
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC

ANNUAL FINANCIAL STATEMENTS

for the period ended December 31, 2018

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



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Independent Auditors' Report

Independent auditor's report

To the Unitholders of:

| | | |
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(collectively, the "Funds")

Opinion

We have audited the financial statements of the Funds, which comprise the statements of financial position as at December 31, 2018, and 2017, 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 years then ended, and notes to the financial statements, including a summary of significant accounting policies.

In our opinion, the accompanying financial statements present fairly, in all material respects the financial position of the Funds as at December 31, 2018 and 2017, and their financial performance and their cash flows for the years then ended in accordance with International Financial Reporting Standards (IFRSs).

Basis for Opinion

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

Other Information

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

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

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

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

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

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

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

Auditors' Responsibilities for the Audit of the Funds' Financial Statements

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

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

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

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

We also provide those charged with governance with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.

The engagement partner on the audit resulting in this independent auditor's report is Blaine Hertzberger.

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

Waterloo, Canada
March 27, 2019

Sun Life BlackRock Canadian Balanced Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 40,899,942 | 41,971,504 |
| Short-term investments | - | - |
| Cash | 85,717 | 58,409 |
| 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 |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | - | - |
| Accrued interest | - | - |
| Dividends receivable | 9,760 | 2,405 |
| Distributions receivable from underlying funds | - | 1,192,258 |
| Subscriptions receivable | 52,382 | 24,621 |
| | 41,047,801 | 43,501,618 |
| 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 | 132,468 | - |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 886 | 864 |
| Redemptions payable | 194 | 20,018 |
| Distributions payable | - | - |
| Due to investment dealers | 6,446 | 1,192,258 |
| Management fees payable | 6,279 | 6,360 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 146,273 | 1,219,500 |
| Net Assets Attributable to Holders of Redeemable Units | 40,901,528 | 42,282,118 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 12,460,721 | 14,646,778 |
| Series T5 | 352,859 | 622,555 |
| Series F | 347,849 | 405,087 |
| Series F5 | 9,959 | - |
| Series I | 25,839,960 | 24,441,378 |
| Series O | 1,890,180 | 2,166,320 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 11.60 | 12.34 |
| Series T5 | 13.52 | 15.09 |
| Series F | 12.04 | 12.82 |
| Series F5 | 14.25 | - |
| Series I | 12.47 | 13.30 |
| Series O | 10.63 | 11.34 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|------------------|
| Investment Income | | |
| Dividend income | 324,071 | 314,912 |
| Interest income for distribution purposes | 1,343 | 230 |
| Distributions from underlying funds | 735,509 | 1,531,848 |
| 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 | 1,055,322 | 7,675,369 |
| Net realized gain (loss) on futures contracts | - | - |
| Net realized gain (loss) on currency forward contracts | (622,904) | 293,118 |
| Net realized gain (loss) on option contracts | - | - |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | (2,793,165) | (4,891,889) |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (384,889) | 172,558 |
| Change in unrealized appreciation (depreciation) in option contracts | - | - |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | (1,684,713) | 5,096,146 |
| Net gain (loss) on foreign exchange | (6,915) | (421) |
| Other income | - | - |
| Total income (loss) | (1,691,628) | 5,095,725 |
| Expenses (note 6) | | |
| Management fees | 241,661 | 253,118 |
| Administration fees | 32,057 | 39,360 |
| Independent review committee fees | 315 | 362 |
| Withholding tax | 32,722 | 25,652 |
| Transaction costs (note 3) | 395 | 1,262 |
| Total operating expenses | 307,150 | 319,754 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (1,998,778) | 4,775,971 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (1,998,778) | 4,775,971 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (768,705) | 1,019,075 |
| Series T5 | (24,449) | 33,679 |
| Series F | (16,120) | 28,157 |
| Series F5 | (43) | - |
| Series I | (1,109,773) | 3,495,892 |
| Series O | (79,688) | 199,168 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 1,143,616 | 1,186,567 |
| Series T5 | 32,125 | 31,860 |
| Series F | 31,138 | 27,940 |
| Series F5 | 681 | - |
| Series I | 1,981,571 | 2,841,757 |
| Series O | 183,444 | 200,779 |

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

Sun Life BlackRock Canadian Balanced Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.67) | 0.86 |
| Series T5 | (0.76) | 1.06 |
| Series F | (0.52) | 1.01 |
| Series F5 | (0.06) | - |
| Series I | (0.56) | 1.23 |
| Series O | (0.43) | 0.99 |

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

For the periods ended December 31

| | Series A | | Series T5 | | Series F | | Series F5 | |
|---|----------------|-------------|-----------|-----------|----------|---------|-----------|------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 14,646,778 | 14,064,897 | 622,555 | 424,983 | 405,087 | 268,304 | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (768,705) | 1,019,075 | (24,449) | 33,679 | (16,120) | 28,157 | (43) | - |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 2,552,921 | 3,305,294 | 36,185 | 284,438 | 58,055 | 119,359 | 10,000 | - |
| Redemption of redeemable units | \$ (3,970,134) | (3,742,152) | (275,912) | (118,093) | (98,703) | (9,340) | - | - |
| Reinvestment of distributions to holders of redeemable units | \$ 52,843 | 136,912 | 18,131 | 21,271 | 5,500 | 7,196 | 486 | - |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ (1,364,370) | (299,946) | (221,596) | 187,616 | (35,148) | 117,215 | 10,486 | - |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | - | - | - | - | - | - |
| From net investment income | \$ (52,982) | (137,248) | (772) | (19,247) | (5,970) | (8,589) | (484) | - |
| Return of capital | \$ - | - | (22,879) | (4,476) | - | - | - | - |
| | \$ (52,982) | (137,248) | (23,651) | (23,723) | (5,970) | (8,589) | (484) | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (2,186,057) | 581,881 | (269,696) | 197,572 | (57,238) | 136,783 | 9,959 | - |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 12,460,721 | 14,646,778 | 352,859 | 622,555 | 347,849 | 405,087 | 9,959 | - |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 1,186,646 | 1,212,132 | 41,269 | 28,809 | 31,591 | 22,229 | - | - |
| Units issued | 210,440 | 275,230 | 2,481 | 18,937 | 4,495 | 9,545 | 667 | - |
| Units issued on reinvestment of distributions | 4,291 | 11,414 | 1,253 | 1,425 | 455 | 568 | 32 | - |
| Units redeemed | (327,468) | (312,130) | (18,895) | (7,902) | (7,656) | (751) | - | - |
| Balance - end of period | 1,073,909 | 1,186,646 | 26,108 | 41,269 | 28,885 | 31,591 | 699 | - |

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 (continued)

For the periods ended December 31

| | Series I | | Series O | | Total | |
|---|----------------------|-------------------|------------------|------------------|--------------------|---------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 24,441,378 | 56,439,206 | 2,166,320 | 2,388,547 | 42,282,118 | 73,585,937 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,109,773) | 3,495,892 | (79,688) | 199,168 | (1,998,778) | 4,775,971 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 7,270,559 | 8,565,306 | 12,379 | 191,843 | 9,940,099 | 12,466,240 |
| Redemption of redeemable units | \$ (4,762,203) | (44,059,026) | (208,831) | (613,272) | (9,315,783) | (48,541,883) |
| Reinvestment of distributions to holders of redeemable units | \$ 598,228 | 631,672 | 43,721 | 55,518 | 718,909 | 852,569 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 3,106,584 | (34,862,048) | (152,731) | (365,911) | 1,343,225 | (35,223,074) |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ - | - | - | - | - | - |
| From net investment income | \$ (598,229) | (631,672) | (43,721) | (55,484) | (702,158) | (852,240) |
| Return of capital | \$ - | - | - | - | (22,879) | (4,476) |
| | \$ (598,229) | (631,672) | (43,721) | (55,484) | (725,037) | (856,716) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 1,398,582 | (31,997,828) | (276,140) | (222,227) | (1,380,590) | (31,303,819) |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 25,839,960 | 24,441,378 | 1,890,180 | 2,166,320 | 40,901,528 | 42,282,118 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 1,838,338 | 4,536,290 | 191,102 | 224,379 | 3,288,946 | 6,023,839 |
| Units issued | 549,347 | 662,917 | 1,097 | 17,257 | 768,527 | 983,886 |
| Units issued on reinvestment of distributions | 48,065 | 48,050 | 4,113 | 4,951 | 58,209 | 66,408 |
| Units redeemed | (362,815) | (3,408,919) | (18,562) | (55,485) | (735,396) | (3,785,187) |
| Balance - end of period | 2,072,935 | 1,838,338 | 177,750 | 191,102 | 3,380,286 | 3,288,946 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 | 2017 | | 2018 | 2017 |
|---|--------------------|-------------|--|--------------------|--------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Cash Flows from Operating Activities | | | Net Cash Provided by (Used in) Operating Activities | (543,295) | 35,953,624 |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (1,998,778) | 4,775,971 | Cash Flows from Financing Activities | | |
| Adjustments for: | | | Distributions paid to holders of redeemable units, net of reinvested distributions | (6,128) | (4,147) |
| Net realized (gain) loss on sale of investments | (1,055,322) | (7,675,369) | Proceeds from redeemable units issued | 9,912,338 | 12,454,065 |
| Change in unrealized (appreciation) depreciation in value of investments | 2,793,165 | 4,891,889 | Redemption of redeemable units | (9,335,607) | (48,633,771) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - | Net Cash Provided by (Used in) Financing Activities | 570,603 | (36,183,853) |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 384,889 | (172,558) | Net increase (decrease) in cash | 27,308 | (230,229) |
| Change in unrealized (appreciation) depreciation in option contracts | - | - | Cash (bank indebtedness) at beginning of period | 58,409 | 288,638 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - | Cash (bank indebtedness) at end of period | 85,717 | 58,409 |
| Non-cash income distributions from underlying funds | (735,509) | (1,531,848) | Dividends received, net of withholding taxes | 283,994 | 286,855 |
| Change in margin | - | - | Interest received, net of withholding taxes | 1,343 | 230 |
| Purchases of investments | (8,469,943) | (7,994,363) | Interest paid | - | - |
| Proceeds from sale of investments | 7,352,964 | 44,019,342 | | | |
| Purchases of short-term investments | - | - | | | |
| Proceeds from sale of short-term investments | - | - | | | |
| Change in dividends and interest receivable | (7,355) | (2,405) | | | |
| Change in distributions receivable from underlying funds | 1,192,258 | (336,878) | | | |
| Change in management fees payable | (81) | (17,701) | | | |
| Change in other payables and accrued expenses | 417 | (2,456) | | | |

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

Sun Life BlackRock Canadian Balanced Fund (continued)

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|-------------------|-------------------|-----------------------|
| EXCHANGE-TRADED FUNDS | | | | |
| Consumer Discretionary | | | | |
| iShares Global Consumer Discretionary ETF | 7,753 | 471,645 | 1,068,331 | |
| | | 471,645 | 1,068,331 | 2.61 |
| Consumer Staples | | | | |
| iShares Global Consumer Staples ETF | 15,133 | 625,963 | 950,140 | |
| | | 625,963 | 950,140 | 2.32 |
| Health Care | | | | |
| iShares Global Healthcare ETF | 24,370 | 1,055,619 | 1,885,574 | |
| | | 1,055,619 | 1,885,574 | 4.61 |
| Industrials | | | | |
| iShares Global Industrials ETF | 5,015 | 287,490 | 533,713 | |
| | | 287,490 | 533,713 | 1.31 |
| Real Estate | | | | |
| iShares Global Real Estate Index Fund | 2,683 | 75,719 | 75,097 | |
| | | 75,719 | 75,097 | 0.18 |
| Communication Services | | | | |
| iShares Global Telecom ETF | 11,000 | 824,940 | 753,896 | |
| | | 824,940 | 753,896 | 1.84 |
| Information Technology | | | | |
| iShares Global Tech ETF | 10,297 | 810,933 | 2,025,591 | |
| | | 810,933 | 2,025,591 | 4.96 |
| Utilities | | | | |
| iShares Global Utilities ETF | 867 | 37,423 | 58,142 | |
| | | 37,423 | 58,142 | 0.14 |
| Bonds | | | | |
| iShares Core U.S. Aggregate Bond ETF | 21,079 | 2,611,154 | 3,065,823 | |
| iShares iBoxx \$ High Yield Corporate Bond ETF | 7,661 | 751,344 | 848,583 | |
| iShares International Treasury Bond ETF | 31,614 | 1,797,685 | 2,092,862 | |
| iShares JP Morgan USD Emerging Markets Bond ETF | 6,229 | 781,013 | 884,023 | |
| | | 5,941,196 | 6,891,291 | 16.85 |
| Total Exchange-Traded Funds | | 10,130,928 | 14,241,775 | 34.82 |

| | Number of Units | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-----------------|-------------------|-------------------|-----------------------|
| MUTUAL FUNDS | | | | |
| Sun Life BlackRock Canadian Composite Equity Fund, Series I | 1,708,957 | 17,243,547 | 17,037,446 | |
| Sun Life BlackRock Canadian Universe Bond Fund, Series I | 932,927 | 9,851,076 | 9,620,721 | |
| Total Mutual Funds | | 27,094,623 | 26,658,167 | 65.18 |
| Transaction Costs | | (1,370) | | |
| Total Investments | | 37,224,181 | 40,899,942 | 100.00 |
| Currency Forward Contracts⁽¹⁾ | | | (132,468) | (0.32) |
| Other Assets less Liabilities | | | 134,054 | 0.32 |
| Total Net Assets | | | 40,901,528 | 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-2019 | CAD | 3,999,774 | USD | (2,967,676) | (49,992) |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 6,598,860 | USD | (4,896,096) | (82,476) |
| | | | | | | | (132,468) |

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

Sun Life BlackRock Canadian Balanced Fund (continued)

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and 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 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | - | 0.60 |
| Total | - | 0.60 |

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, 2018 and December 31, 2017. Amounts shown are based on the fair value of monetary and non-monetary assets.

| | December 31, 2018 | | December 31, 2017 | |
|----------------------|-----------------------------------|------------------------------|-----------------------------------|------------------------------|
| | Holdings Exposed to Currency Risk | Percentage of Net Assets (%) | Holdings Exposed to Currency Risk | Percentage of Net Assets (%) |
| United States Dollar | 3,444,697 | 8.43 | 4,126,291 | 9.76 |
| Total | 3,444,697 | 8.43 | 4,126,291 | 9.76 |

As at December 31, 2018, 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 \$172,235 (\$0 as at December 31, 2017). 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 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, 2018 and 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.

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, 2018 | December 31, 2017 |
| Exchange-Traded Funds | | |
| Consumer Discretionary | 2.6 | 3.0 |
| Consumer Staples | 2.3 | 2.6 |
| Health Care | 4.6 | 4.2 |
| Industrials | 1.3 | 1.7 |
| Real Estate | 0.2 | 0.3 |
| Communication Services | 1.8 | - |
| Information Technology | 5.0 | 5.9 |
| Utilities | 0.1 | 0.4 |
| Foreign Bonds | 16.9 | 15.7 |
| Mutual Funds | | |
| Mutual Funds - Canadian Equities | 41.7 | 42.0 |
| Mutual Funds - Canadian Fixed Income | 23.5 | 23.5 |
| Derivative Assets (Liabilities) | (0.3) | 0.6 |
| Other Assets less Liabilities | 0.3 | 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Exchange-Traded Funds | 14,241,775 | - | - | 14,241,775 |
| Mutual Funds | 26,658,167 | - | - | 26,658,167 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 132,468 | - | 132,468 |

| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$395 (\$1,262 for the period ended December 31, 2017).

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$705,740 (\$747,068 as at December 31, 2017). 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 BlackRock Canadian Balanced 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | 699 | 9,960 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | - | - |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F5 | 10,016 | - | 468 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F5 | - | - | - |

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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series I Units | April 07, 2011 | April 15, 2011 |
| Series O Units | April 01, 2014 | April 01, 2014 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 1,361,264,217 | 998,534,401 |
| Short-term investments | - | - |
| Cash | 36,323,529 | 13,575,812 |
| Margin | 940,391 | 557,211 |
| Option contracts, at fair value - long | - | - |
| Credit default swaps, sell protection | - | - |
| Unrealized appreciation on futures contracts | 59,500 | 51,459 |
| Unrealized appreciation on currency forward contracts | - | - |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | - | - |
| Accrued interest | - | - |
| Dividends receivable | 4,208,010 | 2,524,746 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 7,836,919 | 975,515 |
| | 1,410,632,566 | 1,016,219,144 |
| Liabilities | | |
| Current Liabilities | | |
| Bank indebtedness | - | - |
| Margin | - | - |
| Option contracts, at fair value - short | - | - |
| Credit default swaps, buy protection | - | - |
| Unrealized depreciation on futures contracts | 131,857 | - |
| Unrealized depreciation on currency forward contracts | - | - |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | - | - |
| Redemptions payable | 192,166 | 36,691 |
| Distributions payable | - | 3 |
| Due to investment dealers | 10,307,054 | - |
| Management fees payable | - | - |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 10,631,077 | 36,694 |
| Net Assets Attributable to Holders of Redeemable Units | 1,400,001,489 | 1,016,182,450 |
| Net Assets Attributable to Holders of Redeemable Units per Unit - Series I (note 5) | 9.97 | 11.22 |

Approved on behalf of Trustee

| | |
|-------------------------------------|---|
| "signed" Rick Headrick President | "signed" Kari Holdsworth Chief Financial Officer |
|-------------------------------------|---|

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|----------------------|-------------------|
| Investment Income | | |
| Dividend income | 34,337,186 | 25,181,863 |
| Interest income for distribution purposes | 527,738 | 606,739 |
| 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 | 2,904,457 | 27,276,348 |
| Net realized gain (loss) on futures contracts | (1,554,243) | 1,138,760 |
| 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 | (160,399,762) | 26,592,455 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | (123,816) | (73,222) |
| 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 | (124,308,440) | 80,722,943 |
| Net gain (loss) on foreign exchange | 12,524 | 340 |
| Other income | - | - |
| Total income (loss) | (124,295,916) | 80,723,283 |
| Expenses (note 6) | | |
| Management fees | - | - |
| Administration fees | - | - |
| Independent review committee fees | - | - |
| Withholding tax | 559 | 5,366 |
| Transaction costs (note 3) | 210,896 | 189,681 |
| Total operating expenses | 211,455 | 195,047 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (124,507,371) | 80,528,236 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) - Series I | | |
| | (124,507,371) | 80,528,236 |
| Weighted Average Number of Units Outstanding - Series I | | |
| | 106,460,383 | 82,643,171 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) - Series I | | |
| | (1.17) | 0.97 |

