT TRY CALL @3.8 OTC Option	CALLPUT OTC	27-Jun-2019	225,000	9,781	4,016
USD PUT TRY CALL @3.9 OTC Option	CALLPUT OTC	21-Mar-2019	2,365,000	119,092	60,189
USD PUT TRY CALL @3.9 OTC Option	CALLPUT OTC	05-Apr-2019	1,623,000	65,120	40,724
USD PUT TRY CALL @4 OTC Option	CALLPUT OTC	08-Mar-2019	2,320,000	93,885	81,584
USD PUT TRY CALL @4 OTC Option	CALLPUT OTC	04-Jun-2020	450,000	23,184	12,512
USD PUT TRY CALL @4 OTC Option	CALLPUT OTC	04-May-2020	225,000	11,888	6,329
				2,199,458	1,662,631
EURO STOXX 50 @3300 PUT Option	PUT	16-Mar-2018	(40)	(20,762)	(21,003)
				(20,762)	(21,003)

Referenced Entity	Notional Units	Expiry Date	Counterparty	Credit Rating for Counterparty	Unrealized Gain/(Loss) (\$)	Base Market Value
Swapion:						
SWAPTION USD 15Y 3.85% P 18-AUG-2031 GS	8,000,000	18-Aug-2031	Goldman Sachs & Co.	A-2	(6,575)	484,581
SWAPTION USD 15Y 1% R 18-AUG-2031 GS	3,500,000	18-Aug-2031	Goldman Sachs & Co.	A-2	(167,384)	169,190
SWAPTION USD 15Y 3.85% P 10-NOV-2031 CIT	1,400,000	10-Nov-2031	Citibank	A-2	(11,271)	85,206
SWAPTION USD 15Y 1% R 10-NOV-2031 CITI	600,000	10-Nov-2031	Citibank	A-2	(19,119)	29,370
SWAPTION USD 15Y 3.85% P 27-FEB-2032 GS	3,700,000	27-Feb-2032	Goldman Sachs & Co.	A-2	(68,718)	226,590
SWAPTION USD 15Y 1% R 27-FEB-2032 GS	1,600,000	27-Feb-2032	Goldman Sachs & Co.	A-2	(13,751)	79,468
SWAPTION USD 15Y 3.85% P 17-MAY-2032 JPM	1,000,000	17-May-2032	JP Morgan	A-2	(11,608)	61,501
SWAPTION USD 15Y 1% R 17-MAY-2032 JPM	450,000	17-May-2032	JP Morgan	A-2	(1,492)	22,569
					1,158,475	
SWAPTION GBP 2Y 1.898% R 22-AUG-2019 JPM	(62,000,000)	22-Aug-2019	Goldman Sachs & Co.	A-2	46,597	(121,540)
SWAPTION USD 2Y 2.954% P 22-AUG-2019 JPM	79,200,000	22-Aug-2019	Goldman Sachs & Co.	A-2	(1,487)	172,172
SWAPTION USD 2Y 2.566% R 23-OCT-2019 GS	(38,000,000)	23-Oct-2019	Goldman Sachs & Co.	A-2	157,928	(1,540,452)
SWAPTION USD 2Y 3.09% P 23-OCT-2019 GS	76,000,000	23-Oct-2019	Goldman Sachs & Co.	A-2	(554,202)	1,169,057
					(320,763)	

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

Sun Life Multi-Strategy Target Return Fund (continued)

Schedule of Investments (continued)

⁽³⁾ Futures Contracts

Name of Future	Contracted Value (\$)	Expiry Date	Numbers of Contracts	Contracted Price	Current Value (\$)	Unrealized Appreciation/ (Depreciation) (\$)
MSCI Emerging Market Index Futures	4,232,876	16-Mar-2018	68	497	4,458,334	225,458
MSCI Emerging Market Index Futures	1,680,701	16-Mar-2018	27	497	1,770,221	89,520
OSA NIKKEI 225 Index Futures	1,756,403	08-Mar-2018	7	22,559	1,771,259	14,856
S&P 500 Index E-mini Futures	1,154,152	16-Mar-2018	7	2,632	1,173,513	19,361
S&P 500 Index E-mini Futures	1,662,477	16-Mar-2018	10	2,654	1,676,447	13,970
S&P 500 Index E-mini Futures	1,335,344	16-Mar-2018	8	2,664	1,341,158	5,814
TPX Banks Index Futures	784,123	08-Mar-2018	36	196	815,235	31,112
TPX Banks Index Futures	66,196	08-Mar-2018	3	198	67,936	1,740
TSE TOPIX Stock Index Futures	795,838	08-Mar-2018	4	1,789	808,384	12,546
TSE TOPIX Stock Index Futures	396,549	08-Mar-2018	2	1,783	404,192	7,643
TSE TOPIX Stock Index Futures	398,988	08-Mar-2018	2	1,794	404,192	5,204
US 10-Year Ultra Futures	(9,569,475)	20-Mar-2018	(57)	134	(9,538,787)	30,688
					5,152,084	457,912
CBOT Ultra Bond Futures	(1,252,866)	20-Mar-2018	(6)	167	(1,260,389)	(7,523)
CBOT Ultra Bond Futures	(1,880,380)	20-Mar-2018	(9)	167	(1,890,584)	(10,204)
CBOT Ultra Bond Futures	(1,860,913)	20-Mar-2018	(9)	165	(1,890,584)	(29,671)
CME E-mini RUSSELL 2000 Index Futures	(668,959)	16-Mar-2018	(7)	1,525	(673,805)	(4,846)
CME E-mini RUSSELL 2000 Index Futures	(1,145,861)	16-Mar-2018	(12)	1,524	(1,155,095)	(9,234)
CME E-mini RUSSELL 2000 Index Futures	(1,240,989)	16-Mar-2018	(13)	1,524	(1,251,352)	(10,363)
CME E-mini RUSSELL 2000 Index Futures	(946,761)	16-Mar-2018	(10)	1,511	(962,579)	(15,818)
EUREX DJ EURO STOXX 50 Index Futures	215,887	16-Mar-2018	4	3,587	210,215	(5,672)
EUREX DJ EURO STOXX 50 Index Futures	215,887	16-Mar-2018	4	3,587	210,215	(5,672)
EUREX DJ EURO STOXX 50 Index Futures	480,566	16-Mar-2018	9	3,549	472,983	(7,583)
EUREX DJ EURO STOXX 50 Index Futures	481,108	16-Mar-2018	9	3,553	472,983	(8,125)
EUREX DJ EURO STOXX 50 Index Futures	481,378	16-Mar-2018	9	3,555	472,983	(8,395)
EUREX DJ EURO STOXX 50 Index Futures	483,951	16-Mar-2018	9	3,574	472,983	(10,968)
EUREX DJ EURO STOXX 50 Index Futures	590,833	16-Mar-2018	11	3,570	578,090	(12,743)
EUREX DJ EURO STOXX 50 Index Futures	485,847	16-Mar-2018	9	3,588	472,983	(12,864)
EURO STOXX Bank Futures	1,540,862	16-Mar-2018	156	131	1,530,300	(10,562)
EURO STOXX Bank Futures	1,570,259	16-Mar-2018	156	134	1,530,300	(39,959)
EURO STOXX Bank Futures	1,332,314	16-Mar-2018	131	135	1,285,060	(47,254)
LIFFE MSCI World Index Futures	(4,405,940)	16-Mar-2018	(60)	5,861	(4,482,805)	(76,865)
STOXX 600 AUTO Index Futures	(2,600,211)	16-Mar-2018	(57)	606	(2,628,511)	(28,300)
					(8,486,609)	(362,621)

⁽⁴⁾ Swap Contracts

Referenced Entity	Notional Units	Expiry Date	Counterparty	Credit Rating for Counterparty	Unrealized Gain/(Loss) (\$)	Base Market Value
Interest Rate Swaps:						
IRS AUD 2.15% PAY Floating Leg	(23,780,000)	16-Apr-2020	JP Morgan	A-2	(947,008)	(947,008)
IRS AUD 2.15% REC Fixed	23,780,000	16-Apr-2020	JP Morgan	A-2	974,414	974,414
IRS GBP 1.6425% PAY Fixed	(1,262,000)	29-Jun-2047	JP Morgan	A-2	(393,024)	(393,024)
IRS GBP 1.6425% REC Floating Leg	1,262,000	29-Jun-2047	JP Morgan	A-2	351,762	351,762
IRS GBP 1.72% PAY Fixed	(2,600,000)	05-Jul-2047	JP Morgan	A-2	(847,874)	(847,874)
IRS GBP 1.72% REC Floating Leg	2,600,000	05-Jul-2047	JP Morgan	A-2	724,394	724,394
IRS GBP 1.765% PAY Fixed	(2,500,000)	06-Oct-2047	JP Morgan	A-2	(833,864)	(833,864)
IRS GBP 1.765% REC Floating Leg	2,500,000	06-Oct-2047	JP Morgan	A-2	690,481	690,481
IRS JPY 0.289% PAY Floating Leg	(3,200,000,000)	20-Oct-2025	JP Morgan	A-2	(463,906)	(463,906)
IRS JPY 0.289% REC Fixed	3,200,000,000	20-Oct-2025	JP Morgan	A-2	535,514	535,514
IRS JPY 0.5155% PAY Fixed	(1,600,000,000)	20-Oct-2030	JP Morgan	A-2	(947,440)	(947,440)
IRS JPY 0.5155% REC Floating Leg	1,600,000,000	20-Oct-2030	JP Morgan	A-2	876,089	876,089
IRS USD 1.953% PAY Floating Leg	(37,470,000)	21-Feb-2020	JP Morgan	A-2	(1,934,900)	(1,934,900)
IRS USD 1.953% REC Fixed	37,470,000	21-Feb-2020	JP Morgan	A-2	1,783,557	1,783,557
IRS USD 2.31% PAY Fixed	(3,500,000)	17-May-2024	JP Morgan	A-2	(462,466)	(462,466)
IRS USD 2.31% REC Floating Leg	3,500,000	17-May-2024	JP Morgan	A-2	477,371	477,371
IRS USD 2.443% PAY Fixed	(20,623,000)	21-Feb-2024	JP Morgan	A-2	(2,898,171)	(2,898,171)
IRS USD 2.443% REC Floating Leg	20,623,000	21-Feb-2024	JP Morgan	A-2	2,811,387	2,811,387

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

Sun Life Multi-Strategy Target Return Fund (continued)

Schedule of Investments (continued)

(4) Swap Contracts (continued)

Referenced Entity	Notional Units	Expiry Date	Counterparty	Credit Rating for Counterparty	Unrealized Gain/(Loss) (\$)	Base Market Value
IRS USD 2.48% PAY Fixed	(14,000,000)	15-Feb-2024	JP Morgan	A-2	(1,998,009)	(1,998,009)
IRS USD 2.48% REC Floating Leg	14,000,000	15-Feb-2024	JP Morgan	A-2	1,908,429	1,908,429
						(593,264)
Inflation Swaps:						
P UKRPI - R FIX 3.535%	(10,400,000)	15-Feb-2027	Citibank	A-2	(6,314,347)	(6,314,347)
R FIX 3.535% - P UKRPI	10,400,000	15-Feb-2027	Citibank	A-2	6,595,392	6,595,392
P FIX 3.565% - R UKRPI	(10,400,000)	15-Feb-2022	Citibank	A-2	(3,259,729)	(3,259,729)
R UKRPI - P FIX 3.565%	10,400,000	15-Feb-2022	Citibank	A-2	3,044,831	3,044,831
P UKRPI - R FIX 3.4475%	(1,000,000)	15-Feb-2027	Goldman Sachs & Co.	A-2	(607,149)	(607,149)
R FIX 3.4475% - P UKRPI	1,000,000	15-Feb-2027	Goldman Sachs & Co.	A-2	615,979	615,979
P FIX 3.47% - R UKRPI	(1,000,000)	15-Feb-2022	Goldman Sachs & Co.	A-2	(304,504)	(304,504)
R UKRPI - P FIX 3.47%	1,000,000	15-Feb-2022	Goldman Sachs & Co.	A-2	292,772	292,772
P FIX 3.5225% - R UKRPI	(3,732,000)	15-Mar-2022	Citibank	A-2	(1,153,832)	(1,153,832)
R UKRPI - P FIX 3.5225%	3,732,000	15-Mar-2022	Citibank	A-2	1,109,235	1,109,235
P UKRPI - R FIX 3.49%	(3,732,000)	15-Mar-2027	Citibank	A-2	(2,283,333)	(2,283,333)
R FIX 3.49% - P UKRPI	3,732,000	15-Mar-2027	Citibank	A-2	2,328,754	2,328,754
P FIX 3.5125% - R UKRPI	(3,057,000)	15-May-2022	Citibank	A-2	(940,976)	(940,976)
R UKRPI - P FIX 3.5125%	3,057,000	15-May-2022	Citibank	A-2	881,743	881,743
P UKRPI - R FIX 3.4825%	(3,057,000)	15-May-2027	Citibank	A-2	(1,839,185)	(1,839,185)
R FIX 3.4825% - P UKRPI	3,057,000	15-May-2027	Citibank	A-2	1,898,520	1,898,520
P FIX 2.18% VS R FLT USD CPI	(3,350,000)	16-May-2027	Goldman Sachs & Co.	A-2	(808,624)	(808,624)
R FLT USD CPI - P FIX 2.18%	3,350,000	16-May-2027	Goldman Sachs & Co.	A-2	812,724	812,724
P FIX 3.4825% - R UKRPI	(1,900,000)	15-May-2022	Citibank	A-2	(579,497)	(579,497)
R UKRPI - P FIX 3.4825%	1,900,000	15-May-2022	Citibank	A-2	548,025	548,025
P UKRPI - R FIX 3.47%	(1,900,000)	15-May-2027	Citibank	A-2	(1,143,098)	(1,143,098)
R FIX 3.47% - P UKRPI	1,900,000	15-May-2027	Citibank	A-2	1,175,062	1,175,062
P FIX 2.15% VS R FLT USD CPI	(2,675,000)	17-May-2027	Goldman Sachs & Co.	A-2	(635,739)	(635,739)
R FLT USD CPI - P FIX 2.15%	2,675,000	17-May-2027	Goldman Sachs & Co.	A-2	648,879	648,879
P FIX 1.995% VS R FLT USD CPI	(7,200,000)	27-Jun-2027	JP Morgan	A-2	(1,572,179)	(1,572,179)
R FLT USD CPI VS P FIX 1.995%	7,200,000	27-Jun-2027	JP Morgan	A-2	1,765,684	1,765,684
P FIX 3.3325% VS R UKRPI	(700,000)	15-Aug-2022	JP Morgan	A-2	(202,954)	(202,954)
R UKRPI - P FIX 3.3325%	700,000	15-Aug-2022	JP Morgan	A-2	203,354	203,354
P UKRPI - R FIX 3.3325%	(700,000)	15-Aug-2027	JP Morgan	A-2	(422,089)	(422,089)
R FIX 3.3325% - P UKRPI	700,000	15-Aug-2027	JP Morgan	A-2	411,283	411,283
						265,002
Equity Variance Swaps:						
27.9 Var Swap HKHSCEI	676	28-Dec-2018	Societe Generale Securities Corp.	A-1	(35,213)	(35,213)
19.1 Var Swap USS&P500	(64)	21-Dec-2018	Societe Generale Securities Corp.	A-1	15,368	15,368
27.9 Var Swap HKHSCEI	338	28-Dec-2018	Societe Generale Securities Corp.	A-1	(17,606)	(17,606)
19.1 Var Swap S&P500	(127)	21-Dec-2018	Societe Generale Securities Corp.	A-1	30,740	30,740
19.35 Var Swap USS&P500	(63)	21-Dec-2018	Societe Generale Securities Corp.	A-1	15,888	15,888
28.15 Var Swap HKHSCEI	335	28-Dec-2018	Societe Generale Securities Corp.	A-1	(18,145)	(18,145)
19.25 Var Swap USS&P500	(63)	21-Dec-2018	Societe Generale Securities Corp.	A-1	15,719	15,719
28.05 Var Swap HKHSCEI	336	28-Dec-2018	Societe Generale Securities Corp.	A-1	(17,856)	(17,856)
19.2 Var Swap USS&P500	(62)	21-Dec-2018	Societe Generale Securities Corp.	A-1	15,314	15,314
27.95 Var Swap HKHSCEI	331	28-Dec-2018	Societe Generale Securities Corp.	A-1	(17,251)	(17,251)
28.18 Var Swap HKHSCEI	676	28-Dec-2018	JP Morgan	A-2	(36,569)	(36,569)
19.43 Var Swap USS&P500	(126)	21-Dec-2018	JP Morgan	A-2	32,491	32,491
28.05 Var Swap HKHSCEI	1,009	28-Dec-2018	Societe Generale Securities Corp.	A-1	(53,353)	(53,353)
19.3 Var Swap USS&P500	(189)	21-Dec-2018	Societe Generale Securities Corp.	A-1	47,364	47,364
27.85 Var Swap HKHSCEI	333	28-Dec-2018	Societe Generale Securities Corp.	A-1	(16,946)	(16,946)
27.85 Var Swap HKHSCEI	683	28-Dec-2018	JP Morgan	A-2	(35,025)	(35,025)
19.2 Var Swap USS&P500	(62)	21-Dec-2018	Societe Generale Securities Corp.	A-1	15,262	15,262
19.24 Var Swap USS&P500	(128)	21-Dec-2018	JP Morgan	A-2	31,551	31,551
19.1 Var Swap USS&P500	(64)	21-Dec-2018	Societe Generale Securities Corp.	A-1	15,299	15,299
27.6 Var Swap HKHSCEI	342	28-Dec-2018	Societe Generale Securities Corp.	A-1	(16,620)	(16,620)
27.1 Var Swap HKHSCEI	899	28-Dec-2018	JP Morgan	A-2	(39,649)	(39,649)
19.15 Var Swap USS&P500	(164)	21-Dec-2018	JP Morgan	A-2	39,214	39,214
27.09 Var Swap HKHSCEI	606	28-Dec-2018	JP Morgan	A-2	(26,563)	(26,563)
19.09 Var Swap USS&P500	(111)	21-Dec-2018	JP Morgan	A-2	26,233	26,233
26.41 Var Swap HKHSCEI	361	28-Dec-2018	JP Morgan	A-2	(13,468)	(13,468)
18.41 Var Swap USS&P500	(67)	21-Dec-2018	JP Morgan	A-2	13,475	13,475
26.05 Var Swap HKHSCEI	298	28-Dec-2018	Societe Generale Securities Corp.	A-1	(10,190)	(10,190)
18.3 Var Swap USS&P500	(55)	21-Dec-2018	Societe Generale Securities Corp.	A-1	10,754	10,754
25.87 Var Swap HKHSCEI	304	28-Dec-2018	JP Morgan	A-2	(9,847)	(9,847)

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

Sun Life Multi-Strategy Target Return Fund (continued)

Schedule of Investments (continued)

(4) Swap Contracts (continued)

Referenced Entity	Notional Units	Expiry Date	Counterparty	Credit Rating for Counterparty	Unrealized Gain/(Loss) (\$)	Base Market Value
18.37 Var Swap USS&P500	(55)	21-Dec-2018	JP Morgan	A-2	10,930	10,930
25 Var Swap HKHSCEI	285	28-Dec-2018	Societie Generale Securities Corp.	A-1	(6,975)	(6,975)
18.1 Var Swap USS&P500	(51)	21-Dec-2018	Societie Generale Securities Corp.	A-1	9,293	9,293
25.07 Var Swap HKHSCEI	287	28-Dec-2018	JP Morgan	A-2	(6,859)	(6,859)
17.67 Var Swap USS and P500	(52)	21-Dec-2018	JP Morgan	A-2	8,301	8,301
25.15 Var Swap HKHSCEI	627	28-Dec-2018	BNP Paribas	A-1	(15,217)	(15,217)
17.75 Var Swap USS and P500	(114)	21-Dec-2018	BNP Paribas	A-1	18,395	18,395
25.4 Var Swap HKHSCEI	198	28-Dec-2018	JP Morgan	A-2	(5,158)	(5,158)
18 Var Swap USS and P500	(36)	21-Dec-2018	JP Morgan	A-2	6,150	6,150
18.09 Var Swap USS and P500	(53)	21-Dec-2018	JP Morgan	A-2	9,350	9,350
25.49 Var Swap HKHSCEI	295	28-Dec-2018	JP Morgan	A-2	(7,922)	(7,922)
25.45 Var Swap HKHSCEI	190	28-Dec-2018	BNP Paribas	A-1	(5,011)	(5,011)
18.05 Var Swap USS and P500	(34)	21-Dec-2018	BNP Paribas	A-1	5,952	5,952
21.71 Var Swap DJEUROSTOXX50	699	21-Jun-2019	Societie Generale Securities Corp.	A-1	(145,377)	(145,377)
19.8 Var Swap NIKKEI225	6,341	14-Dec-2018	JP Morgan	A-2	(1,793)	(1,793)
16.7 Var Swap US S&P500	(68)	21-Dec-2018	JP Morgan	A-2	5,945	5,945
20.51 Var Swap NKY	18,197	14-Dec-2018	JP Morgan	A-2	(10,933)	(10,933)
17.51 Var Swap US S&P500	(196)	21-Dec-2018	JP Morgan	A-2	23,685	23,685
17.48 Var Swap US S&P500	(131)	21-Dec-2018	JP Morgan	A-2	15,563	15,563
20.28 Var Swap NKY	12,277	14-Dec-2018	JP Morgan	A-2	(5,958)	(5,958)
17.15 Var Swap US S&P500	(176)	21-Dec-2018	BNP Paribas	A-1	18,455	18,455
19.85 Var Swap NKY	16,605	14-Dec-2018	BNP Paribas	A-1	(4,662)	(4,662)
20.58 Var Swap NKY	(6,004)	14-Dec-2018	JP Morgan	A-2	3,099	3,099
17.40 Var Swap US S&P500	(65)	21-Dec-2018	JP Morgan	A-2	7,131	7,131
17.65 Var Swap US S&P500	(151)	21-Dec-2018	JP Morgan	A-2	17,891	17,891
25.48 Var Swap HKHSCEI	817	28-Dec-2018	JP Morgan	A-2	(11,506)	(11,506)
17.49 Var Swap US S&P500	(77)	21-Dec-2018	JP Morgan	A-2	8,535	8,535
25.32 Var Swap HKHSCEI	417	28-Dec-2018	JP Morgan	A-2	(5,221)	(5,221)
16.57 Var Swap US S&P500	(463)	21-Dec-2018	Societie Generale Securities Corp.	A-1	17,480	17,480
17.71 Var Swap US S&P500	(549)	21-Jun-2019	Societie Generale Securities Corp.	A-1	8,143	8,143
17.07 Var Swap US S&P500	(291)	21-Dec-2018	Societie Generale Securities Corp.	A-1	16,461	16,461
17.8 Var Swap S&P500	(253)	21-Dec-2018	Goldman Sachs & Co.	A-2	21,281	21,281
18.8 Var Swap DJEUROSTOXX50	332	21-Dec-2018	Societie Generale Securities Corp.	A-1	61	61
18.8 Var Swap DJEUROSTOXX50	168	21-Dec-2018	Goldman Sachs & Co.	A-2	31	31
18.8 Var Swap DJEUROSTOXX50	200	21-Dec-2018	JP Morgan	A-2	37	37
					(40,052)	
					(368,314)	

(5) Credit Default Swaps

Referenced Entity	Payment Frequency	Coupon	Expiry Date	Counterparty	Credit Rating for Counterparty	Notional Amount (\$)	Current Value (\$)
S-CDX.NA.HY.29 SP	Quarterly	5.000%	20-Dec-2022	JP Morgan	A-2	579,614	644,046
							644,046

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

Sun Life Multi-Strategy Target Return Fund (continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Multi-Strategy Target Return Fund (the “Fund”) expose it to a variety of financial risks, which are described below. The Fund’s exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is subject to credit risk exposure related to its investment in interest-bearing securities and indexed equity linked futures and put options. However, as these investments are held exclusively in federally issued securities or directly with the exchanges, credit risk is not a significant risk to the Fund.