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 | |
|---|------------------|---------------|
| | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 1,016,182,450 | 836,698,772 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (124,507,371) | 80,528,236 |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | \$ 613,647,849 | 389,179,197 |
| Redemption of redeemable units | \$ (105,321,442) | (290,248,199) |
| Reinvestment of distributions to holders of redeemable units | \$ 35,416,749 | 66,940,504 |
| Capitalized distributions | \$ - | - |
| | \$ 543,743,156 | 165,871,502 |
| Distributions to Holders of Redeemable Units | | |
| From capital gains | \$ (3,751,910) | (40,319,971) |
| From net investment income | \$ (31,664,836) | (26,596,089) |
| Return of capital | \$ - | - |
| | \$ (35,416,746) | (66,916,060) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 383,819,039 | 179,483,678 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 1,400,001,489 | 1,016,182,450 |
| Redeemable Unit Transactions | | |
| Balance - beginning of period | 90,538,946 | 75,924,893 |
| Units issued | 55,930,626 | 34,541,843 |
| Units issued on reinvestment of distributions | 3,552,510 | 5,964,250 |
| Units redeemed | (9,593,618) | (25,892,040) |
| Balance - end of period | 140,428,464 | 90,538,946 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------|---------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (124,507,371) | 80,528,236 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (2,904,457) | (27,276,348) |
| Change in unrealized (appreciation) depreciation in value of investments | 160,399,762 | (26,592,455) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | 123,816 | 73,222 |
| 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 | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | (383,180) | (272,069) |
| Purchases of investments | (581,206,475) | (395,831,970) |
| Proceeds from sale of investments | 71,083,493 | 277,094,357 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | (1,683,264) | (384,763) |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | - | - |
| Change in other payables and accrued expenses | 204,914 | 185,278 |
| Net Cash Provided by (Used in) Operating Activities | (478,872,761) | (92,476,512) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | - | (16) |
| Proceeds from redeemable units issued | 606,786,445 | 389,553,077 |
| Redemption of redeemable units | (105,165,967) | (294,157,491) |
| Net Cash Provided by (Used in) Financing Activities | 501,620,478 | 95,395,570 |
| Net increase (decrease) in cash | 22,747,717 | 2,919,058 |
| Cash (bank indebtedness) at beginning of period | 13,575,812 | 10,656,754 |
| Cash (bank indebtedness) at end of period | 36,323,529 | 13,575,812 |
| Dividends received, net of withholding taxes | 32,653,363 | 24,791,734 |
| Interest received, net of withholding taxes | 527,738 | 606,739 |
| 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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---------------------------------------|---------------------|----------------------|--------------------|--------------------------|
| EQUITIES | | | | |
| Energy | | | | |
| Computer Modelling Group Ltd. | 55,640 | 556,779 | 338,848 | |
| Birchcliff Energy Ltd. | 178,026 | 1,093,577 | 541,199 | |
| ARC Resources Ltd. | 240,552 | 4,332,643 | 1,948,471 | |
| Baytex Energy Corp. | 377,078 | 3,180,795 | 908,758 | |
| Canadian Natural Resources Ltd. | 818,997 | 31,730,551 | 26,977,761 | |
| Cenovus Energy Inc. | 692,518 | 12,231,309 | 6,648,173 | |
| CES Energy Solutions Corp. | 169,562 | 937,441 | 534,120 | |
| Crescent Point Energy Corp. | 376,047 | 6,818,462 | 1,556,835 | |
| Enbridge Inc. | 1,372,252 | 64,964,392 | 58,197,207 | |
| Encana Corp. | 646,727 | 9,929,736 | 5,096,209 | |
| Enerflex Ltd. | 60,331 | 897,793 | 964,089 | |
| Enerplus Corp. | 164,505 | 2,266,265 | 1,747,043 | |
| Ensign Energy Services Inc. | 84,580 | 748,699 | 405,138 | |
| Freehold Royalties Ltd. | 62,123 | 869,440 | 513,757 | |
| Gibson Energy Inc. | 98,202 | 1,977,931 | 1,834,413 | |
| Gran Tierra Energy Inc. | 266,995 | 1,102,747 | 795,645 | |
| Husky Energy Inc. | 204,761 | 4,142,366 | 2,889,178 | |
| Imperial Oil Ltd. | 160,576 | 6,797,136 | 5,554,324 | |
| Inter Pipeline Ltd. | 272,377 | 6,838,768 | 5,267,771 | |
| Kelt Exploration Ltd. | 101,292 | 763,674 | 469,995 | |
| Keyera Corp. | 142,111 | 4,803,480 | 3,667,885 | |
| Kinder Morgan Canada Ltd. | 70,546 | 1,176,283 | 1,123,798 | |
| MEG Energy Corp. | 168,219 | 2,218,948 | 1,296,968 | |
| Mullen Group Ltd. | 67,439 | 1,162,023 | 823,430 | |
| NexGen Energy Ltd. | 209,244 | 652,175 | 504,278 | |
| NuVista Energy Ltd. | 152,742 | 1,040,458 | 623,187 | |
| Parex Resources Inc. | 104,619 | 1,596,072 | 1,710,521 | |
| Parkland Fuel Corp. | 90,501 | 2,575,982 | 3,198,305 | |
| Pason Systems Inc. | 50,216 | 968,726 | 918,451 | |
| Pembina Pipeline Corp. | 343,672 | 13,853,594 | 13,922,153 | |
| Peyto Exploration & Development Corp. | 112,889 | 2,349,095 | 799,254 | |
| PrairieSky Royalty Ltd. | 141,699 | 3,798,379 | 2,503,821 | |
| Precision Drilling Corp. | 197,794 | 1,255,136 | 468,772 | |
| Secure Energy Services Inc. | 108,090 | 1,065,604 | 757,711 | |
| Seven Generations Energy Ltd. | 187,031 | 3,670,797 | 2,083,525 | |
| ShawCor Ltd. | 47,990 | 1,482,564 | 795,674 | |
| Suncor Energy Inc. | 1,098,410 | 46,223,109 | 41,882,373 | |
| TORC Oil & Gas Ltd. | 100,034 | 762,640 | 437,149 | |
| Tourmaline Oil Corp. | 171,090 | 4,789,984 | 2,905,108 | |
| TransCanada Corporation | 620,340 | 33,615,032 | 30,241,575 | |
| Cameco Corp. | 268,767 | 4,469,324 | 4,160,513 | |
| Vermilion Energy Inc. | 102,993 | 4,773,686 | 2,962,079 | |
| Whitecap Resources Inc. | 282,209 | 2,655,455 | 1,227,609 | |
| | | 303,139,050 | 242,203,073 | 17.30 |
| Materials | | | | |
| Agnico Eagle Mines Ltd. | 159,276 | 8,023,075 | 8,776,108 | |
| Alacer Gold Corp. | 194,651 | 616,985 | 490,521 | |
| Alamos Gold Inc. | 265,642 | 1,959,966 | 1,304,302 | |
| Barrick Gold Corp. | 792,864 | 17,555,212 | 14,612,484 | |
| Eldorado Gold Corp. | 108,457 | 2,678,419 | 433,828 | |
| B2Gold Corp. | 669,340 | 2,110,899 | 2,670,667 | |
| Canfor Corp. | 42,824 | 880,129 | 707,881 | |
| Cascades Inc. | 45,093 | 675,956 | 461,301 | |
| CCL Industries Inc., Class B | 98,023 | 4,274,594 | 4,907,031 | |
| Centerra Gold Inc. | 145,603 | 1,065,511 | 853,234 | |
| Chemtrade Logistics Income Fund | 61,712 | 1,088,400 | 646,742 | |
| Detour Gold Corp. | 119,037 | 1,816,305 | 1,372,497 | |
| Endeavour Mining Corp. | 51,187 | 1,114,601 | 1,143,518 | |
| First Majestic Silver Corp. | 114,704 | 1,136,095 | 919,926 | |
| First Quantum Minerals Ltd. | 468,137 | 7,399,952 | 5,168,232 | |
| Fortuna Silver Mines Inc. | 110,312 | 693,623 | 551,560 | |
| Franco-Nevada Corp. | 126,551 | 9,955,509 | 12,114,727 | |
| Goldcorp Inc. | 590,462 | 13,360,051 | 7,894,477 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------------|---------------------|----------------------|--------------------|--------------------------|
| HudBay Minerals Inc. | 177,210 | 1,513,023 | 1,144,777 | |
| IAMGOLD Corporation | 314,698 | 2,118,168 | 1,576,637 | |
| Interfor Corp. | 43,949 | 768,735 | 633,745 | |
| Intertape Polymer Group Inc. | 37,336 | 682,174 | 631,725 | |
| Ivanhoe Mines Ltd. | 366,051 | 980,805 | 867,541 | |
| Kinross Gold Corp. | 849,767 | 4,689,379 | 3,738,975 | |
| Kirkland Lake Gold Ltd. | 126,830 | 2,050,744 | 4,515,148 | |
| Labrador Iron Ore Royalty Corp. | 43,448 | 1,063,443 | 1,053,180 | |
| Lucara Diamond Corp. | 204,109 | 575,046 | 302,081 | |
| Lundin Mining Corp. | 433,334 | 2,779,770 | 2,444,004 | |
| MAG Silver Corp. | 50,570 | 751,817 | 505,700 | |
| Methanex Corp. | 53,226 | 3,276,544 | 3,494,819 | |
| Nevsun Resources Ltd. | 204,753 | 858,187 | 1,226,470 | |
| New Gold Inc. | 395,032 | 1,781,905 | 414,784 | |
| Norbord Inc. | 35,385 | 1,376,730 | 1,284,476 | |
| Novagold Resources Inc. | 152,250 | 860,638 | 825,195 | |
| Nutrien Ltd. | 415,698 | 27,765,581 | 26,654,556 | |
| OceanaGold Corp. | 420,844 | 1,423,904 | 2,095,803 | |
| Osisko Gold Royalties Ltd. | 65,694 | 931,359 | 786,357 | |
| Pan American Silver Corp. | 104,205 | 2,025,988 | 2,076,806 | |
| Pretium Resources Inc. | 123,784 | 1,292,720 | 1,432,181 | |
| Sandstorm Gold Ltd. | 122,794 | 747,296 | 776,058 | |
| SEMAFO Inc. | 218,733 | 894,112 | 645,262 | |
| SSR Mining Inc. | 81,285 | 1,105,290 | 1,341,203 | |
| Stella-Jones Inc. | 37,935 | 1,667,200 | 1,502,605 | |
| Tahoe Resources Inc. | 212,742 | 2,244,234 | 1,057,328 | |
| Teck Resources Ltd., Class B | 342,751 | 9,743,166 | 10,073,452 | |
| Torex Gold Resources Inc. | 56,515 | 904,667 | 734,130 | |
| Turquoise Hill Resources Ltd. | 664,946 | 2,751,432 | 1,496,129 | |
| West Fraser Timber Co., Ltd. | 37,746 | 2,214,815 | 2,545,590 | |
| Western Forest Products Inc. | 265,892 | 616,309 | 502,536 | |
| Wheaton Precious Metals Corp. | 301,474 | 7,887,826 | 8,034,282 | |
| Winpak Ltd. | 20,774 | 999,601 | 991,959 | |
| Yamana Gold Inc. | 645,680 | 3,774,636 | 2,072,633 | |
| | | 171,522,526 | 154,507,163 | 11.04 |
| Industrials | | | | |
| Air Canada | 183,831 | 2,898,396 | 4,772,253 | |
| ATS Automation Tooling Systems Inc. | 52,270 | 791,628 | 752,165 | |
| Bombardier Inc. | 1,445,619 | 4,617,407 | 2,934,607 | |
| Aecon Group Inc. | 41,235 | 643,608 | 726,148 | |
| Badger Daylighting Ltd. | 25,375 | 728,490 | 818,344 | |
| Boyd Group Income Fund | 13,253 | 1,172,124 | 1,496,926 | |
| Brookfield Business Partners LP | 27,961 | 1,116,066 | 1,162,618 | |
| CAE Inc. | 180,838 | 3,487,910 | 4,537,225 | |
| Canadian National Railway Co. | 494,496 | 42,232,339 | 49,998,491 | |
| Canadian Pacific Railway Ltd. | 96,645 | 19,035,612 | 23,411,285 | |
| Chorus Aviation Inc. | 93,639 | 797,419 | 528,124 | |
| Exchange Income Corp. | 19,563 | 712,231 | 552,850 | |
| Finning International Inc. | 114,212 | 3,086,417 | 2,718,246 | |
| Maxar Technologies Ltd. | 39,276 | 2,363,990 | 640,592 | |
| Morneau Shepell Inc. | 43,404 | 978,512 | 1,086,836 | |
| NFI Group Inc. | 36,953 | 1,531,357 | 1,257,880 | |
| Richelieu Hardware Ltd. | 35,005 | 1,036,015 | 794,263 | |
| Ritchie Bros. Auctioneers Inc. | 73,818 | 2,693,508 | 3,296,712 | |
| Russel Metals Inc. | 42,384 | 1,100,173 | 904,051 | |
| SNC-Lavalin Group Inc. | 119,211 | 6,076,787 | 5,474,169 | |
| Stantec Inc. | 77,264 | 2,331,297 | 2,310,966 | |
| TFI International Inc. | 56,381 | 1,742,847 | 1,990,249 | |
| Toromont Industries Ltd. | 55,453 | 2,447,238 | 3,008,880 | |
| Transcontinental Inc., Class A | 50,246 | 1,089,796 | 969,748 | |
| Waste Connections Inc. | 178,935 | 13,533,594 | 18,131,484 | |
| WestJet Airlines Ltd. | 76,862 | 1,632,636 | 1,383,516 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------------|----------------------|--------------------|--------------------------|
| Westshore Terminals Investment Corp. | 30,524 | 771,499 | 628,184 | |
| WSP Global Inc. | 42,985 | 2,116,723 | 2,521,930 | |
| | | 122,765,619 | 138,808,742 | 9.91 |
| Consumer Discretionary | | | | |
| Aritzia Inc. | 43,132 | 657,562 | 707,365 | |
| Restaurant Brands International Inc. | 171,544 | 10,901,957 | 12,234,518 | |
| BRP Inc. | 29,811 | 1,313,782 | 1,053,521 | |
| Canada Goose Holdings Inc. | 40,012 | 2,219,608 | 2,387,916 | |
| Canadian Tire Corp., Ltd., Class A | 41,139 | 5,383,624 | 5,872,181 | |
| Dollarama Inc. | 201,351 | 6,282,403 | 6,537,867 | |
| Gildan Activewear Inc. | 140,382 | 4,716,012 | 5,817,430 | |
| Great Canadian Gaming Corp. | 39,079 | 1,212,359 | 1,870,712 | |
| Hudson's Bay Company | 80,317 | 1,108,962 | 585,511 | |
| Linamar Corp. | 31,067 | 1,627,111 | 1,407,335 | |
| Magna International Inc. | 211,253 | 11,715,331 | 13,091,348 | |
| Martinrea International Inc. | 58,165 | 643,637 | 631,672 | |
| MTY Food Group Inc. | 13,418 | 849,288 | 813,668 | |
| Sleep Country Canada Holdings Inc. | 23,509 | 717,238 | 469,475 | |
| Spin Master Corp. | 19,868 | 902,616 | 762,733 | |
| The Stars Group Inc. | 148,389 | 5,211,708 | 3,344,688 | |
| Uni-Select Inc. | 28,322 | 756,869 | 549,730 | |
| | | 56,220,067 | 58,137,670 | 4.15 |
| Consumer Staples | | | | |
| Alimentation Couche-Tard Inc., Class B | 297,022 | 14,949,010 | 20,170,764 | |
| Cott Corp. | 93,624 | 1,523,180 | 1,779,792 | |
| Empire Co., Ltd., Class A | 108,865 | 2,561,259 | 3,138,578 | |
| George Weston Ltd. | 50,207 | 4,713,984 | 4,521,140 | |
| Loblaw Companies Ltd. | 122,311 | 6,279,470 | 7,474,425 | |
| Maple Leaf Foods Inc. | 52,588 | 1,332,449 | 1,437,230 | |
| Metro Inc., Class A | 163,570 | 5,809,036 | 7,743,404 | |
| The North West Co Inc. | 33,074 | 902,319 | 1,039,185 | |
| Premium Brands Holdings Corp. | 19,948 | 1,573,732 | 1,493,307 | |
| Saputo Inc. | 150,480 | 5,522,882 | 5,897,311 | |
| | | 45,167,321 | 54,695,136 | 3.91 |
| Health Care | | | | |
| Bausch Health Cos Inc. | 209,005 | 11,603,385 | 5,277,376 | |
| Cronos Group Inc. | 113,199 | 1,576,282 | 1,627,802 | |
| Chartwell Retirement Residences | 141,972 | 1,751,595 | 1,940,757 | |
| Aphria Inc. | 145,859 | 1,956,657 | 1,144,993 | |
| Aurora Cannabis Inc. | 676,715 | 6,089,397 | 4,588,128 | |
| Canopy Growth Corp. | 146,621 | 3,962,563 | 5,367,795 | |
| Extencicare Inc. | 57,497 | 492,723 | 365,106 | |
| Knight Therapeutics Inc. | 73,478 | 678,288 | 565,046 | |
| Sienna Senior Living Inc. | 45,310 | 788,707 | 713,179 | |
| | | 28,899,597 | 21,590,182 | 1.54 |
| Financials | | | | |
| Bank of Nova Scotia | 833,224 | 57,848,842 | 56,700,893 | |
| Bank of Montreal | 434,143 | 37,458,492 | 38,721,214 | |
| Alaris Royalty Corp. | 24,822 | 589,964 | 421,726 | |
| Brookfield Asset Management Inc., Class A | 593,779 | 25,856,092 | 31,066,517 | |
| Canadian Imperial Bank of Commerce | 300,752 | 31,171,984 | 30,580,463 | |
| Canadian Western Bank | 59,861 | 1,836,147 | 1,558,780 | |
| CI Financial Corp. | 154,060 | 4,012,176 | 2,662,157 | |
| ECN Capital Corp. | 219,020 | 729,415 | 755,619 | |
| Element Fleet Management Corp. | 291,932 | 2,820,158 | 2,017,250 | |
| Fairfax Financial Holdings Ltd. | 18,857 | 11,251,883 | 11,332,680 | |
| Genworth MI Canada Inc. | 26,235 | 900,600 | 1,054,647 | |
| Great-West Lifeco Inc. | 187,928 | 5,865,900 | 5,295,811 | |
| Home Capital Group Inc. | 42,584 | 994,527 | 613,210 | |
| IGM Financial Inc. | 57,475 | 2,291,932 | 1,783,449 | |
| Industrial Alliance Insurance & Financial Services Inc. | 74,258 | 3,471,150 | 3,235,421 | |
| Intact Financial Corp. | 94,518 | 8,392,519 | 9,375,240 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|--------------------|--------------------|-----------------------|
| Laurentian Bank of Canada | 28,392 | 1,397,698 | 1,080,883 | |
| Manulife Financial Corp. | 1,347,739 | 28,096,749 | 26,105,704 | |
| National Bank of Canada | 228,016 | 11,944,755 | 12,780,297 | |
| Onex Corp. | 55,402 | 4,245,115 | 4,119,139 | |
| Power Corporation of Canada | 249,211 | 7,125,220 | 6,113,146 | |
| Power Financial Corp. | 164,870 | 5,122,102 | 4,258,592 | |
| Royal Bank of Canada | 978,509 | 83,012,296 | 91,431,876 | |
| Sun Life Financial Inc. | 409,654 | 17,576,682 | 18,553,230 | |
| Thomson Reuters Corp. | 123,433 | 6,095,366 | 8,137,938 | |
| TMX Group Ltd. | 24,322 | 1,629,266 | 1,720,295 | |
| The Toronto-Dominion Bank | 1,245,394 | 76,434,149 | 84,512,437 | |
| | | 438,171,179 | 455,988,614 | 32.56 |
| Real Estate | | | | |
| Allied Properties Real Estate Investment Trust | 70,599 | 2,524,704 | 3,128,948 | |
| Boardwalk Real Estate Investment Trust | 25,194 | 1,217,601 | 952,585 | |
| Tricon Capital Group Inc. | 93,498 | 995,698 | 905,996 | |
| Altus Group Ltd. | 24,875 | 722,503 | 588,791 | |
| Artis Real Estate Investment Trust | 90,544 | 1,060,556 | 836,627 | |
| Brookfield Property Partners L.P. | 221,337 | 5,557,058 | 4,873,841 | |
| Canadian Apartment Properties REIT | 98,654 | 3,136,012 | 4,370,372 | |
| Choice Properties Real Estate Investment Trust | 156,844 | 1,767,410 | 1,806,843 | |
| Colliers International Group Inc. | 19,412 | 1,185,283 | 1,461,529 | |
| Cominar Real Estate Investment Trust, Class U | 122,897 | 1,602,012 | 1,376,446 | |
| Crombie Real Estate Investment Trust | 61,444 | 771,092 | 769,279 | |
| Dream Global Real Estate Investment Trust | 131,114 | 1,451,125 | 1,560,257 | |
| Dream Office Real Estate Investment Trust | 34,280 | 753,941 | 764,101 | |
| First Capital Realty Inc. | 117,658 | 2,336,208 | 2,217,853 | |
| FirstService Corp. | 21,192 | 1,366,452 | 1,985,478 | |
| Granite Real Estate Investment Trust | 30,758 | 1,418,777 | 1,636,633 | |
| H&R Real Estate Investment Trust | 193,976 | 4,126,583 | 4,005,604 | |
| InterRent Real Estate Investment Trust | 71,910 | 860,199 | 938,426 | |
| Killam Apartment Real Estate Investment Trust | 57,794 | 832,915 | 921,236 | |
| Northview Apartment Real Estate Investment Trust | 38,263 | 836,704 | 936,678 | |
| RioCan Real Estate Investment Trust | 208,863 | 5,281,243 | 4,970,939 | |
| SmartCentres Real Estate Investment Trust | 81,086 | 2,359,170 | 2,499,881 | |
| | | 42,163,246 | 43,508,343 | 3.11 |
| Information Technology | | | | |
| Blackberry Ltd. | 330,628 | 4,348,706 | 3,210,398 | |
| Celestica Inc. | 79,845 | 1,072,194 | 954,946 | |
| CGI Group Inc. | 168,927 | 9,925,780 | 14,105,405 | |
| Constellation Software Inc. | 13,383 | 8,207,361 | 11,694,868 | |
| Enghouse Systems Ltd. | 13,004 | 779,104 | 863,596 | |
| Kinaxis Inc. | 17,555 | 1,170,675 | 1,156,875 | |
| Open Text Corp. | 182,337 | 6,732,554 | 8,113,997 | |
| Shopify Inc. | 64,229 | 9,486,274 | 12,125,793 | |
| Sierra Wireless Inc. | 24,543 | 793,226 | 449,873 | |
| The Descartes Systems Group Inc. | 52,319 | 1,496,922 | 1,885,054 | |
| | | 44,012,796 | 54,560,805 | 3.90 |
| Communication Services | | | | |
| Quebecor Inc., Class B | 122,895 | 2,543,203 | 3,532,002 | |
| Shaw Communications Inc., Class B | 299,661 | 7,635,362 | 7,404,623 | |
| Cineplex Inc. | 42,988 | 1,593,836 | 1,093,615 | |
| Cogeco Communications Inc. | 15,650 | 1,024,674 | 1,029,457 | |
| BCE Inc. | 609,832 | 32,346,849 | 32,888,240 | |
| Rogers Communications Inc., Class B | 243,955 | 13,482,610 | 17,067,092 | |
| TELUS Corp. | 406,214 | 16,802,239 | 18,381,184 | |
| | | 75,428,773 | 81,396,213 | 5.81 |
| Utilities | | | | |
| Algonquin Power & Utilities Corp. | 319,591 | 3,900,328 | 4,387,984 | |
| AltaGas Ltd. | 184,340 | 5,007,794 | 2,562,326 | |
| Atco Ltd. | 51,066 | 2,130,178 | 1,971,658 | |
| Boralex Inc. | 46,998 | 945,660 | 791,446 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|----------------------|----------------------|-----------------------|
| Brookfield Infrastructure Partners LP | 188,017 | 9,703,664 | 8,865,002 | |
| Brookfield Renewable Energy Partners LP | 84,235 | 2,998,364 | 2,977,707 | |
| Canadian Utilities Ltd., Class A | 81,355 | 2,829,527 | 2,548,039 | |
| Capital Power Corp. | 68,867 | 1,704,771 | 1,831,174 | |
| Emera Inc. | 158,200 | 6,778,401 | 6,914,922 | |
| Fortis Inc. | 289,769 | 12,021,597 | 13,187,387 | |
| Hydro One Ltd. | 206,366 | 4,567,910 | 4,178,912 | |
| Innervex Renewable Energy Inc. | 75,018 | 951,979 | 940,726 | |
| Northland Power Inc. | 80,370 | 1,689,846 | 1,744,029 | |
| Superior Plus Corp. | 118,513 | 1,365,369 | 1,147,206 | |
| TransAlta Corporation | 194,800 | 1,886,463 | 1,088,932 | |
| TransAlta Renewables Inc. | 70,475 | 890,276 | 730,826 | |
| | | 59,372,127 | 55,868,276 | 3.99 |
| Total Equities | | 1,386,862,301 | 1,361,264,217 | 97.22 |
| Transaction Costs | | (370,280) | | |
| Total Investments | | 1,386,492,021 | 1,361,264,217 | 97.22 |
| Unrealized appreciation/(depreciation) on futures contracts⁽¹⁾ | | | (72,357) | (0.01) |
| Other Assets less Liabilities | | | 38,809,629 | 2.79 |
| Total Net Assets | | | 1,400,001,489 | 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 | 2,523,320 | 14-Mar-2019 | 15 | 841.11 | 2,571,900 | 48,580 |
| S&P Canada 60 Index Futures | 677,080 | 14-Mar-2019 | 4 | 846.35 | 685,840 | 8,760 |
| S&P Canada 60 Index Futures | 340,760 | 14-Mar-2019 | 2 | 851.90 | 342,920 | 2,160 |
| S&P Canada 60 Index Futures | 518,640 | 14-Mar-2019 | 3 | 864.40 | 514,380 | (4,260) |
| S&P Canada 60 Index Futures | 2,069,707 | 14-Mar-2019 | 12 | 862.38 | 2,057,520 | (12,187) |
| S&P Canada 60 Index Futures | 7,238,498 | 14-Mar-2019 | 42 | 861.73 | 7,201,320 | (37,178) |
| S&P Canada 60 Index Futures | 3,850,352 | 14-Mar-2019 | 22 | 875.08 | 3,772,120 | (78,232) |
| | | | | | 17,146,000 | (72,357) |

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, 2018 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 9 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.

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

Sun Life BlackRock Canadian Composite Equity 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, 2018 and December 31, 2017. 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, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| United States Dollar | 908,700 | 0.06 | 414,023 | 0.04 |
| | 908,700 | 0.06 | 414,023 | 0.04 |

As at December 31, 2018, 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 \$45,435 (\$20,701 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at December 31, 2018 and December 31, 2017, 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, 2018, 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 \$68,920,511 (\$50,568,178 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Equities | | |
| Energy | 17.3 | 18.9 |
| Materials | 11.0 | 11.3 |
| Industrials | 9.9 | 9.4 |
| Consumer Discretionary | 4.2 | 5.2 |
| Consumer Staples | 3.9 | 3.6 |
| Health Care | 1.5 | 0.8 |
| Financials | 32.6 | 34.6 |
| Real Estate | 3.1 | 2.8 |
| Information Technology | 3.9 | 3.2 |
| Communication Services | 5.8 | - |
| Telecommunication Services | - | 4.6 |
| Utilities | 4.0 | 3.9 |
| Other Assets less Liabilities | 2.8 | 1.7 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|---------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Equities | 1,361,264,217 | - | - | 1,361,264,217 |
| Futures Contracts | 59,500 | - | - | 59,500 |
| Financial Liabilities | | | | |
| Futures Contracts | 131,857 | - | - | 131,857 |
| | | | | |
| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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

Sun Life BlackRock Canadian Composite 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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of futures contracts, which are classified as Level 1 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, 2018 were \$210,896 (\$189,681 for the period ended December 31, 2017).

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).

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 155,544,585 | 174,662,615 |
| Short-term investments | - | - |
| Cash | - | 397,073 |
| Margin | - | - |
| Option contracts, at fair value - long | - | - |
| Credit default swaps, sell protection | - | - |
| Unrealized appreciation on futures contracts | - | - |
| Unrealized appreciation on currency forward contracts | 2,826 | 254,659 |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | 1,091,227 | 124,089 |
| Accrued interest | - | - |
| Dividends receivable | 150,453 | 107,680 |
| Distributions receivable from underlying funds | - | 7,958,570 |
| Subscriptions receivable | 64,714 | 129,502 |
| | 156,853,805 | 183,634,188 |
| Liabilities | | |
| Current Liabilities | | |
| Bank indebtedness | 82,836 | - |
| Margin | - | - |
| Option contracts, at fair value - short | - | - |
| Credit default swaps, buy protection | - | - |
| Unrealized depreciation on futures contracts | - | - |
| Unrealized depreciation on currency forward contracts | 163,695 | - |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 1,773 | 1,770 |
| Redemptions payable | 199,692 | 8,854 |
| Distributions payable | - | - |
| Due to investment dealers | 1,000,000 | 8,083,571 |
| Management fees payable | 5,359 | 5,212 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 1,453,355 | 8,099,407 |
| Net Assets Attributable to Holders of Redeemable Units | 155,400,450 | 175,534,781 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 11,082,830 | 12,430,402 |
| Series T5 | 111,177 | 132,496 |
| Series T8 | 81,858 | 85,037 |
| Series F | 543,605 | 728,113 |
| Series F5 | 9,877 | - |
| Series F8 | 9,877 | - |
| Series I | 141,266,663 | 159,681,353 |
| Series O | 2,294,563 | 2,477,380 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 12.04 | 13.36 |
| Series T5 | 14.54 | 16.90 |
| Series T8 | 11.80 | 14.07 |
| Series F | 12.53 | 13.93 |
| Series F5 | 13.97 | - |
| Series F8 | 13.63 | - |
| Series I | 12.55 | 13.96 |
| Series O | 10.63 | 11.83 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

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

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|-------------------|
| Investment Income | | |
| Dividend income | 921,952 | 780,531 |
| Interest income for distribution purposes | 1,912 | 570 |
| Distributions from underlying funds | 2,653,993 | 7,958,570 |
| 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 | 6,735,154 | 3,275,464 |
| Net realized gain (loss) on futures contracts | - | - |
| Net realized gain (loss) on currency forward contracts | (801,324) | 435,318 |
| Net realized gain (loss) on option contracts | - | - |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | (19,737,723) | 7,209,115 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (415,528) | 204,400 |
| Change in unrealized appreciation (depreciation) in option contracts | - | - |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | (10,641,564) | 19,863,968 |
| Net gain (loss) on foreign exchange | 466 | (3,683) |
| Other income | 103 | - |
| Total income (loss) | (10,640,995) | 19,860,285 |
| Expenses (note 6) | | |
| Management fees | 206,344 | 201,363 |
| Administration fees | 67,281 | 66,778 |
| Independent review committee fees | 283 | 301 |
| Withholding tax | 108,625 | 87,393 |
| Transaction costs (note 3) | 2,466 | 778 |
| Total operating expenses | 384,999 | 356,613 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (11,025,994) | 19,503,672 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | (11,025,994) | 19,503,672 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (976,661) | 1,130,002 |
| Series T5 | (10,946) | 12,454 |
| Series T8 | (7,109) | 8,266 |
| Series F | (44,621) | 57,900 |
| Series F5 | (125) | - |
| Series F8 | (126) | - |
| Series I | (9,820,984) | 18,039,818 |
| Series O | (165,422) | 255,232 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 908,761 | 882,348 |
| Series T5 | 7,590 | 7,643 |
| Series T8 | 6,438 | 6,072 |
| Series F | 39,781 | 35,495 |
| Series F5 | 681 | - |
| Series F8 | 690 | - |
| Series I | 11,163,398 | 11,250,902 |
| Series O | 205,895 | 188,309 |

Sun Life BlackRock Canadian Equity Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (1.07) | 1.28 |
| Series T5 | (1.44) | 1.63 |
| Series T8 | (1.10) | 1.36 |
| Series F | (1.12) | 1.63 |
| Series F5 | (0.18) | - |
| Series F8 | (0.18) | - |
| Series I | (0.88) | 1.60 |
| Series O | (0.80) | 1.36 |

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 | |
|---|----------------|-------------|-----------|----------|-----------|----------|-----------|----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 12,430,402 | 10,169,468 | 132,496 | 119,433 | 85,037 | 78,790 | 728,113 | 220,940 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (976,661) | 1,130,002 | (10,946) | 12,454 | (7,109) | 8,266 | (44,621) | 57,900 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 3,103,551 | 2,801,260 | 29,658 | 25,076 | 47,935 | 27,837 | 109,188 | 451,615 |
| Redemption of redeemable units | \$ (3,473,686) | (1,669,161) | (38,783) | (23,393) | (43,141) | (29,183) | (249,070) | (2,371) |
| Reinvestment of distributions to holders of redeemable units | \$ 206,196 | 320,684 | 6,498 | 7,414 | 7,200 | 7,345 | 17,634 | 28,240 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ (163,939) | 1,452,783 | (2,627) | 9,097 | 11,994 | 5,999 | (122,248) | 477,484 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (193,438) | (255,709) | (1,968) | (2,769) | (1,450) | (1,775) | (9,286) | (14,949) |
| From net investment income | \$ (13,534) | (64,694) | (5,778) | (5,719) | (6,614) | (6,243) | (8,353) | (13,262) |
| Return of capital | \$ - | (1,448) | - | - | - | - | - | - |
| | \$ (206,972) | (321,851) | (7,746) | (8,488) | (8,064) | (8,018) | (17,639) | (28,211) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (1,347,572) | 2,260,934 | (21,319) | 13,063 | (3,179) | 6,247 | (184,508) | 507,173 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 11,082,830 | 12,430,402 | 111,177 | 132,496 | 81,858 | 85,037 | 543,605 | 728,113 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 930,420 | 818,223 | 7,841 | 7,304 | 6,043 | 5,624 | 52,276 | 17,021 |
| Units issued | 233,555 | 215,913 | 1,795 | 1,528 | 3,683 | 1,996 | 7,963 | 33,404 |
| Units issued on reinvestment of distributions | 17,621 | 23,964 | 412 | 442 | 550 | 522 | 1,446 | 2,025 |
| Units redeemed | (261,412) | (127,680) | (2,401) | (1,433) | (3,341) | (2,099) | (18,297) | (174) |
| Balance - end of period | 920,184 | 930,420 | 7,647 | 7,841 | 6,935 | 6,043 | 43,388 | 52,276 |

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 F5 | | Series F8 | | Series I | | Series O | |
|---|-----------------|----------|--------------|----------|--------------------|--------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - | 159,681,353 | 151,163,281 | 2,477,380 | 2,030,483 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (125) | - | (126) | - | (9,820,984) | 18,039,818 | (165,422) | 255,232 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 10,000 | - | 10,000 | - | 6,553,165 | 6,021,115 | 308,661 | 329,687 |
| Redemption of redeemable units | \$ - | - | - | - | (15,146,871) | (15,542,862) | (326,056) | (138,022) |
| Reinvestment of distributions to holders of redeemable units | \$ 606 | - | 869 | - | 5,342,637 | 6,792,617 | 86,115 | 103,804 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 10,606 | - | 10,869 | - | (3,251,069) | (2,729,130) | 68,720 | 295,469 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (163) | - | (163) | - | (2,497,657) | (3,327,879) | (40,566) | (51,689) |
| From net investment income | \$ (441) | - | (703) | - | (2,844,980) | (3,464,737) | (45,549) | (52,115) |
| Return of capital | \$ - | - | - | - | - | - | - | - |
| | \$ (604) | - | (866) | - | (5,342,637) | (6,792,616) | (86,115) | (103,804) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 9,877 | - | 9,877 | - | (18,414,690) | 8,518,072 | (182,817) | 446,897 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 9,877 | - | 9,877 | - | 141,266,663 | 159,681,353 | 2,294,563 | 2,477,380 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | - | - | - | - | 11,440,925 | 11,652,131 | 209,487 | 184,701 |
| Units issued | 667 | - | 667 | - | 468,732 | 437,737 | 25,251 | 27,993 |
| Units issued on reinvestment of distributions | 40 | - | 58 | - | 439,084 | 486,006 | 8,352 | 8,765 |
| Units redeemed | - | - | - | - | (1,088,652) | (1,134,949) | (27,246) | (11,972) |
| Balance - end of period | 707 | - | 725 | - | 11,260,089 | 11,440,925 | 215,844 | 209,487 |

| | Total | |
|---|------------------------|--------------------|
| | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 175,534,781 | 163,782,395 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (11,025,994) | 19,503,672 |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | \$ 10,172,158 | 9,656,590 |
| Redemption of redeemable units | \$ (19,277,607) | (17,404,992) |
| Reinvestment of distributions to holders of redeemable units | \$ 5,667,755 | 7,260,104 |
| Capitalized distributions | \$ - | - |
| | \$ (3,437,694) | (488,298) |
| Distributions to Holders of Redeemable Units | | |
| From capital gains | \$ (2,744,691) | (3,654,770) |
| From net investment income | \$ (2,925,952) | (3,606,770) |
| Return of capital | \$ - | (1,448) |
| | \$ (5,670,643) | (7,262,988) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (20,134,331) | 11,752,386 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 155,400,450 | 175,534,781 |
| Redeemable Unit Transactions | | |
| Balance - beginning of period | 12,646,992 | 12,685,004 |
| Units issued | 742,313 | 718,571 |
| Units issued on reinvestment of distributions | 467,563 | 521,724 |
| Units redeemed | (1,401,349) | (1,278,307) |
| Balance - end of period | 12,455,519 | 12,646,992 |

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

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (11,025,994) | 19,503,672 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (6,735,154) | (3,275,464) |
| Change in unrealized (appreciation) depreciation in value of investments | 19,737,723 | (7,209,115) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 415,528 | (204,400) |
| Change in unrealized (appreciation) depreciation in option contracts | - | - |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - |
| Non-cash income distributions from underlying funds | (2,653,993) | (7,958,570) |
| Change in margin | - | - |
| Purchases of investments | (15,718,414) | 498,059 |
| Proceeds from sale of investments | 16,434,693 | 11,404,785 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | (42,773) | (4,628) |
| Change in distributions receivable from underlying funds | 7,958,570 | (4,999,263) |
| Change in management fees payable | 147 | (11,839) |
| Change in other payables and accrued expenses | 2,469 | (3,072) |
| Net Cash Provided by (Used in) Operating Activities | 8,372,802 | 7,740,165 |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (2,888) | (2,884) |
| Proceeds from redeemable units issued | 10,236,946 | 9,659,497 |
| Redemption of redeemable units | (19,086,769) | (17,564,257) |
| Net Cash Provided by (Used in) Financing Activities | (8,852,711) | (7,907,644) |
| Net increase (decrease) in cash | (479,909) | (167,479) |
| Cash (bank indebtedness) at beginning of period | 397,073 | 564,552 |
| Cash (bank indebtedness) at end of period | (82,836) | 397,073 |
| Dividends received, net of withholding taxes | 770,554 | 688,510 |
| Interest received, net of withholding taxes | 1,912 | 570 |
| Interest paid | - | - |

Schedule of Investments

As at December 31, 2018

| | 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) | 227,175 | 4,837,985 | 7,128,752 | |
| | | 4,837,985 | 7,128,752 | 4.59 |
| Consumer Staples | | | | |
| iShares Global Consumer Staples ETF | 102,676 | 3,799,381 | 6,446,612 | |
| | | 3,799,381 | 6,446,612 | 4.15 |
| Communication Services | | | | |
| iShares Global Telecom ETF | 71,170 | 5,330,435 | 4,877,707 | |
| | | 5,330,435 | 4,877,707 | 3.14 |
| Health Care | | | | |
| iShares Global Healthcare ETF | 166,716 | 6,405,090 | 12,899,274 | |
| | | 6,405,090 | 12,899,274 | 8.29 |
| Industrials | | | | |
| iShares S&P Global Industrials Index ETF (CAD-Hedged) | 134,819 | 2,739,554 | 3,785,043 | |
| | | 2,739,554 | 3,785,043 | 2.44 |
| Information Technology | | | | |
| iShares Global Tech ETF | 67,613 | 4,575,845 | 13,300,600 | |
| | | 4,575,845 | 13,300,600 | 8.55 |
| Real Estate | | | | |
| iShares Global Real Estate Index ETF | 16,610 | 468,533 | 464,914 | |
| | | 468,533 | 464,914 | 0.30 |
| Utilities | | | | |
| iShares Global Utilities ETF | 12,866 | 552,405 | 862,806 | |
| | | 552,405 | 862,806 | 0.56 |
| Total Exchange-Traded Funds | | 28,709,228 | 49,765,708 | 32.02 |
| MUTUAL FUNDS | | | | |
| Sun Life BlackRock Canadian Composite Equity Fund, Series I | 10,610,249 | 97,314,092 | 105,778,877 | 68.07 |
| | | 97,314,092 | 105,778,877 | 68.07 |
| Transaction Costs | | (4,753) | | |
| Total Investments | | 126,018,567 | 155,544,585 | 100.09 |
| Currency Forward Contracts⁽¹⁾ | | | (160,869) | (0.10) |
| Other Assets less Liabilities | | | 16,734 | 0.01 |
| Total Net Assets | | | 155,400,450 | 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-2019 | USD | 1,458,035 | CAD | (1,986,878) | 2,826 |
| | | | | | | | 2,826 |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 13,097,069 | USD | (9,717,512) | (163,695) |
| | | | | | | | (163,695) |
| | | | | | | | (160,869) |

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and 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 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, 2018 and December 31, 2017 are noted below:

| Rating | As a % of Net Assets | |
|--------------|----------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | - | 0.15 |
| Total | - | 0.15 |

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.

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

Sun Life BlackRock Canadian Equity Fund (continued)

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2018 and December 31, 2017. 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, 2018 | Percentage of Net Assets (%) | December 31, 2017 | Percentage of Net Assets (%) |
| United States Dollar | 28,208,280 | 18.15 | 28,228,415 | 16.08 |
| Total | 28,208,280 | 18.15 | 28,228,415 | 16.08 |

As at December 31, 2018, 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 \$1,410,414 (\$1,411,421 as at December 31, 2017). 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 and externally managed funds. As at December 31, 2018 and December 31, 2017, 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, 2018, 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 \$5,207,376 (\$6,017,021 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Exchange-Traded Funds | | |
| Industrials | 2.4 | 3.3 |
| Consumer Discretionary | 4.6 | 5.3 |
| Consumer Staples | 4.1 | 4.3 |
| Communication Services | 3.1 | - |
| Health Care | 8.3 | 7.0 |
| Information Technology | 8.6 | 9.8 |
| Real Estate | 0.3 | 0.3 |
| Utilities | 0.6 | 0.6 |
| Equities | | |
| Energy | 11.8 | 13.0 |
| Materials | 7.5 | 7.8 |
| Industrials | 6.7 | 6.5 |
| Consumer Discretionary | 2.8 | 3.6 |
| Consumer Staples | 2.7 | 2.5 |
| Health Care | 1.0 | 0.6 |
| Financials | 22.2 | 23.7 |
| Information Technology | 2.7 | 2.2 |
| Real Estate | 2.1 | 1.9 |
| Telecommunication Services | - | 3.2 |
| Communication Services | 4.0 | - |
| Utilities | 2.7 | 2.7 |
| Other Assets less Liabilities | 1.8 | 1.7 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Exchange-Traded Funds | 49,765,708 | - | - | 49,765,708 |
| Mutual Funds | 105,778,877 | - | - | 105,778,877 |
| Currency Forward Contracts | - | 2,826 | - | 2,826 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 163,695 | - | 163,695 |
| | | | | |
| | 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 |

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

Sun Life BlackRock Canadian Equity Fund (continued)

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$2,466 (\$778 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | 707 | 9,878 |
| Series F8 | 725 | 9,877 |
| | December 31, 2017 | |
| | Units | Market Value (\$) |
| Series F5 | - | - |
| Series F8 | - | - |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F5 | 10,017 | - | 588 |
| Series F8 | 10,017 | - | 850 |
| | December 31, 2017 | | |
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F5 | - | - | - |
| Series F8 | - | - | - |

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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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

| | Amounts Eligible for Offset | | | Net (\$) |
|--|----------------------------------|----------------------------|--------------------------------|------------------|
| | Gross Assets/ (Liabilities) (\$) | Financial Instruments (\$) | Collateral received/ paid (\$) | |
| December 31, 2018 | | | | |
| Derivative assets - Forward Contracts | 2,826 | (2,826) | - | - |
| Total | 2,826 | (2,826) | - | - |
| Derivative liabilities - Forward Contracts | (163,695) | 2,826 | - | (160,869) |
| Total | (163,695) | 2,826 | - | (160,869) |
| December 31, 2017 | | | | |
| Derivative assets - Forward Contracts | 254,659 | - | - | 254,659 |
| Total | 254,659 | - | - | 254,659 |
| 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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| Series I Units | April 07, 2011 | April 15, 2011 |
| Series O Units | April 01, 2014 | April 01, 2014 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 1,174,892,508 | 1,054,573,654 |
| Short-term investments | - | - |
| Cash | 16,467,108 | 4,084,095 |
| 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 | 30,800 | 166,310 |
| Accrued interest | 6,081,328 | 5,190,364 |
| Dividends receivable | - | - |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 2,755,742 | 960,313 |
| | 1,200,227,486 | 1,064,974,736 |
| 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 | 463,097 | 106,990 |
| Distributions payable | - | - |
| Due to investment dealers | - | 2,427,062 |
| Management fees payable | - | - |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 463,097 | 2,534,052 |
| Net Assets Attributable to Holders of Redeemable Units | 1,199,764,389 | 1,062,440,684 |
| Net Assets Attributable to Holders of Redeemable Units per Unit - Series I (note 5) | 10.31 | 10.48 |

Approved on behalf of Trustee

| | |
|-------------------------------------|---|
| “signed” Rick Headrick President | “signed” Kari Holdsworth Chief Financial Officer |
|-------------------------------------|---|

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------------|--------------|
| Investment Income | | |
| Dividend income | - | - |
| Interest income for distribution purposes | 35,099,710 | 28,493,291 |
| 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 | (7,617,456) | (4,340,710) |
| 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 | (9,902,667) | (2,481,852) |
| 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 | 17,579,587 | 21,670,729 |
| Net gain (loss) on foreign exchange | - | - |
| Other income | - | - |
| Total income (loss) | 17,579,587 | 21,670,729 |
| Expenses (note 6) | | |
| Management fees | - | - |
| Administration fees | - | - |
| Independent review committee fees | - | - |
| Withholding tax | - | - |
| Transaction costs (note 3) | - | - |
| Total operating expenses | - | - |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | 17,579,587 | 21,670,729 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) - Series I | | |
| | 17,579,587 | 21,670,729 |
| Weighted Average Number of Units Outstanding - Series I | | |
| | 113,547,047 | 91,462,561 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) - Series I | | |
| | 0.15 | 0.24 |

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 | |
|---|------------------|---------------|
| | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 1,062,440,684 | 879,537,604 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 17,579,587 | 21,670,729 |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | \$ 417,605,596 | 459,350,357 |
| Redemption of redeemable units | \$ (297,861,478) | (298,123,528) |
| Reinvestment of distributions to holders of redeemable units | \$ 35,111,834 | 28,486,693 |
| Capitalized distributions | \$ - | - |
| | \$ 154,855,952 | 189,713,522 |
| Distributions to Holders of Redeemable Units | | |
| From capital gains | \$ - | - |
| From net investment income | \$ (35,111,834) | (28,481,171) |
| Return of capital | \$ - | - |
| | \$ (35,111,834) | (28,481,171) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 137,323,705 | 182,903,080 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 1,199,764,389 | 1,062,440,684 |
| Redeemable Unit Transactions | | |
| Balance - beginning of period | 101,358,626 | 83,548,055 |
| Units issued | 40,453,653 | 43,365,559 |
| Units issued on reinvestment of distributions | 3,408,212 | 2,703,177 |
| Units redeemed | (28,877,834) | (28,258,165) |
| Balance - end of period | 116,342,657 | 101,358,626 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|----------------------|----------------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 17,579,587 | 21,670,729 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | 7,617,456 | 4,340,710 |
| Change in unrealized (appreciation) depreciation in value of investments | 9,902,667 | 2,481,852 |
| 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 | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | - | - |
| Purchases of investments | (437,633,979) | (479,588,695) |
| Proceeds from sale of investments | 297,503,450 | 303,598,154 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | (890,964) | (693,566) |
| 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 | (105,921,783) | (148,190,816) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | - | 3 |
| Proceeds from redeemable units issued | 415,810,167 | 462,393,013 |
| Redemption of redeemable units | (297,505,371) | (310,201,028) |
| Net Cash Provided by (Used in) Financing Activities | 118,304,796 | 152,191,988 |
| Net increase (decrease) in cash | 12,383,013 | 4,001,172 |
| Cash (bank indebtedness) at beginning of period | 4,084,095 | 82,923 |
| Cash (bank indebtedness) at end of period | 16,467,108 | 4,084,095 |
| Dividends received, net of withholding taxes | - | - |
| Interest received, net of withholding taxes | 34,208,746 | 27,799,725 |
| 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, 2018