The Fund invests in financial assets, which 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	13.24	25.95
AA/Aa	46.37	24.13
A/A	3.15	-
BBB/Baa	3.99	8.94
N/R	0.19	-
Total	66.94	59.02

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 holds assets and liabilities, either directly or indirectly through underlying funds, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Fund. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates 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)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	December 31, 2017		December 31, 2016	
Indian Rupee	5,951,583	7.00	4,355,992	5.78
Mexican Peso	4,905,962	5.77	-	-
Japanese Yen	3,982,094	4.68	93,546	0.12
Indonesian Rupiah	3,447,054	4.06	2,082,588	2.76
Euro	147,728	0.17	492,659	0.65
South African Rand	329	-	1,774,833	2.35
Polish Zloty	18	-	16	-
New Zealand Dollar	1	-	(2,496,577)	(3.31)
Singapore Dollar	1	-	1	-
Swedish Krona	(22)	-	-	-
British Pound	(362,536)	(0.43)	759,607	1.01
Hong Kong Dollar	(428,171)	(0.50)	-	-
Australian Dollar	(6,382,982)	(7.51)	1,098	-
United States Dollar	(6,998,054)	(8.23)	6,160,187	8.17
Israeli Shekel	-	-	(126,616)	(0.17)
Korean Won	-	-	(4,870,251)	(6.46)
Total	4,263,005	5.01	8,227,083	10.90

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 Units of the Fund would have increased or decreased respectively by \$213,150 (\$411,354 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 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	-	1,789,392	15,536,468	17,325,860
December 31, 2016	-	2,784,676	23,528,310	26,312,986

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

Sun Life Multi-Strategy Target Return Fund (continued)

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 Units of the Fund would have decreased or increased respectively by \$2,212,873 (\$2,512,595 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 its investment in equity securities directly or indirectly through the underlying funds.

As at December 31, 2017, if the MSCI World Index had increased or decreased 20%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have increased by \$11,568,671 (\$5,564,533 as at December 31, 2016) or decreased by \$7,497,111 (\$4,245,031 as at December 31, 2016) respectively. 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 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 Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Bonds		
Federal Bonds	20.4	34.9
Equities		
Energy	0.2	3.8
Materials	0.6	0.8
Industrials	1.3	-
Consumer Discretionary	0.6	-
Consumer Staples	0.2	-
Health Care	0.2	-
Financials	0.9	-
Real Estate	0.2	-
Information Technology	0.2	-
Telecommunication Services	0.2	-
Utilities	0.6	-
Mutual Funds		
Emerging Markets Equity	5.2	5.7
Global Equity	2.5	-
Derivative Assets (Liabilities)	3.5	5.4
Other Assets less Liabilities	63.2	49.4
Total	100.0	100.0

The Fund's Use of Derivatives

The Fund will make significant use of derivative instruments and may take both long and short synthetic positions in markets, assets and groups of assets. As such, derivatives may be used for purposes of hedging, efficient portfolio management and/or investment purposes. The use of derivative instruments as part of the investment strategy will mean that the Fund may, from time to time, have substantial holdings in liquid assets, including deposits and money market instruments.

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 (\$)	
Financial Assets				
Equities	4,449,443	-	-	4,449,443
Bonds	-	17,325,860	-	17,325,860
Mutual Funds	6,551,147	-	-	6,551,147
Swap Contracts	-	34,022,476	-	34,022,476
Credit Default Swaps	-	644,046	-	644,046
Futures Contracts	-	457,912	-	457,912
Currency Forward Contracts	-	671,223	-	671,223
Option Contracts	2,821,106	-	-	2,821,106
Financial Liabilities				
Swap Contracts	-	34,390,790	-	34,390,790
Credit Default Swaps	-	-	-	-
Futures Contracts	-	362,621	-	362,621
Currency Forward Contracts	-	526,089	-	526,089
Option Contracts	341,766	-	-	341,766

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	3,492,321	-	-	3,492,321
Bonds	-	26,312,986	-	26,312,986
Mutual Funds	4,274,980	-	-	4,274,980
Swap Contracts	-	10,266,214	-	10,266,214
Credit Default Swaps	-	855,822	-	855,822
Futures Contracts	-	204,504	-	204,504
Currency Forward Contracts	-	278,877	-	278,877
Option Contracts	4,120,181	-	-	4,120,181
Financial Liabilities				
Swap Contracts	-	10,157,566	-	10,157,566
Credit Default Swaps	-	51,973	-	51,973
Futures Contracts	-	198,007	-	198,007
Currency Forward Contracts	-	832,543	-	832,543
Option Contracts	383,307	-	-	383,307

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

Sun Life Multi-Strategy Target Return Fund (continued)

There were no transfers between fair value levels during the periods from January 1 to December 31, 2017 and May 11 to December 31, 2016.

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Bonds have been classified as Level 2.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

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.

Derivative assets and liabilities

Derivative assets and liabilities consist of options, foreign currency forward contracts, equity swaps and futures contracts. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used.

Forward contracts, credit default swaps and equity swaps are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Futures contracts are classified as Level 2 and are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out. Gains or losses arising from futures contracts are recorded as unrealized gain (loss) on futures contracts and shown as an asset (liability) on the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized.

Leverage

The Fund measures leverage in terms of the total underlying notional value of the securities and/or financial derivative positions as a ratio of the total assets held by such fund. The Fund, by being subject to National Instrument 81-104 ("NI 81-104"), is permitted to lever its assets: that is, the aggregate underlying market exposure of all derivatives held by the Fund calculated on a daily mark-to-market basis can exceed the Fund's cash and cash equivalents, including cash held as margin on deposit to support the Fund's derivatives trading activities. The Fund will generally not use leverage in excess of 7.0 times its net asset value.

The following table discloses the minimum and maximum leverage levels for the Fund during the periods ended December 31, 2017 and December 31, 2016; the Fund's leverage at the end of this reporting period; and, approximately what that leverage represents as a percentage of the Fund's net assets.

Period End	Minimum Leverage	Maximum Leverage	Leverage at End of Reporting Period	Approximate Percentage of Net Assets
December 31, 2017	3.74:1	9.44:1	7.55:1	755%
December 31, 2016	3.95:1	9.64:1	5.84:1	584%

Maximum and minimum leverage factors are not adjusted for capital stock activity.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$48,746 (\$20,396 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$692,779 (\$1,052,583 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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

Sun Life Multi-Strategy Target Return Fund (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	
	Units	Market Value (\$)
Series A	1,024	9,794
Series F	1,026	9,949
Series I	2,073	20,304
Series O	1,017	9,971

	December 31, 2016	
	Units	Market Value (\$)
Series A	1,021	10,184
Series F	1,023	10,237
Series I	2,049	20,607
Series O	1,020	10,256

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	26	-	-
Series F	26	-	-
Series I	-	-	230
Series O	-	114	78

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	10,000	-	212
Series F	10,000	-	232
Series I	20,000	-	495
Series O	10,000	38	243

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at December 31, 2017 and December 31, 2016, SLA held the following position in the Fund:

	December 31, 2017	
	Units	Market Value (\$)
Series I	3,118,713	30,552,471

	December 31, 2016	
	Units	Market Value (\$)
Series I	3,083,595	31,008,628

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	935	346,396

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	50,000,000	20,000,000	745,372

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	38,616,763	15,725,598
Investments designated at FVTPL	28,326,450	34,080,287
Total financial assets at fair value through profit or loss	66,943,213	49,805,885
Financial assets at amortized cost		
Cash	50,618,535	36,501,288
Other receivables	4,060,350	2,463,321
Total financial assets at amortized cost	54,678,885	38,964,609
Total assets	121,622,098	88,770,494
Financial liabilities		
Derivative liabilities held for trading	35,621,266	11,623,396
Financial liabilities at amortized cost	999,577	1,746,920
Total liabilities (excluding net assets attributable to holders of redeemable units)	36,620,843	13,370,316

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

Sun Life Multi-Strategy Target Return Fund (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	(1,683,986)	1,675,961
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	604,199	424,279
Total net gains (losses)	(1,079,787)	2,100,240

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
December 31, 2017				
Derivative assets -				
Currency Forward Contracts	671,223	(349,271)	-	321,952
Derivative assets -				
Credit Default Swaps	644,046	-	-	644,046
Derivative assets -				
Swaps	34,022,476	(33,901,349)	-	121,127
Total	35,337,745	(34,250,620)	-	1,087,125
Derivative liabilities -				
Currency Forward Contracts	(526,089)	349,271	-	(176,818)
Derivative liabilities -				
Credit Default Swaps	-	-	-	-
Derivative liabilities -				
Swaps	(34,390,790)	33,901,349	-	(489,441)
Total	(34,916,879)	34,250,620	-	(666,259)
December 31, 2016				
Derivative assets -				
Currency Forward Contracts	278,877	(148,763)	-	130,114
Derivative assets -				
Credit Default Swaps	855,822	(51,973)	-	803,849
Derivative assets -				
Swaps	10,266,214	(10,036,046)	-	230,168
Total	11,400,913	(10,236,782)	-	1,164,131
Derivative liabilities -				
Currency Forward Contracts	(832,543)	148,763	-	(683,780)
Derivative liabilities -				
Credit Default Swaps	(51,973)	51,973	-	-
Derivative liabilities -				
Swaps	(10,157,566)	10,036,046	-	(121,520)
Total	(11,042,082)	10,236,782	-	(805,300)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	May 11, 2016	May 11, 2016
Series F Units	May 11, 2016	May 11, 2016
Series I Units	May 11, 2016	May 11, 2016
Series O Units	May 11, 2016	May 11, 2016

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

Sun Life NWQ Flexible Income Fund

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)	280,298,091	114,619,823
Short-term investments	-	-
Cash	6,459,937	7,791,158
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	6,959,617	526,069
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	6,021
Accrued interest	2,754,882	996,641
Dividends receivable	251,812	111,717
Distributions receivable from underlying funds	-	-
Subscriptions receivable	429,575	4,125,289
	297,153,914	128,176,718
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	16	-
Option contracts, at fair value - short	305,588	66,146
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	4,174	6,445
Redemptions payable	163,702	-
Distributions payable	-	-
Due to investment dealers	600,978	1,773,635
Management fees payable	972	3,666
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,075,430	1,849,892
Net Assets Attributable to Holders of Redeemable Units	296,078,484	126,326,826
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	2,749,209	2,612,885
Series E	-	-
Series F	89,495	114,545
Series I	292,672,367	123,159,819
Series O	567,413	439,577
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	9.40	9.29
Series E	-	-
Series F	9.51	9.34
Series I	10.07	9.82
Series O	9.55	9.29

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		
Dividend income	4,765,871	2,559,396
Interest income for distribution purposes	8,149,220	2,863,449
Distributions from underlying funds	-	-
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	(79,554)	(140,794)
Net realized gain (loss) on futures contracts	(16)	(451)
Net realized gain (loss) on currency forward contracts	4,685,447	(345,989)
Net realized gain (loss) on option contracts	89,615	(14,103)
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(7,071,867)	1,513,317
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	6,433,548	693,319
Change in unrealized appreciation (depreciation) in option contracts	(97,191)	(36,922)
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	16,875,073	7,091,222
Net gain (loss) on foreign exchange	(461,484)	(472,835)
Other income	-	-
Total income (loss)	16,413,589	6,618,387
Expenses (note 5)		
Management fees	39,268	37,031
Administration fees	125,928	56,381
Independent review committee fees	70	572
Withholding tax	444,470	272,827
Transaction costs (note 2)	76,044	38,156
Total operating expenses	685,780	404,967
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	15,727,809	6,213,420
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	15,727,809	6,213,420
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	159,053	146,139
Series E	-	(18,517)
Series F	7,571	4,336
Series I	15,517,493	6,060,692
Series O	43,692	20,770
Weighted Average Number of Units Outstanding		
Series A	277,713	256,238
Series E	-	64,378
Series F	11,011	9,822
Series I	21,365,082	9,217,347
Series O	61,362	37,610
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.57	0.57
Series E	-	(0.29)
Series F	0.69	0.44
Series I	0.73	0.66
Series O	0.71	0.55

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

Sun Life NWQ Flexible Income Fund (continued)

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

For the periods ended December 31

	Series A		Series E		Series F	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 2,612,885	1,855,131	-	571,312	114,545	85,407
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 159,053	146,139	-	(18,517)	7,571	4,336
Redeemable Unit Transactions	\$					
Proceeds from redeemable units issued	\$ 489,769	989,531	-	950	43,687	30,000
Redemption of redeemable units	\$ (506,506)	(372,030)	-	(553,714)	(76,308)	(5,203)
Reinvestment of distributions to holders of redeemable units	\$ 121,684	123,314	-	2,705	4,986	5,028
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 104,947	740,815	-	(550,059)	(27,635)	29,825
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (127,676)	(127,643)	-	(2,703)	(4,986)	(4,962)
Return of capital	\$ -	(1,557)	-	(33)	-	(61)
	\$ (127,676)	(129,200)	-	(2,736)	(4,986)	(5,023)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 136,324	757,754	-	(571,312)	(25,050)	29,138
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 2,749,209	2,612,885	-	-	89,495	114,545
Redeemable Unit Transactions						
Balance - beginning of period	281,345	199,772	-	64,282	12,264	9,195
Units issued	51,779	108,455	-	110	4,638	3,100
Units issued on reinvestment of distributions	12,897	13,157	-	314	524	535
Units redeemed	(53,594)	(40,039)	-	(64,706)	(8,015)	(566)
Balance - end of period	292,427	281,345	-	-	9,411	12,264

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 123,159,819	66,050,329	439,577	266,177	126,326,826	68,828,356
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 15,517,493	6,060,692	43,692	20,770	15,727,809	6,213,420
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 171,698,687	56,839,441	358,036	312,535	172,590,179	58,172,457
Redemption of redeemable units	\$ (17,703,631)	(5,790,643)	(273,892)	(159,905)	(18,560,337)	(6,881,495)
Reinvestment of distributions to holders of redeemable units	\$ 11,703,863	4,917,297	28,467	19,122	11,859,000	5,067,466
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 165,698,919	55,966,095	112,611	171,752	165,888,842	56,358,428
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (11,690,125)	(4,858,054)	(28,467)	(18,892)	(11,851,254)	(5,012,254)
Return of capital	\$ (13,739)	(59,243)	-	(230)	(13,739)	(61,124)
	\$ (11,703,864)	(4,917,297)	(28,467)	(19,122)	(11,864,993)	(5,073,378)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 169,512,548	57,109,490	127,836	173,400	169,751,658	57,498,470
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 292,672,367	123,159,819	567,413	439,577	296,078,484	126,326,826
Redeemable Unit Transactions						
Balance - beginning of period	12,543,412	6,844,721	47,299	29,064	12,884,320	7,147,034
Units issued	17,126,182	5,794,464	37,920	33,639	17,220,519	5,939,768
Units issued on reinvestment of distributions	1,162,381	499,285	2,990	2,045	1,178,792	515,336
Units redeemed	(1,759,894)	(595,058)	(28,810)	(17,449)	(1,850,313)	(717,818)
Balance - end of period	29,072,081	12,543,412	59,399	47,299	29,433,318	12,884,320

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

Sun Life NWQ Flexible Income Fund (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 units from operations (excluding distributions)	15,727,809	6,213,420
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	79,554	140,794
Change in unrealized (appreciation) depreciation in value of investments	7,071,867	(1,513,317)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(6,433,548)	(693,319)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	239,442	42,744
Change in fair value of credit default swaps	-	-
Change in margin	16	-
Purchases of investments	(233,345,530)	(74,588,642)
Proceeds from sale of investments	59,276,734	26,793,089
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	(1,898,336)	(571,112)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(2,694)	2,988
Change in other payables and accrued expenses	70,200	39,659
Net Cash Provided by (Used in) Operating Activities	(159,214,486)	(44,133,696)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(5,993)	(5,912)
Proceeds from redeemable units issued	176,285,893	55,035,675
Redemption of redeemable units	(18,396,635)	(6,881,495)
Net Cash Provided by (Used in) Financing Activities	157,883,265	48,148,268
Net increase (decrease) in cash	(1,331,221)	4,014,572
Cash (bank indebtedness) at beginning of period	7,791,158	3,776,586
Cash (bank indebtedness) at end of period	6,459,937	7,791,158
Dividends received, net of withholding taxes	4,181,306	2,279,654
Interest received, net of withholding taxes	6,390,979	2,299,252
Interest paid	-	-

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

Sun Life NWQ Flexible Income Fund (continued)

Schedule of Investments

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS						
Corporate Bonds						
ATS Automation Tooling Systems Inc.	6.500	15-Jun-2023	1,125,000	1,478,506	1,480,041	
Emera Inc.	6.750	15-Jun-2076	3,045,000	4,269,664	4,311,194	
GFL Environmental Inc..	9.875	1-Feb-2021	625,000	848,643	827,139	
Transcanada Trust	5.875	15-Aug-2076	1,075,000	1,465,569	1,461,403	
				8,062,382	8,079,777	2.73
Foreign Bonds						
A Schulman Inc.	6.875	1-Jun-2023	1,095,000	1,516,811	1,433,713	
AK Steel Corp.	7.000	15-Mar-2027	2,300,000	3,053,500	2,946,612	
Ally Financial Inc.	5.750	20-Nov-2025	2,050,000	2,800,889	2,809,336	
Amazon.com Inc..	5.200	3-Dec-2025	1,050,000	1,533,739	1,512,654	
American Axle & Manufacturing Inc.	6.250	1-Apr-2025	1,925,000	2,487,517	2,544,574	
American Axle & Manufacturing Inc.	6.500	1-Apr-2027	1,600,000	2,096,925	2,127,500	
Amkor Technology Inc.	6.625	1-Jun-2021	726,000	968,141	920,490	
Anheuser-Busch InBev Finance Inc.	4.900	1-Feb-2046	3,050,000	4,370,385	4,446,847	
ArcelorMittal	7.500	15-Oct-2039	900,000	1,225,060	1,449,030	
AT&T Inc.	4.900	14-Aug-2037	2,950,000	3,716,183	3,754,346	
Bank of America Corp.	6.300	31-Dec-2049	1,625,000	2,278,160	2,305,809	
Bank of America Corp.	6.500	31-Dec-2049	1,600,000	2,186,378	2,280,359	
Capital One Financial Corp.	5.550	31-Dec-2049	1,100,000	1,446,357	1,429,923	
CenturyLink Inc.	7.650	15-Mar-2042	2,975,000	3,420,642	3,303,505	
CIT Group Inc.	5.800	31-Dec-2049	1,125,000	1,480,979	1,455,373	
Citigroup Inc.	5.800	31-Dec-2049	375,000	467,166	487,474	
Citigroup Inc.	6.250	31-Dec-2049	3,250,000	4,516,394	4,496,583	
CoBank ACB	6.250	31-Dec-2049	225,000	296,595	310,648	
Communications Sales & Leasing Inc. / CSL Capital LLC	8.250	15-Oct-2023	1,500,000	1,972,242	1,815,986	
Conduent Finance Inc. / Xerox Business Services LLC	10.500	15-Dec-2024	1,300,000	1,943,593	1,906,217	
Con-way Inc.	6.700	1-May-2034	1,050,000	1,280,408	1,374,793	
Cooper-Standard Automotive Inc.	5.625	15-Nov-2026	1,100,000	1,459,230	1,426,477	
Cott Beverages Inc.	5.375	1-Jul-2022	1,575,000	1,991,330	2,059,013	
CVR Partners LP / CVR Nitrogen Finance Corp	9.250	15-Jun-2023	530,000	734,725	717,185	
Dana Financing Luxembourg Sarl	6.500	1-Jun-2026	1,000,000	1,405,110	1,361,011	
Dean Foods Co.	6.500	15-Mar-2023	1,225,000	1,583,167	1,531,020	
DISH DBS Corp.	7.750	1-Jul-2026	4,400,000	6,403,844	5,816,168	
DISH Network Corp.	3.375	15-Aug-2026	1,450,000	2,063,837	1,981,423	
Donnelley Financial Solutions Inc.	8.250	15-Oct-2024	2,125,000	2,973,316	2,855,539	
Enviva Partners LP / Enviva Partners Finance Corp.	8.500	1-Nov-2021	2,095,000	2,880,532	2,805,382	
First Data Corp.	7.000	1-Dec-2023	1,045,000	1,418,065	1,387,887	
Ford Motor Co.	7.450	16-Jul-2031	850,000	1,392,426	1,395,393	
Frontier Communications Corp.	11.000	15-Sep-2025	1,625,000	2,174,557	1,506,666	
GCI Inc.	6.875	15-Apr-2025	2,752,000	3,654,083	3,689,470	
General Motors Co.	6.600	1-Apr-2036	2,850,000	4,304,683	4,362,898	
General Motors Financial Co Inc.	5.750	31-Dec-2049	1,265,000	1,584,655	1,636,217	
The Goldman Sachs Group Inc.	5.300	31-Dec-2049	525,000	689,447	700,553	
Greystar Real Estate Partners LLC	5.750	1-Dec-2025	550,000	701,279	712,239	
Hewlett Packard Enterprise Co.	6.350	15-Oct-2045	4,925,000	6,752,987	6,554,541	
Iron Mountain Inc.	5.750	15-Aug-2024	2,475,000	3,330,604	3,155,306	
JPMorgan Chase & Co.	6.750	29-Aug-2049	2,025,000	2,848,323	2,876,565	
Kennedy-Wilson Inc.	5.875	1-Apr-2024	2,225,000	2,910,735	2,885,374	
Kindred Healthcare Inc.	8.000	15-Jan-2020	3,395,000	4,405,588	4,629,990	
L Brands Inc.	6.950	1-Mar-2033	1,650,000	2,259,349	2,067,358	
L Brands Inc.	6.875	1-Nov-2035	2,900,000	3,776,890	3,688,042	
Liberty Interactive LLC	4.000	15-Nov-2029	3,496,485	3,068,778	3,066,631	
Liberty Interactive LLC	3.750	15-Feb-2030	1,850,000	1,597,571	1,610,973	
Liberty Mutual Group Inc.	7.800	15-Mar-2037	575,000	907,359	918,925	
Lloyds Bank PLC	12.000	31-Dec-2049	1,725,000	2,928,333	2,910,295	
McDonald's Corp.	4.875	9-Dec-2045	4,000,000	5,627,829	5,829,199	
Micron Technology Inc.	5.500	1-Feb-2025	525,000	704,998	691,508	
Navient Corp.	8.000	25-Mar-2020	2,150,000	2,946,241	2,919,439	
Nexstar Escrow Corp.	5.625	1-Aug-2024	825,000	1,080,526	1,069,858	
Nordstrom Inc.	5.000	15-Jan-2044	2,375,000	2,990,671	2,879,091	
The PNC Financial Services Group Inc.	6.750	29-Jul-2049	1,000,000	1,465,132	1,392,397	
Qwest Corp.	6.875	15-Sep-2033	466,000	569,189	556,138	
Raymond James Financial Inc.	4.950	15-Jul-2046	950,000	1,295,214	1,351,112	