| | 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 | 1,745,016 | 1,782,556 | |
| Canada Housing Trust No 1 | 3.750 | 15-Mar-2020 | 3,600,000 | 3,917,726 | 3,678,703 | |
| Canada Housing Trust No 1 | 1.200 | 15-Jun-2020 | 3,725,000 | 3,702,897 | 3,687,128 | |
| Canada Housing Trust No 1 | 1.450 | 15-Jun-2020 | 3,605,000 | 3,617,289 | 3,581,136 | |
| Canada Housing Trust No 1 | 1.250 | 15-Dec-2020 | 7,250,000 | 7,208,845 | 7,149,935 | |
| Canada Housing Trust No 1 | 3.350 | 15-Dec-2020 | 3,170,000 | 3,413,209 | 3,252,801 | |
| Canada Housing Trust No 1 | 1.250 | 15-Jun-2021 | 7,350,000 | 7,311,963 | 7,211,860 | |
| Canada Housing Trust No 1 | 3.800 | 15-Jun-2021 | 5,477,000 | 5,979,457 | 5,705,811 | |
| Canada Housing Trust No 1 | 1.150 | 15-Dec-2021 | 3,795,000 | 3,740,655 | 3,692,013 | |
| Canada Housing Trust No 1 | 1.500 | 15-Dec-2021 | 3,445,000 | 3,422,311 | 3,385,799 | |
| Canada Housing Trust No 1 | 2.650 | 15-Mar-2022 | 4,925,000 | 5,162,544 | 5,002,900 | |
| Canada Housing Trust No 1 | 1.750 | 15-Jun-2022 | 7,500,000 | 7,489,962 | 7,393,041 | |
| Canada Housing Trust No 1 | 2.400 | 15-Dec-2022 | 12,350,000 | 12,585,935 | 12,429,822 | |
| Canada Housing Trust No 1 | 2.350 | 15-Jun-2023 | 7,575,000 | 7,571,477 | 7,599,864 | |
| Canada Housing Trust No 1 | 2.350 | 15-Sep-2023 | 2,785,000 | 2,844,902 | 2,793,133 | |
| Canada Housing Trust No 1 | 3.150 | 15-Sep-2023 | 1,370,000 | 1,465,629 | 1,422,505 | |
| Canada Housing Trust No 1 | 2.550 | 15-Dec-2023 | 3,800,000 | 3,811,204 | 3,841,705 | |
| Canada Housing Trust No 1 | 2.550 | 15-Dec-2023 | 3,610,000 | 3,605,812 | 3,650,280 | |
| Canada Housing Trust No 1 | 2.900 | 15-Jun-2024 | 4,500,000 | 4,755,757 | 4,628,432 | |
| Canada Housing Trust No 1 | 2.550 | 15-Mar-2025 | 3,825,000 | 3,939,058 | 3,864,239 | |
| Canada Housing Trust No 1 | 1.950 | 15-Dec-2025 | 1,900,000 | 1,886,344 | 1,844,359 | |
| Canada Housing Trust No 1 | 2.250 | 15-Dec-2025 | 2,655,000 | 2,677,490 | 2,628,002 | |
| Canada Housing Trust No 1 | 1.900 | 15-Sep-2026 | 4,965,000 | 4,890,521 | 4,776,353 | |
| Canada Housing Trust No 1 | 2.350 | 15-Jun-2027 | 5,020,000 | 5,059,574 | 4,975,031 | |
| Canada Housing Trust No 1 | 2.650 | 15-Mar-2028 | 3,200,000 | 3,160,512 | 3,237,771 | |
| Canada Housing Trust No 1 | 2.350 | 15-Mar-2028 | 1,900,000 | 1,884,855 | 1,875,877 | |
| Canada Housing Trust No 1 | 2.650 | 15-Dec-2028 | 1,150,000 | 1,147,408 | 1,163,005 | |
| Canada Housing Trust No 1 | 2.650 | 15-Dec-2028 | 1,900,000 | 1,872,770 | 1,921,546 | |
| Canada Post Corp. | 4.080 | 16-Jul-2025 | 289,000 | 332,720 | 318,209 | |
| Canada Post Corp. | 4.360 | 16-Jul-2040 | 296,000 | 366,177 | 368,679 | |
| Canadian Government Bond | 1.250 | 1-Feb-2020 | 6,875,000 | 6,824,912 | 6,833,742 | |
| Canadian Government Bond | 1.500 | 1-Mar-2020 | 13,610,000 | 13,838,108 | 13,559,206 | |
| Canadian Government Bond | 1.750 | 1-May-2020 | 7,500,000 | 7,480,861 | 7,492,360 | |
| Canadian Government Bond | 3.500 | 1-Jun-2020 | 9,235,000 | 10,120,013 | 9,448,433 | |
| Canadian Government Bond | 1.750 | 1-Aug-2020 | 7,850,000 | 7,814,330 | 7,837,820 | |
| Canadian Government Bond | 0.750 | 1-Sep-2020 | 16,090,000 | 15,876,830 | 15,802,707 | |
| Canadian Government Bond | 2.000 | 1-Nov-2020 | 7,800,000 | 7,770,890 | 7,819,546 | |
| Canadian Government Bond | 2.250 | 1-Feb-2021 | 3,950,000 | 3,946,421 | 3,980,800 | |
| Canadian Government Bond | 0.750 | 1-Mar-2021 | 16,080,000 | 15,730,616 | 15,702,720 | |
| Canadian Government Bond | 10.500 | 15-Mar-2021 | 195,000 | 305,189 | 231,135 | |
| Canadian Government Bond | 3.250 | 1-Jun-2021 | 7,828,000 | 8,568,762 | 8,082,225 | |
| Canadian Government Bond | 9.750 | 1-Jun-2021 | 202,000 | 304,243 | 239,420 | |
| Canadian Government Bond | 0.750 | 1-Sep-2021 | 12,300,000 | 12,084,427 | 11,945,915 | |
| Canadian Government Bond | 0.500 | 1-Mar-2022 | 9,350,000 | 9,012,455 | 8,957,643 | |
| Canadian Government Bond | 2.750 | 1-Jun-2022 | 7,716,000 | 8,328,302 | 7,938,549 | |
| Canadian Government Bond | 9.250 | 1-Jun-2022 | 100,000 | 153,453 | 124,381 | |
| Canadian Government Bond | 1.000 | 1-Sep-2022 | 9,925,000 | 9,702,647 | 9,614,073 | |
| Canadian Government Bond | 1.750 | 1-Mar-2023 | 9,325,000 | 9,233,310 | 9,274,223 | |
| Canadian Government Bond | 1.500 | 1-Jun-2023 | 9,180,000 | 9,177,925 | 9,031,919 | |
| Canadian Government Bond | 8.000 | 1-Jun-2023 | 1,034,000 | 1,497,140 | 1,300,118 | |
| Canadian Government Bond | 2.000 | 1-Sep-2023 | 7,700,000 | 7,642,642 | 7,739,848 | |
| Canadian Government Bond | 2.250 | 1-Mar-2024 | 4,000,000 | 3,973,592 | 4,068,969 | |
| Canadian Government Bond | 2.500 | 1-Jun-2024 | 7,738,000 | 8,186,405 | 7,975,515 | |
| Canadian Government Bond | 2.250 | 1-Jun-2025 | 8,470,000 | 8,871,765 | 8,641,197 | |
| Canadian Government Bond | 9.000 | 1-Jun-2025 | 753,000 | 1,265,384 | 1,073,478 | |
| Canadian Government Bond | 1.500 | 1-Jun-2026 | 8,210,000 | 8,087,502 | 7,966,171 | |
| Canadian Government Bond | 1.000 | 1-Jun-2027 | 9,460,000 | 8,865,923 | 8,769,603 | |
| Canadian Government Bond | 8.000 | 1-Jun-2027 | 1,649,000 | 2,704,458 | 2,419,875 | |
| Canadian Government Bond | 2.000 | 1-Jun-2028 | 8,450,000 | 8,281,029 | 8,476,532 | |
| Canadian Government Bond | 2.250 | 1-Jun-2029 | 2,200,000 | 2,176,821 | 2,255,782 | |
| Canadian Government Bond | 5.750 | 1-Jun-2029 | 8,049,000 | 11,304,240 | 10,875,898 | |
| Canadian Government Bond | 5.750 | 1-Jun-2033 | 7,565,000 | 11,370,670 | 11,017,332 | |
| Canadian Government Bond | 5.000 | 1-Jun-2037 | 7,737,000 | 11,270,282 | 11,081,855 | |
| Canadian Government Bond | 4.000 | 1-Jun-2041 | 9,740,000 | 12,922,800 | 12,852,883 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|-------------|---------------|------------|--------------------|--------------------|-----------------------|
| Canadian Government Bond | 3.500 | 1-Dec-2045 | 11,755,000 | 14,803,482 | 14,872,691 | |
| Canadian Government Bond | 2.750 | 1-Dec-2048 | 11,365,000 | 12,662,956 | 12,780,348 | |
| CPPIB Capital Inc. | 3.000 | 15-Jun-2028 | 1,375,000 | 1,377,800 | 1,395,507 | |
| First Nations Finance Authority | 3.400 | 26-Jun-2024 | 200,000 | 212,478 | 206,466 | |
| First Nations Finance Authority | 3.050 | 1-Jun-2028 | 250,000 | 244,680 | 249,844 | |
| International Bank of Reconstruction & Development | 2.250 | 17-Jan-2023 | 800,000 | 795,359 | 799,502 | |
| Ontario Electricity Financial Corp. | 10.125 | 15-Oct-2021 | 300,000 | 384,150 | 362,955 | |
| | | | | 415,745,271 | 409,961,681 | 34.17 |
| Provincial Bonds | | | | | | |
| Alberta Capital Finance Authority | 4.450 | 15-Dec-2025 | 250,000 | 289,625 | 275,304 | |
| Financement-Quebec | 5.250 | 1-Jun-2034 | 1,457,000 | 1,840,438 | 1,821,406 | |
| Hydro-Quebec | 6.000 | 15-Aug-2031 | 500,000 | 664,955 | 658,522 | |
| Province of Alberta | 1.250 | 1-Jun-2020 | 2,035,000 | 2,019,737 | 2,013,072 | |
| Province of Alberta | 1.350 | 1-Sep-2021 | 1,965,000 | 1,941,717 | 1,921,392 | |
| Province of Alberta | 1.600 | 1-Sep-2022 | 500,000 | 496,314 | 486,519 | |
| Province of Alberta | 2.550 | 15-Dec-2022 | 1,450,000 | 1,488,627 | 1,457,286 | |
| Province of Alberta | 2.650 | 1-Sep-2023 | 950,000 | 950,288 | 956,577 | |
| Province of Alberta | 3.400 | 1-Dec-2023 | 400,000 | 417,277 | 416,118 | |
| Province of Alberta | 3.100 | 1-Jun-2024 | 575,000 | 600,884 | 589,623 | |
| Province of Alberta | 2.350 | 1-Jun-2025 | 2,400,000 | 2,378,271 | 2,353,573 | |
| Province of Alberta | 2.200 | 1-Jun-2026 | 2,645,000 | 2,611,757 | 2,544,916 | |
| Province of Alberta | 2.550 | 1-Jun-2027 | 2,250,000 | 2,216,170 | 2,201,003 | |
| Province of Alberta | 2.900 | 1-Dec-2028 | 1,360,000 | 1,342,696 | 1,358,725 | |
| Province of Alberta | 2.900 | 20-Sep-2029 | 1,090,000 | 1,100,058 | 1,079,939 | |
| Province of Alberta | 3.500 | 1-Jun-2031 | 875,000 | 939,696 | 916,171 | |
| Province of Alberta | 3.900 | 1-Dec-2033 | 925,000 | 1,011,838 | 1,005,288 | |
| Province of Alberta | 4.500 | 1-Dec-2040 | 435,000 | 538,476 | 518,359 | |
| Province of Alberta | 3.450 | 1-Dec-2043 | 1,800,000 | 1,880,471 | 1,846,794 | |
| Province of Alberta | 3.300 | 1-Dec-2046 | 5,235,000 | 5,349,451 | 5,232,210 | |
| Province of Alberta | 3.050 | 1-Dec-2048 | 3,275,000 | 3,232,429 | 3,131,804 | |
| Province of Alberta | 3.100 | 1-Jun-2050 | 900,000 | 882,552 | 870,723 | |
| Province of British Columbia | 3.700 | 18-Dec-2020 | 1,649,000 | 1,802,397 | 1,700,652 | |
| Province of British Columbia | 3.250 | 18-Dec-2021 | 1,550,000 | 1,646,076 | 1,596,736 | |
| Province of British Columbia | 2.700 | 18-Dec-2022 | 1,350,000 | 1,397,258 | 1,369,376 | |
| Province of British Columbia | 8.000 | 8-Sep-2023 | 137,000 | 197,786 | 170,322 | |
| Province of British Columbia | 3.300 | 18-Dec-2023 | 1,125,000 | 1,206,382 | 1,171,005 | |
| Province of British Columbia | 9.000 | 23-Aug-2024 | 35,000 | 52,113 | 46,761 | |
| Province of British Columbia | 2.850 | 18-Jun-2025 | 1,450,000 | 1,521,752 | 1,476,105 | |
| Province of British Columbia | 2.300 | 18-Jun-2026 | 1,200,000 | 1,192,210 | 1,174,564 | |
| Province of British Columbia | 2.550 | 18-Jun-2027 | 750,000 | 745,949 | 742,254 | |
| Province of British Columbia | 6.150 | 19-Nov-2027 | 50,000 | 67,793 | 63,231 | |
| Province of British Columbia | 2.950 | 18-Dec-2028 | 1,225,000 | 1,235,241 | 1,248,713 | |
| Province of British Columbia | 5.700 | 18-Jun-2029 | 2,222,000 | 2,919,742 | 2,799,336 | |
| Province of British Columbia | 6.350 | 18-Jun-2031 | 1,263,000 | 1,798,905 | 1,721,254 | |
| Province of British Columbia | 5.400 | 18-Jun-2035 | 640,000 | 858,295 | 837,201 | |
| Province of British Columbia | 4.700 | 18-Jun-2037 | 1,038,000 | 1,286,303 | 1,279,675 | |
| Province of British Columbia | 4.950 | 18-Jun-2040 | 1,450,000 | 1,893,191 | 1,878,334 | |
| Province of British Columbia | 4.300 | 18-Jun-2042 | 1,968,000 | 2,394,300 | 2,365,169 | |
| Province of British Columbia | 3.200 | 18-Jun-2044 | 3,315,000 | 3,380,535 | 3,380,959 | |
| Province of British Columbia | 2.800 | 18-Jun-2048 | 3,510,000 | 3,368,513 | 3,327,459 | |
| Province of British Columbia | 2.950 | 18-Jun-2050 | 785,000 | 765,154 | 768,362 | |
| Province of Manitoba | 4.750 | 11-Feb-2020 | 450,000 | 512,780 | 463,515 | |
| Province of Manitoba | 4.150 | 3-Jun-2020 | 607,000 | 665,924 | 624,841 | |
| Province of Manitoba | 1.600 | 5-Sep-2020 | 300,000 | 303,240 | 297,726 | |
| Province of Manitoba | 1.550 | 5-Sep-2021 | 940,000 | 930,938 | 924,035 | |
| Province of Manitoba | 3.850 | 1-Dec-2021 | 500,000 | 551,516 | 522,298 | |
| Province of Manitoba | 2.550 | 2-Jun-2023 | 1,000,000 | 1,015,367 | 1,003,232 | |
| Province of Manitoba | 3.300 | 2-Jun-2024 | 625,000 | 659,797 | 647,879 | |
| Province of Manitoba | 2.450 | 2-Jun-2025 | 1,310,000 | 1,302,522 | 1,293,058 | |
| Province of Manitoba | 4.400 | 5-Sep-2025 | 418,000 | 468,584 | 460,710 | |
| Province of Manitoba | 7.750 | 22-Dec-2025 | 48,000 | 66,003 | 63,089 | |
| Province of Manitoba | 2.550 | 2-Jun-2026 | 1,500,000 | 1,511,648 | 1,477,790 | |
| Province of Manitoba | 2.600 | 2-Jun-2027 | 1,000,000 | 983,670 | 981,542 | |
| Province of Manitoba | 3.000 | 2-Jun-2028 | 1,075,000 | 1,069,445 | 1,083,715 | |
| Province of Manitoba | 3.250 | 5-Sep-2029 | 400,000 | 412,002 | 408,877 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---------------------------------------|-------------|---------------|-----------|-------------------|-----------------|-----------------------|
| Province of Manitoba | 6.300 | 5-Mar-2031 | 400,000 | 566,817 | 530,719 | |
| Province of Manitoba | 5.700 | 5-Mar-2037 | 663,000 | 891,993 | 880,424 | |
| Province of Manitoba | 4.600 | 5-Mar-2038 | 668,000 | 804,591 | 790,559 | |
| Province of Manitoba | 4.650 | 5-Mar-2040 | 478,000 | 577,060 | 573,995 | |
| Province of Manitoba | 4.100 | 5-Mar-2041 | 904,000 | 1,039,611 | 1,010,451 | |
| Province of Manitoba | 4.400 | 5-Mar-2042 | 350,000 | 418,496 | 408,785 | |
| Province of Manitoba | 3.350 | 5-Mar-2043 | 300,000 | 303,485 | 299,813 | |
| Province of Manitoba | 4.050 | 5-Sep-2045 | 1,025,000 | 1,164,149 | 1,149,197 | |
| Province of Manitoba | 2.850 | 5-Sep-2046 | 1,780,000 | 1,652,870 | 1,617,892 | |
| Province of Manitoba | 3.400 | 5-Sep-2048 | 1,450,000 | 1,487,430 | 1,465,706 | |
| Province of Manitoba | 3.200 | 5-Mar-2050 | 600,000 | 597,371 | 585,049 | |
| Province of Manitoba | 3.150 | 5-Sep-2052 | 250,000 | 236,823 | 239,788 | |
| Province of New Brunswick | 4.500 | 2-Jun-2020 | 1,115,000 | 1,238,343 | 1,152,874 | |
| Province of New Brunswick | 3.350 | 3-Dec-2021 | 626,000 | 671,685 | 644,944 | |
| Province of New Brunswick | 1.550 | 4-May-2022 | 750,000 | 728,637 | 730,887 | |
| Province of New Brunswick | 2.850 | 2-Jun-2023 | 850,000 | 876,463 | 862,495 | |
| Province of New Brunswick | 3.650 | 3-Jun-2024 | 450,000 | 489,395 | 473,557 | |
| Province of New Brunswick | 2.600 | 14-Aug-2026 | 550,000 | 542,208 | 541,982 | |
| Province of New Brunswick | 2.350 | 14-Aug-2027 | 800,000 | 771,069 | 766,609 | |
| Province of New Brunswick | 3.100 | 14-Aug-2028 | 250,000 | 249,263 | 253,132 | |
| Province of New Brunswick | 5.650 | 27-Dec-2028 | 380,000 | 479,200 | 465,624 | |
| Province of New Brunswick | 5.500 | 27-Jan-2034 | 375,000 | 499,829 | 474,078 | |
| Province of New Brunswick | 4.650 | 26-Sep-2035 | 510,000 | 593,562 | 595,531 | |
| Province of New Brunswick | 4.550 | 26-Mar-2037 | 545,000 | 644,248 | 632,211 | |
| Province of New Brunswick | 4.800 | 26-Sep-2039 | 722,000 | 885,437 | 872,994 | |
| Province of New Brunswick | 4.800 | 3-Jun-2041 | 750,000 | 926,243 | 913,181 | |
| Province of New Brunswick | 3.550 | 3-Jun-2043 | 745,000 | 764,398 | 761,033 | |
| Province of New Brunswick | 3.800 | 14-Aug-2045 | 1,175,000 | 1,279,599 | 1,252,954 | |
| Province of New Brunswick | 3.100 | 14-Aug-2048 | 650,000 | 632,420 | 613,195 | |
| Province of New Brunswick | 3.550 | 3-Jun-2055 | 125,000 | 126,196 | 127,406 | |
| Province of Newfoundland and Labrador | 10.950 | 15-Apr-2021 | 18,000 | 28,122 | 21,438 | |
| Province of Newfoundland and Labrador | 1.950 | 2-Jun-2022 | 700,000 | 700,110 | 689,662 | |
| Province of Newfoundland and Labrador | 2.300 | 2-Jun-2025 | 600,000 | 586,882 | 584,200 | |
| Province of Newfoundland and Labrador | 3.000 | 2-Jun-2026 | 875,000 | 899,519 | 883,691 | |
| Province of Newfoundland and Labrador | 6.150 | 17-Apr-2028 | 200,000 | 263,808 | 250,171 | |
| Province of Newfoundland and Labrador | 2.850 | 2-Jun-2028 | 700,000 | 688,692 | 692,654 | |
| Province of Newfoundland and Labrador | 6.550 | 17-Oct-2030 | 350,000 | 483,235 | 466,136 | |
| Province of Newfoundland and Labrador | 5.600 | 17-Oct-2033 | 332,000 | 416,244 | 420,486 | |
| Province of Newfoundland and Labrador | 5.700 | 17-Oct-2035 | 200,000 | 250,140 | 259,304 | |
| Province of Newfoundland and Labrador | 4.500 | 17-Apr-2037 | 250,000 | 287,604 | 286,670 | |
| Province of Newfoundland and Labrador | 4.650 | 17-Oct-2040 | 409,000 | 460,175 | 483,418 | |
| Province of Newfoundland and Labrador | 3.300 | 17-Oct-2046 | 1,290,000 | 1,246,719 | 1,246,520 | |
| Province of Newfoundland and Labrador | 3.700 | 17-Oct-2048 | 650,000 | 699,420 | 677,801 | |
| Province of Nova Scotia | 4.100 | 1-Jun-2021 | 902,000 | 988,784 | 942,463 | |
| Province of Nova Scotia | 2.150 | 1-Jun-2025 | 200,000 | 199,341 | 194,222 | |
| Province of Nova Scotia | 2.100 | 1-Jun-2027 | 550,000 | 530,847 | 521,899 | |
| Province of Nova Scotia | 6.600 | 1-Jun-2027 | 200,000 | 274,316 | 256,786 | |
| Province of Nova Scotia | 6.600 | 1-Dec-2031 | 200,000 | 290,797 | 276,787 | |
| Province of Nova Scotia | 5.800 | 1-Jun-2033 | 400,000 | 547,961 | 525,149 | |
| Province of Nova Scotia | 4.900 | 1-Jun-2035 | 200,000 | 250,504 | 244,756 | |
| Province of Nova Scotia | 4.500 | 1-Jun-2037 | 617,000 | 725,582 | 730,140 | |
| Province of Nova Scotia | 4.700 | 1-Jun-2041 | 453,000 | 542,040 | 559,140 | |
| Province of Nova Scotia | 4.400 | 1-Jun-2042 | 650,000 | 776,046 | 774,369 | |
| Province of Nova Scotia | 3.450 | 1-Jun-2045 | 300,000 | 313,593 | 311,043 | |
| Province of Nova Scotia | 3.500 | 2-Jun-2062 | 865,000 | 907,426 | 919,414 | |
| Province of Ontario | 4.200 | 2-Jun-2020 | 8,305,000 | 9,122,017 | 8,554,503 | |
| Province of Ontario | 4.850 | 2-Jun-2020 | 300,000 | 344,222 | 311,728 | |
| Province of Ontario | 4.000 | 2-Jun-2021 | 6,568,000 | 7,190,331 | 6,848,464 | |
| Province of Ontario | 1.350 | 8-Mar-2022 | 3,850,000 | 3,765,448 | 3,739,754 | |
| Province of Ontario | 3.150 | 2-Jun-2022 | 8,875,000 | 9,419,265 | 9,111,780 | |
| Province of Ontario | 9.500 | 13-Jul-2022 | 842,000 | 1,209,553 | 1,042,779 | |
| Province of Ontario | 1.950 | 27-Jan-2023 | 1,400,000 | 1,405,537 | 1,377,648 | |
| Province of Ontario | 2.850 | 2-Jun-2023 | 8,800,000 | 9,140,356 | 8,944,445 | |
| Province of Ontario | 2.600 | 8-Sep-2023 | 4,000,000 | 3,988,200 | 4,022,856 | |
| Province of Ontario | 8.100 | 8-Sep-2023 | 823,000 | 1,173,682 | 1,026,280 | |
| Province of Ontario | 7.500 | 7-Feb-2024 | 550,000 | 767,495 | 678,542 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-------------|---------------|------------|-------------------|-----------------|-----------------------|
| Province of Ontario | 3.500 | 2-Jun-2024 | 8,475,000 | 9,105,567 | 8,881,711 | |
| Province of Ontario | 2.650 | 5-Feb-2025 | 1,000,000 | 996,250 | 1,004,623 | |
| Province of Ontario | 2.600 | 2-Jun-2025 | 10,050,000 | 10,235,169 | 10,031,796 | |
| Province of Ontario | 8.500 | 2-Dec-2025 | 602,000 | 934,235 | 818,866 | |
| Province of Ontario | 2.400 | 2-Jun-2026 | 5,950,000 | 5,960,357 | 5,826,752 | |
| Province of Ontario | 8.000 | 2-Jun-2026 | 205,000 | 298,548 | 277,628 | |
| Province of Ontario | 2.600 | 2-Jun-2027 | 8,245,000 | 8,234,129 | 8,132,781 | |
| Province of Ontario | 7.600 | 2-Jun-2027 | 965,000 | 1,445,168 | 1,312,466 | |
| Province of Ontario | 2.900 | 2-Jun-2028 | 6,450,000 | 6,395,975 | 6,492,315 | |
| Province of Ontario | 6.500 | 8-Mar-2029 | 3,478,000 | 4,762,055 | 4,572,769 | |
| Province of Ontario | 6.200 | 2-Jun-2031 | 1,782,000 | 2,488,468 | 2,380,604 | |
| Province of Ontario | 5.850 | 8-Mar-2033 | 3,019,000 | 4,128,899 | 3,987,918 | |
| Province of Ontario | 5.600 | 2-Jun-2035 | 4,506,000 | 6,080,810 | 5,934,319 | |
| Province of Ontario | 4.700 | 2-Jun-2037 | 5,058,000 | 6,255,423 | 6,147,083 | |
| Province of Ontario | 4.600 | 2-Jun-2039 | 4,404,000 | 5,411,230 | 5,346,401 | |
| Province of Ontario | 4.650 | 2-Jun-2041 | 5,895,000 | 7,404,942 | 7,259,489 | |
| Province of Ontario | 3.500 | 2-Jun-2043 | 7,175,000 | 7,658,735 | 7,533,113 | |
| Province of Ontario | 3.450 | 2-Jun-2045 | 9,453,000 | 9,936,970 | 9,865,321 | |
| Province of Ontario | 2.900 | 2-Dec-2046 | 11,985,000 | 11,496,656 | 11,311,261 | |
| Province of Ontario | 2.800 | 2-Jun-2048 | 8,890,000 | 8,442,187 | 8,239,328 | |
| Province of Ontario | 2.900 | 2-Jun-2049 | 5,825,000 | 5,546,135 | 5,517,286 | |
| Province of Prince Edward Island | 6.100 | 29-Jul-2027 | 37,000 | 43,833 | 45,565 | |
| Province of Prince Edward Island | 5.700 | 15-Jun-2035 | 46,000 | 52,852 | 59,209 | |
| Province of Prince Edward Island | 4.650 | 19-Nov-2037 | 11,000 | 10,993 | 12,836 | |
| Province of Prince Edward Island | 4.600 | 19-May-2041 | 192,000 | 222,140 | 226,104 | |
| Province of Prince Edward Island | 3.600 | 17-Jan-2053 | 200,000 | 197,088 | 204,114 | |
| Province of Quebec | 4.500 | 1-Dec-2020 | 4,707,000 | 5,201,752 | 4,921,139 | |
| Province of Quebec | 4.250 | 1-Dec-2021 | 5,710,000 | 6,369,441 | 6,036,051 | |
| Province of Quebec | 3.500 | 1-Dec-2022 | 5,235,000 | 5,640,916 | 5,459,033 | |
| Province of Quebec | 9.375 | 16-Jan-2023 | 1,209,000 | 1,833,298 | 1,530,978 | |
| Province of Quebec | 2.450 | 1-Mar-2023 | 300,000 | 299,067 | 301,547 | |
| Province of Quebec | 3.000 | 1-Sep-2023 | 4,595,000 | 4,817,632 | 4,708,386 | |
| Province of Quebec | 3.750 | 1-Sep-2024 | 4,450,000 | 4,855,168 | 4,736,028 | |
| Province of Quebec | 5.350 | 1-Jun-2025 | 300,000 | 370,078 | 347,225 | |
| Province of Quebec | 2.750 | 1-Sep-2025 | 4,850,000 | 4,990,750 | 4,893,161 | |
| Province of Quebec | 8.500 | 1-Apr-2026 | 1,539,000 | 2,316,994 | 2,119,965 | |
| Province of Quebec | 2.500 | 1-Sep-2026 | 4,220,000 | 4,263,756 | 4,169,181 | |
| Province of Quebec | 2.750 | 1-Sep-2027 | 4,435,000 | 4,460,107 | 4,441,477 | |
| Province of Quebec | 2.750 | 1-Sep-2028 | 3,550,000 | 3,506,231 | 3,544,716 | |
| Province of Quebec | 6.000 | 1-Oct-2029 | 2,012,000 | 2,723,315 | 2,592,422 | |
| Province of Quebec | 6.250 | 1-Jun-2032 | 2,988,000 | 4,188,477 | 4,071,046 | |
| Province of Quebec | 5.750 | 1-Dec-2036 | 2,594,000 | 3,593,500 | 3,538,488 | |
| Province of Quebec | 5.000 | 1-Dec-2038 | 3,103,000 | 3,984,279 | 3,966,309 | |
| Province of Quebec | 5.000 | 1-Dec-2041 | 5,728,000 | 7,545,768 | 7,460,771 | |
| Province of Quebec | 4.250 | 1-Dec-2043 | 4,940,000 | 5,964,727 | 5,876,345 | |
| Province of Quebec | 3.500 | 1-Dec-2045 | 8,330,000 | 8,846,032 | 8,855,714 | |
| Province of Quebec | 3.500 | 1-Dec-2048 | 6,915,000 | 7,506,405 | 7,405,164 | |
| Province of Saskatchewan | 9.600 | 4-Feb-2022 | 41,000 | 60,937 | 49,806 | |
| Province of Saskatchewan | 3.200 | 3-Jun-2024 | 725,000 | 770,800 | 748,469 | |
| Province of Saskatchewan | 2.550 | 2-Jun-2026 | 685,000 | 695,567 | 676,333 | |
| Province of Saskatchewan | 2.650 | 2-Jun-2027 | 750,000 | 751,418 | 740,913 | |
| Province of Saskatchewan | 3.050 | 2-Dec-2028 | 550,000 | 550,924 | 558,136 | |
| Province of Saskatchewan | 5.750 | 5-Mar-2029 | 350,000 | 458,791 | 435,842 | |
| Province of Saskatchewan | 6.400 | 5-Sep-2031 | 399,000 | 547,604 | 540,544 | |
| Province of Saskatchewan | 5.800 | 5-Sep-2033 | 475,000 | 651,788 | 624,117 | |
| Province of Saskatchewan | 5.600 | 5-Sep-2035 | 325,000 | 441,824 | 425,996 | |
| Province of Saskatchewan | 5.000 | 5-Mar-2037 | 260,000 | 320,922 | 323,502 | |
| Province of Saskatchewan | 4.750 | 1-Jun-2040 | 730,000 | 911,635 | 898,885 | |
| Province of Saskatchewan | 3.400 | 3-Feb-2042 | 700,000 | 727,607 | 715,743 | |
| Province of Saskatchewan | 3.900 | 2-Jun-2045 | 1,060,000 | 1,188,013 | 1,176,381 | |
| Province of Saskatchewan | 2.750 | 2-Dec-2046 | 2,120,000 | 1,963,145 | 1,916,216 | |
| Province of Saskatchewan | 3.300 | 2-Jun-2048 | 1,400,000 | 1,430,633 | 1,412,122 | |
| Province of Saskatchewan | 3.100 | 2-Jun-2050 | 475,000 | 469,932 | 461,899 | |
| Province of Saskatchewan | 3.750 | 5-Mar-2054 | 300,000 | 344,640 | 331,926 | |
| South Coast British Columbia Transportation Authority | 3.250 | 23-Nov-2028 | 500,000 | 499,280 | 509,653 | |
| South Coast British Columbia Transportation Authority | 3.150 | 16-Nov-2048 | 200,000 | 203,578 | 189,165 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-------------|---------------|-----------|--------------------|--------------------|-----------------------|
| South Coast British Columbia Transportation Authority | 3.050 | 4-Jun-2025 | 200,000 | 201,992 | 203,111 | |
| South Coast British Columbia Transportation Authority | 4.450 | 9-Jun-2044 | 250,000 | 290,710 | 292,110 | |
| South Coast British Columbia Transportation Authority | 3.850 | 9-Feb-2052 | 250,000 | 270,851 | 269,575 | |
| South Coast British Columbia Transportation Authority | 3.800 | 2-Nov-2020 | 409,000 | 435,927 | 420,810 | |
| | | | | 388,610,987 | 379,907,320 | 31.66 |
| Municipal Bonds | | | | | | |
| City of Montreal | 4.500 | 1-Dec-2021 | 400,000 | 442,390 | 424,107 | |
| City of Montreal | 3.500 | 1-Sep-2023 | 450,000 | 467,803 | 466,726 | |
| City of Montreal | 3.500 | 1-Sep-2024 | 200,000 | 209,414 | 207,696 | |
| City of Montreal | 3.000 | 1-Sep-2025 | 350,000 | 360,943 | 352,612 | |
| City of Montreal | 2.750 | 1-Sep-2026 | 350,000 | 353,278 | 344,920 | |
| City of Montreal | 3.000 | 1-Sep-2027 | 650,000 | 647,423 | 649,004 | |
| City of Montreal | 3.150 | 1-Sep-2028 | 325,000 | 322,273 | 327,007 | |
| City of Montreal | 4.250 | 1-Dec-2032 | 350,000 | 387,963 | 387,473 | |
| City of Montreal | 4.100 | 1-Dec-2034 | 500,000 | 539,888 | 541,441 | |
| City of Montreal | 3.150 | 1-Dec-2036 | 400,000 | 391,423 | 384,165 | |
| City of Montreal | 3.500 | 1-Dec-2038 | 235,000 | 236,165 | 235,746 | |
| City of Montreal | 6.000 | 1-Jun-2043 | 370,000 | 521,737 | 522,170 | |
| City of Ottawa | 4.400 | 22-Oct-2033 | 100,000 | 119,750 | 112,833 | |
| City of Ottawa | 4.600 | 14-Jul-2042 | 300,000 | 356,300 | 356,221 | |
| City of Ottawa | 3.100 | 27-Jul-2048 | 450,000 | 435,848 | 421,637 | |
| City of Ottawa | 4.200 | 30-Jul-2053 | 100,000 | 118,000 | 114,997 | |
| City of Toronto | 6.800 | 26-Jul-2021 | 100,000 | 126,760 | 110,925 | |
| City of Toronto | 3.500 | 6-Dec-2021 | 500,000 | 535,243 | 515,949 | |
| City of Toronto | 3.900 | 29-Sep-2023 | 350,000 | 397,195 | 369,628 | |
| City of Toronto | 2.450 | 6-Feb-2025 | 200,000 | 199,510 | 196,034 | |
| City of Toronto | 2.400 | 24-Jun-2026 | 200,000 | 191,300 | 193,006 | |
| City of Toronto | 2.400 | 7-Jun-2027 | 575,000 | 564,008 | 548,544 | |
| City of Toronto | 2.950 | 28-Apr-2035 | 300,000 | 282,741 | 282,658 | |
| City of Toronto | 3.500 | 2-Jun-2036 | 660,000 | 665,765 | 666,059 | |
| City of Toronto | 5.200 | 1-Jun-2040 | 402,000 | 481,836 | 508,085 | |
| City of Toronto | 4.700 | 10-Jun-2041 | 400,000 | 487,498 | 475,777 | |
| City of Toronto | 3.800 | 13-Dec-2042 | 200,000 | 192,462 | 210,322 | |
| City of Toronto | 4.150 | 10-Mar-2044 | 150,000 | 164,933 | 166,018 | |
| City of Toronto | 3.250 | 24-Jun-2046 | 295,000 | 284,578 | 281,600 | |
| City of Toronto | 3.200 | 1-Aug-2048 | 300,000 | 299,253 | 284,234 | |
| City of Vancouver | 3.750 | 24-Oct-2023 | 150,000 | 170,520 | 157,815 | |
| City of Winnipeg | 5.200 | 17-Jul-2036 | 100,000 | 122,564 | 122,375 | |
| City of Winnipeg | 4.100 | 1-Jun-2045 | 200,000 | 219,458 | 218,605 | |
| City of Winnipeg | 4.300 | 15-Nov-2051 | 150,000 | 171,975 | 171,351 | |
| Municipal Finance Authority of British Columbia | 4.450 | 1-Jun-2020 | 312,000 | 351,918 | 322,244 | |
| Municipal Finance Authority of British Columbia | 1.750 | 15-Oct-2020 | 200,000 | 197,760 | 198,651 | |
| Municipal Finance Authority of British Columbia | 1.650 | 19-Apr-2021 | 300,000 | 302,178 | 296,200 | |
| Municipal Finance Authority of British Columbia | 4.150 | 1-Jun-2021 | 703,000 | 778,591 | 734,338 | |
| Municipal Finance Authority of British Columbia | 3.350 | 1-Jun-2022 | 200,000 | 205,765 | 206,130 | |
| Municipal Finance Authority of British Columbia | 2.150 | 1-Dec-2022 | 325,000 | 324,831 | 321,388 | |
| Municipal Finance Authority of British Columbia | 2.600 | 23-Apr-2023 | 440,000 | 439,740 | 441,504 | |
| Municipal Finance Authority of British Columbia | 3.750 | 26-Sep-2023 | 300,000 | 325,948 | 316,118 | |
| Municipal Finance Authority of British Columbia | 2.800 | 3-Dec-2023 | 510,000 | 510,831 | 515,911 | |
| Municipal Finance Authority of British Columbia | 2.950 | 14-Oct-2024 | 200,000 | 205,172 | 203,237 | |
| Municipal Finance Authority of British Columbia | 2.650 | 2-Oct-2025 | 150,000 | 149,393 | 149,380 | |
| Municipal Finance Authority of British Columbia | 2.500 | 19-Apr-2026 | 500,000 | 500,375 | 490,595 | |
| Municipal Finance Authority of British Columbia | 4.950 | 1-Dec-2027 | 573,000 | 676,469 | 664,936 | |
| Municipal Finance Authority of British Columbia | 3.050 | 23-Oct-2028 | 470,000 | 469,259 | 474,239 | |
| Regional Municipality of Halton | 3.150 | 6-Apr-2045 | 100,000 | 99,579 | 94,070 | |
| Regional Municipality of Peel | 2.300 | 2-Nov-2026 | 300,000 | 298,174 | 287,013 | |
| Regional Municipality of Peel | 4.250 | 2-Dec-2033 | 200,000 | 199,204 | 221,472 | |
| Regional Municipality of Peel | 5.100 | 29-Jun-2040 | 352,000 | 436,975 | 441,451 | |
| Regional Municipality of Peel | 3.850 | 30-Oct-2042 | 250,000 | 264,458 | 265,943 | |
| Regional Municipality of York | 4.500 | 30-Jun-2020 | 146,000 | 152,634 | 151,053 | |
| Regional Municipality of York | 4.000 | 30-Jun-2021 | 300,000 | 327,208 | 312,514 | |
| Regional Municipality of York | 2.600 | 15-Dec-2025 | 500,000 | 502,987 | 492,398 | |
| Regional Municipality of York | 2.350 | 9-Jun-2027 | 150,000 | 142,226 | 142,950 | |
| Regional Municipality of York | 4.000 | 31-May-2032 | 225,000 | 243,720 | 244,599 | |
| Regional Municipality of York | 3.650 | 13-May-2033 | 350,000 | 360,875 | 364,519 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|-------------|---------------|-----------|-------------------|-------------------|-----------------------|
| Regional Municipality of York | 4.050 | 1-May-2034 | 350,000 | 382,397 | 380,678 | |
| Regional Municipality of York | 4.150 | 18-Nov-2041 | 50,000 | 52,928 | 55,381 | |
| Regional Municipality of York | 3.750 | 13-May-2043 | 100,000 | 109,090 | 104,488 | |
| | | | | 20,478,882 | 20,221,140 | 1.69 |
| Corporate Bonds | | | | | | |
| 407 International Inc. | 4.300 | 26-May-2021 | 252,000 | 286,183 | 260,768 | |
| 407 International Inc. | 2.470 | 8-Sep-2022 | 320,000 | 319,931 | 314,630 | |
| 407 International Inc. | 3.350 | 16-May-2024 | 300,000 | 317,997 | 307,216 | |
| 407 International Inc. | 2.430 | 4-May-2027 | 350,000 | 346,586 | 334,012 | |
| 407 International Inc. | 6.470 | 27-Jul-2029 | 250,000 | 331,750 | 321,072 | |
| 407 International Inc. | 3.430 | 1-Jun-2033 | 300,000 | 299,170 | 298,854 | |
| 407 International Inc. | 5.960 | 3-Dec-2035 | 350,000 | 459,370 | 454,390 | |
| 407 International Inc. | 5.750 | 14-Feb-2036 | 400,000 | 521,320 | 495,419 | |
| 407 International Inc. | 4.450 | 15-Nov-2041 | 250,000 | 286,823 | 274,773 | |
| 407 International Inc. | 4.190 | 25-Apr-2042 | 300,000 | 326,382 | 318,815 | |
| 407 International Inc. | 3.650 | 8-Sep-2044 | 300,000 | 298,830 | 293,621 | |
| 407 International Inc. | 3.830 | 11-May-2046 | 350,000 | 359,397 | 352,701 | |
| 407 International Inc. | 3.600 | 21-May-2047 | 375,000 | 379,280 | 363,148 | |
| 407 International Inc. | 3.720 | 11-May-2048 | 350,000 | 351,969 | 346,153 | |
| 407 International Inc. | 3.980 | 11-Sep-2052 | 300,000 | 298,673 | 305,713 | |
| 407 International Inc. | 4.680 | 7-Oct-2053 | 200,000 | 227,100 | 230,470 | |
| 55 Ontario School Board Trust | 5.900 | 2-Jun-2033 | 600,000 | 777,000 | 774,736 | |
| Aeroports De Montreal | 6.550 | 11-Oct-2033 | 400,000 | 553,555 | 542,299 | |
| Aeroports De Montreal | 5.670 | 16-Oct-2037 | 550,000 | 718,273 | 714,511 | |
| Aeroports De Montreal | 3.919 | 26-Sep-2042 | 200,000 | 214,134 | 210,893 | |
| Aeroports de Montreal | 3.360 | 24-Apr-2047 | 350,000 | 364,960 | 336,499 | |
| AIMCo Realty Investors LP | 2.266 | 26-Jun-2024 | 350,000 | 346,400 | 337,043 | |
| AIMCo Realty Investors LP | 3.367 | 1-Jun-2027 | 225,000 | 225,000 | 227,459 | |
| AIMCo Realty Investors LP | 3.043 | 1-Jun-2028 | 400,000 | 400,050 | 392,856 | |
| Alberta Powerline LP | 4.065 | 1-Dec-2053 | 213,000 | 213,000 | 218,055 | |
| Alberta Powerline LP | 4.065 | 1-Mar-2054 | 608,000 | 636,420 | 625,447 | |
| Alectra Inc. | 4.521 | 29-Apr-2021 | 316,000 | 350,066 | 329,561 | |
| Alectra Inc. | 3.239 | 21-Nov-2024 | 100,000 | 100,000 | 102,146 | |
| Alectra Inc. | 2.488 | 17-May-2027 | 725,000 | 716,600 | 695,361 | |
| Alectra Inc. | 5.297 | 29-Apr-2041 | 200,000 | 255,000 | 245,045 | |
| Algonquin Power Co. | 4.820 | 15-Feb-2021 | 100,000 | 99,940 | 103,120 | |
| Algonquin Power Co. | 4.650 | 15-Feb-2022 | 50,000 | 49,932 | 51,846 | |
| Algonquin Power Co. | 4.090 | 17-Feb-2027 | 300,000 | 307,929 | 300,094 | |
| Alimentation Couche-Tard Inc. | 4.214 | 21-Aug-2020 | 200,000 | 216,124 | 204,346 | |
| Alimentation Couche-Tard Inc. | 3.899 | 1-Nov-2022 | 250,000 | 264,088 | 255,079 | |
| Alimentation Couche-Tard Inc. | 3.056 | 26-Jul-2024 | 560,000 | 560,738 | 541,692 | |
| Alimentation Couche-Tard Inc. | 3.600 | 2-Jun-2025 | 450,000 | 463,718 | 443,937 | |
| Alliance Pipeline LP/Canada | 5.546 | 31-Dec-2023 | 40,202 | 42,967 | 41,815 | |
| Alliance Pipeline LP/Canada | 6.765 | 31-Dec-2025 | 186,782 | 221,127 | 211,947 | |
| Allied Properties Real Estate Investment Trust | 3.748 | 13-May-2020 | 225,000 | 226,800 | 227,178 | |
| Allied Properties Real Estate Investment Trust | 3.934 | 14-Nov-2022 | 100,000 | 100,000 | 100,948 | |
| Allied Properties Real Estate Investment Trust | 3.636 | 21-Apr-2025 | 200,000 | 200,000 | 192,792 | |
| AltaGas Canada Inc. | 4.260 | 5-Dec-2028 | 300,000 | 299,781 | 305,304 | |
| AltaGas Ltd. | 4.070 | 1-Jun-2020 | 150,000 | 157,920 | 151,742 | |
| AltaGas Ltd. | 3.720 | 28-Sep-2021 | 200,000 | 207,983 | 201,247 | |
| AltaGas Ltd. | 3.570 | 12-Jun-2023 | 200,000 | 203,575 | 197,507 | |
| AltaGas Ltd. | 4.400 | 15-Mar-2024 | 200,000 | 212,918 | 203,666 | |
| AltaGas Ltd. | 3.840 | 15-Jan-2025 | 200,000 | 214,656 | 197,174 | |
| AltaGas Ltd. | 4.120 | 7-Apr-2026 | 250,000 | 258,135 | 246,991 | |
| AltaGas Ltd. | 3.980 | 4-Oct-2027 | 125,000 | 124,949 | 120,492 | |
| AltaGas Ltd. | 5.160 | 13-Jan-2044 | 100,000 | 112,520 | 94,381 | |
| AltaGas Ltd. | 4.500 | 15-Aug-2044 | 200,000 | 188,935 | 169,337 | |
| AltaGas Ltd. | 4.990 | 4-Oct-2047 | 220,000 | 222,318 | 199,808 | |
| AltaLink Investments LP | 3.265 | 5-Jun-2020 | 150,000 | 159,765 | 151,217 | |
| AltaLink Investments LP | 2.244 | 7-Mar-2022 | 150,000 | 152,565 | 147,332 | |
| AltaLink LP | 3.621 | 17-Sep-2020 | 150,000 | 152,076 | 152,654 | |
| AltaLink LP | 2.978 | 28-Nov-2022 | 200,000 | 212,458 | 201,810 | |
| AltaLink LP | 3.668 | 6-Nov-2023 | 350,000 | 372,460 | 363,987 | |
| AltaLink LP | 3.399 | 6-Jun-2024 | 300,000 | 312,526 | 308,110 | |
| AltaLink LP | 2.747 | 29-May-2026 | 200,000 | 198,450 | 196,901 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------|-------------|---------------|-----------|-------------------|-----------------|-----------------------|
| AltaLink LP | 5.249 | 22-Sep-2036 | 200,000 | 246,794 | 239,453 | |
| AltaLink LP | 5.381 | 26-Mar-2040 | 11,000 | 11,560 | 13,561 | |