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

Sun Life NWQ Flexible Income Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Rite Aid Corp.	6.750	15-Jun-2021	2,375,000	3,208,397	2,975,743	
RR Donnelley & Sons Co.	6.500	15-Nov-2023	2,945,000	3,725,731	3,560,774	
Seagate HDD Cayman	4.875	1-Jun-2027	4,815,000	5,735,534	5,779,213	
Sealed Air Corp.	6.875	15-Jul-2033	925,000	1,342,007	1,353,102	
Select Income REIT	4.500	1-Feb-2025	2,225,000	2,784,332	2,815,735	
Southern Copper Corp.	5.875	23-Apr-2045	1,475,000	1,854,083	2,240,480	
Tech Data Corp.	4.950	15-Feb-2027	2,800,000	3,657,661	3,707,320	
Tempur Sealy International Inc.	5.500	15-Jun-2026	2,189,000	2,904,068	2,818,668	
Terex Corp.	5.625	1-Feb-2025	825,000	1,114,982	1,081,487	
Trinseo Materials Operating SCA / Trinseo Materials Finance	5.375	1-Sep-2025	325,000	413,411	422,477	
Triumph Group Inc.	4.875	1-Apr-2021	2,050,000	2,459,491	2,536,429	
Viacom Inc.	6.875	30-Apr-2036	6,225,000	8,894,235	8,874,010	
ViaSat Inc.	5.625	15-Sep-2025	850,000	1,055,098	1,078,315	
Wells Fargo & Co.	5.875	31-Dec-2049	475,000	607,103	659,901	
Western Digital Corp.	10.500	1-Apr-2024	3,975,000	6,091,161	5,783,552	
Zions Bancorporation	7.200	29-Sep-2049	850,000	1,182,054	1,204,784	
				180,968,015	179,001,045	60.45
Total Bonds				189,030,397	187,080,822	63.18

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Enterprise Products Partners LP	45,100	1,528,948	1,498,022	
		1,528,948	1,498,022	0.51
Materials				
CHS Inc., 6.75%, Preferred	89,465	3,077,207	2,967,146	
CHS Inc., 7.10%, Preferred	54,453	1,880,001	1,866,679	
DowDuPont Inc.	15,700	1,435,028	1,400,985	
United States Cellular Corp.	98,845	3,320,783	3,185,352	
		9,713,019	9,420,162	3.18
Industrials				
Siemens AG	33,600	2,651,825	2,916,193	
General Electric Co.	41,000	1,545,492	896,419	
		4,197,317	3,812,612	1.29
Consumer Discretionary				
Kingfisher PLC	137,500	1,561,924	1,622,876	
		1,561,924	1,622,876	0.55
Consumer Staples				
Imperial Brands PLC	54,500	3,181,855	2,913,741	
		3,181,855	2,913,741	0.98
Health Care				
AstraZeneca PLC	68,000	2,760,142	2,956,448	
Gilead Sciences Inc.	15,300	1,617,162	1,373,342	
GlaxoSmithKline PLC, ADR	82,500	4,237,799	3,666,460	
		8,615,103	7,996,250	2.70
Financials				
Apartment Investment & Management Co.	39,700	2,240,567	2,174,218	
American International Group Inc.	19,500	1,484,140	1,455,683	
Ares Capital Corp.	91,100	1,942,522	1,794,332	
Argo Group US Inc.	27,303	890,658	864,123	
Bank of America Corp.	800	1,263,388	1,322,107	
The Bank of NT Butterfield & Son Ltd	45,600	1,945,316	2,073,403	
Capital One Financial Corp.	7,896	252,897	265,337	
The Charles Schwab Corp.	21,200	719,358	713,998	
CIT Group Inc.	35,500	2,021,182	2,189,727	
Citigroup Inc.	53,063	1,917,747	1,918,092	
CNA Financial Corp.	25,600	1,557,802	1,701,599	

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

Sun Life NWQ Flexible Income Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Digital Realty Trust Inc.	21,190	736,941	708,086	
FNB Corp/PA	13,907	502,125	509,498	
GMAC Capital Trust I, Series 2, Preferred	95,810	3,174,970	3,115,158	
Hercules Capital Inc.	9,155	285,230	293,019	
HSBC Holdings PLC	10,900	381,363	366,556	
Huntington Bancshares Inc.	28,827	949,139	1,016,378	
Kemper Corp.	15,187	511,505	496,262	
Ladenburg Thalmann Financial Services Inc.	89,511	2,796,479	2,838,687	
Maiden Holdings North America Ltd.	29,456	1,017,767	901,447	
Merrill Lynch International & Co.	102,100	1,896,449	1,949,587	
MGM Growth Properties LLC	76,900	2,568,266	2,808,644	
Morgan Stanley, 7.13%, Preferred	38,344	1,403,147	1,391,322	
Morgan Stanley, Series I, Preferred	13,250	464,993	462,352	
National General Holdings Corp	53,980	1,761,495	1,718,578	
Synchrony Financial	33,700	1,507,345	1,630,277	
TPG RE Finance Trust Inc.	59,500	1,487,470	1,420,181	
VEREIT Inc.	66,311	2,154,410	2,124,458	
Wells Fargo & Co.	3,175	5,077,842	5,211,268	
		44,912,513	45,434,377	15.35
Information Technology				
Cypress Semiconductor Corp	112,900	2,195,231	2,155,811	
First Data Corp.	100,000	2,095,571	2,093,670	
Oracle Corp.	22,900	1,272,692	1,356,578	
		5,563,494	5,606,059	1.89
Real Estate				
Colony NorthStar Inc.	11,937	380,669	397,391	
Digital Realty Trust Inc.	27,840	935,151	962,394	
Life Storage Inc.	13,300	1,455,930	1,484,277	
National Storage Affiliates Trust	47,875	1,496,936	1,562,002	
		4,268,686	4,406,064	1.49
Utilities				
FirstEnergy Corp.	94,700	3,824,979	3,633,180	
Great Plains Energy Inc.	70,700	2,740,397	2,855,921	
NextEra Energy Inc.	30,000	2,374,946	2,615,396	
Veolia Environnement SA	43,900	974,011	1,402,609	
		9,914,333	10,507,106	3.55
Total Equities		93,457,192	93,217,269	31.49
Transaction Costs		(63,941)	-	
Total Investments		282,423,648	280,298,091	94.67
Currency Forward Contracts⁽¹⁾			6,959,617	2.35
Option Contracts⁽²⁾			(305,588)	(0.10)
Other Assets less Liabilities			9,126,364	3.08
Total Net Assets			296,078,484	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	31-Jan-2018	CAD	283,629,028	USD	(220,917,765)	6,959,617
							6,959,617

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

Sun Life NWQ Flexible Income Fund (continued)

Schedule of Investments (continued)

⁽²⁾ Option Contracts

	Expiry Date	Number Of Contracts	Average Cost (\$)	Current Value (\$)
Cypress Semiconductor Corp @16 Call Option	16-Mar-2018	(356)	(23,140)	(30,108)
Cypress Semiconductor Corp @16 Call Option	16-Mar-2018	(300)	(22,500)	(25,372)
First Data Corp @18 Call Option	20-Jul-2018	(666)	(54,945)	(93,877)
Synchrony Financial@36 Call Option	16-Mar-2018	(337)	(37,070)	(156,230)
			(23,140)	(305,588)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life NWQ Flexible Income Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

The Fund invests in financial assets, which 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	2.35	-
AA/Aa	0.51	-
A/A	1.50	2.49
BBB/Bbb	24.08	22.29
BB/Bb	23.47	30.42
B/B	21.59	12.03
CCC/Ccc	0.61	-
Not Rated	4.86	10.38
Total	78.97	77.61

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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. However, the Fund also holds foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and reduce the current 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.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	December 31, 2017		December 31, 2016	
United States Dollar	12,733,061	4.30	5,632,298	4.46
Total	12,733,061	4.30	5,632,298	4.46

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

Sun Life NWQ Flexible Income Fund (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 Units of the Fund would have increased or decreased respectively by \$636,653 (\$281,615 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 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	-	19,673,626	167,407,196	187,080,822
December 31, 2016	-	9,459,611	56,750,500	66,210,111

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 Units of the Fund would have decreased or increased respectively by \$30,571,468 (\$11,144,722 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 its investment in foreign 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 Units of the Fund would have increased or decreased respectively by \$4,660,863 (\$2,420,486 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 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 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	2.7	1.8
Foreign Bonds	60.4	50.6
Equities	-	-
Energy	0.5	0.2
Materials	3.2	4.1
Industrials	1.3	2.6
Consumer Discretionary	0.6	2.0
Consumer Staples	1.0	0.7
Health Care	2.7	3.2
Financials	15.3	22.3
Information Technology	1.9	0.4
Telecommunication Services	-	0.4
Real Estate	1.5	-
Utilities	3.6	2.4
Other Assets less Liabilities	5.3	9.3
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 (\$)	
Financial Assets				
Equities	82,412,265	10,805,004	-	93,217,269
Currency Forward				
Contracts	-	6,959,617	-	6,959,617
Bonds	-	187,080,822	-	187,080,822
Financial Liabilities				
Option Contracts	305,588	-	-	305,588
	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	46,245,791	2,163,921	-	48,409,712
Currency Forward				
Contracts	-	526,069	-	526,069
Bonds	-	66,210,111	-	66,210,111
Financial Liabilities				
Option				
Contracts	66,146	-	-	66,146

There were no transfers between fair value levels 1 and 2 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 NWQ Flexible Income Fund (continued)

Bonds

Bonds include primarily government and corporate bonds, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. The inputs that are significant to valuation are generally observable and therefore the Bonds have been classified as Level 2.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of options and foreign currency forward contracts. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used. Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$76,044 (\$38,156 for the period ended December 31, 2016).

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 \$5,681 (\$835 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$3,327,097 (\$10,692,857 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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	6,959,617	526,069
Investments designated at FVTPL	280,298,091	114,619,823
Total financial assets at fair value through profit or loss	287,257,708	115,145,892
Financial assets at amortized cost		
Cash	6,459,937	7,791,158
Other receivables	3,436,269	5,239,668
Total financial assets at amortized cost	9,896,206	13,030,826
Total assets	297,153,914	128,176,718
Financial liabilities		
Derivative liabilities held for trading	305,588	66,146
Financial liabilities at amortized cost	769,842	1,783,746
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,075,430	1,849,892

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	11,111,403	295,854
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	5,763,670	6,795,368
Total net gains (losses)	16,875,073	7,091,222

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

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

Sun Life NWQ Flexible Income Fund (continued)

Financial Assets and Liabilities

	Gross Assets/ (Liabilities) (\$)	Amounts Eligible for Offset		Net (\$)
		Financial Instruments (\$)	Collateral received/ paid (\$)	
December 31, 2017				
Derivative assets -				
Forward Contracts	6,959,617	-	-	6,959,617
Total	6,959,617	-	-	6,959,617
Derivative liabilities -				
Forward Contracts	-	-	-	-
Total	-	-	-	-
December 31, 2016				
Derivative assets -				
Forward Contracts	526,069	-	-	526,069
Total	526,069	-	-	526,069
Derivative liabilities -				
Forward Contracts	-	-	-	-
Total	-	-	-	-

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	January 23, 2014	February 03, 2014
Series F Units	January 23, 2014	February 03, 2014
Series I Units	January 23, 2014	February 03, 2014
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E and EF units were re-designated to Series A units, under the Front End Sales Charge option, and Series F units, 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 Ryan Labs U.S. Core Fixed Income Fund

Statement of Financial Position

As at December 31, 2017

	December 31, 2017 (\$)
Assets	
Current Assets	
Investments (non-derivative financial assets) (note 2)	412,477,360
Short-term investments	-
Cash	10,677,039
Margin	-
Option contracts, at fair value - long	-
Credit default swaps, sell protection	-
Unrealized appreciation on futures contracts	-
Unrealized appreciation on currency forward contracts	7,098,223
Unrealized appreciation on swaps	-
Due from investment dealers	-
Accrued interest	1,880,268
Dividends receivable	-
Distributions receivable from underlying funds	-
Subscriptions receivable	-
	432,132,890
Liabilities	
Current Liabilities	
Bank indebtedness	-
Margin	-
Option contracts, at fair value - short	-
Credit default swaps, buy protection	-
Unrealized depreciation on futures contracts	-
Unrealized depreciation on currency forward contracts	-
Unrealized depreciation on swaps	-
Accrued expenses	5,981
Redemptions payable	-
Distributions payable	-
Due to investment dealers	-
Management fees payable	-
Total liabilities (excluding net assets attributable to holders of redeemable units)	5,981
Net Assets Attributable to Holders of Redeemable Units	432,126,909
Net Assets Attributable to Holders of Redeemable Units per Series	
Series I	432,126,909
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)	
Series I	10.05

Approved on behalf of Trustee

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

For the period from July 28, 2017 to December 31, 2017

	2017 (\$)
Investment Income	
Dividend income	512,655
Interest income for distribution purposes	3,557,611
Distributions from underlying funds	-
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	(432,886)
Net realized gain (loss) on futures contracts	-
Net realized gain (loss) on currency forward contracts	(6,097,145)
Net realized gain (loss) on option contracts	-
Net realized gain (loss) on swaps	-
Change in unrealized appreciation (depreciation) in value of investments	(1,859,595)
Change in unrealized appreciation (depreciation) in value of futures contracts	-
Change in unrealized appreciation (depreciation) in currency forward contracts	7,098,223
Change in unrealized appreciation (depreciation) in option contracts	-
Change in unrealized appreciation (depreciation) in value of swaps	-
Net gains (losses) on investments	2,778,863
Net gain (loss) on foreign exchange	(378,871)
Other income	-
Total income (loss)	2,399,992
Expenses (note 5)	
Management fees	-
Administration fees	81,041
Independent review committee fees	-
Withholding tax	76,898
Transaction costs (note 2)	1,428
Total operating expenses	159,367
Expenses waived/absorbed by the Manager	-
Operating Profit (Loss)	2,240,625
Finance Cost	
Interest expense	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	2,240,625
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)	
Series I	2,240,625
Weighted Average Number of Units Outstanding	
Series I	34,590,910
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)	
Series I	0.06

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

Sun Life Ryan Labs U.S. Core Fixed Income Fund (continued)

Statement of Changes in Net Assets Attributable to Holders of Redeemable Units

For the period from July 28, 2017 to December 31, 2017

	Total 2017
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 150,000
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 2,240,625
Redeemable Unit Transactions	
Proceeds from redeemable units issued	\$ 446,759,499
Redemption of redeemable units	\$ (17,023,234)
Reinvestment of distributions to holders of redeemable units	\$ 3,971,068
Capitalized distributions	\$ -
	<u>\$ 433,707,333</u>
Distributions to Holders of Redeemable Units	
From capital gains	\$ -
From net investment income	\$ (3,971,049)
Return of capital	\$ -
	<u>\$ (3,971,049)</u>
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 431,976,909
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 432,126,909
Redeemable Unit Transactions	
Balance - beginning of period	1,000
Units issued	44,304,630
Units issued on reinvestment of distributions	395,261
Units redeemed	(1,688,921)
Balance - end of period	<u>43,011,970</u>

Statement of Cash Flows

For the period from July 28, 2017 to December 31, 2017

	2017 (\$)
Cash Flows from Operating Activities	
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	2,240,625
Adjustments for:	
Gain on short-term investments	-
Net realized (gain) loss on sale of investments	432,886
Change in unrealized (appreciation) depreciation in value of investments	1,859,595
Change in unrealized (appreciation) depreciation in value of futures contracts	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(7,098,223)
Change in unrealized (appreciation) depreciation in value of swaps	-
Non-cash income distributions from underlying funds	-
Change in fair value of option contracts	-
Change in fair value of credit default swaps	-
Change in margin	-
Purchases of investments	(733,980,981)
Proceeds from sale of investments	319,209,712
Purchases of short-term investments	-
Proceeds from sale of short-term investments	-
Change in dividends and interest receivable	(1,880,268)
Change in distributions receivable from underlying funds	-
Change in management fees payable	-
Change in other payables and accrued expenses	7,409
Net Cash Provided by (Used in) Operating Activities	<u>(419,209,245)</u>
Cash Flows from Financing Activities	
Distributions paid to holders of redeemable units, net of reinvested distributions	19
Proceeds from redeemable units issued	446,759,499
Redemption of redeemable units	(17,023,234)
Net Cash Provided by (Used in) Financing Activities	<u>429,736,284</u>
Net increase (decrease) in cash	10,527,039
Cash (bank indebtedness) at beginning of period	150,000
Cash (bank indebtedness) at end of period	<u>10,677,039</u>
Dividends received, net of withholding taxes	435,757
Interest received, net of withholding taxes	1,677,343
Interest paid	-

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

Sun Life Ryan Labs U.S. Core Fixed Income Fund (continued)

Schedule of Investments

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS						
Federal Bonds						
United States Treasury Note	1.375%	31-Jul-2019	18,833,000	23,717,691	23,421,615	
United States Treasury Note	1.375%	15-Sep-2020	11,395,000	14,147,631	14,075,421	
United States Treasury Note	1.625%	15-Oct-2020	1,355,000	1,731,804	1,682,884	
United States Treasury Note	1.750%	15-Nov-2020	12,150,000	15,439,209	15,137,644	
United States Treasury Note	1.625%	31-Aug-2022	31,000,000	38,895,349	37,885,393	
United States Treasury Note	1.875%	30-Sep-2022	10,913,000	13,612,277	13,477,101	
United States Treasury Note	2.000%	30-Nov-2022	10,259,000	13,019,235	12,738,464	
United States Treasury Note	2.125%	30-Sep-2024	980,000	1,245,550	1,212,629	
United States Treasury Note	2.250%	15-Aug-2027	222,000	281,247	274,286	
United States Treasury Note	2.250%	15-Nov-2027	8,970,000	11,354,651	11,082,185	
United States Treasury Note	3.000%	15-May-2047	14,190,000	18,365,100	18,696,426	
United States Treasury Note	2.750%	15-Aug-2047	2,175,000	2,752,606	2,729,146	
				154,562,350	152,413,194	35.27
Canadian Corporate Bonds						
Cenovus Energy Inc.	6.750%	15-Nov-2039	1,350,000	1,846,075	2,031,757	
				1,846,075	2,031,757	0.47
Foreign Corporate Bonds						
Air Lease Corp.	2.125%	15-Jan-2020	600,000	754,968	746,617	
Alexandria Real Estate Equities Inc.	3.450%	30-Apr-2025	1,393,000	1,773,601	1,742,350	
Alibaba Group Holding Ltd.	2.500%	28-Nov-2019	1,300,000	1,661,262	1,634,007	
Alibaba Group Holding Ltd.	3.600%	28-Nov-2024	1,500,000	1,962,841	1,951,361	
Alibaba Group Holding Ltd.	4.000%	06-Dec-2037	200,000	256,638	259,851	
America Movil SAB de CV	6.125%	30-Mar-2040	2,000,000	3,152,099	3,201,311	
American Financial Group Inc.	4.500%	15-Jun-2047	1,264,000	1,629,607	1,653,580	
Arrow Electronics Inc.	3.250%	08-Sep-2024	845,000	1,027,059	1,038,982	
Arrow Electronics Inc.	3.875%	12-Jan-2028	1,350,000	1,697,208	1,689,885	
AT&T Inc.	4.250%	01-Mar-2027	625,000	811,477	799,774	
AT&T Inc.	5.250%	01-Mar-2037	660,000	872,194	877,234	
Banco Santander SA	3.800%	23-Feb-2028	400,000	500,643	502,298	
Bank of America Corp.	3.004%	20-Dec-2023	1,321,000	1,662,259	1,660,535	
Bank of America Corp.	3.705%	24-Apr-2028	1,345,000	1,709,708	1,731,722	
Boardwalk Pipelines LP	4.450%	15-Jul-2027	1,200,000	1,521,840	1,532,567	
Celgene Corp.	4.350%	15-Nov-2047	1,395,000	1,806,815	1,823,199	
Citigroup Inc.	4.450%	29-Sep-2027	1,560,000	2,068,338	2,071,791	
Citrix Systems Inc.	4.500%	01-Dec-2027	255,000	323,704	324,894	
Coach Inc.	4.125%	15-Jul-2027	1,500,000	1,889,162	1,897,346	
Corning Inc.	4.375%	15-Nov-2057	405,000	516,847	506,113	
Credit Suisse AG	3.625%	09-Sep-2024	1,615,000	2,118,304	2,095,663	
Crown Castel International Corp.	4.750%	15-May-2047	1,260,000	1,638,435	1,668,586	
Crown Castle International Corp.	3.200%	01-Sep-2024	1,109,000	1,403,066	1,377,156	
Diamond 1 Finance Corp. / Diamond 2 Finance Corp.	8.350%	15-Jul-2046	1,130,000	1,857,929	1,830,112	
Domtar Corp.	6.750%	15-Feb-2044	985,000	1,385,345	1,431,750	
Enable Midstream Partners LP	4.400%	15-Mar-2027	1,499,000	1,902,018	1,913,360	
General Motors Financial Company Inc.	4.350%	17-Jan-2027	1,350,000	1,739,397	1,762,432	
Glencore Funding LLC	4.000%	27-Mar-2027	1,320,000	1,668,462	1,663,653	
Hudson Pacific Properties LP	3.950%	01-Nov-2027	715,000	883,712	893,042	
Hyundai Capital America	2.600%	19-Mar-2020	725,000	925,000	901,463	
Intesa Sanpaolo SpA	3.875%	14-Jul-2027	1,400,000	1,749,978	1,756,771	
JPMorgan Chase & Co.	3.625%	01-Dec-2027	1,330,000	1,636,548	1,687,796	
Kinder Morgan Inc.	3.150%	15-Jan-2023	244,000	308,150	303,774	
Lam Research Corp.	2.800%	15-Jun-2021	1,000,000	1,272,915	1,261,815	
Markel Corp.	4.300%	01-Nov-2047	1,565,000	2,019,789	2,022,488	
Morgan Stanley	3.950%	23-Apr-2027	1,380,000	1,745,136	1,759,235	
ONEOK Inc.	4.950%	13-Jul-2047	1,341,000	1,702,983	1,754,900	
Oracle Corp.	4.000%	15-Nov-2047	180,000	229,284	240,800	
Sabine Pass Liquefaction LLC	5.000%	15-Mar-2027	1,200,000	1,586,754	1,614,554	
SeagateTechnology PLC	4.875%	01-Jun-2027	1,200,000	1,405,465	1,440,302	
Southern California Edison Co.	4.000%	01-Apr-2047	1,200,000	1,624,663	1,619,140	
Sumitomo Mitsui Financial Group Inc.	2.784%	12-Jul-2022	3,105,000	3,856,641	3,870,629	
Sunoco Logistics Partners Operations LP	4.650%	15-Feb-2022	1,000,000	1,354,561	1,316,688	
Tanger Properties LP	3.875%	15-Jul-2027	435,000	554,385	545,401	
TC Pipelines LP	3.900%	25-May-2027	1,350,000	1,659,807	1,703,180	

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

Sun Life Ryan Labs U.S. Core Fixed Income Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Tech Data Corp.	4.950%	15-Feb-2027	1,300,000	1,702,818	1,721,256	
Tesoro Corp.	4.750%	15-Dec-2023	830,000	1,147,896	1,119,432	
The Goldman Sachs Group Inc.	3.850%	26-Jan-2027	1,260,000	1,605,764	1,622,480	
The Goldman Sachs Group Inc.	4.017%	31-Oct-2038	445,000	563,905	574,571	
The Kroger Co.	4.450%	01-Feb-2047	1,600,000	1,958,844	2,009,843	
UnitedHealth Group Inc.	3.750%	15-Oct-2047	1,310,000	1,623,853	1,679,117	
Verizon Communications Inc.	4.125%	16-Mar-2027	3,075,000	3,993,486	4,025,063	
				78,423,563	78,831,869	18.24
Mortgage Backed						
American Credit Acceptance Receivables Trust 2017-3	3.430%	10-Oct-2023	1,530,000	1,924,043	1,911,120	
AmeriCredit Automobile Receivables Trust 2017-3	3.180%	18-Jul-2023	3,560,000	4,492,524	4,473,172	
BAMLL Re-REMIC Trust 2016-FRR13	1.696%	27-Aug-2045	2,132,000	2,423,910	2,356,695	
CPS Auto Trust	4.610%	15-Dec-2022	1,000,000	1,299,108	1,275,328	
CSAIL 2015-C3 Commercial Mortgage Trust	3.358%	15-Aug-2048	2,970,923	2,868,803	2,929,102	
CSMC 2014-USA OA LLC	4.373%	15-Sep-2037	1,800,000	2,115,770	2,168,730	
DBJPM 17-C6 Mortgage Trust	3.239%	10-Jun-2050	2,340,000	2,419,435	2,437,940	
Drive Auto Receivables Trust	2.800%	15-Jul-2022	2,230,000	2,803,924	2,796,734	
Drive Auto Receivables Trust 2017-A	4.160%	15-May-2024	1,300,000	1,635,106	1,670,876	
Drive Auto Receivables Trust 2017-B	3.720%	17-Oct-2022	1,200,000	1,491,393	1,524,500	
DT Auto Owner Trust 2016-3	4.520%	15-Jun-2023	1,350,000	1,771,245	1,721,101	
DT Auto Owner Trust 2017-3	3.580%	15-May-2023	950,000	1,209,995	1,191,047	
Exeter Automobile Receivables Trust 2017-3	3.680%	17-Jul-2023	2,560,000	3,116,000	3,207,666	
Fannie Mae Pool	3.000%	01-May-2032	2,180,000	2,495,860	2,518,700	
Fannie Mae Pool	3.500%	01-May-2045	5,490,000	5,641,783	5,586,802	
Fannie Mae Pool	3.000%	01-Aug-2046	4,800,000	5,724,417	5,621,563	
Fannie Mae Pool	3.000%	01-Oct-2046	6,355,000	7,443,617	7,452,137	
Fannie Mae Pool	3.500%	01-May-2047	6,450,000	7,692,720	7,774,207	
Fannie Mae Pool	4.500%	01-Jun-2047	2,300,000	2,701,168	2,737,555	
Fannie Mae Pool	4.000%	01-Jun-2047	2,830,000	3,451,397	3,460,035	
Foundation Finance Trust 2017-1	3.300%	15-Jul-2033	2,100,000	2,680,474	2,629,223	
Freddie Mac Gold Pool	2.500%	01-Dec-2031	1,670,000	1,894,133	1,865,658	
Freddie Mac Gold Pool	4.000%	01-Feb-2044	2,750,000	2,753,921	2,722,390	
Freddie Mac Gold Pool	4.500%	01-Jul-2047	2,985,000	3,797,297	3,745,217	
FREME 2016-K56 Mortgage Trust	3.938%	25-Jun-2049	2,570,000	3,095,967	3,119,038	
FREMF 2013-K33 Mortgage Trust	3.501%	25-Aug-2046	2,000,000	2,559,482	2,448,567	
FREMF 2014-K41 Mortgage Trust	3.832%	25-Nov-2047	2,005,000	2,536,613	2,447,466	
FREMF 2015-K43 Mortgage Trust	3.735%	25-Feb-2048	2,300,000	2,836,204	2,794,699	
FREMF 2015-K44 Mortgage Trust	3.684%	25-Jan-2048	2,470,000	2,978,375	2,969,079	
FREMF 2015-K50 Mortgage Trust	3.779%	25-Oct-2048	2,310,000	2,826,910	2,799,036	
FREMF 2016-K57 Mortgage Trust	3.919%	25-Aug-2049	1,976,000	2,333,022	2,388,756	
FREMF 2016-K60 Mortgage Trust	3.537%	25-Dec-2049	1,240,000	1,424,604	1,438,704	
Ginnie Mae I Pool	3.500%	15-Aug-2043	3,819,933	2,075,643	2,036,397	
Ginnie Mae II Pool	3.500%	20-Sep-2046	1,000,000	1,107,609	1,084,816	
Ginnie Mae II Pool	3.500%	20-Apr-2047	2,000,000	2,401,902	2,416,542	
Government National Mortgage Association	2.600%	16-Jul-2057	1,800,000	2,056,883	2,085,250	
JP Morgan Mortgage Trust 2017-3	3.500%	25-Aug-2047	1,460,000	1,744,315	1,709,889	
JPMCC Commercial Mortgage Securities Trust 2017-JP7	3.659%	15-Sep-2050	1,000,000	1,230,476	1,209,724	
Morgan Stanley Bank of America Merrill Lynch Trust 2017-C33	3.356%	15-May-2050	2,320,000	2,385,522	2,397,118	
Santander Drive Auto Receivables Trust 2016-3	2.800%	15-Aug-2022	2,500,000	3,166,797	3,120,771	
Santander Drive Auto Receivables Trust 2017-2	3.490%	17-Jul-2023	3,000,000	3,835,874	3,799,447	
Santander Drive Auto Receivables Trust 2017-3	3.200%	15-Nov-2023	1,800,000	2,194,442	2,259,687	
Sequoia Mortgage Trust 2015-2	3.500%	25-May-2045	1,390,000	973,161	963,704	
Shackleton 2017-X CLO Ltd.	2.693%	20-Apr-2029	3,350,000	4,118,260	4,247,208	
Shops at Crystals Trust 2016-CSTL	3.731%	05-Jul-2036	1,200,000	1,424,006	1,408,946	
SoFi Consumer Loan Program 2016-2 LLC	4.770%	27-Oct-2025	2,500,000	3,289,368	3,284,312	
SoFi Consumer Loan Program 2016-5 LLC	4.550%	25-Sep-2028	2,700,000	3,522,237	3,485,098	
Sofi Consumer Loan Program 2017-3 LLC	3.850%	25-May-2026	3,000,000	3,783,501	3,790,313	
Sofi Consumer Loan Program 2017-5 LLC	3.690%	25-Sep-2026	1,475,000	1,812,057	1,845,108	
Traleee CLO II Ltd.	2.598%	20-Jul-2029	1,950,000	2,392,754	2,467,674	
UBS Commercial Mortgage Trust 2017-C7	4.588%	15-Dec-2050	1,430,000	1,822,546	1,776,669	
UBS Commercial Mortgage Trust 2017-C3	4.319%	15-Aug-2050	2,000,000	2,593,207	2,542,813	
UBS Commercial Mortgage Trust 2017-C4	4.455%	15-Oct-2050	1,750,000	2,196,560	2,204,986	

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

Sun Life Ryan Labs U.S. Core Fixed Income Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Coupon Rate	Maturity Date	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
UBS-Citigroup Commercial Mortgage Trust 2011-C1	6.049%	10-Jan-2045	2,600,000	3,233,528	3,203,025	
Wells Fargo Commercial Mortgage Trust 2017-C39	4.357%	15-Sep-2050	2,535,000	3,067,960	3,015,784	
				152,867,828	152,538,124	35.30
Total Bonds				387,699,816	385,814,944	89.28
			Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE TRADED FUNDS						
iShares iBoxx \$ Investment Grade Corporate Bond ETF			175,056	26,637,843	26,662,416	
Total Exchange Traded Funds				26,637,843	26,662,416	6.17
Transaction Costs				(704)		
Total Investments				414,336,955	412,477,360	95.45
Currency Forward Contracts ⁽¹⁾					7,098,223	1.64
Other Assets less Liabilities					12,551,326	2.91
Total Net Assets					432,126,909	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
CIBC	A-1	31-Jan-2018	CAD	215,224,244	USD	(168,975,617)	3,607,629
The Toronto-Dominion Bank	A-1+	31-Jan-2018	CAD	215,224,243	USD	(169,069,197)	3,490,594
							7,098,223

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Ryan Labs U.S. Core Fixed Income Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

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

The Fund also invests in financial assets which 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 are noted below:

Rating	As a % of Net Assets December 31, 2017
AAA/Aaa	38.25
AA/Aa	0.89
A/A	7.88
BBB/Baa	24.06
BB/Ba	0.33
N/R	19.52
Total	90.93

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 Ryan Labs U.S. Core Fixed Income Fund (continued)

(b) Market risk

(i) Currency risk

The Fund holds assets and liabilities, either directly or indirectly through underlying externally 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. Amounts shown are based on the fair value of monetary and non-monetary assets.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
December 31, 2017		
United States Dollar	976,503	0.23
Total	976,503	0.23

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 Units of the Fund would have increased or decreased respectively by \$48,825. 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 underlying externally managed funds.

The following table summarizes the Fund's direct 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	-	136,867,075	248,947,869	385,814,944

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 Units of the Fund would have decreased or increased respectively by \$56,245,248. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2017, the majority of the 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 Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)
	December 31, 2017
Bonds	
Federal Bonds	35.3
Corporate Bonds	18.7
Mortgage Backed	35.3
Exchange Traded Funds	
U.S. Corporate Bond	6.2
Other Assets less Liabilities	
	4.5
Total	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.

	December 31, 2017			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Exchange Traded Funds	26,662,416	-	-	26,662,416
Bonds	-	233,276,820	-	233,276,820
Mortgage Backed	-	145,823,243	6,714,881	152,538,124
Currency Forward Contracts	-	7,098,223	-	7,098,223

There were no transfers between fair value levels during the periods from July 28 to December 31, 2017.

The following is a reconciliation of Level 3 fair value assets as at December 31, 2017 and July 28, 2017.

	December 31, 2017 (\$)
Opening Balance	-
Net purchases and sales	6,511,014
Transfers in	-
Transfers out	-
Gains (Losses) Realized	-
Change in unrealized	203,867
Closing Balance	6,714,881

The fair value pricing of Level 3 assets is performed by using the last observable market price available. There are no changes in the fair value pricing assumptions of Level 3 assets that would impact the Fund. Other valuation estimates considered were to price the assets at cost or derive the prices indirectly from other observable market prices.

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

Sun Life Ryan Labs U.S. Core Fixed Income Fund (continued)

Bonds and Mortgage Backed Securities

Bonds include primarily government and corporate bonds and mortgage backed securities, which are valued at the mean of bid and ask prices provided by recognized third-party vendors. Bonds are classified as Level 2, when the inputs that are significant to valuation are generally observable. When one or more of the inputs that are significant to valuation become unobservable, Bonds are then classified as Level 3.

Exchange-Traded Funds

Exchange-traded 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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$1,428.

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$5,018,798. The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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, the Company held the following position in the Fund:

	December 31, 2017	
	Units	Market Value (\$)
Series I	15,139	152,098

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	150,000	-	1,398

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and its Schedule of Investments, which represents the Fund's maximum exposure to financial loss.

As at December 31, 2017, there were no significant interests in underlying funds.

Financial Instruments by Category

	December 31, 2017
	(\$)
Financial assets	
Financial assets at fair value through profit or loss	
Derivative assets held for trading	7,098,223
Investments designated at FVTPL	412,477,360
Total financial assets at fair value through profit or loss	419,575,583
Financial assets at amortized cost	
Cash	10,677,039
Other receivables	1,880,268
Total financial assets at amortized cost	12,557,307
Total assets	432,132,890
Financial liabilities	
Derivative liabilities held for trading	-
Financial liabilities at amortized cost	5,981
Total liabilities (excluding net assets attributable to holders of redeemable units)	5,981

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

Sun Life Ryan Labs U.S. Core Fixed Income Fund (continued)

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

	December 31, 2017
	(\$)
Net gain (loss) on financial assets/financial liabilities held for trading	1,001,078
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	1,777,785
Total net gains (losses)	2,778,863

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
December 31, 2017				
Derivative assets -				
Currency Forward Contracts	7,098,223	-	-	7,098,223
Total	7,098,223	-	-	7,098,223
Derivative liabilities -				
Currency Forward Contracts	-	-	-	-
Total	-	-	-	-

Establishment of the Fund

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

	Date of creation	Date available for sale
Series I Units	July 28, 2017	August 01, 2017

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

Sun Life Schroder Emerging Markets Fund

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)	386,458,879	188,954,666
Short-term investments	-	-
Cash	3,834,262	1,443,844
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	226,450	263,055
Accrued interest	159	-
Dividends receivable	451,210	281,972
Distributions receivable from underlying funds	-	-
Subscriptions receivable	493,840	1,004,171
	391,464,800	191,947,708
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	5,447	9,400
Redemptions payable	3,117,278	30,991
Distributions payable	-	-
Due to investment dealers	71,302	884,632
Management fees payable	2,228	5,709
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,196,255	930,732
Net Assets Attributable to Holders of Redeemable Units	388,268,545	191,016,976
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	3,307,235	2,185,377
Series E	-	-
Series EF	-	-
Series F	165,527	30,578
Series I	384,197,744	188,505,123
Series O	598,039	295,898
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	11.13	8.61
Series E	-	-
Series EF	-	-
Series F	11.73	9.04
Series I	12.03	9.18
Series O	14.35	10.94

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		
Dividend income	7,151,709	4,652,110
Interest income for distribution purposes	996	1,095
Distributions from underlying funds	-	-
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	9,142,625	115,649
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	63,808,029	10,070,723
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	80,103,359	14,839,577
Net gain (loss) on foreign exchange	(267,859)	(423,257)
Other income	-	-
Total income (loss)	79,835,500	14,416,320
Expenses (note 5)		
Management fees	72,744	56,590
Administration fees	203,322	92,321
Independent review committee fees	67	980
Withholding tax	871,152	500,956
Transaction costs (note 2)	445,939	477,996
Total operating expenses	1,593,224	1,128,843
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	78,242,276	13,287,477
Finance Cost		
Interest expense	(3)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	78,242,273	13,287,477
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	644,678	118,923
Series E	-	(24,793)
Series EF	-	(716)
Series F	16,621	3,239
Series I	77,459,690	13,168,880
Series O	121,284	21,944
Weighted Average Number of Units Outstanding		
Series A	261,023	246,397
Series E	-	33,952
Series EF	-	1,018
Series F	6,870	3,599
Series I	26,150,291	17,917,844
Series O	33,963	23,213
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	2.47	0.48
Series E	-	(0.73)
Series EF	-	(0.70)
Series F	2.42	0.90
Series I	2.96	0.73
Series O	3.57	0.95

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

Sun Life Schroder Emerging Markets Fund (continued)

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

For the periods ended December 31

	Series A		Series E		Series EF		Series F	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 2,185,377	1,725,154	-	331,863	-	9,726	30,578	17,947
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 644,678	118,923	-	(24,793)	-	(716)	16,621	3,239
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 1,125,340	714,255	-	17,527	-	-	129,669	19,266
Redemption of redeemable units	\$ (648,183)	(372,982)	-	(324,585)	-	(9,010)	(11,347)	(9,879)
Reinvestment of distributions to holders of redeemable units	\$ 444	250	-	9	-	1	1,080	143
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 477,601	341,523	-	(307,049)	-	(9,009)	119,402	9,530
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ (421)	(223)	-	(21)	-	(1)	(1,074)	(138)
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (421)	(223)	-	(21)	-	(1)	(1,074)	(138)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 1,121,858	460,223	-	(331,863)	-	(9,726)	134,949	12,631
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 3,307,235	2,185,377	-	-	-	-	165,527	30,578
Redeemable Unit Transactions								
Balance - beginning of period	253,822	209,545	-	32,966	-	1,018	3,382	2,093
Units issued	108,430	90,259	-	1,874	-	-	11,676	2,395
Units issued on reinvestment of distributions	43	30	-	1	-	-	93	16
Units redeemed	(65,075)	(46,012)	-	(34,841)	-	(1,018)	(1,043)	(1,122)
Balance - end of period	297,220	253,822	-	-	-	-	14,108	3,382

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 188,505,123	127,260,104	295,898	192,328	191,016,976	129,537,122
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 77,459,690	13,168,880	121,284	21,944	78,242,273	13,287,477
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 164,633,858	105,950,297	282,257	102,837	166,171,124	106,804,182
Redemption of redeemable units	\$ (46,400,927)	(57,874,158)	(101,399)	(21,211)	(47,161,856)	(58,611,825)
Reinvestment of distributions to holders of redeemable units	\$ 5,302,016	3,828,092	7,744	5,849	5,311,284	3,834,344
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 123,534,947	51,904,231	188,602	87,475	124,320,552	52,026,701
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (5,301,702)	(3,828,092)	(7,745)	(5,849)	(5,310,942)	(3,834,324)
Return of capital	\$ (314)	-	-	-	(314)	-
	\$ (5,302,016)	(3,828,092)	(7,745)	(5,849)	(5,311,256)	(3,834,324)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 195,692,621	61,245,019	302,141	103,570	197,251,569	61,479,854
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 384,197,744	188,505,123	598,039	295,898	388,268,545	191,016,976
Redeemable Unit Transactions						
Balance - beginning of period	20,544,164	14,614,776	27,039	18,516	20,828,407	14,878,914
Units issued	15,032,620	12,015,961	21,556	10,061	15,174,282	12,120,550
Units issued on reinvestment of distributions	443,164	423,087	543	542	443,843	423,676
Units redeemed	(4,086,836)	(6,509,660)	(7,448)	(2,080)	(4,160,402)	(6,594,733)
Balance - end of period	31,933,112	20,544,164	41,690	27,039	32,286,130	20,828,407

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

Sun Life Schroder Emerging Markets Fund (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 units from operations (excluding distributions)	78,242,273	13,287,477
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(9,142,625)	(115,649)
Change in unrealized (appreciation) depreciation in value of investments	(63,808,029)	(10,070,723)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(212,088,630)	(170,936,144)
Proceeds from sale of investments	86,312,407	117,240,364
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	(169,397)	(201,752)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(3,481)	4,623
Change in other payables and accrued expenses	441,986	485,971
Net Cash Provided by (Used in) Operating Activities	(120,215,496)	(50,305,833)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	28	20
Proceeds from redeemable units issued	166,681,455	106,351,676
Redemption of redeemable units	(44,075,569)	(59,488,184)
Net Cash Provided by (Used in) Financing Activities	122,605,914	46,863,512
Net increase (decrease) in cash	2,390,418	(3,442,321)
Cash (bank indebtedness) at beginning of period	1,443,844	4,886,165
Cash (bank indebtedness) at end of period	3,834,262	1,443,844
Dividends received, net of withholding taxes	6,111,319	3,949,402
Interest received, net of withholding taxes	837	1,095
Interest paid	(3)	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
China Petroleum & Chemical Corporation, H Shares	7,186,000	6,800,094	6,599,592	
CNOOC Ltd.	2,590,000	4,239,406	4,657,661	
Lukoil PJSC	117,074	7,569,531	8,456,518	
MOL Hungarian Oil & Gas PLC	125,908	1,457,730	1,835,065	
Petroleo Brasileiro SA, ADR	96,509	1,194,314	1,244,271	
Petroleo Brasileiro SA, ADR, Preferred	112,747	1,255,533	1,388,642	
SK Innovation Co., Ltd.	21,730	4,318,640	5,200,893	
Thai Oil PCL	311,500	954,742	1,239,498	
	27,789,990	30,622,140	7.89	
Materials				
Cemex SAB de CV	197,879	2,354,012	1,859,485	
Conch Cement Co., Ltd.	463,000	1,928,552	2,727,179	
Formosa Plastics Corp.	490,000	1,701,576	2,036,264	
Klabin SA	210,300	1,421,842	1,398,060	
Korea Zinc Co., Ltd.	4,465	2,389,864	2,576,281	
LG Chem Ltd.	8,679	2,931,441	4,113,860	
Polymetal International PLC	50,582	720,882	789,165	
Polyus PJSC	19,999	903,497	960,710	
Sibanye Gold Ltd.	403,799	744,081	646,521	
Ternium SA	35,258	1,278,262	1,395,530	
Ultratech Cement Ltd.	16,664	1,132,720	1,413,342	
Vale SA	225,755	2,439,225	3,459,359	
	19,945,954	23,375,756	6.02	
Industrials				
CCR SA	467,849	3,156,831	2,853,988	
DP World Ltd.	67,141	1,865,094	2,103,099	
KOC Holding AS	387,605	2,300,640	2,367,014	
Weg SA	157,370	1,102,121	1,433,155	
Zhuzhou CSR Times Electric Co., Ltd.	296,300	2,096,087	2,414,893	
	10,520,773	11,172,149	2.88	
Consumer Discretionary				
CJ CGV Co., Ltd.	12,063	1,198,935	1,047,572	
Foschini Group Ltd.	64,233	995,040	1,282,810	
Hyundai Motor Co.	31,662	5,651,204	5,780,798	
Hyundai Motor Co., Preferred	13,995	1,664,985	1,670,698	
Kroton Educacional SA	153,300	959,620	1,065,452	
Lojas Renner SA	264,350	3,054,252	3,543,718	
Maruti Suzuki India Ltd.	19,333	2,103,090	3,692,462	
Naspers Ltd.	21,612	5,188,707	7,548,330	
New Oriental Education & Technology Group Inc.	54,456	3,598,769	6,413,652	
SACI Falabella	136,009	1,452,831	1,699,822	
Shenzhen International Group Holdings Ltd.	268,000	2,322,546	3,195,825	
	28,189,979	36,941,139	9.51	
Consumer Staples				
Amorepacific Corp.	7,136	2,535,629	2,543,121	
AVI Ltd.	107,372	986,817	1,201,434	
China Mengniu Dairy Co., Ltd.	1,128,000	2,933,904	4,203,464	
China Resources Beer Holdings Co., Ltd.	546,000	1,598,845	2,454,713	
Hindustan Unilever Ltd.	141,863	2,553,678	3,809,181	
ITC Ltd.	378,539	2,186,054	1,956,154	
Korea Kolmar Co., Ltd.	16,102	1,312,910	1,545,320	
Raia Drogasil SA	59,100	1,662,659	2,049,293	