| AltaLink LP | 4.872 | 15-Nov-2040 | 111,000 | 123,784 | 129,610 | |
| AltaLink LP | 4.462 | 8-Nov-2041 | 200,000 | 228,000 | 221,348 | |
| AltaLink LP | 3.990 | 30-Jun-2042 | 450,000 | 447,505 | 466,275 | |
| AltaLink LP | 4.922 | 17-Sep-2043 | 200,000 | 247,610 | 237,100 | |
| AltaLink LP | 4.090 | 30-Jun-2045 | 250,000 | 252,594 | 262,881 | |
| AltaLink LP | 3.717 | 3-Dec-2046 | 300,000 | 293,634 | 297,101 | |
| AltaLink LP | 4.446 | 11-Jul-2053 | 400,000 | 456,044 | 446,532 | |
| Arrow Lakes Power Corp. | 5.516 | 5-Apr-2041 | 23,743 | 24,029 | 28,162 | |
| Asian Development Bank | 1.375 | 11-Jun-2020 | 500,000 | 501,350 | 495,145 | |
| Asian Development Bank | 4.650 | 16-Feb-2027 | 103,000 | 105,443 | 116,840 | |
| Atco Ltd. | 5.500 | 1-Nov-2078 | 180,000 | 180,000 | 180,199 | |
| Bank of Montreal | 2.840 | 4-Jun-2020 | 1,000,000 | 1,039,869 | 1,004,203 | |
| Bank of Montreal | 2.100 | 6-Oct-2020 | 1,350,000 | 1,358,441 | 1,338,335 | |
| Bank of Montreal | 1.880 | 31-Mar-2021 | 1,160,000 | 1,157,920 | 1,139,870 | |
| Bank of Montreal | 3.400 | 23-Apr-2021 | 850,000 | 889,028 | 863,283 | |
| Bank of Montreal | 1.610 | 28-Oct-2021 | 1,975,000 | 1,940,733 | 1,914,390 | |
| Bank of Montreal | 2.120 | 16-Mar-2022 | 1,100,000 | 1,104,930 | 1,077,344 | |
| Bank of Montreal | 2.270 | 11-Jul-2022 | 1,595,000 | 1,583,328 | 1,564,918 | |
| Bank of Montreal | 2.890 | 20-Jun-2023 | 1,560,000 | 1,556,845 | 1,559,142 | |
| Bank of Montreal | 2.700 | 11-Sep-2024 | 1,350,000 | 1,344,174 | 1,330,400 | |
| Bank of Montreal | 4.609 | 10-Sep-2025 | 557,000 | 644,922 | 610,483 | |
| Bank of Montreal | 3.340 | 8-Dec-2025 | 800,000 | 810,812 | 804,245 | |
| Bank of Montreal | 3.320 | 1-Jun-2026 | 900,000 | 912,825 | 902,934 | |
| Bank of Montreal | 2.700 | 9-Dec-2026 | 500,000 | 499,749 | 486,151 | |
| Bank of Montreal | 2.570 | 1-Jun-2027 | 600,000 | 586,284 | 583,957 | |
| Bank of Montreal | 3.190 | 1-Mar-2028 | 1,820,000 | 1,817,218 | 1,822,656 | |
| Bank of Nova Scotia | 2.130 | 15-Jun-2020 | 1,380,000 | 1,391,886 | 1,371,657 | |
| Bank of Nova Scotia | 2.090 | 9-Sep-2020 | 1,150,000 | 1,152,164 | 1,140,133 | |
| Bank of Nova Scotia | 3.270 | 11-Jan-2021 | 1,075,000 | 1,119,068 | 1,087,365 | |
| Bank of Nova Scotia | 2.873 | 4-Jun-2021 | 735,000 | 758,687 | 737,381 | |
| Bank of Nova Scotia | 1.900 | 2-Dec-2021 | 1,705,000 | 1,697,054 | 1,662,698 | |
| Bank of Nova Scotia | 1.830 | 27-Apr-2022 | 1,250,000 | 1,238,115 | 1,210,661 | |
| Bank of Nova Scotia | 2.360 | 8-Nov-2022 | 1,480,000 | 1,469,090 | 1,451,281 | |
| Bank of Nova Scotia | 2.980 | 17-Apr-2023 | 1,750,000 | 1,753,590 | 1,753,633 | |
| Bank of Nova Scotia | 2.290 | 28-Jun-2024 | 1,400,000 | 1,374,881 | 1,350,871 | |
| Bank of Nova Scotia | 8.900 | 20-Jun-2025 | 15,000 | 20,997 | 19,879 | |
| Bank of Nova Scotia | 3.367 | 8-Dec-2025 | 600,000 | 609,690 | 603,495 | |
| Bank of Nova Scotia | 2.620 | 2-Dec-2026 | 865,000 | 862,424 | 835,262 | |
| Bank of Nova Scotia | 2.580 | 30-Mar-2027 | 1,000,000 | 981,124 | 975,103 | |
| Bank of Nova Scotia | 3.100 | 2-Feb-2028 | 1,600,000 | 1,596,460 | 1,590,374 | |
| bcIMC Realty Corp. | 2.100 | 3-Jun-2021 | 250,000 | 249,903 | 246,581 | |
| bcIMC Realty Corp. | 3.510 | 29-Jun-2022 | 150,000 | 158,622 | 153,534 | |
| bcIMC Realty Corp. | 2.150 | 11-Aug-2022 | 110,000 | 109,968 | 107,538 | |
| bcIMC Realty Corp. | 2.840 | 3-Jun-2025 | 300,000 | 299,602 | 296,811 | |
| bcIMC Realty Corp. | 3.000 | 31-Mar-2027 | 450,000 | 456,500 | 444,833 | |
| Bell Canada Inc. | 3.540 | 12-Jun-2020 | 300,000 | 312,720 | 303,260 | |
| Bell Canada Inc. | 3.250 | 17-Jun-2020 | 850,000 | 880,937 | 855,746 | |
| Bell Canada Inc. | 4.950 | 19-May-2021 | 350,000 | 393,066 | 365,661 | |
| Bell Canada Inc. | 3.150 | 29-Sep-2021 | 475,000 | 488,099 | 476,312 | |
| Bell Canada Inc. | 2.000 | 1-Oct-2021 | 600,000 | 599,160 | 583,483 | |
| Bell Canada Inc. | 3.000 | 3-Oct-2022 | 1,150,000 | 1,157,914 | 1,140,240 | |
| Bell Canada Inc. | 3.350 | 22-Mar-2023 | 750,000 | 788,568 | 750,492 | |
| Bell Canada Inc. | 4.700 | 11-Sep-2023 | 480,000 | 533,221 | 505,623 | |
| Bell Canada Inc. | 2.700 | 27-Feb-2024 | 650,000 | 653,399 | 627,656 | |
| Bell Canada Inc. | 3.350 | 12-Mar-2025 | 375,000 | 373,644 | 370,299 | |
| Bell Canada Inc. | 3.550 | 2-Mar-2026 | 700,000 | 717,710 | 695,369 | |
| Bell Canada Inc. | 2.900 | 12-Aug-2026 | 425,000 | 420,070 | 402,142 | |
| Bell Canada Inc. | 3.600 | 29-Sep-2027 | 650,000 | 650,265 | 639,520 | |
| Bell Canada Inc. | 3.800 | 21-Aug-2028 | 825,000 | 822,204 | 817,114 | |
| Bell Canada Inc. | 6.550 | 1-May-2029 | 100,000 | 125,943 | 120,535 | |
| Bell Canada Inc. | 7.850 | 2-Apr-2031 | 380,000 | 528,848 | 507,683 | |
| Bell Canada Inc. | 7.300 | 23-Feb-2032 | 200,000 | 271,080 | 256,378 | |
| Bell Canada Inc. | 9.700 | 15-Dec-2032 | 100,000 | 162,390 | 151,407 | |
| Bell Canada Inc. | 6.100 | 16-Mar-2035 | 250,000 | 302,830 | 294,593 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---------------------------------------|-------------|---------------|-----------|-------------------|-----------------|-----------------------|
| Bell Canada Inc. | 6.170 | 26-Feb-2037 | 200,000 | 246,140 | 237,744 | |
| Bell Canada Inc. | 4.750 | 29-Sep-2044 | 400,000 | 422,615 | 399,584 | |
| Bell Canada Inc. | 4.350 | 18-Dec-2045 | 350,000 | 339,943 | 327,968 | |
| Bell Canada Inc. | 4.450 | 27-Feb-2047 | 350,000 | 348,163 | 333,569 | |
| Blackbird Infrastructure 407 GP | 1.713 | 8-Oct-2021 | 150,000 | 148,832 | 148,669 | |
| BMW Canada Inc. | 1.780 | 19-Oct-2020 | 200,000 | 201,476 | 196,635 | |
| BMW Canada Inc. | 1.880 | 11-Dec-2020 | 350,000 | 347,750 | 344,169 | |
| BMW Canada Inc. | 2.570 | 6-Aug-2021 | 235,000 | 234,843 | 233,214 | |
| Borealis Infrastructure Trust | 6.350 | 1-Dec-2020 | 20,587 | 22,645 | 21,376 | |
| Bow Centre Street LP | 3.690 | 14-Jun-2021 | 100,000 | 100,000 | 99,161 | |
| Bow Centre Street LP | 3.693 | 14-Jun-2022 | 173,113 | 173,094 | 170,635 | |
| Bow Centre Street LP | 3.797 | 13-Jun-2023 | 200,000 | 207,025 | 196,124 | |
| BP LP | 3.244 | 9-Jan-2020 | 88,090 | 88,090 | 88,319 | |
| British Columbia Ferry Services Inc. | 6.250 | 13-Oct-2034 | 432,000 | 581,745 | 569,109 | |
| British Columbia Ferry Services Inc. | 5.581 | 11-Jan-2038 | 333,000 | 401,991 | 422,465 | |
| British Columbia Ferry Services Inc. | 4.702 | 23-Oct-2043 | 400,000 | 482,178 | 470,143 | |
| Broadcast Centre Trust | 7.530 | 1-May-2027 | 20,980 | 26,327 | 25,251 | |
| Brookfield Asset Management Inc. | 5.300 | 1-Mar-2021 | 200,000 | 223,992 | 208,618 | |
| Brookfield Asset Management Inc. | 4.540 | 31-Mar-2023 | 400,000 | 425,494 | 414,234 | |
| Brookfield Asset Management Inc. | 5.040 | 8-Mar-2024 | 350,000 | 386,877 | 369,038 | |
| Brookfield Asset Management Inc. | 4.820 | 28-Jan-2026 | 600,000 | 647,831 | 623,607 | |
| Brookfield Asset Management Inc. | 3.800 | 16-Mar-2027 | 315,000 | 311,387 | 303,807 | |
| Brookfield Asset Management Inc. | 5.950 | 14-Jun-2035 | 321,000 | 336,765 | 355,171 | |
| Brookfield Infrastructure Finance ULC | 3.538 | 30-Oct-2020 | 300,000 | 301,740 | 303,087 | |
| Brookfield Infrastructure Finance ULC | 3.452 | 11-Mar-2022 | 350,000 | 352,749 | 350,095 | |
| Brookfield Infrastructure Finance ULC | 3.315 | 22-Feb-2024 | 500,000 | 505,454 | 488,877 | |
| Brookfield Infrastructure Finance ULC | 4.193 | 11-Sep-2028 | 400,000 | 400,000 | 396,129 | |
| Brookfield Infrastructure Finance ULC | 4.115 | 19-Oct-2021 | 400,000 | 399,544 | 403,818 | |
| Brookfield Property Finance ULC | 4.346 | 3-Jul-2023 | 540,000 | 541,487 | 541,792 | |
| Brookfield Renewable Partners ULC | 5.140 | 13-Oct-2020 | 565,000 | 623,835 | 584,763 | |
| Brookfield Renewable Partners ULC | 4.790 | 7-Feb-2022 | 500,000 | 531,146 | 518,928 | |
| Brookfield Renewable Partners ULC | 3.752 | 2-Jun-2025 | 500,000 | 499,380 | 494,703 | |
| Brookfield Renewable Partners ULC | 3.630 | 15-Jan-2027 | 465,000 | 463,188 | 446,242 | |
| Brookfield Renewable Partners ULC | 4.250 | 15-Jan-2029 | 235,000 | 234,857 | 230,643 | |
| Brookfield Renewable Partners ULC | 5.840 | 5-Nov-2036 | 213,000 | 242,359 | 233,623 | |
| Bruce Power LP | 2.844 | 23-Jun-2021 | 525,000 | 531,880 | 523,104 | |
| Bruce Power LP | 3.000 | 21-Jun-2024 | 350,000 | 349,292 | 342,830 | |
| Bruce Power LP | 3.969 | 23-Jun-2026 | 725,000 | 747,428 | 738,116 | |
| Bruce Power LP | 4.010 | 21-Jun-2029 | 400,000 | 404,416 | 401,607 | |
| Bruce Power LP | 4.132 | 21-Jun-2033 | 550,000 | 549,967 | 536,783 | |
| Cadillac Fairview Finance Trust | 4.310 | 25-Jan-2021 | 610,000 | 677,964 | 634,989 | |
| Caisse Centrale Desjardins | 1.748 | 2-Mar-2020 | 1,050,000 | 1,040,997 | 1,040,989 | |
| Caisse Centrale Desjardins | 2.091 | 17-Jan-2022 | 725,000 | 729,607 | 709,795 | |
| Cameco Corp. | 3.750 | 14-Nov-2022 | 300,000 | 306,331 | 298,308 | |
| Cameco Corp. | 4.190 | 24-Jun-2024 | 300,000 | 303,620 | 299,512 | |
| Cameco Corp. | 5.090 | 14-Nov-2042 | 100,000 | 99,954 | 89,240 | |
| Canadian Credit Card Trust II | 1.829 | 24-Mar-2020 | 675,000 | 674,888 | 669,292 | |
| Canadian Imperial Bank of Commerce | 1.660 | 20-Jan-2020 | 1,175,000 | 1,175,095 | 1,165,773 | |
| Canadian Imperial Bank of Commerce | 2.900 | 14-Sep-2021 | 745,000 | 745,089 | 747,489 | |
| Canadian Imperial Bank of Commerce | 2.040 | 21-Mar-2022 | 960,000 | 960,113 | 937,112 | |
| Canadian Imperial Bank of Commerce | 2.300 | 11-Jul-2022 | 1,360,000 | 1,356,553 | 1,334,803 | |
| Canadian Imperial Bank of Commerce | 2.470 | 5-Dec-2022 | 900,000 | 899,919 | 885,562 | |
| Canadian Imperial Bank of Commerce | 2.970 | 11-Jul-2023 | 1,200,000 | 1,196,980 | 1,202,109 | |
| Canadian Imperial Bank of Commerce | 3.300 | 26-May-2025 | 1,335,000 | 1,339,696 | 1,353,740 | |
| Canadian Imperial Bank of Commerce | 3.450 | 4-Apr-2028 | 1,100,000 | 1,100,064 | 1,087,806 | |
| Canadian Imperial Bank of Commerce | 1.850 | 14-Jul-2020 | 975,000 | 973,602 | 964,321 | |
| Canadian Imperial Bank of Commerce | 1.900 | 26-Apr-2021 | 1,000,000 | 998,446 | 981,935 | |
| Canadian Imperial Bank of Commerce | 1.640 | 12-Jul-2021 | 1,125,000 | 1,121,372 | 1,094,652 | |
| Canadian Imperial Bank of Commerce | 3.420 | 26-Jan-2026 | 700,000 | 710,969 | 704,193 | |
| Canadian National Railway Co. | 2.750 | 18-Feb-2021 | 150,000 | 156,563 | 150,642 | |
| Canadian National Railway Co. | 2.800 | 22-Sep-2025 | 250,000 | 254,120 | 249,541 | |
| Canadian National Railway Co. | 3.200 | 31-Jul-2028 | 215,000 | 212,637 | 216,789 | |
| Canadian National Railway Co. | 3.950 | 22-Sep-2045 | 230,000 | 232,544 | 237,164 | |
| Canadian National Railway Co. | 3.600 | 1-Aug-2047 | 450,000 | 449,501 | 437,299 | |
| Canadian National Railway Co. | 3.600 | 31-Jul-2048 | 315,000 | 310,615 | 306,487 | |
| Canadian Natural Resources Ltd. | 2.050 | 1-Jun-2020 | 600,000 | 600,681 | 591,799 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|-------------|---------------|-----------|-------------------|-----------------|-----------------------|
| Canadian Natural Resources Ltd. | 2.890 | 14-Aug-2020 | 800,000 | 812,868 | 797,535 | |
| Canadian Natural Resources Ltd. | 3.310 | 11-Feb-2022 | 725,000 | 730,927 | 724,334 | |
| Canadian Natural Resources Ltd. | 3.550 | 3-Jun-2024 | 350,000 | 349,710 | 347,163 | |
| Canadian Natural Resources Ltd. | 3.420 | 1-Dec-2026 | 350,000 | 350,000 | 336,317 | |
| Canadian Natural Resources Ltd. | 4.850 | 30-May-2047 | 350,000 | 351,615 | 347,340 | |
| Canadian Pacific Railway Co. | 5.100 | 14-Jan-2022 | 100,000 | 112,860 | 106,625 | |
| Canadian Pacific Railway Co. | 6.450 | 17-Nov-2039 | 403,000 | 542,687 | 536,415 | |
| Canadian Real Estate Investment Trust | 4.323 | 15-Jan-2021 | 200,000 | 214,590 | 204,473 | |
| Canadian Real Estate Investment Trust | 2.951 | 18-Jan-2023 | 55,000 | 54,998 | 53,785 | |
| Canadian Tire Corp Ltd. | 2.646 | 6-Jul-2020 | 150,000 | 150,000 | 149,777 | |
| Canadian Tire Corp Ltd. | 3.167 | 6-Jul-2023 | 300,000 | 300,609 | 296,902 | |
| Canadian Tire Corp Ltd. | 6.445 | 24-Feb-2034 | 222,000 | 258,254 | 264,327 | |
| Canadian Tire Corp Ltd. | 5.610 | 4-Sep-2035 | 200,000 | 228,496 | 220,938 | |
| Canadian Utilities Ltd. | 3.122 | 9-Nov-2022 | 250,000 | 262,825 | 253,160 | |
| Canadian Western Bank | 2.377 | 23-Jan-2020 | 125,000 | 125,000 | 124,465 | |
| Canadian Western Bank | 2.751 | 29-Jun-2020 | 535,000 | 536,770 | 533,643 | |
| Canadian Western Bank | 2.881 | 1-Mar-2021 | 190,000 | 189,996 | 189,189 | |
| Canadian Western Bank | 2.788 | 13-Sep-2021 | 345,000 | 344,734 | 341,368 | |
| Canadian Western Bank | 2.737 | 16-Jun-2022 | 350,000 | 350,000 | 343,950 | |
| Canadian Western Bank | 2.924 | 15-Dec-2022 | 275,000 | 274,374 | 270,531 | |
| Capital City Link General Partnership | 4.386 | 31-Mar-2046 | 674,902 | 724,190 | 721,230 | |
| Capital Desjardins Inc. | 5.187 | 5-May-2020 | 628,000 | 713,394 | 647,982 | |
| Capital Desjardins Inc. | 4.954 | 15-Dec-2026 | 300,000 | 332,746 | 316,031 | |
| Capital Power Corp. | 5.276 | 16-Nov-2020 | 537,000 | 588,584 | 555,534 | |
| Capital Power Corp. | 4.284 | 18-Sep-2024 | 225,000 | 225,000 | 222,966 | |
| CARDS II Trust | 2.155 | 15-Oct-2020 | 550,000 | 554,500 | 545,247 | |
| Caterpillar Financial Services Ltd. | 1.500 | 8-Jun-2020 | 200,000 | 199,778 | 197,215 | |
| Caterpillar Financial Services Ltd. | 2.800 | 8-Jun-2021 | 130,000 | 129,944 | 130,392 | |
| CCL Industries Inc. | 3.864 | 13-Apr-2028 | 350,000 | 347,344 | 350,784 | |
| CDP Financial Inc. | 4.600 | 15-Jul-2020 | 818,000 | 917,629 | 848,034 | |
| Central 1 Credit Union | 1.870 | 16-Mar-2020 | 250,000 | 249,935 | 247,380 | |
| Central 1 Credit Union | 2.600 | 7-Nov-2022 | 375,000 | 372,568 | 367,354 | |
| Central 1 Credit Union | 3.060 | 14-Oct-2026 | 200,000 | 199,918 | 197,512 | |
| Chartwell Retirement Residences | 3.786 | 11-Dec-2023 | 200,000 | 200,000 | 200,191 | |
| Chartwell Retirement Residences | 4.211 | 28-Apr-2025 | 125,000 | 125,000 | 126,475 | |
| Chip Mortgage Trust | 2.330 | 29-Apr-2020 | 100,000 | 100,000 | 99,011 | |
| Chip Mortgage Trust | 2.981 | 15-Nov-2021 | 100,000 | 100,000 | 99,153 | |
| Choice Properties LP | 3.600 | 20-Apr-2020 | 250,000 | 259,786 | 251,984 | |
| Choice Properties LP | 3.600 | 20-Sep-2021 | 100,000 | 100,196 | 100,926 | |
| Choice Properties LP | 3.600 | 20-Sep-2022 | 200,000 | 211,768 | 201,189 | |
| Choice Properties Real Estate Investment Trust | 2.297 | 14-Sep-2020 | 200,000 | 199,613 | 197,798 | |
| Choice Properties Real Estate Investment Trust | 3.498 | 8-Feb-2021 | 200,000 | 210,470 | 201,483 | |
| Choice Properties Real Estate Investment Trust | 3.010 | 21-Mar-2022 | 230,000 | 230,787 | 227,489 | |
| Choice Properties Real Estate Investment Trust | 3.196 | 7-Mar-2023 | 200,000 | 205,402 | 197,135 | |
| Choice Properties Real Estate Investment Trust | 4.903 | 5-Jul-2023 | 100,000 | 102,717 | 104,936 | |
| Choice Properties Real Estate Investment Trust | 4.293 | 8-Feb-2024 | 100,000 | 106,267 | 102,353 | |
| Choice Properties Real Estate Investment Trust | 3.556 | 9-Sep-2024 | 350,000 | 349,450 | 344,815 | |
| Choice Properties Real Estate Investment Trust | 3.546 | 10-Jan-2025 | 330,000 | 323,761 | 324,013 | |
| Choice Properties Real Estate Investment Trust | 4.178 | 8-Mar-2028 | 625,000 | 627,671 | 619,242 | |
| CI Financial Corp. | 3.904 | 27-Sep-2027 | 310,000 | 311,980 | 304,107 | |
| CI Financial Corp. | 2.645 | 7-Dec-2020 | 300,000 | 300,000 | 297,951 | |
| CI Financial Corp. | 2.775 | 25-Nov-2021 | 150,000 | 150,000 | 148,135 | |
| CI Financial Corp. | 3.520 | 20-Jul-2023 | 250,000 | 250,000 | 248,755 | |
| CIBC Capital Trust | 10.250 | 30-Jun-2108 | 187,000 | 267,419 | 226,532 | |
| Coast Capital Savings Credit Union | 5.000 | 3-May-2028 | 260,000 | 259,896 | 263,780 | |
| Cogeco Communications Inc. | 5.150 | 16-Nov-2020 | 215,000 | 233,767 | 222,938 | |
| Cogeco Communications Inc. | 4.925 | 14-Feb-2022 | 100,000 | 109,113 | 104,368 | |
| Cogeco Communications Inc. | 4.175 | 26-May-2023 | 150,000 | 158,543 | 153,103 | |
| Concordia University/Canada | 6.550 | 2-Sep-2042 | 150,000 | 232,206 | 217,132 | |
| Co-operators Financial Services Ltd. | 5.778 | 10-Mar-2020 | 51,000 | 51,418 | 52,561 | |
| Cordelio Amalco GP I | 4.087 | 30-Sep-2034 | 345,000 | 345,000 | 352,537 | |
| CPPIB Capital Inc. | 1.400 | 4-Jun-2020 | 900,000 | 896,303 | 892,053 | |
| Crombie Real Estate Investment Trust | 2.775 | 10-Feb-2020 | 100,000 | 99,768 | 99,556 | |
| Crombie Real Estate Investment Trust | 3.962 | 1-Jun-2021 | 100,000 | 102,000 | 100,798 | |
| Crombie Real Estate Investment Trust | 4.066 | 21-Nov-2022 | 80,000 | 80,000 | 80,053 | |
| Crombie Real Estate Investment Trust | 4.800 | 31-Jan-2025 | 100,000 | 99,996 | 101,483 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-------------|---------------|-----------|-------------------|-----------------|-----------------------|
| Crosslinx Transit Solutions GP | 4.651 | 30-Sep-2046 | 240,000 | 239,395 | 248,338 | |