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

Sun Life Schroder Emerging Markets Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Thai Beverage PCL	1,188,900	1,046,287	1,025,481	
X5 Retail Group NV	68,381	2,484,558	3,236,043	
	19,301,341	24,024,204		6.19
Health Care				
Medy-Tox Inc.	1,902	1,009,088	1,079,413	
	1,009,088	1,079,413		0.28
Financials				
AIA Group Ltd.	725,600	6,037,789	7,751,267	
Akbank TAS	361,196	1,229,130	1,175,679	
Alpha Bank A.E.	640,683	1,718,282	1,722,536	
Banco Bradesco SA	383,753	4,735,893	4,923,609	
Banco Santander Chile	21,319	751,904	835,269	
Bangkok Bank PCL	126,500	897,140	982,402	
Bank Pekao SA	104,219	4,573,141	4,866,517	
Barclays Africa Group Ltd.	170,508	2,460,333	3,140,532	
BBVA Banco Frances S.A.	64,243	1,443,245	2,028,421	
Cathay Financial Holding Co., Ltd.	2,429,809	4,538,786	5,473,269	
China Construction Bank Corporation	11,635,000	11,676,119	13,426,851	
China Pacific Insurance Group Co., Ltd.	1,105,000	5,567,507	6,650,396	
Commercial International Bank Egypt SAE	373,666	2,085,992	2,034,254	
Credicorp Ltd.	9,839	2,610,618	2,557,139	
DGB Financial Group	98,702	1,216,178	1,218,718	
Hana Financial Group Inc.	89,870	3,404,210	5,238,041	
HDFC Bank Ltd.	33,172	972,427	1,226,368	
HDFC Bank Ltd., ADR	37,292	3,172,649	4,750,511	
Itau Unibanco Holding SA, ADR	226,778	3,182,215	3,693,823	
Kasikornbank PCL	662,500	4,738,061	5,909,100	
National Bank of Greece SA	1,043,155	465,824	500,657	
OTP Bank PLC	105,639	3,773,241	5,492,534	
PICC Property & Casualty Co., Ltd.	1,468,000	3,617,243	3,534,038	
Powszechna Kasa Oszczednosci Bank Polski SA	132,932	1,977,774	2,123,894	
Powszechny Zaklad Ubezpieczen SA	202,840	2,437,268	3,083,584	
Sberbank of Russia	122,583	1,920,618	2,600,273	
Sberbank of Russia, ADR	491,868	6,129,633	10,495,304	
Shinhan Financial Group Co.,Ltd.	52,614	3,059,979	3,041,957	
	90,393,199	110,476,943		28.45
Real Estate				
Emaar Properties PJSC	813,323	2,093,077	1,925,557	
	2,093,077	1,925,557		0.50
Information Technology				
Advanced Semiconductor Engineering Inc.	973,985	1,477,944	1,564,471	
Alibaba Group Holding Ltd.	91,892	13,255,278	19,852,826	
Ennoconn Corp.	81,000	1,527,780	1,534,682	
Hon Hai Precision Industry Co., Ltd.	1,730,091	6,046,867	6,934,685	
Infosys Ltd.	82,843	1,677,321	1,694,605	
Mail.ru Group Ltd.	49,483	1,465,291	1,791,784	
NCSoft Corp.	9,167	3,587,427	4,801,148	
Netmarble Games Corp.	9,844	1,677,373	2,171,740	
NHN Corp.	3,869	3,385,941	3,939,516	
Samsung Electronics Co., Ltd.	9,188	18,597,320	27,399,665	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Taiwan Semiconductor Manufacturing Co., Ltd.	2,075,000	14,504,085	20,050,335	
Tencent Holdings Ltd.	425,100	13,597,804	27,662,562	
	80,800,431	119,398,019		30.74
Telecommunication Services				
China Mobile Ltd.	179,500	2,680,662	2,280,022	
China Unicom Hong Kong Ltd.	1,550,000	2,805,313	2,623,438	
Far EasTone Telecommunications Co., Ltd.	808,000	2,480,013	2,500,458	
Hellenic Telecommunications Organization SA	126,832	1,713,115	2,194,457	
MegaFon PJSC	101,443	1,481,103	1,175,698	
PLAY Communications S.A.	118,818	1,477,511	1,448,535	
Taiwan Mobile Co., Ltd.	231,000	904,970	1,045,542	
Telefonica Brasil SA	119,745	2,033,525	2,225,002	
Turkcell Iletisim Hizmetleri A.S.	376,716	1,645,818	1,927,057	
	17,222,030	17,420,209		4.49
Utilities				
Enersis SA	163,335	1,945,862	2,285,937	
Equatorial Energia SA	61,100	1,463,842	1,515,130	
Light SA	76,000	656,100	479,119	
	4,065,804	4,280,186		1.10
Total Equities	301,331,666	380,715,715		98.05
EXCHANGE TRADED FUNDS				
Schroder International Selection Fund Frontier Markets Equity Fund, Series I	23,368	4,757,417	5,743,164	
Total Exchange Traded Funds	4,757,417	5,743,164		1.48
Transaction Costs		(398,533)		
Total Investments	306,089,083	386,458,879		99.53
Other Assets less Liabilities		1,809,666		0.47
Total Net Assets		388,268,545		100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Schroder Emerging Markets Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks 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 underlying externally managed funds.

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

Sun Life Schroder Emerging Markets Fund (continued)

The Fund also invests in financial assets which 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
Not Rated	-	1.58
Total	-	1.58

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 holds assets and liabilities, either directly or indirectly through underlying externally 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)	
	Percentage of Net Assets (%)		Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016	December 31, 2017	December 31, 2016
United States				
Dollar	98,145,287	25.28	51,776,879	27.10
Hong Kong Dollar	90,181,939	23.23	41,389,763	21.67
Korean Won	73,371,173	18.90	34,103,894	17.85
Taiwan Dollar	41,139,705	10.60	23,135,201	12.11
Brazilian Real	14,374,473	3.70	6,306,733	3.30
South African Rand	13,820,348	3.56	6,313,752	3.31
Indian Rupee	13,792,111	3.55	6,695,468	3.51
Polish Zloty	11,514,223	2.97	2,248,708	1.18
Thai Baht	8,131,000	2.09	4,414,036	2.31
Hungarian Forint	7,554,170	1.95	3,289,289	1.72
Turkish Lira	5,469,814	1.41	3,391,913	1.78
Euro	4,355,017	1.12	870,429	0.46
UAE Dirham	2,100,156	0.54	2,127,327	1.11
Chilean Peso	1,699,822	0.44	575,263	0.30
Singapore Dollar	1,025,609	0.26	-	-
British Pound	789,272	0.20	518,755	0.27
Czech Koruna	94	-	83	-
Mexican Peso	88	-	896,038	0.47
Indonesian Rupiah	-	-	826,804	0.43
Total	387,464,301	99.80	188,880,335	98.88

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 Units of the Fund would have increased or decreased respectively by \$19,373,215 (\$9,444,017 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 underlying externally managed funds.

(iii) Other market risk

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

The Fund is also exposed to other market risk as a result of its 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 Units of the Fund would have increased or decreased respectively by \$19,035,786 (\$9,447,733 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 Schroder Emerging Markets Fund (continued)

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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	7.9	7.3
Materials	6.0	5.4
Industrials	2.9	3.4
Consumer Discretionary	9.5	9.2
Consumer Staples	6.2	5.6
Health Care	0.3	0.4
Financials	28.4	28.3
Real Estate	0.5	-
Information Technology	30.7	28.5
Telecommunication Services	4.5	7.2
Utilities	1.1	0.6
Exchange-Traded Funds	1.5	3.0
Other Assets less Liabilities	0.5	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			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Exchange Traded Funds	5,743,164	-	-	5,743,164
Equities	361,763,893	18,951,822	-	380,715,715

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Exchange Traded Funds	5,688,763	-	-	5,688,763
Equities	173,123,970	10,141,933	-	183,265,903

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Exchange-Traded Funds

Exchange-traded 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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$445,939 (\$477,996 for the period ended December 31, 2016).

Taxation of the Fund

As at December 31, 2017, the Fund had accumulated capital losses of \$5,363,636 (\$6,540,846 as at December 31, 2016). The capital losses for tax purposes are available for carry forward indefinitely, and may be applied against capital gains realized in the future.

The Fund had no accumulated non-capital losses.

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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	
	Units	Market Value (\$)
Series F	2,173	25,498

	December 31, 2016	
	Units	Market Value (\$)
Series F	2,153	19,466

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

Sun Life Schroder Emerging Markets Fund (continued)

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	-	-
Series F	58	-	167

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series EF	-	9,010	1
Series F	9,010	-	106

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at December 31, 2017 and December 31, 2016, SLA held the following position in the Fund:

	December 31, 2017	
	Units	Market Value (\$)
Series I	-	-

	December 31, 2016	
	Units	Market Value (\$)
Series I	1,078,510	9,895,973

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	13,341,380	-

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	-	202,364

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds ("underlying funds") to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund's net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund's interests in underlying funds are reported at fair value in "investments" in its Statements of Financial Position and 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 underlying funds.

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	386,458,879	188,954,666
Total financial assets at fair value through profit or loss	386,458,879	188,954,666
Financial assets at amortized cost		
Cash	3,834,262	1,443,844
Other receivables	1,171,659	1,549,198
Total financial assets at amortized cost	5,005,921	2,993,042
Total assets	391,464,800	191,947,708
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	3,196,255	930,732
Total liabilities (excluding net assets attributable to holders of redeemable units)	3,196,255	930,732

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	80,103,359	14,839,577
Total net gains (losses)	80,103,359	14,839,577

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

Sun Life Schroder Emerging Markets Fund (continued)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	August 24, 2011	September 01, 2011
Series F Units	August 24, 2011	September 01, 2011
Series I Units	August 24, 2011	September 01, 2011
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E and EF units were re-designated to Series A units, under the Front End Sales Charge option, and Series F units, 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 Schroder Global Mid Cap Fund

(formerly Sun Life Sentry Global Mid Cap Fund)

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)	177,813,539	55,228,471
Short-term investments	-	-
Cash	10,025,975	6,146,973
Margin	-	-
Option contracts, at fair value - long	-	14,993
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	46,168
Unrealized appreciation on swaps	-	-
Due from investment dealers	29,648	-
Accrued interest	-	-
Dividends receivable	181,059	112,882
Distributions receivable from underlying funds	-	-
Subscriptions receivable	5,487,741	54,468
	193,537,962	61,603,955
Liabilities		
Current liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	1,133
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	2,017
Unrealized depreciation on swaps	-	-
Accrued expenses	2,566	2,785
Redemptions payable	12,695	2,909,168
Distributions payable	-	-
Due to investment dealers	4,558,090	1,144,384
Management fees payable	809	1,926
Total liabilities (excluding net assets attributable to holders of redeemable units)	4,574,160	4,061,413
Net Assets Attributable to Holders of Redeemable Units	188,963,802	57,542,542
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	1,367,971	955,729
Series T5	11,804	10,118
Series T8	11,804	10,118
Series E	-	-
Series F	313,992	45,714
Series I	186,801,262	56,066,426
Series O	456,969	454,437
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	11.04	9.77
Series T5	14.87	13.71
Series T8	13.61	12.88
Series E	-	-
Series F	11.23	9.83
Series I	11.38	9.90
Series O	11.37	9.88

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		
Dividend income	1,207,730	1,062,809
Interest income for distribution purposes	21,000	5,792
Distributions from underlying funds	-	-
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	6,618,198	1,346,597
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	137,268	680,919
Net realized gain (loss) on option contracts	(84,885)	38,172
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	5,536,490	427,687
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	(44,151)	324,007
Change in unrealized appreciation (depreciation) in option contracts	71,025	(71,025)
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	13,462,675	3,814,958
Net gain (loss) on foreign exchange	(567,949)	7,772
Other income	-	-
Total income (loss)	12,894,726	3,822,730
Expenses (note 5)		
Management fees	29,045	16,030
Administration fees	44,912	25,936
Independent review committee fees	39	267
Withholding tax	99,213	46,819
Transaction costs (note 2)	405,159	148,026
Total operating expenses	578,368	237,078
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	12,316,358	3,585,652
Finance Cost		
Interest expense	(252)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	12,316,106	3,585,652
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	175,019	41,208
Series T5	1,686	236
Series T8	1,686	236
Series E	-	(1,311)
Series F	21,805	799
Series I	12,044,205	3,523,964
Series O	71,705	20,520
Weighted Average Number of Units Outstanding		
Series A	113,946	76,735
Series T5	756	717
Series T8	816	749
Series E	-	1,762
Series F	18,013	2,682
Series I	6,676,200	4,468,969
Series O	36,697	39,691

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

Sun Life Schroder Global Mid Cap Fund (continued)

(formerly Sun Life Sentry Global Mid Cap Fund)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

	2017 (\$)	2016 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.54	0.54
Series T5	2.23	0.33
Series T8	2.07	0.31
Series E	-	(0.74)
Series F	1.21	0.30
Series I	1.80	0.79
Series O	1.95	0.52

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

For the periods ended December 31

	Series A		Series T5		Series T8		Series E	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 955,729	457,415	10,118	9,880	10,118	9,880	-	14,495
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 175,019	41,208	1,686	236	1,686	236	-	(1,311)
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 645,708	531,561	-	-	-	-	-	4,871
Redemption of redeemable units	\$ (408,468)	(74,483)	-	-	-	-	-	(18,055)
Reinvestment of distributions to holders of redeemable units	\$ 40,813	4,396	829	531	1,123	848	-	1
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 278,053	461,474	829	531	1,123	848	-	(13,183)
Distributions to Holders of Redeemable Units								
From capital gains	\$ (40,566)	(4,136)	(324)	-	(324)	-	-	-
From net investment income	\$ (264)	(232)	(339)	(112)	(536)	(151)	-	(1)
Return of capital	\$ -	-	(166)	(417)	(263)	(695)	-	-
	\$ (40,830)	(4,368)	(829)	(529)	(1,123)	(846)	-	(1)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 412,242	498,314	1,686	238	1,686	238	-	(14,495)
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 1,367,971	955,729	11,804	10,118	11,804	10,118	-	-
Redeemable Unit Transactions								
Balance - beginning of period	97,838	47,670	738	699	785	719	-	1,513
Units issued	59,937	57,493	-	-	-	-	-	556
Units issued on reinvestment of distributions	3,677	451	56	39	82	66	-	-
Units redeemed	(37,497)	(7,776)	-	-	-	-	-	(2,069)
Balance - end of period	123,955	97,838	794	738	867	785	-	-

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

Sun Life Schroder Global Mid Cap Fund (continued)

(formerly Sun Life Sentry Global Mid Cap Fund)

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

For the periods ended December 31

	Series F		Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 45,714	29,392	56,066,426	28,747,598	454,437	329,480	57,542,542	29,598,140
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 21,805	799	12,044,205	3,523,964	71,705	20,520	12,316,106	3,585,652
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 262,916	33,512	135,431,329	44,332,644	91,812	126,587	136,431,765	45,029,175
Redemption of redeemable units	\$ (16,468)	(17,993)	(16,740,696)	(20,537,779)	(160,985)	(22,150)	(17,326,617)	(20,670,460)
Reinvestment of distributions to holders of redeemable units	\$ 9,370	644	6,156,808	1,202,186	15,185	8,519	6,224,128	1,217,125
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 255,818	16,163	124,847,441	24,997,051	(53,988)	112,956	125,329,276	25,575,840
Distributions to Holders of Redeemable Units								
From capital gains	\$ (9,178)	(198)	(5,253,057)	(282,027)	(13,582)	(2,143)	(5,317,031)	(288,504)
From net investment income	\$ (167)	(442)	(903,753)	(920,020)	(1,603)	(6,366)	(906,662)	(927,324)
Return of capital	\$ -	-	-	(140)	-	(10)	(429)	(1,262)
	\$ (9,345)	(640)	(6,156,810)	(1,202,187)	(15,185)	(8,519)	(6,224,122)	(1,217,090)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 268,278	16,322	130,734,836	27,318,828	2,532	124,957	131,421,260	27,944,402
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 313,992	45,714	186,801,262	56,066,426	456,969	454,437	188,963,802	57,542,542
Redeemable Unit Transactions								
Balance - beginning of period	4,650	3,052	5,664,692	2,979,035	45,992	34,196	5,814,695	3,066,884
Units issued	23,978	3,548	11,832,769	4,628,146	8,171	13,399	11,924,855	4,703,142
Units issued on reinvestment of distributions	828	66	536,971	121,607	1,330	863	542,944	123,092
Units redeemed	(1,484)	(2,016)	(1,623,176)	(2,064,096)	(15,311)	(2,466)	(1,677,468)	(2,078,423)
Balance - end of period	27,972	4,650	16,411,256	5,664,692	40,182	45,992	16,605,026	5,814,695

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

Sun Life Schroder Global Mid Cap Fund (continued)

(formerly Sun Life Sentry Global Mid Cap Fund)

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 units from operations (excluding distributions)	12,316,106	3,585,652
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(6,618,198)	(1,346,597)
Change in unrealized (appreciation) depreciation in value of investments	(5,536,490)	(427,687)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	44,151	(324,007)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	13,860	(13,860)
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(204,765,213)	(50,131,178)
Proceeds from sale of investments	97,313,732	25,379,923
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	(68,177)	(49,493)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(1,117)	1,714
Change in other payables and accrued expenses	404,940	150,458
Net Cash Provided by (Used in) Operating Activities	(106,896,406)	(23,175,075)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	6	35
Proceeds from redeemable units issued	130,998,492	45,002,049
Redemption of redeemable units	(20,223,090)	(17,766,320)
Net Cash Provided by (Used in) Financing Activities	110,775,408	27,235,764
Net increase (decrease) in cash	3,879,002	4,060,689
Cash (bank indebtedness) at beginning of period	6,146,973	2,086,284
Cash (bank indebtedness) at end of period	10,025,975	6,146,973
Dividends received, net of withholding taxes	1,040,340	966,497
Interest received, net of withholding taxes	21,000	5,792
Interest paid	(252)	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Gulfport Energy Corp.	28,425	498,106	454,447	
Newfield Exploration Co.	13,219	487,337	522,221	
Parsley Energy Inc.	19,677	626,781	725,819	
Pilipinas Shell Petroleum Corp.	222,920	344,003	341,300	
ProPetro Holding Corp.	22,846	413,206	577,075	
RSP Permian Inc.	11,036	460,666	562,502	
Solaris Oilfield Infrastructure Inc.	25,152	502,691	674,716	
SRC Energy Inc.	68,234	795,705	729,259	
		4,128,495	4,587,339	2.43
Industrials				
Advanced Disposal Services Inc.	35,722	1,122,012	1,071,499	
AGCO Corp.	9,042	822,282	809,239	
Aica Kogyo Co Ltd.	15,300	659,688	712,176	
Alliegiant Travel Co.	6,062	1,046,717	1,175,380	
Allison Transmission Holdings Inc.	15,998	782,729	863,321	
Aumann AG	4,074	415,654	391,794	
Bingo Industries Ltd.	332,326	665,549	830,473	
Bodycote PLC	35,000	536,814	541,610	
Bravida Holding AB	52,104	470,007	437,349	
Bufab AB	35,313	584,132	574,174	
Carlisle Cos Inc.	8,359	1,107,694	1,190,298	
Coor Service Management Holding AB	50,750	470,445	485,396	
Diploma PLC	30,750	560,295	649,919	
Duerr AG	3,106	524,608	497,915	
Elis SA	16,239	550,870	562,303	
FLSmith & Co A/S	5,484	444,462	400,385	
Fortune Brands Home & Security Inc.	11,316	966,739	970,364	
Franklin Electric Co Inc.	22,603	1,276,096	1,299,902	
Fukushima Industries Corp.	13,300	643,799	735,945	
Generac Holdings Inc.	10,047	641,122	623,374	
Gima TT SpA	22,217	527,352	555,208	
Glory Ltd.	19,800	927,878	937,056	
Hexcel Corp.	17,546	1,361,502	1,359,720	
Hitachi Transport System Ltd.	26,000	797,918	849,333	
HomeServe PLC	44,830	630,973	615,083	
Howden Joinery Group PLC	78,750	550,208	623,059	
IDEX Corp.	5,980	943,088	988,799	
Industria Macchine Automatiche SpA	4,918	560,609	501,671	
Interroll Holding AG	251	455,997	465,681	
Intrum Justitia AB	12,596	573,464	584,636	
Johnson Electric Holdings Ltd.	122,000	620,058	640,393	
KAR Auction Services Inc.	29,110	1,754,380	1,842,262	
Kingspan Group PLC	9,702	515,069	530,307	
KION Group AG	4,975	525,111	538,772	
Kirby Corp.	11,691	982,823	978,498	
Kornit Digital Ltd.	22,118	429,397	447,559	
Lennox International Inc.	5,346	1,277,654	1,394,976	
Loomis AB	19,725	995,284	1,040,190	
Maire Tecnimont SpA	93,788	638,230	609,299	
Maxar Technologies Ltd.	11,991	897,966	966,347	
Nippon Densetsu Kogyo Co Ltd.	32,600	878,834	885,812	
Nitta Corp.	14,800	733,735	714,417	
Obara Group Inc.	8,300	607,227	713,606	
OC Oerlikon Corp AG	21,792	433,583	460,905	
Owens Corning	6,525	652,879	751,652	

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

Sun Life Schroder Global Mid Cap Fund (continued)

(formerly Sun Life Sentry Global Mid Cap Fund)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Philips Lighting NV	13,137	633,119	604,809	
Prosegur Cash SA	115,478	448,840	464,928	
REV Group Inc.	13,906	486,456	566,785	
Rollins Inc.	6,377	368,481	371,776	
Ryder System Inc.	10,344	1,086,150	1,090,882	
Senvion SA	65,367	1,082,047	1,012,969	
Shinmaywa Industries Ltd.	25,300	298,171	302,222	
Simpson Manufacturing Co Inc.	7,637	477,108	549,341	
Snap-on Inc.	3,907	780,729	853,243	
SPIE SA	16,572	560,552	541,172	
Spirit Airlines Inc.	9,898	425,396	557,950	
Stabilus SA	3,172	360,737	357,689	
Stericycle Inc.	10,309	940,210	878,200	
Teleperformance	2,988	548,326	536,991	
TKH Group NV	9,118	765,150	726,109	
Tomra Systems ASA	22,319	405,519	449,587	
Trusco Nakayama Corp.	29,300	941,246	1,070,542	
Valmont Industries Inc.	5,926	1,193,593	1,231,428	
	45,364,763	46,984,680	24.86	
Consumer Discretionary				
Advance Auto Parts Inc.	16,575	1,894,936	2,070,317	
Amer Sports Oyj	21,200	724,204	736,479	
Aramark Holdings Corp.	29,381	1,561,322	1,573,377	
Arcs Co Ltd.	19,400	555,931	567,058	
Asbury Automotive Group Inc.	10,132	815,202	812,469	
Basic-Fit NV	26,895	767,343	813,737	
BorgWarner Inc.	14,411	951,484	922,490	
Brunswick Corp/DE	15,251	1,114,519	1,055,180	
Cairo Communication SpA	88,357	567,836	493,191	
Caleres Inc.	12,768	540,659	535,599	
Cavco Industries Inc.	809	153,236	154,680	
The Cheesecake Factory Inc	19,870	1,116,294	1,199,490	
Cineworld Group PLC	57,000	597,848	580,627	
Coats Group PLC	382,750	546,236	578,342	
Cranswick PLC	12,300	628,469	695,680	
Dalata Hotel Group PLC	77,365	630,483	733,888	
Darling Ingredients Inc.	38,763	858,593	880,536	
Dunelm Group PLC	50,000	617,981	586,864	
Eagle Industry Co Ltd.	11,800	278,525	276,664	
First Resources Ltd.	239,200	428,100	419,370	
Glanbia PLC	26,426	643,398	592,404	
The Hain Celestial Group Inc	15,457	748,438	820,957	
Hemisphere Media Group Inc.	14,158	221,130	204,888	
ILG Inc.	17,263	622,212	616,010	
J D Wetherspoon PLC	24,500	508,633	521,975	
Kaufman & Broad SA	11,555	669,098	688,961	
Koito Manufacturing Co Ltd.	10,500	865,304	924,943	
Marie Brizard Wine & Spirits	40,840	802,267	772,977	
MDC Partners Inc.	48,576	706,062	593,415	
Musashi Seimitsu Industry Co Ltd.	15,700	618,990	628,641	
Naturex	3,828	546,516	510,104	
Nexteer Automotive Group Ltd.	134,000	343,377	399,908	
Nifco Inc.	6,600	522,201	564,509	
OVS SpA	60,045	567,547	501,835	
Oxford Industries Inc.	12,105	998,222	1,140,399	
Paddy Power Betfair PLC	4,493	574,505	670,577	
Performance Food Group Co.	23,465	834,455	973,151	
Pets at Home Group Plc	200,000	629,278	597,966	
Pola Orbis Holdings Inc.	7,300	289,353	321,122	
Prada SpA	92,500	410,634	419,569	
PVH Corp.	5,978	971,207	1,027,717	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Red Rock Resorts Inc.	15,939	475,283	673,811	
ServiceMaster Global Holdings Inc.	11,138	651,132	715,488	
Shenzhou International Group Holdings Ltd.	80,670	702,637	961,967	
SMCP SAS	19,156	612,941	554,799	
Spectrum Brands Holdings Inc.	12,997	1,768,782	1,830,381	
SSP Group Plc	50,000	477,757	578,814	
Standard Motor Products Inc.	10,972	626,745	617,392	
Steven Madden Ltd.	11,366	609,403	665,053	
Sumitomo Forestry Co Ltd.	22,100	483,481	495,545	
Techtronic Industries Co., Ltd.	141,350	826,313	1,154,291	
Ted Baker PLC	16,800	777,461	771,946	
TEGNA Inc.	55,129	903,798	972,556	
TPR Co Ltd.	11,500	498,984	477,737	
Tsuruha Holdings Inc.	4,800	741,086	817,901	
Unipres Corp.	10,300	356,139	347,693	
WideOpenWest Inc.	33,515	605,498	443,860	
Yoox Net-A-Porter Group	23,851	1,149,427	1,044,957	
	40,708,895	42,302,257	22.39	