| CT Real Estate Investment Trust | 2.159 | 1-Jun-2021 | 100,000 | 100,000 | 97,747 | |
| CT Real Estate Investment Trust | 2.852 | 9-Jun-2022 | 150,000 | 150,000 | 147,605 | |
| CT Real Estate Investment Trust | 3.527 | 9-Jun-2025 | 100,000 | 100,000 | 98,179 | |
| CT Real Estate Investment Trust | 3.289 | 1-Jun-2026 | 150,000 | 150,000 | 142,956 | |
| CT Real Estate Investment Trust | 3.469 | 16-Jun-2027 | 100,000 | 100,000 | 95,193 | |
| CT Real Estate Investment Trust | 3.865 | 7-Dec-2027 | 200,000 | 199,992 | 194,146 | |
| CU Inc. | 4.801 | 22-Nov-2021 | 200,000 | 212,822 | 212,001 | |
| CU Inc. | 9.920 | 1-Apr-2022 | 50,000 | 76,885 | 60,795 | |
| CU Inc. | 9.400 | 1-May-2023 | 28,000 | 40,300 | 35,255 | |
| CU Inc. | 5.563 | 26-May-2028 | 100,000 | 124,396 | 118,585 | |
| CU Inc. | 5.896 | 20-Nov-2034 | 200,000 | 267,270 | 250,060 | |
| CU Inc. | 5.183 | 21-Nov-2035 | 150,000 | 181,200 | 177,224 | |
| CU Inc. | 5.032 | 20-Nov-2036 | 200,000 | 239,960 | 232,468 | |
| CU Inc. | 5.556 | 30-Oct-2037 | 150,000 | 181,145 | 185,966 | |
| CU Inc. | 5.580 | 26-May-2038 | 240,000 | 288,194 | 297,783 | |
| CU Inc. | 6.500 | 7-Mar-2039 | 71,000 | 98,142 | 97,195 | |
| CU Inc. | 4.543 | 24-Oct-2041 | 400,000 | 439,272 | 442,543 | |
| CU Inc. | 3.805 | 10-Sep-2042 | 250,000 | 246,256 | 249,247 | |
| CU Inc. | 4.722 | 9-Sep-2043 | 400,000 | 488,724 | 456,059 | |
| CU Inc. | 4.085 | 2-Sep-2044 | 675,000 | 714,515 | 703,180 | |
| CU Inc. | 3.964 | 27-Jul-2045 | 350,000 | 363,864 | 358,200 | |
| CU Inc. | 3.763 | 19-Nov-2046 | 200,000 | 209,220 | 197,776 | |
| CU Inc. | 3.548 | 22-Nov-2047 | 350,000 | 351,558 | 332,444 | |
| CU Inc. | 3.950 | 23-Nov-2048 | 350,000 | 351,250 | 356,983 | |
| CU Inc. | 4.947 | 18-Nov-2050 | 13,000 | 12,788 | 15,503 | |
| CU Inc. | 3.857 | 14-Nov-2052 | 100,000 | 100,200 | 98,708 | |
| CU Inc. | 4.558 | 7-Nov-2053 | 150,000 | 176,401 | 168,231 | |
| CU Inc. | 4.211 | 29-Oct-2055 | 200,000 | 200,000 | 211,203 | |
| CU Inc. | 4.593 | 24-Oct-2061 | 200,000 | 221,122 | 225,912 | |
| CU Inc. | 3.825 | 11-Sep-2062 | 200,000 | 202,250 | 194,588 | |
| Daimler Canada Finance Inc. | 1.570 | 25-May-2020 | 315,000 | 315,000 | 309,635 | |
| Daimler Canada Finance Inc. | 2.300 | 23-Nov-2020 | 260,000 | 260,000 | 256,958 | |
| Daimler Canada Finance Inc. | 1.910 | 8-Jul-2021 | 375,000 | 374,904 | 364,995 | |
| Daimler Canada Finance Inc. | 2.230 | 16-Dec-2021 | 300,000 | 302,691 | 293,083 | |
| Daimler Canada Finance Inc. | 3.050 | 16-May-2022 | 300,000 | 299,955 | 299,362 | |
| Daimler Canada Finance Inc. | 3.300 | 16-Aug-2022 | 350,000 | 350,483 | 351,521 | |
| Daimler Canada Finance Inc. | 2.570 | 22-Nov-2022 | 325,000 | 320,871 | 317,533 | |
| Dollarama Inc. | 2.337 | 22-Jul-2021 | 370,000 | 369,655 | 362,001 | |
| Dollarama Inc. | 2.203 | 10-Nov-2022 | 208,000 | 206,177 | 198,850 | |
| Dollarama Inc. | 3.550 | 6-Nov-2023 | 275,000 | 273,275 | 274,590 | |
| Dream Office Real Estate Investment Trust | 4.074 | 21-Jan-2020 | 100,000 | 100,021 | 100,198 | |
| Eagle Credit Card Trust | 2.147 | 17-Sep-2020 | 200,000 | 199,780 | 198,265 | |
| Eagle Credit Card Trust | 2.631 | 17-Oct-2022 | 115,000 | 115,000 | 113,872 | |
| Eagle Credit Card Trust | 3.042 | 17-Jul-2023 | 280,000 | 279,164 | 280,606 | |
| Emera Inc. | 2.900 | 16-Jun-2023 | 400,000 | 401,368 | 392,544 | |
| Empire Life Insurance Co. | 3.383 | 16-Dec-2026 | 200,000 | 200,000 | 200,338 | |
| Empire Life Insurance Co. | 3.664 | 15-Mar-2028 | 180,000 | 180,000 | 180,981 | |
| Enbridge Gas Distribution Inc. | 4.040 | 23-Nov-2020 | 300,000 | 326,700 | 307,627 | |
| Enbridge Gas Distribution Inc. | 4.770 | 17-Dec-2021 | 150,000 | 171,272 | 158,537 | |
| Enbridge Gas Distribution Inc. | 3.150 | 22-Aug-2024 | 150,000 | 155,117 | 150,845 | |
| Enbridge Gas Distribution Inc. | 3.310 | 11-Sep-2025 | 325,000 | 336,100 | 328,166 | |
| Enbridge Gas Distribution Inc. | 2.500 | 5-Aug-2026 | 200,000 | 199,031 | 190,640 | |
| Enbridge Gas Distribution Inc. | 6.100 | 19-May-2028 | 250,000 | 314,725 | 299,975 | |
| Enbridge Gas Distribution Inc. | 5.210 | 25-Feb-2036 | 400,000 | 480,131 | 467,801 | |
| Enbridge Gas Distribution Inc. | 4.000 | 22-Aug-2044 | 325,000 | 323,221 | 330,334 | |
| Enbridge Gas Distribution Inc. | 3.510 | 29-Nov-2047 | 330,000 | 330,490 | 309,371 | |
| Enbridge Gas Distribution Inc. | 4.950 | 22-Nov-2050 | 151,000 | 167,668 | 177,769 | |
| Enbridge Inc. | 4.530 | 9-Mar-2020 | 300,000 | 322,500 | 305,888 | |
| Enbridge Inc. | 4.260 | 1-Feb-2021 | 50,000 | 54,275 | 51,224 | |
| Enbridge Inc. | 3.160 | 11-Mar-2021 | 400,000 | 404,271 | 400,866 | |
| Enbridge Inc. | 4.850 | 22-Feb-2022 | 100,000 | 108,250 | 104,771 | |
| Enbridge Inc. | 3.190 | 5-Dec-2022 | 550,000 | 554,551 | 548,573 | |
| Enbridge Inc. | 3.940 | 13-Jan-2023 | 300,000 | 325,839 | 306,703 | |
| Enbridge Inc. | 3.940 | 30-Jun-2023 | 350,000 | 367,528 | 358,103 | |
| Enbridge Inc. | 3.950 | 19-Nov-2024 | 300,000 | 309,001 | 306,114 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-------------|---------------|-----------|-------------------|-----------------|-----------------------|
| Enbridge Inc. | 3.200 | 8-Jun-2027 | 400,000 | 394,349 | 380,863 | |
| Enbridge Inc. | 7.200 | 18-Jun-2032 | 260,000 | 326,059 | 325,060 | |
| Enbridge Inc. | 5.570 | 14-Nov-2035 | 100,000 | 119,137 | 109,381 | |
| Enbridge Inc. | 5.750 | 2-Sep-2039 | 200,000 | 225,902 | 222,165 | |
| Enbridge Inc. | 4.240 | 27-Aug-2042 | 550,000 | 508,019 | 502,608 | |
| Enbridge Inc. | 4.570 | 11-Mar-2044 | 525,000 | 535,269 | 506,335 | |
| Enbridge Inc. | 4.870 | 21-Nov-2044 | 200,000 | 208,634 | 198,881 | |
| Enbridge Inc. | 4.560 | 28-Mar-2064 | 100,000 | 99,922 | 90,360 | |
| Enbridge Inc. | 5.375 | 27-Sep-2077 | 1,305,000 | 1,301,390 | 1,205,698 | |
| Enbridge Inc. | 6.625 | 12-Apr-2078 | 600,000 | 605,529 | 603,103 | |
| Enbridge Pipelines Inc. | 4.450 | 6-Apr-2020 | 300,000 | 329,854 | 306,387 | |
| Enbridge Pipelines Inc. | 3.790 | 17-Aug-2023 | 300,000 | 319,143 | 308,490 | |
| Enbridge Pipelines Inc. | 8.200 | 15-Feb-2024 | 50,000 | 72,323 | 61,190 | |
| Enbridge Pipelines Inc. | 3.450 | 29-Sep-2025 | 550,000 | 578,211 | 551,061 | |
| Enbridge Pipelines Inc. | 3.000 | 10-Aug-2026 | 380,000 | 380,325 | 367,248 | |
| Enbridge Pipelines Inc. | 6.550 | 17-Nov-2027 | 56,000 | 65,468 | 66,919 | |
| Enbridge Pipelines Inc. | 5.080 | 19-Dec-2036 | 150,000 | 176,067 | 161,688 | |
| Enbridge Pipelines Inc. | 5.350 | 10-Nov-2039 | 321,000 | 371,942 | 355,564 | |
| Enbridge Pipelines Inc. | 5.330 | 6-Apr-2040 | 300,000 | 350,955 | 332,474 | |
| Enbridge Pipelines Inc. | 4.550 | 29-Sep-2045 | 325,000 | 327,081 | 325,690 | |
| Enbridge Pipelines Inc. | 4.130 | 9-Aug-2046 | 220,000 | 222,538 | 206,263 | |
| EnerCare Solutions Inc. | 4.600 | 3-Feb-2020 | 300,000 | 310,626 | 304,844 | |
| Enercare Solutions Inc. | 3.380 | 21-Feb-2022 | 125,000 | 124,978 | 124,483 | |
| Enercare Solutions Inc. | 3.990 | 21-Feb-2024 | 125,000 | 124,978 | 124,436 | |
| Enmax Corp. | 3.805 | 5-Dec-2024 | 200,000 | 201,380 | 206,141 | |
| ENMAX Corp. | 3.836 | 5-Jun-2028 | 225,000 | 225,000 | 229,721 | |
| EPCOR Utilities Inc. | 5.650 | 16-Nov-2035 | 234,000 | 294,118 | 288,893 | |
| EPCOR Utilities Inc. | 6.650 | 15-Apr-2038 | 169,000 | 244,592 | 235,384 | |
| EPCOR Utilities Inc. | 5.750 | 24-Nov-2039 | 172,000 | 206,972 | 220,715 | |
| EPCOR Utilities Inc. | 4.550 | 28-Feb-2042 | 200,000 | 238,418 | 223,374 | |
| EPCOR Utilities Inc. | 3.554 | 27-Nov-2047 | 350,000 | 349,958 | 336,229 | |
| EPCOR Utilities Inc. | 0.000 | 26-Nov-2048 | 100,000 | 100,000 | 102,996 | |
| Fair Hydro Trust | 3.357 | 15-May-2033 | 350,000 | 350,011 | 354,906 | |
| Fair Hydro Trust | 3.520 | 15-May-2038 | 410,000 | 410,604 | 418,959 | |
| Fairfax Financial Holdings Ltd. | 6.400 | 25-May-2021 | 220,000 | 251,770 | 236,664 | |
| Fairfax Financial Holdings Ltd. | 5.840 | 14-Oct-2022 | 300,000 | 327,474 | 324,752 | |
| Fairfax Financial Holdings Ltd. | 4.500 | 22-Mar-2023 | 250,000 | 250,378 | 258,685 | |
| Fairfax Financial Holdings Ltd. | 4.950 | 3-Mar-2025 | 200,000 | 215,952 | 210,060 | |
| Fairfax Financial Holdings Ltd. | 4.700 | 16-Dec-2026 | 300,000 | 299,007 | 307,075 | |
| Fairfax Financial Holdings Ltd. | 4.250 | 6-Dec-2027 | 650,000 | 646,726 | 637,084 | |
| Federated Co-Operatives Ltd. | 3.917 | 17-Jun-2025 | 150,000 | 150,000 | 146,834 | |
| Federation des Caisses Desjardins du Quebec | 2.394 | 25-Aug-2022 | 650,000 | 647,882 | 639,015 | |
| Federation des Caisses Desjardins du Quebec | 3.056 | 11-Sep-2023 | 515,000 | 515,000 | 517,506 | |
| Fifth Avenue LP | 4.710 | 5-Aug-2021 | 41,253 | 41,253 | 42,378 | |
| Finning International Inc. | 3.232 | 3-Jul-2020 | 150,000 | 151,489 | 150,966 | |
| Finning International Inc. | 2.840 | 29-Sep-2021 | 150,000 | 150,000 | 149,568 | |
| Finning International Inc. | 5.077 | 13-Jun-2042 | 100,000 | 103,422 | 112,881 | |
| First Capital Realty Inc. | 5.600 | 30-Apr-2020 | 210,000 | 236,349 | 217,336 | |
| First Capital Realty Inc. | 4.500 | 1-Mar-2021 | 200,000 | 219,940 | 205,605 | |
| First Capital Realty Inc. | 4.430 | 31-Jan-2022 | 150,000 | 159,675 | 154,584 | |
| First Capital Realty Inc. | 3.950 | 5-Dec-2022 | 200,000 | 210,990 | 202,731 | |
| First Capital Realty Inc. | 3.900 | 30-Oct-2023 | 200,000 | 214,536 | 201,379 | |
| First Capital Realty Inc. | 4.790 | 30-Aug-2024 | 250,000 | 266,829 | 261,893 | |
| First Capital Realty Inc. | 4.323 | 31-Jul-2025 | 200,000 | 213,767 | 203,469 | |
| First Capital Realty Inc. | 3.604 | 6-May-2026 | 250,000 | 256,604 | 242,311 | |
| First Capital Realty Inc. | 3.753 | 12-Jul-2027 | 200,000 | 200,000 | 193,151 | |
| First National Financial Corp. | 4.010 | 9-Apr-2020 | 100,000 | 99,916 | 100,443 | |
| First Nations ETF LP | 4.136 | 31-Dec-2041 | 469,843 | 470,271 | 485,484 | |
| Ford Credit Canada Co. | 2.580 | 10-May-2021 | 585,000 | 586,096 | 564,591 | |
| Ford Credit Canada Co. | 3.279 | 2-Jul-2021 | 300,000 | 303,879 | 293,205 | |
| Ford Credit Canada Co. | 2.710 | 23-Feb-2022 | 655,000 | 654,491 | 621,514 | |
| Ford Credit Canada Co. | 2.766 | 22-Jun-2022 | 350,000 | 348,690 | 330,205 | |
| Ford Credit Canada Co. | 3.349 | 19-Sep-2022 | 450,000 | 449,871 | 428,285 | |
| Ford Credit Canada Co. | 3.742 | 8-May-2023 | 645,000 | 643,290 | 616,493 | |
| Ford Credit Canada Ltd. | 2.450 | 7-May-2020 | 500,000 | 496,228 | 492,284 | |
| Ford Credit Canada Ltd. | 2.923 | 16-Sep-2020 | 500,000 | 514,023 | 492,380 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|-------------|---------------|-----------|-------------------|-----------------|-----------------------|
| Ford Floorplan Auto Securitization Trust | 2.197 | 15-Jul-2020 | 415,000 | 414,018 | 411,817 | |
| Fortified Trust | 2.161 | 23-Oct-2020 | 355,000 | 355,000 | 352,077 | |
| Fortified Trust | 1.670 | 23-Jul-2021 | 590,000 | 580,202 | 574,277 | |
| Fortis Inc. | 2.850 | 12-Dec-2023 | 310,000 | 311,750 | 305,698 | |
| FortisAlberta Inc. | 3.300 | 30-Sep-2024 | 150,000 | 158,378 | 153,068 | |
| FortisAlberta Inc. | 6.220 | 31-Oct-2034 | 66,000 | 76,516 | 85,309 | |
| FortisAlberta Inc. | 5.370 | 30-Oct-2039 | 178,000 | 203,321 | 217,781 | |
| FortisAlberta Inc. | 4.850 | 11-Sep-2043 | 350,000 | 437,880 | 406,830 | |
| FortisAlberta Inc. | 4.110 | 29-Sep-2044 | 50,000 | 49,992 | 52,383 | |
| FortisAlberta Inc. | 4.270 | 22-Sep-2045 | 100,000 | 106,812 | 107,461 | |
| FortisAlberta Inc. | 4.990 | 3-Jan-2047 | 227,000 | 270,906 | 272,773 | |
| FortisAlberta Inc. | 3.672 | 9-Sep-2047 | 100,000 | 100,000 | 97,707 | |
| FortisAlberta Inc. | 3.734 | 18-Sep-2048 | 245,000 | 238,174 | 242,111 | |
| FortisAlberta Inc. | 4.800 | 27-Oct-2050 | 11,000 | 10,506 | 12,862 | |
| FortisAlberta Inc. | 3.980 | 23-Oct-2052 | 220,000 | 229,428 | 224,543 | |
| FortisBC Energy Inc. | 6.950 | 21-Sep-2029 | 250,000 | 341,219 | 331,836 | |
| FortisBC Energy Inc. | 6.500 | 1-May-2034 | 230,000 | 325,819 | 304,785 | |
| FortisBC Energy Inc. | 5.900 | 26-Feb-2035 | 321,000 | 417,518 | 406,771 | |
| FortisBC Energy Inc. | 5.550 | 25-Sep-2036 | 200,000 | 249,360 | 248,288 | |
| FortisBC Energy Inc. | 6.000 | 2-Oct-2037 | 100,000 | 132,860 | 130,374 | |
| FortisBC Energy Inc. | 6.050 | 15-Feb-2038 | 41,000 | 51,497 | 53,605 | |
| FortisBC Energy Inc. | 5.800 | 13-May-2038 | 221,000 | 293,146 | 282,485 | |
| FortisBC Energy Inc. | 6.550 | 24-Feb-2039 | 125,000 | 171,886 | 173,198 | |
| FortisBC Energy Inc. | 5.200 | 6-Dec-2040 | 13,000 | 12,907 | 15,775 | |
| FortisBC Energy Inc. | 3.780 | 6-Mar-2047 | 130,000 | 132,005 | 130,366 | |
| FortisBC Energy Inc. | 3.690 | 30-Oct-2047 | 145,000 | 146,762 | 142,962 | |
| FortisBC Energy Inc. | 3.850 | 7-Dec-2048 | 150,000 | 149,789 | 151,987 | |
| FortisBC Inc. | 5.600 | 9-Nov-2035 | 174,000 | 204,497 | 213,077 | |
| FortisBC Inc. | 6.100 | 2-Jun-2039 | 200,000 | 262,700 | 263,207 | |
| FortisBC Inc. | 4.000 | 28-Oct-2044 | 150,000 | 153,158 | 153,306 | |
| FortisBC Inc. | 5.000 | 24-Nov-2050 | 121,000 | 139,818 | 144,950 | |
| Gaz Metro Inc. | 5.450 | 12-Jul-2021 | 200,000 | 234,303 | 213,953 | |
| Gaz Metro Inc. | 9.000 | 16-May-2025 | 100,000 | 140,411 | 133,643 | |
| Gaz Metro Inc. | 6.300 | 31-Oct-2033 | 250,000 | 327,875 | 325,586 | |
| Gaz Metro Inc. | 5.700 | 10-Jul-2036 | 100,000 | 124,281 | 125,421 | |
| Gaz Metro Inc. | 3.280 | 9-Oct-2046 | 200,000 | 198,249 | 184,852 | |
| Gaz Metro Inc. | 3.530 | 16-May-2047 | 120,000 | 119,868 | 115,758 | |
| GE Capital Canada Funding Co. | 4.600 | 26-Jan-2022 | 750,000 | 836,561 | 755,166 | |
| General Motors Financial of Canada Ltd. | 3.080 | 22-May-2020 | 400,000 | 399,877 | 399,071 | |
| General Motors Financial of Canada Ltd. | 3.000 | 26-Feb-2021 | 400,000 | 400,112 | 395,598 | |
| General Motors Financial of Canada Ltd. | 2.600 | 1-Jun-2022 | 350,000 | 346,284 | 335,983 | |
| Genesis Trust II | 1.699 | 15-Apr-2020 | 600,000 | 599,914 | 593,820 | |
| Genworth MI Canada Inc. | 5.680 | 15-Jun-2020 | 200,000 | 215,620 | 206,904 | |
| Genworth MI Canada Inc. | 4.242 | 1-Apr-2024 | 100,000 | 100,000 | 101,162 | |
| George Weston Ltd. | 4.115 | 17-Jun-2024 | 300,000 | 307,530 | 305,185 | |
| Glacier Credit Card Trust | 2.237 | 20-Sep-2020 | 300,000 | 306,150 | 297,801 | |
| Glacier Credit Card Trust | 2.048 | 20-Sep-2022 | 350,000 | 345,552 | 338,876 | |
| Glacier Credit Card Trust | 3.138 | 20-Sep-2023 | 415,000 | 413,790 | 417,032 | |
| Grand Renewable Solar LP | 3.926 | 31-Jan-2035 | 134,510 | 134,510 | 134,772 | |
| Granite REIT Holdings LP | 3.788 | 5-Jul-2021 | 200,000 | 208,448 | 202,177 | |
| Granite REIT Holdings LP | 3.873 | 30-Nov-2023 | 315,000 | 315,006 | 316,297 | |
| Greater Toronto Airports Authority | 1.510 | 16-Feb-2021 | 250,000 | 248,746 | 244,789 | |
| Greater Toronto Airports Authority | 3.040 | 21-Sep-2022 | 350,000 | 353,983 | 354,944 | |
| Greater Toronto Airports Authority | 6.450 | 3-Dec-2027 | 292,000 | 392,704 | 370,589 | |
| Greater Toronto Airports Authority | 6.450 | 30-Jul-2029 | 185,726 | 237,481 | 220,577 | |
| Greater Toronto Airports Authority | 7.050 | 12-Jun-2030 | 481,000 | 676,183 | 653,761 | |
| Greater Toronto Airports Authority | 7.100 | 4-Jun-2031 | 385,000 | 561,564 | 531,108 | |
| Greater Toronto Airports Authority | 6.980 | 15-Oct-2032 | 500,000 | 716,732 | 696,226 | |
| Greater Toronto Airports Authority | 6.470 | 2-Feb-2034 | 400,000 | 566,598 | 538,213 | |
| Greater Toronto Airports Authority | 3.260 | 1-Jun-2037 | 320,000 | 320,418 | 310,023 | |
| Greater Toronto Airports Authority | 5.630 | 7-Jun-2040 | 350,000 | 480,869 | 458,192 | |
| Greater Toronto Airports Authority | 5.300 | 25-Feb-2041 | 400,000 | 528,903 | 504,687 | |
| Greater Toronto Airports Authority | 4.530 | 2-Dec-2041 | 300,000 | 351,184 | 345,313 | |
| Great-West Lifeco Inc. | 4.650 | 13-Aug-2020 | 318,000 | 352,366 | 328,117 | |
| Great-West Lifeco Inc. | 3.337 | 28-Feb-2028 | 425,000 | 427,262 | 427,121 | |
| Great-West Lifeco Inc. | 6.740 | 24-Nov-2031 | 300,000 | 399,345 | 391,551 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|-------------|---------------|-----------|-------------------|-----------------|-----------------------|
| Great-West Lifeco Inc. | 6.670 | 21-Mar-2033 | 315,000 | 423,017 | 411,390 | |
| Great-West Lifeco Inc. | 5.998 | 16-Nov-2039 | 271,000 | 340,741 | 347,300 | |
| H&R Real Estate Investment Trust | 4.450 | 2-Mar-2020 | 150,000 | 158,850 | 152,530 | |
| H&R Real Estate Investment Trust | 2.923 | 6-May-2022 | 210,000 | 208,882 | 205,450 | |
| H&R Real Estate Investment Trust | 3.416 | 23-Jan-2023 | 250,000 | 250,568 | 246,094 | |
| H&R Real Estate Investment Trust | 3.369 | 30-Jan-2024 | 235,000 | 235,867 | 228,226 | |
| Halifax International Airport Authority | 5.503 | 19-Jul-2041 | 125,000 | 158,975 | 162,062 | |
| Halifax International Airport Authority | 4.888 | 15-Nov-2050 | 34,000 | 32,325 | 42,463 | |
| HCN Canadian Holdings-1 LP | 3.350 | 25-Nov-2020 | 275,000 | 278,679 | 276,650 | |