Materials

AMG Advanced Metallurgical Group NV	11,806	686,345	744,514	
Ardagh Group SA	32,688	874,847	864,177	
Ashland Global Holdings Inc.	15,605	1,327,748	1,392,116	
D&L Industries Inc.	1,729,200	434,057	480,018	
Elementis PLC	124,000	577,328	605,498	
Fletcher Building Ltd.	74,250	506,430	502,843	
Huhtamaki OYJ	10,756	569,144	566,395	
Iluka Resources Ltd.	73,033	692,288	727,882	
JSP Corp.	18,500	772,577	794,254	
Kureha Corp.	12,200	884,064	1,109,976	
Lenzing AG	3,262	569,717	519,488	
Nihon Parkerizing Co Ltd.	34,600	700,999	731,575	
OCI NV	18,441	556,175	583,478	
Sealed Air Corp.	20,816	1,161,161	1,285,808	
Valvoline Inc.	46,599	1,415,130	1,463,152	
Wacker Chemie AG	2,435	442,512	594,224	
	12,170,522	12,965,398	6.86	

Health Care

Ambu A/S	3,369	353,935	378,519	
Ansell Ltd.	19,746	454,505	470,226	
Catalent Inc.	20,036	1,075,118	1,031,272	
The Cooper Cos Inc.	2,335	704,379	637,435	
Dechra Pharmaceuticals PLC	20,000	692,711	710,508	
DENTSPLY SIRONA Inc.	16,136	1,231,097	1,330,919	
DexCom Inc.	8,648	519,418	621,847	
Flexion Therapeutics Inc.	18,776	540,211	589,073	
Henry Schein Inc.	10,458	919,637	915,658	
INC Research Holdings Inc.	12,030	810,248	657,179	
K2M Group Holdings Inc.	21,229	550,783	478,778	
Nippon Shinyaku Co Ltd.	9,200	822,808	860,566	
Pacira Pharmaceuticals Inc.	9,663	419,908	552,694	
PerkinElmer Inc.	10,483	939,531	960,403	
Puma Biotechnology Inc.	3,082	476,359	381,717	
Repligen Corp.	12,244	581,867	556,573	
Universal Health Services Inc.	3,190	451,077	453,048	
	11,543,592	11,586,415	6.13	

Financials

AMERISAFE Inc.	10,174	763,205	785,243	
Anima Holding SpA	82,250	810,795	737,535	
Arthur J Gallagher & Co.	10,618	836,466	841,862	
Bursa Malaysia Bhd	126,700	380,995	396,968	

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

Sun Life Schroder Global Mid Cap Fund (continued)

(formerly Sun Life Sentry Global Mid Cap Fund)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Cerved Information Solutions SpA	60,910	951,140	971,393	
Chemical Financial Corp	13,098	884,035	877,500	
Commerce Bancshares Inc	9,644	706,732	674,754	
Compass Diversified Holdings	22,088	490,938	469,092	
Credito Emiliano SpA	43,734	488,206	465,528	
Dah Sing Banking Group Ltd.	102,000	295,126	277,269	
doBank SpA	28,123	588,654	573,326	
First Horizon National Corp.	31,325	758,390	784,577	
First Merchants Corp.	10,928	600,416	575,893	
First Midwest Bancorp Inc.	42,369	1,252,542	1,274,595	
Golub Capital BDC Inc.	32,284	780,272	736,191	
Intermediate Capital Group PLC	38,500	627,108	747,814	
National General Holdings Corp.	41,505	1,057,555	1,021,348	
Nishi-Nippon Financial Holdings Inc.	19,400	293,529	291,297	
Nordax Group AB	60,775	471,380	492,925	
Raymond James Financial Inc.	7,205	779,456	806,153	
Reinsurance Group of America Inc.	4,411	797,158	861,784	
Santander Consumer USA Holdings Inc.	24,369	480,569	568,525	
Simmons First National Corp.	12,352	919,677	883,701	
Tokai Tokyo Financial Holdings Inc.	131,600	1,030,626	1,064,122	
Torchmark Corp.	7,492	781,830	851,500	
Unicaja Banco SA	262,863	487,215	519,667	
United Community Banks Inc.	23,851	857,945	840,935	
Van Lanschot Kempen NV	15,974	626,416	628,472	
Westamerica Bancorporation	9,217	683,375	687,707	
Western Alliance Bancorp.	17,682	1,229,478	1,254,391	
Zions Bancorporation	15,339	907,824	976,897	
	22,619,053	22,938,964	12.14	

Real Estate

Daibiru Corp.	54,000	778,202	852,870	
Douglas Emmett Inc.	18,337	917,757	943,363	
Equity Lifestyle Properties Inc.	5,875	644,141	655,281	
Gramercy Property Trust	21,220	802,363	708,822	
Grand City Properties SA	28,125	758,095	831,487	
Kennedy-Wilson Holdings Inc.	38,144	934,812	829,197	
Lamar Advertising Co.	11,557	994,836	1,075,016	
Mid-America Apartment Communities Inc.	5,971	792,099	752,323	
Mirvac Group	159,613	365,723	367,584	
Nexity SA	7,238	552,617	540,351	
Safestore Holdings Plc	54,750	411,427	463,612	
Terreno Realty Corp.	17,433	800,854	765,801	
UOL Group Ltd.	84,317	521,783	701,186	
	9,274,709	9,486,893	5.02	

Information Technology

Ai Holdings Corp.	25,600	780,211	775,333	
Ascom Holding AG	24,169	687,275	783,083	
ASM Pacific Technology Ltd.	39,200	732,811	684,210	
Auto Trader Group PLC	76,500	474,835	457,444	
Ciena Corp.	32,905	923,808	862,905	
Computershare Ltd.	34,440	501,778	550,138	
CoreLogic Inc/United States	14,352	865,500	830,960	
CSG Systems International Inc.	9,260	518,797	508,411	
Digital Garage Inc.	25,800	693,541	854,565	

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Domain Holdings Australia Ltd.	57,617	198,616	193,672	
Entegris Inc.	24,321	919,952	927,899	
Fabrinet	27,227	1,072,458	979,069	
Fortinet Inc.	12,156	598,716	665,433	
Halma PLC	27,000	440,392	576,610	
Integrated Device Technology Inc.	22,279	789,389	829,894	
Kakaku.com Inc.	28,700	495,762	608,103	
Leidos Holdings Inc.	12,965	1,005,539	1,048,902	
Link Administration Holdings Ltd.	51,199	401,714	423,472	
Logitech International SA	12,554	565,869	531,040	
MACOM Technology Solutions Holdings Inc.	17,241	896,778	702,930	
Match Group Inc.	17,128	536,370	671,926	
Micro Focus International PLC	13,000	548,332	555,915	
NEC Networks & System Integration Corp.	14,000	418,528	461,693	
OBIC Business Consultants Ltd.	8,900	583,120	650,363	
ON Semiconductor Corp.	40,631	1,019,267	1,066,022	
PTC Inc.	11,534	867,715	878,215	
Sabre Corp.	33,144	762,912	851,316	
Shutterstock Inc.	10,821	514,711	583,406	
Synopsys Inc.	6,017	636,345	642,622	
UBISOFT Entertainment	12,712	1,214,873	1,226,715	
Vantiv Inc.	9,821	869,124	905,045	
VeriSign Inc.	5,421	739,421	777,301	
XING AG	1,368	518,204	552,831	
Yelp Inc.	7,516	417,644	395,143	
	23,210,307	24,012,586	12.71	
Utilities				
Alliant Energy Corp.	12,581	682,584	671,674	
IDACORP Inc.	8,571	981,092	981,114	
NiSource Inc.	22,524	752,192	724,441	
Telecom Plus PLC	28,089	560,262	571,778	
	2,976,130	2,949,007	1.56	
Total Equities	171,996,466	177,813,539		
Transaction Costs	(218,022)			
Total Investments	171,778,444	177,813,539		
Other Assets less Liabilities		11,150,263	5.90	
Total Net Assets		188,963,802	100.00	

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

Sun Life Schroder Global Mid Cap Fund (continued)

(formerly Sun Life Sentry Global Mid Cap Fund)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Schroder Global Mid Cap Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at December 31, 2017 and December 31, 2016, the Fund had no significant investments in debt instruments and/or derivatives and, therefore, did not have 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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates 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		Holdings	
	Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	December 31, 2017		December 31, 2016	
United States				
Dollar	102,770,619	54.39	15,853,066	27.55
Euro	26,022,458	13.77	5,729,332	9.96
Japanese Yen	20,716,110	10.96	1,800,929	3.13
British Pound	11,549,907	6.11	7,984,044	13.88
Hong Kong Dollar	4,426,536	2.34	1,077,541	1.87
Australian Dollar	3,570,143	1.89	872,138	1.52
Swedish Krona	3,546,499	1.88	-	-
Swiss Franc	2,245,724	1.19	4,212,648	7.32
Singapore Dollar	1,120,556	0.59	1,555,866	2.70
Danish Krone	792,768	0.42	2,476,510	4.30
Philippine Peso	782,058	0.41	-	-
New Zealand Dollar	502,843	0.27	-	-
Norwegian Krone	449,587	0.24	-	-
Malaysian Ringgit	396,968	0.21	-	-
Total	178,892,776	94.67	41,562,074	72.23

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 Units of the Fund would have increased or decreased respectively by \$8,944,639 (\$2,078,104 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 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 its 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 Units of the Fund would have increased or decreased respectively by \$8,890,677 (\$2,761,424 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 Schroder Global Mid Cap Fund (continued)

(formerly Sun Life Sentry Global Mid Cap Fund)

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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	2.4	1.2
Industrials	24.9	23.5
Consumer Discretionary	22.4	30.8
Consumer Staples	-	4.4
Materials	6.9	-
Health Care	6.1	10.2
Financials	12.1	8.2
Real Estate	5.0	3.9
Information Technology	12.7	3.8
Telecommunication Services	-	4.6
Utilities	1.6	5.4
Other Assets less Liabilities	5.9	4.0
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 (\$)	
Financial Assets				
Equities	177,813,539	-	-	177,813,539
Currency Forward Contracts	-	-	-	-
Option Contracts	-	-	-	-
Financial Liabilities				
Currency Forward Contracts	-	-	-	-
Option Contracts	-	-	-	-
	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	55,228,471	-	-	55,228,471
Currency Forward Contracts	-	46,168	-	46,168
Option Contracts	14,993	-	-	14,993
Financial Liabilities				
Currency Forward Contracts	-	2,017	-	2,017
Option Contracts	1,133	-	-	1,133

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

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of options and foreign currency forward contracts. Option contracts are classified as Level 1, when the option contracts are actively traded and a reliable price is observable. Option contracts are classified as Level 2 when they are not traded on an exchange or no market value is readily available but sufficient and reliable observable market inputs are available and a valuation technique is used. Forward contracts are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$405,159 (\$148,026 for the period ended December 31, 2016).

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 \$1,395 (\$5,790 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

Sun Life Schroder Global Mid Cap Fund (continued)

(formerly Sun Life Sentry Global Mid Cap Fund)

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	
	Units	Market Value (\$)
Series A	-	-
Series F	-	-
Series O	-	-
Series T5	794	11,804
Series T8	867	11,804

	December 31, 2016	
	Units	Market Value (\$)
Series A	10,379	101,390
Series F	1,053	10,355
Series O	1,048	10,352
Series T5	738	10,119
Series T8	785	10,119

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	146	114,343	110
Series E	-	-	-
Series F	15	11,741	11
Series O	-	11,782	11
Series T5	29	-	798
Series T8	29	-	1,092

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	9,015	-	695
Series E	-	9,015	1
Series F	-	-	163
Series O	-	84	194
Series T5	-	-	531
Series T8	-	-	848

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at December 31, 2017 and December 31, 2016, SLA held the following position in the Fund:

	December 31, 2017	
	Units	Market Value (\$)
Series I	-	-

	December 31, 2016	
	Units	Market Value (\$)
Series I	15,313	151,569

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	218	-

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	812	3,045

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	-	61,161
Investments designated at FVTPL	177,813,539	55,228,471
Total financial assets at fair value through profit or loss	177,813,539	55,289,632
Financial assets at amortized cost		
Cash	10,025,975	6,146,973
Other receivables	5,698,448	167,350
Total financial assets at amortized cost	15,724,423	6,314,323
Total assets	193,537,962	61,603,955
Financial liabilities		
Derivative liabilities held for trading	-	3,150
Financial liabilities at amortized cost	4,574,160	4,058,263
Total liabilities (excluding net assets attributable to holders of redeemable units)	4,574,160	4,061,413

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

Sun Life Schroder Global Mid Cap Fund (continued)

(formerly Sun Life Sentry Global Mid Cap Fund)

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	79,257	972,073
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	13,383,418	2,842,885
Total net gains (losses)	13,462,675	3,814,958

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	January 29, 2015	February 02, 2015
Series T5 Units	January 29, 2015	February 02, 2015
Series T8 Units	January 29, 2015	February 02, 2015
Series F Units	January 29, 2015	February 02, 2015
Series I Units	January 29, 2015	February 02, 2015
Series O Units	January 29, 2015	February 02, 2015

Effective February 5, 2016, all Series E units were re-designated to Series A units 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.

Fund Sub-advisor and Name Change

As announced on July 24, 2017, Schroder Investment Management North America Inc. replaced Sentry Investments Inc. as sub-advisor for the Fund, effective October 2, 2017. As of that date, the Fund changed its name to Sun Life Schroder Global Mid Cap Fund and adopted new investment strategies to reflect the investment strategies employed by Schroders in respect of the Fund.

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

Sun Life Sentry Value Fund

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)	80,821,877	80,652,599
Short-term investments	-	-
Cash	15,715,677	11,449,261
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	89,468	3,666
Unrealized appreciation on swaps	-	-
Due from investment dealers	-	356,036
Accrued interest	-	-
Dividends receivable	204,301	180,914
Distributions receivable from underlying funds	-	-
Subscriptions receivable	23,593	1,704,442
	96,854,916	94,346,918
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	5,103
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	4,954	-
Unrealized depreciation on swaps	-	-
Accrued expenses	3,545	10,486
Redemptions payable	29,231	82,060
Distributions payable	-	-
Due to investment dealers	32,278	1,480,927
Management fees payable	21,715	70,555
Total liabilities (excluding net assets attributable to holders of redeemable units)	91,723	1,649,131
Net Assets Attributable to Holders of Redeemable Units	96,763,193	92,697,787
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	40,738,518	33,802,550
Series E	-	-
Series F	4,235,268	3,027,004
Series I	44,869,612	48,982,953
Series O	6,919,795	6,885,280
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	13.74	13.63
Series E	-	-
Series F	14.12	13.92
Series I	14.44	14.20
Series O	11.29	11.10

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		
Dividend income	1,805,523	1,639,251
Interest income for distribution purposes	117,371	62,306
Distributions from underlying funds	-	-
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	6,466,166	4,661,506
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	353,710	58,002
Net realized gain (loss) on option contracts	112,681	121,740
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(1,272)	3,492,719
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	80,848	126,617
Change in unrealized appreciation (depreciation) in option contracts	(6,426)	(11,693)
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	8,928,601	10,150,448
Net gain (loss) on foreign exchange	(10,308)	(59,517)
Other income	-	-
Total income (loss)	8,918,293	10,090,931
Expenses (note 5)		
Management fees	835,632	630,007
Administration fees	128,190	99,378
Independent review committee fees	1,003	446
Withholding tax	43,227	52,136
Transaction costs (note 2)	153,064	115,821
Total operating expenses	1,161,116	897,788
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	7,757,177	9,193,143
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	7,757,177	9,193,143
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	2,898,624	3,371,549
Series E	-	(219,427)
Series F	331,906	280,015
Series I	3,869,745	5,070,145
Series O	656,902	690,861
Weighted Average Number of Units Outstanding		
Series A	2,676,519	2,088,408
Series E	-	495,784
Series F	258,165	167,639
Series I	2,793,007	2,701,001
Series O	579,759	442,081
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	1.08	1.61
Series E	-	(0.44)
Series F	1.29	1.67
Series I	1.39	1.88
Series O	1.13	1.56

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

Sun Life Sentry Value Fund (continued)

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

For the periods ended December 31

	Series A		Series E		Series F	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 33,802,550	19,162,647	-	4,958,383	3,027,004	1,848,895
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 2,898,624	3,371,549	-	(219,427)	331,906	280,015
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 12,072,249	14,620,599	-	206,824	1,693,970	1,458,210
Redemption of redeemable units	\$ (8,025,702)	(3,348,918)	-	(4,944,616)	(745,117)	(514,016)
Reinvestment of distributions to holders of redeemable units	\$ 2,632,812	1,519,069	-	(677)	218,503	109,203
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 6,679,359	12,790,750	-	(4,738,469)	1,167,356	1,053,397
Distributions to Holders of Redeemable Units						
From capital gains	\$ (2,626,193)	(1,516,806)	-	-	(265,638)	(137,411)
From net investment income	\$ (15,773)	(5,541)	-	(485)	(25,203)	(17,735)
Return of capital	\$ (49)	(49)	-	(2)	(157)	(157)
	\$ (2,642,015)	(1,522,396)	-	(487)	(290,998)	(155,303)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 6,935,968	14,639,903	-	(4,958,383)	1,208,264	1,178,109
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 40,738,518	33,802,550	-	-	4,235,268	3,027,004
Redeemable Unit Transactions						
Balance - beginning of period	2,480,736	1,490,284	-	487,721	217,441	141,527
Units issued	867,816	1,130,549	-	21,371	118,901	106,194
Units issued on reinvestment of distributions	192,527	111,555	-	(66)	15,543	7,852
Units redeemed	(575,671)	(251,652)	-	(509,026)	(51,865)	(38,132)
Balance - end of period	2,965,408	2,480,736	-	-	300,020	217,441

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 48,982,953	31,786,914	6,885,280	3,178,470	92,697,787	60,935,309
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 3,869,745	5,070,145	656,902	690,861	7,757,177	9,193,143
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 14,911,723	15,950,806	2,680,617	4,135,912	31,358,559	36,372,351
Redemption of redeemable units	\$ (22,894,810)	(3,824,912)	(3,300,385)	(1,111,623)	(34,966,014)	(13,744,085)
Reinvestment of distributions to holders of redeemable units	\$ 3,782,277	2,661,351	552,806	379,341	7,186,398	4,668,287
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (4,200,810)	14,787,245	(66,962)	3,403,630	3,578,943	27,296,553
Distributions to Holders of Redeemable Units						
From capital gains	\$ (3,146,465)	(2,090,906)	(468,538)	(309,353)	(6,506,834)	(4,054,476)
From net investment income	\$ (630,796)	(565,430)	(86,198)	(77,639)	(757,970)	(666,830)
Return of capital	\$ (5,015)	(5,015)	(689)	(689)	(5,910)	(5,912)
	\$ (3,782,276)	(2,661,351)	(555,425)	(387,681)	(7,270,714)	(4,727,218)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ (4,113,341)	17,196,039	34,515	3,706,810	4,065,406	31,762,478
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 44,869,612	48,982,953	6,919,795	6,885,280	96,763,193	92,697,787
Redeemable Unit Transactions						
Balance - beginning of period	3,449,902	2,396,635	620,087	306,215	6,768,166	4,822,382
Units issued	1,027,182	1,142,563	235,106	381,346	2,249,005	2,782,023
Units issued on reinvestment of distributions	264,287	187,642	49,336	34,199	521,693	341,182
Units redeemed	(1,634,324)	(276,938)	(291,619)	(101,673)	(2,553,479)	(1,177,421)
Balance - end of period	3,107,047	3,449,902	612,910	620,087	6,985,385	6,768,166

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

Sun Life Sentry Value Fund (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 units from operations (excluding distributions)	7,757,177	9,193,143
Adjustments for:		
Gain on short-term investments	(736)	(2,604)
Net realized (gain) loss on sale of investments	(6,466,166)	(4,661,506)
Change in unrealized (appreciation) depreciation in value of investments	1,272	(3,492,719)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(80,848)	(126,617)
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	(5,103)	(12,108)
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(70,314,905)	(69,725,317)
Proceeds from sale of investments	75,364,844	51,275,006
Purchases of short-term investments	(2,299,264)	(3,872,396)
Proceeds from sale of short-term investments	2,300,000	3,875,000
Change in dividends and interest receivable	(23,387)	(37,386)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(48,840)	60,596
Change in other payables and accrued expenses	146,123	124,800
Net Cash Provided by (Used in) Operating Activities	6,330,167	(17,402,108)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(84,316)	(58,931)
Proceeds from redeemable units issued	33,039,408	34,931,964
Redemption of redeemable units	(35,018,843)	(13,707,797)
Net Cash Provided by (Used in) Financing Activities	(2,063,751)	21,165,236
Net increase (decrease) in cash	4,266,416	3,763,128
Cash (bank indebtedness) at beginning of period	11,449,261	7,686,133
Cash (bank indebtedness) at end of period	15,715,677	11,449,261
Dividends received, net of withholding taxes	1,738,909	1,549,729
Interest received, net of withholding taxes	117,371	62,306
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
Advantage Oil & Gas Ltd.	282,900	2,601,161	1,527,660	
AltaGas Ltd.	130,400	3,996,571	3,699,448	
Enerflex Ltd.	68,100	1,090,660	1,044,654	
Keyera Corp.	78,100	3,003,568	2,766,302	
Kinder Morgan Canada Ltd.	75,000	1,272,978	1,275,750	
Maxar Technologies Ltd.	18,400	1,238,226	1,488,928	
Pembina Pipeline Corp.	23,700	890,520	1,078,587	
Scholastic Corp.	34,900	1,703,860	1,753,920	
ShawCor Ltd.	64,900	2,286,323	1,779,558	
Whitecap Resources Inc.	212,800	1,985,896	1,904,560	
WPT Industrial Real Estate Investment Trust	40,000	658,465	637,498	
		20,728,228	18,956,865	19.58
Industrials				
Aecon Group Inc.	51,000	788,190	1,016,940	
ATS Automation Tooling Systems Inc.	98,514	1,136,478	1,531,893	
Canadian Natural Resources Ltd.	27,200	1,196,624	1,221,824	
HNZ Group Inc.	42,400	743,801	792,032	
Morneau Shepell Inc.	160,000	2,612,497	3,568,000	
SNC-Lavalin Group Inc.	35,000	1,996,088	1,996,750	
		8,473,678	10,127,439	10.47
Consumer Discretionary				
AutoCanada Inc.	35,000	744,272	792,400	
Comcast Corp.	36,500	1,710,446	1,831,585	
Gildan Activewear Inc.	45,400	1,521,009	1,843,694	
Great Canadian Gaming Corp.	66,100	1,368,274	2,233,519	
Liberty Global PLC	36,300	1,374,291	1,539,107	
Linamar Corp.	38,000	2,193,474	2,781,980	
Magna International Inc.	24,400	1,364,998	1,738,256	
Park Lawn Corp.	46,000	873,570	1,051,100	
The TJX Cos., Inc.	13,400	1,200,735	1,283,722	
		12,351,069	15,095,363	15.60
Consumer Staples				
Alimentation Couche-Tard Inc.	30,300	1,828,486	1,987,377	
American Hotel Income Properties REIT LP	118,000	1,070,440	1,102,120	
CVS Caremark Corp.	26,100	2,983,297	2,370,884	
George Weston Ltd.	8,700	918,429	949,692	
		6,800,652	6,410,073	6.62
Real Estate				
Automotive Properties Real Estate Investment Trust	131,400	1,316,430	1,433,574	
CGI Group Inc.	19,000	1,303,021	1,297,700	
First Capital Realty Inc.	94,100	1,870,370	1,949,752	
InterRent Real Estate Investment Trust	104,000	683,470	949,520	
Killam Apartment Real Estate Investment Trust	151,000	1,742,523	2,147,220	
Royal Bank of Canada	8,500	795,616	872,525	
Smart Real Estate Investment Trust	41,750	1,250,221	1,290,493	
StorageVault Canada Inc.	524,000	1,345,131	1,378,120	
		10,306,782	11,318,904	11.70
Financials				
CI Financial Corp.	74,700	2,225,051	2,223,819	

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

Sun Life Sentry Value Fund (continued)

Schedule of Investments (continued)

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Parkland Fuel Corp.	47,000	1,223,436	1,261,950	
TMX Group Ltd.	17,000	1,163,505	1,197,480	
		4,611,992	4,683,249	4.84
Information Technology				
ARC Resources Ltd.	79,400	1,256,955	1,171,150	
Evertz Technologies Ltd.	71,000	1,187,993	1,292,200	
Information Services Corp.	54,200	994,087	996,738	
		3,439,035	3,460,088	3.58
Materials				
Canfor Pulp Products Inc.	194,000	2,260,456	2,589,900	
CCL Industries Inc.	12,100	555,499	702,768	
Chemtrade Logistics Income Fund	81,500	1,547,458	1,581,100	
Mountain Province Diamonds Inc.	286,400	1,061,906	976,624	
		5,425,319	5,850,392	6.05
Telecommunication Services				
BCE Inc.	36,276	2,107,204	2,190,345	
		2,107,204	2,190,345	2.26
Utilities				
Fortis Inc.	16,100	643,999	742,371	
TransAlta Corp.	92,000	648,227	685,400	
WGL Holdings Inc.	12,100	1,335,327	1,301,388	
		2,627,553	2,729,159	2.82
Total Equities		76,871,512	80,821,877	83.52
Transaction Costs		(74,472)		-
Total Investments		76,797,040	80,821,877	83.52
Currency Forward Contracts⁽¹⁾			84,514	0.09
Other Assets less Liabilities			15,856,802	16.39
Total Net Assets			96,763,193	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating for Counterparty	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Royal Bank of Canada	A-1+	28-Feb-2018	CAD	2,082,614	USD	(1,628,200)	44,072
The Toronto-Dominion Bank	A-1+	28-Feb-2018	CAD	2,083,941	USD	(1,628,200)	45,396
							89,468
The Toronto-Dominion Bank	A-1+	28-Feb-2018	USD	398,100	CAD	(503,370)	(4,954)
							(4,954)
							84,514

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

Sun Life Sentry Value Fund (continued)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Sentry Value Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

The Fund invests in financial assets, which 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	-	0.25
Total	0.09	0.25

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 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. It is therefore exposed to currency risk, as the value of the securities denominated in other currencies fluctuates due to changes in exchange rates. However, the Fund also holds foreign currency forward contracts to hedge against adverse changes in the relationship of the Canadian Dollar to foreign currencies and reduce the current 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.

	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	December 31, 2017		December 31, 2016	
United States Dollar	8,530,449	8.82	15,828,964	17.08
Total	8,530,449	8.82	15,828,964	17.08

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 Units of the Fund would have increased or decreased respectively by \$426,522 (\$791,448 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 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 its 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 Units of the Fund would have increased or decreased respectively by \$4,041,094 (\$4,032,630 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 Sentry Value Fund (continued)

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 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
Industrials	10.5	17.7
Consumer Discretionary	15.6	10.6
Consumer Staples	6.6	10.7
Real Estate	11.7	9.1
Health Care	-	5.4
Financials	4.8	2.5
Information Technology	3.6	4.4
Materials	6.1	7.7
Telecommunication Services	2.3	2.7
Utilities	2.8	5.3
Other Assets less Liabilities	16.4	13.0
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 (\$)	
Financial Assets				
Equities	80,821,877	-	-	80,821,877
Currency Forward Contracts	-	89,468	-	89,468
Financial Liabilities				
Currency Forward Contracts	-	4,954	-	4,954
	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Financial Assets				
Equities	80,373,144	279,455	-	80,652,599
Currency Forward Contracts	-	3,666	-	3,666
Financial Liabilities				
Option Contracts	-	5,103	-	5,103

There were no transfers between fair value levels 1 and 2 during the periods from January 1 to December 31, 2017 and January 1 to December 31, 2016.

Common stock

The Fund's equity positions are classified as Level 1 when the security is actively traded and a reliable price is observable. Certain equities of the Fund may not trade frequently and therefore 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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, which are valued based primarily on the contract notional amount, the difference between the contract rate and the forward market rate for the same currency, interest rates and credit spreads. Contracts for which counterparty credit spreads are observable and reliable, or for which the credit-related inputs are determined not to be significant to fair value, are classified as Level 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2017 were \$153,064 (\$115,821 for the period ended December 31, 2016).

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 \$16,344 (\$11,452 for the period ended December 31, 2016).

Taxation of the Fund

The Fund currently incurs withholding taxes imposed by certain countries on investment income and capital gains. Such income and gains are recorded on a gross basis and the related withholding taxes are shown separately in the Statements of Comprehensive Income (Loss).

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

Sun Life Sentry Value Fund (continued)

Related Party Transactions

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada ("SLA") invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at December 31, 2017 and December 31, 2016, SLA held the following position in the Fund:

	December 31, 2017	
	Units	Market Value (\$)
Series I	538,208	7,772,364

	December 31, 2016	
	Units	Market Value (\$)
Series I	495,105	7,029,645

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	-	618,175

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	-	403,392

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	89,468	3,666
Investments designated at FVTPL	80,821,877	80,652,599
Total financial assets at fair value through profit or loss	80,911,345	80,656,265
Financial assets at amortized cost		
Cash	15,715,677	11,449,261
Other receivables	227,894	2,241,392
Total financial assets at amortized cost	15,943,571	13,690,653
Total assets	96,854,916	94,346,918
Financial liabilities		
Derivative liabilities held for trading	4,954	5,103
Financial liabilities at amortized cost	86,769	1,644,028
Total liabilities (excluding net assets attributable to holders of redeemable units)	91,723	1,649,131

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	540,813	294,666
Net gain (loss) on financial assets/financial liabilities designated at fair value through profit or loss	8,387,788	9,855,782
Total net gains (losses)	8,928,601	10,150,448

Offsetting of Financial Assets and Liabilities

The following table shows the net impact on the Fund's Statements of Financial Position if all offset rights were exercised.

Financial Assets and Liabilities

	Amounts Eligible for Offset			Net (\$)
	Gross Assets/ (Liabilities) (\$)	Financial Instruments (\$)	Collateral received/ paid (\$)	
December 31, 2017				
Derivative assets - Forward Contracts	89,468	(4,954)	-	84,514
Total	89,468	(4,954)	-	84,514
Derivative liabilities - Forward Contracts	(4,954)	4,954	-	-
Total	(4,954)	4,954	-	-
December 31, 2016				
Derivative assets - Forward Contracts	3,666	-	-	3,666
Total	3,666	-	-	3,666
Derivative liabilities - Forward Contracts	-	-	-	-
Total	-	-	-	-

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	January 11, 2013	January 17, 2013
Series F Units	January 11, 2013	January 17, 2013
Series I Units	January 11, 2013	January 17, 2013
Series O Units	April 01, 2014	April 01, 2014

Effective February 5, 2016, all Series E units were re-designated to Series A units 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 Templeton Global Bond Fund

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)	4,226,342	5,410,350
Short-term investments	-	-
Cash	108,575	-
Margin	-	-
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	-	-
Unrealized appreciation on futures contracts	-	-
Unrealized appreciation on currency forward contracts	-	-
Unrealized appreciation on swaps	-	-
Due from investment dealers	22	6,778
Accrued interest	-	-
Dividends receivable	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	380	98
	4,335,319	5,417,226
Liabilities		
Current Liabilities		
Bank indebtedness	-	2,924
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	182	772
Redemptions payable	-	789
Distributions payable	-	-
Due to investment dealers	110,699	8
Management fees payable	708	3,299
Total liabilities (excluding net assets attributable to holders of redeemable units)	111,589	7,792
Net Assets Attributable to Holders of Redeemable Units	4,223,730	5,409,434
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	2,250,236	1,921,051
Series E	-	-
Series F	79,364	2,250,979
Series I	1,277,986	773,049
Series O	616,144	464,355
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	8.62	8.85
Series E	-	-
Series F	9.60	9.79
Series I	9.00	9.15
Series O	8.93	9.03

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 for distribution purposes	146	275
Distributions from underlying funds	140,968	132,061
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	56,158	(38,700)
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	-	-
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(34,645)	(38,171)
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	162,627	55,465
Net gain (loss) on foreign exchange	-	-
Other income	-	-
Total income (loss)	162,627	55,465
Expenses (note 5)		
Management fees	31,175	24,577
Administration fees	7,331	5,628
Independent review committee fees	62	18
Withholding tax	-	-
Transaction costs (note 2)	-	-
Total operating expenses	38,568	30,223
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	124,059	25,242
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	124,059	25,242
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	9,131	(18,970)
Series E	-	(2,067)
Series F	103,701	38,654
Series I	6,289	6,281
Series O	4,938	1,344
Weighted Average Number of Units Outstanding		
Series A	230,859	195,554
Series E	-	15,684
Series F	46,107	13,963
Series I	104,165	78,751
Series O	59,437	54,735
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	0.04	(0.10)
Series E	-	(0.13)
Series F	2.25	2.77
Series I	0.06	0.08
Series O	0.08	0.02

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

Sun Life Templeton Global Bond Fund (continued)

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

For the periods ended December 31

	Series A		Series E		Series F	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 1,921,051	1,133,352	-	147,990	2,250,979	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 9,131	(18,970)	-	(2,067)	103,701	38,654
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 857,623	1,296,555	-	-	126,554	2,278,967
Redemption of redeemable units	\$ (537,584)	(490,111)	-	(145,917)	(2,388,968)	(60,246)
Reinvestment of distributions to holders of redeemable units	\$ 70,422	66,381	-	434	1,665	405
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 390,461	872,825	-	(145,483)	(2,260,749)	2,219,126
Distributions to Holders of Redeemable Units						
From capital gains	\$ (15,871)	(16)	-	-	(560)	(19)
From net investment income	\$ (54,248)	(58,481)	-	(390)	(13,933)	(6,025)
Return of capital	\$ (288)	(7,659)	-	(50)	(74)	(757)
	\$ (70,407)	(66,156)	-	(440)	(14,567)	(6,801)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 329,185	787,699	-	(147,990)	(2,171,615)	2,250,979
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 2,250,236	1,921,051	-	-	79,364	2,250,979
Redeemable Unit Transactions						
Balance - beginning of period	217,176	121,613	-	15,947	229,918	-
Units issued	95,235	143,098	-	-	12,886	236,069
Units issued on reinvestment of distributions	7,855	7,452	-	47	168	41
Units redeemed	(59,360)	(54,987)	-	(15,994)	(234,708)	(6,192)
Balance - end of period	260,906	217,176	-	-	8,264	229,918

	Series I		Series O		Total	
	2017	2016	2017	2016	2017	2016
Net Assets Attributable to Holders of Redeemable Units at beginning of period	\$ 773,049	476,262	464,355	431,671	5,409,434	2,189,275
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ 6,289	6,281	4,938	1,344	124,059	25,242
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 588,682	613,687	294,952	147,267	1,867,811	4,336,476
Redemption of redeemable units	\$ (90,034)	(323,180)	(148,100)	(115,927)	(3,164,686)	(1,135,381)
Reinvestment of distributions to holders of redeemable units	\$ 40,480	26,354	17,395	18,123	129,962	111,697
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 539,128	316,861	164,247	49,463	(1,166,913)	3,312,792
Distributions to Holders of Redeemable Units						
From capital gains	\$ (9,013)	(7)	(3,573)	(4)	(29,017)	(46)
From net investment income	\$ (31,301)	(23,298)	(13,750)	(16,021)	(113,232)	(104,215)
Return of capital	\$ (166)	(3,050)	(73)	(2,098)	(601)	(13,614)
	\$ (40,480)	(26,355)	(17,396)	(18,123)	(142,850)	(117,875)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period	\$ 504,937	296,787	151,789	32,684	(1,185,704)	3,220,159
Net Assets Attributable to Holders of Redeemable Units at end of period	\$ 1,277,986	773,049	616,144	464,355	4,223,730	5,409,434
Redeemable Unit Transactions						
Balance - beginning of period	84,510	50,224	51,449	46,039	583,053	233,823
Units issued	62,795	66,808	31,882	16,163	202,798	462,138
Units issued on reinvestment of distributions	4,345	2,884	1,886	2,007	14,254	12,431
Units redeemed	(9,670)	(35,406)	(16,199)	(12,760)	(319,937)	(125,339)
Balance - end of period	141,980	84,510	69,018	51,449	480,168	583,053

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

Sun Life Templeton Global Bond Fund (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 units from operations (excluding distributions)	124,059	25,242
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(56,158)	38,700
Change in unrealized (appreciation) depreciation in value of investments	34,645	38,171
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(140,968)	(132,061)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(1,686,005)	(4,076,492)
Proceeds from sale of investments	3,149,941	894,112
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	-	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(2,591)	2,964
Change in other payables and accrued expenses	(590)	693
Net Cash Provided by (Used in) Operating Activities	1,422,333	(3,208,671)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(12,888)	(6,178)
Proceeds from redeemable units issued	1,867,529	4,351,838
Redemption of redeemable units	(3,165,475)	(1,134,723)
Net Cash Provided by (Used in) Financing Activities	(1,310,834)	3,210,937
Net increase (decrease) in cash	111,499	2,266
Cash (bank indebtedness) at beginning of period	(2,924)	(5,190)
Cash (bank indebtedness) at end of period	108,575	(2,924)
Dividends received, net of withholding taxes	-	-
Interest received, net of withholding taxes	146	275
Interest paid	-	-

Schedule of Investments

As at December 31, 2017

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Mutual Funds				
Templeton Global Bond Fund, Class O	344,165	4,372,359	4,226,342	
		4,372,359	4,226,342	100.06
Total Investments		4,372,359	4,226,342	100.06
Other Assets less Liabilities			(2,612)	(0.06)
Total Net Assets			4,223,730	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Templeton Global Bond Fund (the "Fund") expose it to a variety of financial risks, which are described below. The Fund's exposure is concentrated in its investments, which are presented in the Schedule of Investments as at December 31, 2017 and grouped by asset type, industry sector, geographic region, or currency exposure. 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 risks 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 underlying externally managed funds.

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 holds assets and liabilities indirectly through underlying externally 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 accompanying notes are an integral part of the financial statements.

Sun Life Templeton Global Bond Fund (continued)

(ii) Interest rate risk

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

(iii) Other market risk

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

(c) Liquidity risk

As at December 31, 2017 and December 31, 2016, the majority of the 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 Fund's concentration risk is summarized in the table below:

Portfolio by Category	Percentage of Net Assets (%)	
	December 31, 2017	December 31, 2016
Bonds		
India	10.1	7.4
South Korea	10.0	9.2
Indonesia	9.8	9.4
Brazil	9.4	9.7
Mexico	5.5	5.1
Argentina	5.4	4.6
Colombia	5.1	5.3
Philippines	3.0	2.8
United States	2.7	-
Ghana	2.0	-
South Africa	1.9	0.4
Serbia	1.7	1.6
Ukraine	0.6	4.0
Peru	0.3	0.3
Supranational	0.1	0.1
Malaysia	-	5.8
Portugal	-	0.9
Sri Lanka	-	0.6
Short-Term investments	7.3	11.6
Derivative Assets (Liabilities)	(0.4)	-
Other Assets less Liabilities	25.5	21.2
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	4,226,342	-	-	4,226,342

	December 31, 2016			Total (\$)
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	
Mutual Funds	5,410,350	-	-	5,410,350

There were no transfers between fair value levels 1 and 2 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	
	Units	Market Value (\$)
Series A	15,060	129,886
Series F	1,071	10,282
Series I	1,156	10,404
Series O	1,137	10,152

	December 31, 2016	
	Units	Market Value (\$)
Series A	14,532	128,544
Series F	1,034	10,122
Series I	1,112	10,167
Series O	1,107	9,994

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

Sun Life Templeton Global Bond Fund (continued)

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	339	-	4,375
Series E	-	-	-
Series F	27	-	337
Series I	-	-	415
Series O	-	59	334

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series A	9,878	-	4,976
Series E	-	9,878	30
Series F	10,000	-	331
Series I	-	-	360
Series O	-	57	359

Seed Capital Investment by Related Party

Sun Life Assurance Company of Canada (“SLA”) invested additional seed money to support the launch of the Fund and investments were made for the purposes of seed money investments. As at December 31, 2017 and December 31, 2016, SLA held the following position in the Fund:

	December 31, 2017	
	Units	Market Value (\$)
Series I	40,456	364,152

	December 31, 2016	
	Units	Market Value (\$)
Series I	38,903	355,864

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2017 and December 31, 2016. If applicable, dividends were reinvested into units of the same series of the same Fund:

	December 31, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	-	14,509

	December 31, 2016		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	-	12,591

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other investment funds (“underlying funds”) to gain exposure to the investment objectives and strategies of the underlying funds. Each underlying fund is generally financed through the capital invested by the Fund, along with other investors, which entitles unitholders to a proportionate share of the underlying fund’s net assets. The Fund does not provide additional financial or other support to the underlying funds. All underlying funds were established in and carry out their operations in Canada. The Fund’s interests in underlying funds are reported at fair value in “investments” in its Statements of Financial Position and 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 underlying funds.

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	4,226,342	5,410,350
Total financial assets at fair value through profit or loss	4,226,342	5,410,350
Financial assets at amortized cost		
Cash	108,575	-
Other receivables	402	6,876
Total financial assets at amortized cost	108,977	6,876
Total assets	4,335,319	5,417,226
Financial liabilities		
Derivative liabilities held for trading	-	-
Financial liabilities at amortized cost	111,589	7,792
Total liabilities (excluding net assets attributable to holders of redeemable units)	111,589	7,792

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	162,627	55,465
Total net gains (losses)	162,627	55,465

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

Sun Life Templeton Global Bond Fund (continued)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	January 29, 2015	February 02, 2015
Series F Units	February 05, 2016	February 11, 2016
Series I Units	January 29, 2015	February 02, 2015
Series O Units	January 29, 2015	February 02, 2015

Effective February 5, 2016, all Series E units were re-designated to Series A units 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

With the exception of the Sun Life Milestone 2020 Fund, Sun Life Milestone 2025 Fund, Sun Life Milestone 2030 Fund and Sun Life Milestone 2035 Fund (the "Milestone Funds"), all Funds are open-ended mutual fund trusts established under the laws of the Province of Ontario pursuant to a Master Declaration of Trust as of September 10, 2010, as amended from time to time and as amended and consolidated on January 1, 2015.

The Milestone Funds are open-ended mutual fund trusts established under the laws of the Province of Ontario pursuant to a Master Declaration of Trust as of September 10, 2010, as amended and restated on August 28, 2014 and as further amended and restated on January 1, 2015.

Sun Life Global Investments (Canada) Inc. (the "Manager" or the "Company") is the trustee and 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 of redeemable units and may issue an unlimited number of redeemable units of each series. Each individual series of redeemable units 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 Units 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 23, 2018 for issue in accordance with the resolution approved by the Board of Directors of the Company 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 unitholders.

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 units sold multiplied by the average cost of the portfolio investment at the time of the sale. The average cost per unit of each portfolio investment sold is determined by dividing the average cost of the portfolio investment by the number of units 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 units is presented at the redemption amount.

The Funds measure their financial instruments, such as equities, bonds and other interest-bearing investments and derivatives, 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) Securities traded in an active market are valued at the last traded prices (when the price falls within the day's bid-ask spread) through recognized public stock exchanges or through recognized investment dealers on the valuation date. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the value that is most representative of fair value within the bid-ask spread based on the specific facts and circumstances.
- ii) Securities not traded in an active market are valued using fair valuation techniques, on such basis and in such manner established by the Manager.
- iii) Short-term notes and treasury bills are valued at cost or amortized cost, which approximates the fair value.
- iv) Bonds, debentures, and other debt obligations are valued at the average bid quotations obtained from recognized investment dealers.
- v) Underlying funds are fair valued each business day using the most recent NAV per unit quoted by the Manager on the valuation date.

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

- vi) The Funds may buy and sell currency forward contracts, which are agreements between two parties to buy and sell currencies at a set price at a future date. These contracts are generally used to lock in the Canadian dollar value of other currencies that the Funds are purchasing or selling. The Canadian dollar value of currency forward contracts is determined using current currency forward exchange rates supplied by a quotation service. The fair value of the contract will fluctuate with changes in currency exchange rates. The contract is marked to market daily and the change in fair value is recorded as an unrealized gain or loss. When the contract is closed, the Fund records a realized gain or loss equal to the difference between the value of the contract at the time it was opened and the value at the time it was closed.
- vii) The Funds may buy and sell options, which are recorded on the trade date, and any realized gains or losses are recognized using the average cost of the investments. Net realized gains or losses on investments and options include net realized gains or losses from foreign currency changes. Option premiums paid or received by the Funds are, so long as the options are outstanding, reflected as an asset or liability, respectively, in the Statements of Financial Position and are valued at an amount equal to the current market value of an option that would have the effect of closing the position.
- viii) Futures contracts are marked to market each valuation day according to the gain or loss that would have been realized if the contracts had been closed out. Gains or losses arising from futures contracts are recorded as unrealized appreciation (depreciation) on futures contracts and shown as an asset (liability) on the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized. The margin deposits balance with brokers relating to futures contracts is disclosed as "Margin" on the Statements of Financial Position.
- ix) For all other financial assets and financial liabilities, the carrying value approximates the fair value for cash, 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 and management fees payable due to the short-term nature of these assets and liabilities.

(d) Cash and short-term investments

Cash consists of cash on hand and short-term investments consist of debt instruments with maturities of less than one year.

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

(e) Other assets and other liabilities

Due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers and management fees payable are valued at fair value or at their recorded cost, plus or minus any foreign exchange between recognition of the asset by the Fund and the current valuation date, which approximates fair value.

(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 unit valuation and valuation date

Redeemable units are issued and redeemed on a continuous basis at their NAV which is determined, for every series of redeemable units of each Fund, except for the Sun Life Money Market Fund, on each day that the Toronto Stock Exchange is open for business. The Sun Life Money Market Fund is valued on each day that the Canadian chartered banks are open for business, other than Saturdays and Sundays.

The redeemable unit valuation per series is determined by dividing the aggregate market value of the net assets of that series of the Fund by the total number of redeemable units 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.

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

- 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 of a Fund 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.

Foreign exchange gains (losses) are included in "Net gain (loss) on foreign exchange" in the Statements of Comprehensive Income (Loss).

(l) Increase (decrease) in net assets attributable to holders of redeemable units per unit

Increase (decrease) in net assets attributable to holders of redeemable units per unit in the Statements of Comprehensive Income (Loss) represents the increase (decrease) in net assets attributable to holders of redeemable units for the period, divided by the weighted average number of units 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 unitholders in proportion to the respective prior day's NAV, which includes unitholder trade(s) dated for that day, of each series at the date on which the allocation is made. The fixed management fees and operating expenses are charged directly to the Funds. Additional details of the calculation are disclosed in note 5.

3. Critical Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may materially differ from such estimates. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

(a) Judgments

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.

(b) Estimates and assumptions

Fair value measurement of derivatives and securities not quoted in an active market

The Funds hold financial instruments that are not quoted in an active market, including derivatives. Fair values of such instruments are determined using valuation techniques and may be determined using reputable pricing sources (such as pricing agencies) or indicative prices from market makers. Broker quotes as obtained from the pricing sources may be indicative and not executable or binding. Where no market data is available, the Funds may value positions using their own models, which are usually based on valuation methods and techniques generally recognized as standard within the industry. The models used to determine fair values are validated and periodically reviewed by experienced personnel of the Manager, independent of the party that created them. The models used for private equity securities are based mainly on earnings multiples adjusted for a lack of marketability, as appropriate.

Models use observable data, to the extent practicable. However, areas such as credit risk (both own and counterparty), volatilities and correlations require the Manager to make estimates. Changes in assumptions about these factors could affect the reported fair values of financial instruments. The Funds consider observable data to be market data that is readily available, regularly distributed and updated, reliable and verifiable, not proprietary, and provided by independent sources that are actively involved in the relevant market. Refer to the Fair Value Disclosure section in the Fund Specific Notes to the Financial Statements for further information about the fair value measurement of the Funds' financial instruments.

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

4. Redeemable Units of the Funds

The series of redeemable units offered by each Fund have been outlined in the Fund Specific Notes to the Financial Statements. The outstanding redeemable units represent the capital of the Funds. Each redeemable unit has no par value, and the value of each redeemable unit is its NAV. Settlement of the cost for redeemable units 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 units also constitute issued capital of the Funds.

Redeemable units are redeemed at the NAV per unit of the Fund. A right to redeem redeemable units 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 unit 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 Units.

The Funds' redeemable units 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 units for cash or another financial asset and to distribute their income to minimize taxes such that they have no discretion to avoid cash distributions and have an ongoing redemption option.

5. Management Fees and Expenses

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

	Maximum Annual Management Fees							
	Series A units	Series AH units	Series T5 units	Series T8 units	Series D units	Series F units	Series FH units	Series FX units
Sun Life BlackRock Canadian Balanced Fund	1.55%	-	1.55%	-	-	0.55%	-	-
Sun Life BlackRock Canadian Composite Equity Fund	-	-	-	-	-	-	-	-
Sun Life BlackRock Canadian Equity Fund	1.55%	-	1.55%	1.55%	-	0.55%	-	-
Sun Life BlackRock Canadian Universe Bond Fund	-	-	-	-	-	-	-	-
Sun Life Dynamic American Fund	2.00%	-	2.00%	2.00%	-	1.00%	-	-
Sun Life Dynamic Energy Fund	1.85%	-	1.85%	1.85%	-	0.85%	-	-
Sun Life Dynamic Equity Income Fund	1.75%	-	-	-	-	0.75%	-	-
Sun Life Dynamic Strategic Yield Fund	1.85%	-	-	-	-	0.85%	-	-
Sun Life Granite Balanced Growth Portfolio	1.85%	-	1.85%	1.85%	-	0.85%	-	-
Sun Life Granite Balanced Portfolio	1.80%	-	1.80%	-	0.95%	0.80%	-	-
Sun Life Granite Conservative Portfolio	1.50%	-	1.50%	-	-	0.75%	-	-
Sun Life Granite Enhanced Income Portfolio	1.80%	-	-	-	-	0.80%	-	-
Sun Life Granite Growth Portfolio	1.90%	-	1.90%	1.90%	-	0.90%	-	-
Sun Life Granite Income Portfolio	1.50%	-	1.50%	-	-	0.75%	-	-

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

	Maximum Annual Management Fees							
	Series A units	Series AH units	Series T5 units	Series T8 units	Series D units	Series F units	Series FH units	Series FX units
Sun Life Granite Moderate Portfolio	1.75%	-	1.75%	-	-	0.75%	-	-
Sun Life Granite Tactical Completion Fund	-	-	-	-	-	-	-	-
Sun Life Infrastructure Fund	2.00%	-	2.00%	2.00%	-	1.00%	-	-
Sun Life MFS Canadian Bond Fund	1.25%	-	-	-	0.65%	0.75%	-	-
Sun Life MFS Canadian Equity Fund	1.95%	-	-	-	1.25%	1.00%	-	-
Sun Life MFS Canadian Equity Growth Fund	1.95%	-	-	-	1.25%	1.00%	-	-
Sun Life MFS Canadian Equity Value Fund	1.95%	-	-	-	1.25%	1.00%	-	-
Sun Life MFS Dividend Income Fund	1.75%	-	-	-	1.25%	0.75%	-	-
Sun Life MFS Global Growth Fund	2.00%	-	2.00%	2.00%	1.25%	1.00%	-	-
Sun Life MFS Global Total Return Fund	2.00%	-	2.00%	-	-	1.00%	-	-
Sun Life MFS Global Value Fund	2.00%	-	2.00%	2.00%	-	1.00%	-	-
Sun Life MFS International Growth Fund	2.00%	-	2.00%	2.00%	1.25%	1.00%	-	-
Sun Life MFS International Value Fund	2.00%	-	2.00%	2.00%	-	1.00%	-	-
Sun Life MFS Low Volatility Global Equity Fund	2.00%	-	2.00%	2.00%	-	1.00%	-	-
Sun Life MFS Low Volatility International Equity Fund	2.00%	-	2.00%	2.00%	-	1.00%	-	-
Sun Life MFS Monthly Income Fund	1.25%	-	1.25%	-	-	0.75%	-	-
Sun Life MFS U.S. Equity Fund	2.00%	-	-	-	1.25%	1.00%	-	-
Sun Life MFS U.S. Growth Fund	2.00%	2.00%	2.00%	2.00%	-	1.00%	1.00%	-
Sun Life MFS U.S. Value Fund	2.00%	2.00%	2.00%	2.00%	-	1.00%	1.00%	-
Sun Life Milestone 2020 Fund	1.00%	-	-	-	-	-	-	-
Sun Life Milestone 2025 Fund	1.85%	-	-	-	-	-	-	-
Sun Life Milestone 2030 Fund	1.85%	-	-	-	-	-	-	-
Sun Life Milestone 2035 Fund	1.85%	-	-	-	-	-	-	-
Sun Life Milestone Global Equity Fund	-	-	-	-	-	-	-	-
Sun Life Money Market Fund*	1.00%	-	-	-	0.55%	0.75%	-	-
Sun Life Multi-Strategy Bond Fund	1.25%	-	-	-	-	0.75%	-	-
Sun Life Multi-Strategy Target Return Fund	2.25%	-	-	-	-	1.25%	-	-

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

	Maximum Annual Management Fees							
	Series A units	Series AH units	Series T5 units	Series T8 units	Series D units	Series F units	Series FH units	Series FX units
Sun Life NWQ Flexible Income Fund	1.35%	-	-	-	-	0.85%	-	-
Sun Life Ryan Labs U.S. Core Fixed Income Fund	-	-	-	-	-	-	-	-
Sun Life Schroder Emerging Markets Fund	2.50%	-	-	-	-	1.50%	-	-
Sun Life Schroder Global Mid Cap Fund	2.00%	-	2.00%	2.00%	-	1.00%	-	-
Sun Life Sentry Value Fund	1.95%	-	-	-	-	0.95%	-	-
Sun Life Templeton Global Bond Fund	1.25%	-	-	-	-	0.75%	-	-

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

The maximum rate of the management fee chargeable to each Milestone Fund reduces over time based on the remaining years to the scheduled maturity date of the Milestone Fund. This reduction in the management fee is based on the fact that the portion of the portfolio of each Milestone Fund invested in the underlying fund will decrease over time.

For Series I and Series IH units, investors negotiate and pay the management fees directly. These fees will not exceed the Series A management fee of the Fund.

For Series O and Series OH units, 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.

	Series O and Series OH units
Sun Life BlackRock Canadian Balanced Fund	0.55%
Sun Life BlackRock Canadian Composite Equity Fund	-
Sun Life BlackRock Canadian Equity Fund	0.55%
Sun Life BlackRock Canadian Universe Bond Fund	-
Sun Life Dynamic American Fund	1.00%
Sun Life Dynamic Energy Fund	0.85%
Sun Life Dynamic Equity Income Fund	0.75%
Sun Life Dynamic Strategic Yield Fund	0.85%
Sun Life Granite Balanced Growth Portfolio	0.85%
Sun Life Granite Balanced Portfolio	0.80%
Sun Life Granite Conservative Portfolio	0.75%
Sun Life Granite Enhanced Income Portfolio	0.80%
Sun Life Granite Growth Portfolio	0.90%
Sun Life Granite Income Portfolio	0.75%
Sun Life Granite Moderate Portfolio	0.75%
Sun Life Granite Tactical Completion Fund	-
Sun Life Infrastructure Fund	1.00%
Sun Life MFS Canadian Bond Fund	0.75%
Sun Life MFS Canadian Equity Fund	1.00%
Sun Life MFS Canadian Equity Growth Fund	1.00%
Sun Life MFS Canadian Equity Value Fund	1.00%
Sun Life MFS Dividend Income Fund	0.75%
Sun Life MFS Global Growth Fund	1.00%
Sun Life MFS Global Total Return Fund	1.00%

	Series O and Series OH units
Sun Life MFS Global Value Fund	1.00%
Sun Life MFS International Growth Fund	1.00%
Sun Life MFS International Value Fund	1.00%
Sun Life MFS Low Volatility Global Equity Fund	1.00%
Sun Life MFS Low Volatility International Equity Fund	1.00%
Sun Life MFS Monthly Income Fund	0.75%
Sun Life MFS U.S. Equity Fund	1.00%
Sun Life MFS U.S. Growth Fund	1.00%
Sun Life MFS U.S. Value Fund	1.00%
Sun Life Milestone 2020 Fund	-
Sun Life Milestone 2025 Fund	-
Sun Life Milestone 2030 Fund	-
Sun Life Milestone 2035 Fund	-
Sun Life Milestone Global Equity Fund	-
Sun Life Money Market Fund*	0.75%
Sun Life Multi-Strategy Bond Fund	0.75%
Sun Life Multi-Strategy Target Return Fund	1.25%
Sun Life NWQ Flexible Income Fund	0.85%
Sun Life Ryan Labs U.S. Core Fixed Income Fund	-
Sun Life Schroder Emerging Markets Fund	1.50%
Sun Life Schroder Global Mid Cap Fund	1.00%
Sun Life Sentry Value Fund	0.95%
Sun Life Templeton Global Bond Fund	0.75%

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

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

The Manager bears certain operating expenses of the Funds 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.

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

	Maximum Annual Administration Fees			Maximum Annual Administration Fees	
	All Series (other than Series I and Series IH)	Series I and Series IH		All Series (other than Series I and Series IH)	Series I and Series IH
Sun Life BlackRock Canadian Balanced Fund	0.10%	0.05%	Sun Life MFS Global Total Return Fund	0.20%	0.05%
Sun Life BlackRock Canadian Composite Equity Fund	-	-	Sun Life MFS Global Value Fund	0.20%	0.05%
Sun Life BlackRock Canadian Equity Fund	0.10%	0.05%	Sun Life MFS International Growth Fund	0.20%	0.05%
Sun Life BlackRock Canadian Universe Bond Fund	-	-	Sun Life MFS International Value Fund	0.20%	0.05%
Sun Life Dynamic American Fund	0.20%	0.05%	Sun Life MFS Low Volatility Global Equity Fund	0.20%	0.05%
Sun Life Dynamic Energy Fund	0.20%	0.05%	Sun Life MFS Low Volatility International Equity Fund	0.20%	0.05%
Sun Life Dynamic Equity Income Fund	0.20%	0.05%	Sun Life MFS Monthly Income Fund	0.20%	0.05%
Sun Life Dynamic Strategic Yield Fund	0.20%	0.05%	Sun Life MFS U.S. Equity Fund	0.20%	0.05%
Sun Life Granite Balanced Growth Portfolio	0.20%	0.03%	Sun Life MFS U.S. Growth Fund	0.20%	0.05%
Sun Life Granite Balanced Portfolio	0.20%	0.03%	Sun Life MFS U.S. Value Fund	0.20%	0.05%
Sun Life Granite Conservative Portfolio	0.20%	0.03%	Sun Life Milestone 2020 Fund	0.10%	-
Sun Life Granite Enhanced Income Portfolio	0.20%	0.03%	Sun Life Milestone 2025 Fund	0.10%	-
Sun Life Granite Growth Portfolio	0.20%	0.03%	Sun Life Milestone 2030 Fund	0.20%	-
Sun Life Granite Income Portfolio	0.20%	0.03%	Sun Life Milestone 2035 Fund	0.20%	-
Sun Life Granite Moderate Portfolio	0.20%	0.03%	Sun Life Milestone Global Equity Fund	-	-
Sun Life Granite Tactical Completion Fund	-	0.05%	Sun Life Money Market Fund*	0.05%	0.01%
Sun Life Infrastructure Fund	0.20%	0.05%	Sun Life Multi-Strategy Bond Fund	0.15%	0.03%
Sun Life MFS Canadian Bond Fund	0.15%	0.03%	Sun Life Multi-Strategy Target Return Fund	0.20%	0.05%
Sun Life MFS Canadian Equity Fund	0.20%	0.05%	Sun Life NWQ Flexible Income Fund	0.20%	0.05%
Sun Life MFS Canadian Equity Growth Fund	0.20%	0.05%	Sun Life Ryan Labs U.S. Core Fixed Income Fund	-	0.05%
Sun Life MFS Canadian Equity Value Fund	0.20%	0.05%	Sun Life Schroder Emerging Markets Fund	0.25%	0.05%
Sun Life MFS Dividend Income Fund	0.20%	0.05%	Sun Life Schroder Global Mid Cap Fund	0.20%	0.05%
Sun Life MFS Global Growth Fund	0.20%	0.05%	Sun Life Sentry Value Fund	0.20%	0.05%
			Sun Life Templeton Global Bond Fund	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.

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

6. Taxation of the Funds and Allocation to Unitholders

With the exception of the Sun Life BlackRock Canadian Composite Equity Fund, Sun Life BlackRock Canadian Universe Bond Fund, Sun Life Milestone Global Equity Fund, Sun Life Granite Tactical Completion Fund and Sun Life Ryan Labs U.S. Core Fixed Income Fund, which are unit trusts, all Funds qualify as mutual fund trusts as defined in the *Income Tax Act* (Canada) (the "Act"). Pursuant to the terms of the Declaration of Trust, the Funds pay or make payable in the calendar year to the unitholders all the net income and such portion of the net capital gains that will result in the Funds paying no tax under the current provisions of the Act. As a result, under existing tax legislation, the net income and net capital gains are taxable in the hands of the unitholders of the Funds. Accordingly, no provision for Canadian income taxes has been made in these financial statements. All Funds have a December 15 taxation year-end except for the Sun Life BlackRock Canadian Composite Equity Fund, Sun Life BlackRock Canadian Universe Bond Fund, Sun Life Milestone Global Equity Fund, Sun Life Granite Tactical Completion Fund and Sun Life Ryan Labs U.S. Core Fixed Income Fund, which have a December 31 taxation year-end.

The details by Fund of the non-capital losses and net capital losses are included in the Fund Specific Notes to the Financial Statements, as applicable.

The Funds may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and capital gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income (Loss).

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.

As trustee, the Manager holds legal title to the Funds' investments in trust for unitholders. 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' trust documentation, each Fund is responsible for the payment of its administration and operating expenses. The Manager recovers these expenses from each Fund through fixed administration fees and the amounts of these charges are disclosed in the line item "Expenses" in each Fund's Statements of Comprehensive Income (Loss).

As Portfolio Manager, the Company is responsible for managing the investment portfolios of the Funds directly or through sub-advisors. The Company has retained MFS Investment Management Canada Limited ("MFS Canada"), an affiliate, to act as a sub-advisor for the Sun Life MFS Canadian Bond Fund, Sun Life MFS Canadian Equity Fund, Sun Life MFS Canadian Equity Growth Fund, Sun Life MFS Canadian Equity Value Fund, Sun Life MFS Dividend Income Fund, Sun Life Money Market Fund, Sun Life MFS Monthly Income Fund, Sun Life MFS U.S. Equity Fund, Sun Life MFS Low Volatility Global Equity Fund and Sun Life MFS Low Volatility International Equity Fund. The Company has retained MFS Institutional Advisors Inc. ("MFS"), an affiliate, to act as a sub-advisor for the Sun Life MFS Global Growth Fund, Sun Life MFS Global Total Return Fund, Sun Life MFS Global Value Fund, Sun Life MFS International Growth Fund, Sun Life MFS International Value Fund, Sun Life MFS U.S. Growth Fund and Sun Life MFS U.S. Value Fund. In addition, MFS acts as a sub-advisor to MFS Canada in respect of certain of the Funds that are primarily sub-advised by MFS Canada. The Company has retained Sun Life Assurance Company of Canada ("SLA"), an affiliate, to act as a sub-advisor for the Milestone Funds and Sun Life Milestone Global Equity Fund. The Company has retained Ryan Labs Asset Management Inc. ("Ryan Labs"), an affiliate, to act as a sub-advisor for Sun Life Ryan Labs U.S. Core Fixed Income Fund. These relationships are described in more detail in the applicable simplified prospectus and annual information forms for the Funds.

The Company and Ryan Labs are indirect wholly owned subsidiaries of Sun Life Financial Inc. SLA is a direct wholly owned subsidiary of Sun Life Financial Inc. Sun Life Financial Inc. also has an indirect majority ownership in MFS and MFS Canada.

8. Financial Risk Management

Each Fund is exposed 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.

Notes to Financial Statements

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(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

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

(ii) Interest rate risk

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

(iii) Other market risk

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

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

(c) Liquidity risk

The Funds are exposed to daily cash redemptions of redeemable units. The units of the Funds are redeemed on demand at the current NAV per unit at the option of the unitholder. 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.

Notes to Financial Statements

For the periods ended December 31, 2017 and December 31, 2016

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 Units approximate their fair values due to their short-term nature.

9. Capital Management

Units issued and outstanding are considered to be capital of the Funds. The Funds are not subject to externally imposed capital requirements and have no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Funds' prospectus. The capital received by a Fund is managed to achieve its investment objective while maintaining liquidity to satisfy unitholder redemptions.

Units are redeemable at the NAV per unit of the respective Fund. A right to redeem units of a Fund may be suspended with the approval of the Canadian Securities Administrators. Changes in the units issued and outstanding of each Fund for the periods ended December 31, 2017 and December 31, 2016, if applicable, are reported in a footnote "Redeemable units issued and outstanding" to the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

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.

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 Fund	Sun Life Infrastructure Fund (formerly Sun Life Sentry Infrastructure Fund)	Sun Life MFS U.S. Value Fund
Sun Life BlackRock Canadian Composite Equity Fund	Sun Life MFS Canadian Bond Fund	Sun Life Milestone 2020 Fund
Sun Life BlackRock Canadian Equity Fund	Sun Life MFS Canadian Equity Fund	Sun Life Milestone 2025 Fund
Sun Life BlackRock Canadian Universe Bond Fund	Sun Life MFS Canadian Equity Growth Fund	Sun Life Milestone 2030 Fund
Sun Life Dynamic American Fund (formerly Sun Life Dynamic American Value Fund)	Sun Life MFS Canadian Equity Value Fund	Sun Life Milestone 2035 Fund
Sun Life Dynamic Energy Fund	Sun Life MFS Dividend Income Fund	Sun Life Milestone Global Equity Fund
Sun Life Dynamic Equity Income Fund	Sun Life MFS Global Growth Fund	Sun Life Money Market Fund
Sun Life Dynamic Strategic Yield Fund	Sun Life MFS Global Total Return Fund	Sun Life Multi-Strategy Bond Fund
Sun Life Granite Balanced Growth Portfolio	Sun Life MFS Global Value Fund	Sun Life Multi-Strategy Target Return Fund
Sun Life Granite Balanced Portfolio	Sun Life MFS International Growth Fund	Sun Life NWQ Flexible Income Fund
Sun Life Granite Conservative Portfolio	Sun Life MFS International Value Fund	Sun Life Ryan Labs U.S. Core Fixed Income Fund
Sun Life Granite Enhanced Income Portfolio	Sun Life MFS Low Volatility Global Equity Fund	Sun Life Schroder Emerging Markets Fund
Sun Life Granite Growth Portfolio	Sun Life MFS Low Volatility International Equity Fund	Sun Life Schroder Global Mid Cap Fund (formerly Sun Life Sentry Global Mid Cap Fund)
Sun Life Granite Income Portfolio	Sun Life MFS Monthly Income Fund	Sun Life Sentry Value Fund
Sun Life Granite Moderate Portfolio	Sun Life MFS U.S. Equity Fund	Sun Life Templeton Global Bond Fund
Sun Life Granite Tactical Completion Fund	Sun Life MFS U.S. Growth Fund	

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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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