| Health Montreal Collective LP | 6.721 | 30-Sep-2049 | 1,500,000 | 1,973,290 | 1,928,751 | |
| Hollis Receivables Term Trust II | 1.788 | 26-Feb-2020 | 375,000 | 371,966 | 371,886 | |
| Honda Canada Finance Inc. | 2.155 | 18-Feb-2021 | 375,000 | 377,034 | 369,989 | |
| Honda Canada Finance Inc. | 1.823 | 7-Dec-2021 | 245,000 | 245,000 | 237,573 | |
| Honda Canada Finance Inc. | 2.268 | 15-Jul-2022 | 365,000 | 362,902 | 356,145 | |
| Honda Canada Finance Inc. | 2.488 | 19-Dec-2022 | 150,000 | 150,000 | 146,838 | |
| Honda Canada Finance Inc. | 2.537 | 1-Mar-2023 | 300,000 | 297,358 | 293,779 | |
| Honda Canada Finance Inc. | 3.176 | 28-Aug-2023 | 440,000 | 440,149 | 441,109 | |
| Honda Canada Finance Inc. | 3.444 | 23-May-2025 | 350,000 | 350,204 | 353,195 | |
| Hospital for Sick Children | 3.416 | 7-Dec-2057 | 300,000 | 296,063 | 289,961 | |
| Hospital Infrastructure Partners NOH Partnership | 5.439 | 31-Jan-2045 | 476,780 | 569,210 | 560,390 | |
| HSBC Bank Canada | 1.816 | 7-Jul-2020 | 710,000 | 703,663 | 700,472 | |
| HSBC Bank Canada | 2.449 | 29-Jan-2021 | 800,000 | 801,028 | 793,638 | |
| HSBC Bank Canada | 2.908 | 29-Sep-2021 | 750,000 | 771,879 | 749,589 | |
| HSBC Bank Canada | 2.170 | 29-Jun-2022 | 800,000 | 783,515 | 777,412 | |
| HSBC Bank Canada | 3.245 | 15-Sep-2023 | 930,000 | 930,100 | 933,581 | |
| HSBC Bank of Canada | 2.542 | 31-Jan-2023 | 1,125,000 | 1,122,168 | 1,100,973 | |
| Husky Energy Inc. | 5.000 | 12-Mar-2020 | 189,000 | 208,300 | 193,523 | |
| Husky Energy Inc. | 3.550 | 12-Mar-2025 | 575,000 | 582,677 | 565,725 | |
| Husky Energy Inc. | 3.600 | 10-Mar-2027 | 580,000 | 580,678 | 557,491 | |
| Hydro One Inc. | 1.620 | 30-Apr-2020 | 220,000 | 220,609 | 217,384 | |
| Hydro One Inc. | 4.400 | 1-Jun-2020 | 258,000 | 282,629 | 264,488 | |
| Hydro One Inc. | 1.840 | 24-Feb-2021 | 400,000 | 394,355 | 393,102 | |
| Hydro One Inc. | 2.570 | 25-Jun-2021 | 200,000 | 199,978 | 199,359 | |
| Hydro One Inc. | 3.200 | 13-Jan-2022 | 400,000 | 420,999 | 404,354 | |
| Hydro One Inc. | 2.970 | 26-Jun-2025 | 330,000 | 329,898 | 327,132 | |
| Hydro One Inc. | 2.770 | 24-Feb-2026 | 400,000 | 397,735 | 389,629 | |
| Hydro One Inc. | 7.350 | 3-Jun-2030 | 350,000 | 497,869 | 475,251 | |
| Hydro One Inc. | 6.930 | 1-Jun-2032 | 310,000 | 436,722 | 412,488 | |
| Hydro One Inc. | 6.350 | 31-Jan-2034 | 300,000 | 412,950 | 386,832 | |
| Hydro One Inc. | 5.360 | 20-May-2036 | 576,000 | 693,952 | 685,627 | |
| Hydro One Inc. | 6.030 | 3-Mar-2039 | 453,000 | 601,873 | 588,636 | |
| Hydro One Inc. | 5.490 | 16-Jul-2040 | 400,000 | 498,328 | 492,695 | |
| Hydro One Inc. | 4.390 | 26-Sep-2041 | 150,000 | 166,026 | 161,218 | |
| Hydro One Inc. | 4.590 | 9-Oct-2043 | 350,000 | 399,263 | 388,113 | |
| Hydro One Inc. | 4.170 | 6-Jun-2044 | 300,000 | 329,066 | 312,641 | |
| Hydro One Inc. | 3.910 | 23-Feb-2046 | 300,000 | 311,022 | 300,383 | |
| Hydro One Inc. | 3.720 | 18-Nov-2047 | 200,000 | 193,346 | 193,959 | |
| Hydro One Inc. | 3.630 | 25-Jun-2049 | 350,000 | 350,188 | 332,648 | |
| Hydro One Inc. | 4.000 | 22-Dec-2051 | 180,000 | 177,586 | 181,425 | |
| Hydro One Inc. | 3.790 | 31-Jul-2062 | 275,000 | 268,912 | 263,227 | |
| Hydro Ottawa Holding Inc. | 2.614 | 3-Feb-2025 | 200,000 | 199,590 | 194,947 | |
| Hydro Ottawa Holding Inc. | 3.639 | 2-Feb-2045 | 200,000 | 185,800 | 191,462 | |
| Hydro-Quebec | 11.000 | 15-Aug-2020 | 1,722,000 | 2,348,243 | 1,965,814 | |
| Hydro-Quebec | 10.500 | 15-Oct-2021 | 100,000 | 150,813 | 122,126 | |
| Hydro-Quebec | 9.625 | 15-Jul-2022 | 802,000 | 1,112,855 | 999,793 | |
| Hydro-Quebec | 6.500 | 15-Feb-2035 | 1,773,000 | 2,596,177 | 2,533,384 | |
| Hydro-Quebec | 6.000 | 15-Feb-2040 | 931,000 | 1,291,912 | 1,336,734 | |
| Hydro-Quebec | 5.000 | 15-Feb-2045 | 1,158,000 | 1,487,300 | 1,533,967 | |
| Hydro-Quebec | 5.000 | 15-Feb-2050 | 1,457,000 | 1,963,783 | 1,992,393 | |
| Hydro-Quebec | 4.000 | 15-Feb-2055 | 1,875,000 | 2,218,962 | 2,231,050 | |
| IGM Financial Inc. | 3.440 | 26-Jan-2027 | 250,000 | 254,944 | 247,592 | |
| IGM Financial Inc. | 6.650 | 13-Dec-2027 | 200,000 | 249,246 | 243,540 | |
| IGM Financial Inc. | 6.000 | 10-Dec-2040 | 116,000 | 147,043 | 141,125 | |
| IGM Financial Inc. | 4.560 | 25-Jan-2047 | 150,000 | 151,642 | 153,730 | |
| IGM Financial Inc. | 4.115 | 9-Dec-2047 | 105,000 | 105,000 | 100,016 | |
| IGM Financial Inc. | 4.174 | 13-Jul-2048 | 225,000 | 225,000 | 216,802 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-------------|---------------|-----------|-------------------|-----------------|-----------------------|
| Industrial Alliance Insurance & Financial Services Inc. | 2.640 | 23-Feb-2027 | 200,000 | 198,020 | 197,235 | |
| Industrial Alliance Insurance & Financial Services Inc. | 3.300 | 15-Sep-2028 | 330,000 | 329,918 | 330,821 | |
| Intact Financial Corp. | 4.700 | 18-Aug-2021 | 325,000 | 344,738 | 340,342 | |
| Intact Financial Corp. | 3.770 | 2-Mar-2026 | 125,000 | 124,979 | 128,227 | |
| Intact Financial Corp. | 2.850 | 7-Jun-2027 | 350,000 | 349,941 | 333,559 | |
| Intact Financial Corp. | 6.400 | 23-Nov-2039 | 205,000 | 257,521 | 270,273 | |
| Intact Financial Corp. | 5.160 | 16-Jun-2042 | 175,000 | 201,110 | 199,934 | |
| Integrated Team Solutions PCH Partnership | 4.875 | 31-May-2046 | 195,519 | 211,297 | 224,072 | |
| Integrated Team Solutions SJHC Partnership | 5.946 | 30-Nov-2042 | 240,826 | 295,191 | 297,205 | |
| Inter Pipeline Ltd. | 3.448 | 20-Jul-2020 | 300,000 | 316,377 | 302,287 | |
| Inter Pipeline Ltd. | 4.967 | 2-Feb-2021 | 200,000 | 221,440 | 207,344 | |
| Inter Pipeline Ltd. | 3.776 | 30-May-2022 | 350,000 | 360,003 | 354,414 | |
| Inter Pipeline Ltd. | 2.608 | 13-Sep-2023 | 300,000 | 302,448 | 287,701 | |
| Inter Pipeline Ltd. | 2.734 | 18-Apr-2024 | 420,000 | 417,926 | 400,382 | |
| Inter Pipeline Ltd. | 3.173 | 24-Mar-2025 | 225,000 | 224,958 | 216,931 | |
| Inter Pipeline Ltd. | 3.484 | 16-Dec-2026 | 390,000 | 386,658 | 375,445 | |
| Inter Pipeline Ltd. | 4.637 | 30-May-2044 | 400,000 | 401,024 | 379,292 | |
| Inter-American Development Bank | 1.875 | 20-Mar-2020 | 150,000 | 149,577 | 149,843 | |
| Inter-American Development Bank | 4.400 | 26-Jan-2026 | 897,000 | 1,026,073 | 993,980 | |
| International Bank for Reconstruction & Development | 1.125 | 11-Mar-2020 | 1,200,000 | 1,196,916 | 1,188,851 | |
| International Bank for Reconstruction & Development | 1.250 | 18-Mar-2021 | 300,000 | 297,804 | 295,550 | |
| International Bank for Reconstruction & Development | 2.500 | 3-Aug-2023 | 925,000 | 921,420 | 936,336 | |
| Investors Group Inc. | 7.000 | 31-Dec-2032 | 288,000 | 375,540 | 371,366 | |
| Ivanhoe Cambridge II Inc. | 2.909 | 27-Jun-2023 | 475,000 | 474,397 | 474,898 | |
| John Deere Canada Funding Inc. | 1.600 | 13-Jul-2020 | 200,000 | 196,684 | 197,023 | |
| John Deere Canada Funding Inc. | 2.050 | 17-Sep-2020 | 200,000 | 201,041 | 198,038 | |
| John Deere Canada Funding Inc. | 1.850 | 24-Mar-2021 | 160,000 | 159,987 | 156,981 | |
| John Deere Canada Funding Inc. | 2.700 | 12-Oct-2021 | 150,000 | 149,921 | 149,610 | |
| John Deere Canada Funding Inc. | 2.050 | 13-May-2022 | 150,000 | 149,880 | 146,256 | |
| John Deere Canada Funding Inc. | 2.630 | 21-Sep-2022 | 200,000 | 199,916 | 198,154 | |
| John Deere Canada Funding Inc. | 2.700 | 17-Jan-2023 | 225,000 | 225,181 | 223,347 | |
| John Deere Canada Funding Inc. | 3.020 | 13-Jul-2023 | 125,000 | 124,790 | 125,411 | |
| John Deere Financial Inc. | 3.070 | 23-Jul-2021 | 225,000 | 224,892 | 226,710 | |
| Keyera Corp. | 3.934 | 21-Jun-2028 | 420,000 | 415,380 | 413,657 | |
| Kingston Solar LP | 3.571 | 31-Jul-2035 | 92,075 | 92,075 | 89,780 | |
| Kraft Canada Inc. | 2.700 | 6-Jul-2020 | 150,000 | 150,105 | 149,601 | |
| Labrador-Island Link Funding Trust | 3.760 | 1-Jun-2033 | 700,000 | 794,247 | 778,001 | |
| Labrador-Island Link Funding Trust | 3.860 | 1-Dec-2045 | 500,000 | 592,715 | 581,074 | |
| Labrador-Island Link Funding Trust | 3.850 | 1-Dec-2053 | 700,000 | 813,703 | 815,517 | |
| Laurentian Bank of Canada | 2.500 | 23-Jan-2020 | 480,000 | 476,545 | 478,026 | |
| Laurentian Bank of Canada | 2.750 | 22-Apr-2021 | 225,000 | 224,521 | 222,326 | |
| Laurentian Bank of Canada | 3.000 | 12-Sep-2022 | 300,000 | 299,472 | 294,036 | |
| Laurentian Bank of Canada | 3.450 | 27-Jun-2023 | 250,000 | 249,910 | 247,396 | |
| Leisureworld Senior Care LP | 3.474 | 3-Feb-2021 | 250,000 | 253,258 | 252,638 | |
| Loblaw Cos Ltd. | 5.220 | 18-Jun-2020 | 250,000 | 281,625 | 258,575 | |
| Loblaw Cos Ltd. | 4.860 | 12-Sep-2023 | 500,000 | 569,699 | 528,166 | |
| Loblaw Cos Ltd. | 6.650 | 8-Nov-2027 | 200,000 | 244,720 | 237,427 | |
| Loblaw Cos Ltd. | 6.450 | 9-Feb-2028 | 127,000 | 157,579 | 149,427 | |
| Loblaw Cos Ltd. | 4.488 | 11-Dec-2028 | 300,000 | 302,566 | 309,423 | |
| Loblaw Cos Ltd. | 6.500 | 22-Jan-2029 | 150,000 | 180,320 | 176,971 | |
| Loblaw Cos Ltd. | 6.850 | 1-Mar-2032 | 132,000 | 164,654 | 161,242 | |
| Loblaw Cos Ltd. | 6.540 | 17-Feb-2033 | 131,000 | 158,588 | 156,694 | |
| Loblaw Cos Ltd. | 6.050 | 9-Jun-2034 | 150,000 | 174,000 | 172,871 | |
| Loblaw Cos Ltd. | 6.150 | 29-Jan-2035 | 200,000 | 235,020 | 232,828 | |
| Loblaw Cos Ltd. | 5.900 | 18-Jan-2036 | 250,000 | 286,614 | 284,970 | |
| Loblaws Cos Ltd. | 3.918 | 10-Jun-2024 | 325,000 | 326,338 | 330,935 | |
| Lower Mattagami Energy LP | 4.331 | 18-May-2021 | 200,000 | 212,700 | 207,617 | |
| Lower Mattagami Energy LP | 2.307 | 21-Oct-2026 | 270,000 | 265,503 | 255,369 | |
| Lower Mattagami Energy LP | 5.139 | 18-May-2041 | 250,000 | 310,444 | 302,185 | |
| Lower Mattagami Energy LP | 4.944 | 21-Sep-2043 | 150,000 | 181,208 | 178,108 | |
| Lower Mattagami Energy LP | 4.176 | 23-Feb-2046 | 300,000 | 298,895 | 320,043 | |
| Lower Mattagami Energy LP | 4.175 | 23-Apr-2052 | 150,000 | 164,658 | 158,837 | |
| Magna International Inc. | 3.100 | 15-Dec-2022 | 350,000 | 349,955 | 349,098 | |
| Manitoba Telecom Services Inc. | 4.000 | 27-May-2024 | 300,000 | 308,734 | 307,034 | |
| Manufacturers Life Insurance Co. | 2.100 | 1-Jun-2025 | 600,000 | 598,614 | 593,983 | |
| Manufacturers Life Insurance Co. | 2.389 | 5-Jan-2026 | 200,000 | 198,204 | 197,930 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|-------------|---------------|-----------|-------------------|-----------------|-----------------------|
| Manufacturers Life Insurance Co. | 3.181 | 22-Nov-2027 | 750,000 | 765,006 | 752,474 | |
| Manulife Bank of Canada | 1.915 | 1-Sep-2021 | 200,000 | 200,462 | 195,220 | |
| Manulife Bank of Canada | 2.082 | 26-May-2022 | 350,000 | 350,368 | 340,320 | |
| Manulife Bank of Canada | 2.844 | 12-Jan-2023 | 440,000 | 440,334 | 436,518 | |
| Manulife Finance Delaware LP | 5.059 | 15-Dec-2041 | 525,000 | 532,425 | 565,364 | |
| Manulife Financial Corp. | 3.317 | 9-May-2028 | 600,000 | 599,697 | 597,320 | |
| Manulife Financial Corp. | 3.049 | 20-Aug-2029 | 500,000 | 500,000 | 487,697 | |
| Maritime Link Financing Trust | 3.500 | 1-Dec-2052 | 950,000 | 1,026,461 | 993,982 | |
| MCAP Commercial LP | 5.000 | 14-Dec-2022 | 150,000 | 150,000 | 149,628 | |
| Metro Inc. | 3.200 | 1-Dec-2021 | 300,000 | 303,546 | 300,503 | |
| Metro Inc. | 2.680 | 5-Dec-2022 | 235,000 | 233,676 | 229,682 | |
| Metro Inc. | 3.390 | 6-Dec-2027 | 340,000 | 341,207 | 325,561 | |
| Metro Inc. | 5.970 | 15-Oct-2035 | 297,000 | 339,160 | 344,420 | |
| Metro Inc. | 5.030 | 1-Dec-2044 | 225,000 | 240,572 | 235,075 | |
| Metro Inc. | 4.270 | 4-Dec-2047 | 320,000 | 324,201 | 297,805 | |
| Morguard Corp. | 4.013 | 18-Nov-2020 | 125,000 | 125,000 | 125,659 | |
| Morguard Corp. | 4.085 | 14-May-2021 | 200,000 | 200,608 | 200,320 | |
| Morguard Corp. | 4.333 | 15-Sep-2022 | 300,000 | 302,814 | 300,861 | |
| Muskrat Falls / Labrador Transmission Assets Funding Trust | 3.630 | 1-Jun-2029 | 400,000 | 436,834 | 435,734 | |
| Muskrat Falls / Labrador Transmission Assets Funding Trust | 3.830 | 1-Jun-2037 | 500,000 | 554,878 | 571,753 | |
| Muskrat Falls / Labrador Transmission Assets Funding Trust | 3.860 | 1-Dec-2048 | 1,050,000 | 1,271,063 | 1,229,998 | |
| National Bank of Canada | 1.742 | 3-Mar-2020 | 800,000 | 796,192 | 793,079 | |
| National Bank of Canada | 1.809 | 26-Jul-2021 | 500,000 | 503,549 | 488,450 | |
| National Bank of Canada | 2.105 | 18-Mar-2022 | 575,000 | 568,291 | 562,338 | |
| National Bank of Canada | 1.957 | 30-Jun-2022 | 875,000 | 856,689 | 849,010 | |
| National Bank of Canada | 3.183 | 1-Feb-2028 | 581,000 | 581,000 | 567,643 | |
| NAV Canada | 4.397 | 18-Feb-2021 | 150,000 | 166,391 | 155,618 | |
| NAV Canada | 7.560 | 1-Mar-2027 | 148,050 | 192,051 | 174,522 | |
| NAV Canada | 7.400 | 1-Jun-2027 | 250,000 | 358,692 | 331,411 | |
| NAV Canada | 3.534 | 23-Feb-2046 | 200,000 | 203,084 | 202,955 | |
| NAV Canada | 3.293 | 30-Mar-2048 | 245,000 | 244,306 | 236,561 | |
| NBC Asset Trust | 7.447 | 31-Dec-2049 | 241,000 | 284,779 | 255,728 | |
| Newfoundland & Labrador Hydro | 3.600 | 1-Dec-2045 | 400,000 | 416,274 | 404,887 | |
| Nissan Canada Financial Services Inc. | 1.750 | 9-Apr-2020 | 300,000 | 301,179 | 295,858 | |
| Nissan Canada Financial Services Inc. | 2.420 | 19-Oct-2020 | 400,000 | 400,000 | 395,705 | |
| Nissan Canada Financial Services Inc. | 2.606 | 5-Mar-2021 | 350,000 | 350,120 | 346,221 | |
| Nissan Canada Financial Services Inc. | 3.150 | 14-Sep-2021 | 270,000 | 270,000 | 269,958 | |
| North West Redwater Partnership / NWR Financing Co Ltd. | 2.100 | 23-Feb-2022 | 375,000 | 368,473 | 364,600 | |
| North West Redwater Partnership / NWR Financing Co Ltd. | 3.200 | 22-Jul-2024 | 300,000 | 317,175 | 299,167 | |
| North West Redwater Partnership / NWR Financing Co Ltd. | 3.200 | 24-Apr-2026 | 400,000 | 395,440 | 394,262 | |
| North West Redwater Partnership / NWR Financing Co Ltd. | 2.800 | 1-Jun-2027 | 500,000 | 498,695 | 473,889 | |
| North West Redwater Partnership / NWR Financing Co Ltd. | 4.250 | 1-Jun-2029 | 500,000 | 516,378 | 521,871 | |
| North West Redwater Partnership / NWR Financing Co Ltd. | 4.150 | 1-Jun-2033 | 325,000 | 343,711 | 331,942 | |
| North West Redwater Partnership / NWR Financing Co Ltd. | 3.650 | 1-Jun-2035 | 610,000 | 615,128 | 584,984 | |
| North West Redwater Partnership / NWR Financing Co Ltd. | 4.750 | 1-Jun-2037 | 405,000 | 434,264 | 437,338 | |
| North West Redwater Partnership / NWR Financing Co Ltd. | 4.350 | 10-Jan-2039 | 400,000 | 424,715 | 410,538 | |
| North West Redwater Partnership / NWR Financing Co Ltd. | 3.700 | 23-Feb-2043 | 350,000 | 343,518 | 325,395 | |
| North West Redwater Partnership / NWR Financing Co Ltd. | 4.050 | 22-Jul-2044 | 480,000 | 494,387 | 471,412 | |
| Northwestconnect Group Partnership | 5.950 | 30-Apr-2041 | 319,727 | 388,933 | 378,496 | |
| Nouvelle Autoroute 30 Financement Inc. | 3.742 | 31-Dec-2032 | 150,000 | 150,000 | 152,170 | |
| Nouvelle Autoroute 30 Financement Inc. | 3.750 | 31-Mar-2033 | 150,000 | 150,000 | 153,212 | |
| Nouvelle Autoroute 30 Financement Inc. | 4.114 | 31-Mar-2042 | 225,000 | 225,000 | 229,257 | |
| Nouvelle Autoroute 30 Financement Inc. | 4.115 | 30-Jun-2042 | 325,000 | 330,001 | 330,311 | |
| Nova Scotia Power Inc. | 8.850 | 19-May-2025 | 50,000 | 74,101 | 64,715 | |
| Nova Scotia Power Inc. | 5.670 | 14-Nov-2035 | 200,000 | 251,100 | 242,580 | |
| Nova Scotia Power Inc. | 5.950 | 27-Jul-2039 | 159,000 | 195,590 | 202,891 | |
| Nova Scotia Power Inc. | 5.610 | 15-Jun-2040 | 258,000 | 335,044 | 319,583 | |
| Nova Scotia Power Inc. | 4.150 | 6-Mar-2042 | 300,000 | 326,259 | 308,813 | |
| Nova Scotia Power Inc. | 4.500 | 20-Jul-2043 | 250,000 | 254,047 | 269,655 | |
| Nova Scotia Power Inc. | 3.612 | 1-May-2045 | 150,000 | 151,450 | 140,883 | |
| OMERS Realty Corp. | 3.203 | 24-Jul-2020 | 200,000 | 211,880 | 201,902 | |
| OMERS Realty Corp. | 2.971 | 5-Apr-2021 | 200,000 | 206,128 | 201,267 | |
| OMERS Realty Corp. | 1.823 | 9-May-2022 | 200,000 | 200,000 | 193,921 | |
| OMERS Realty Corp. | 3.358 | 5-Jun-2023 | 350,000 | 375,444 | 357,016 | |
| OMERS Realty Corp. | 2.858 | 23-Feb-2024 | 360,000 | 368,020 | 359,133 | |
| OMERS Realty Corp. | 3.328 | 12-Nov-2024 | 250,000 | 262,638 | 254,500 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|-------------|---------------|-----------|-------------------|-----------------|-----------------------|
| OMERS Realty Corp. | 3.331 | 5-Jun-2025 | 200,000 | 200,000 | 203,228 | |
| OMERS Realty Corp. | 3.244 | 4-Oct-2027 | 600,000 | 600,720 | 603,062 | |
| OMERS Realty Corp. | 3.628 | 5-Jun-2030 | 440,000 | 441,640 | 450,451 | |
| Ontario Electricity Financial Corp. | 10.000 | 6-Feb-2020 | 22,000 | 31,902 | 23,887 | |
| Ontario Electricity Financial Corp. | 8.900 | 18-Aug-2022 | 394,000 | 518,328 | 481,895 | |
| Ontario Electricity Financial Corp. | 8.500 | 26-May-2025 | 100,000 | 154,365 | 133,444 | |
| Ontario Electricity Financial Corp. | 8.250 | 22-Jun-2026 | 796,000 | 1,197,997 | 1,084,069 | |
| Ontario Power Generation Inc. | 3.315 | 4-Oct-2027 | 850,000 | 857,639 | 846,121 | |
| Ontario Power Generation Inc. | 3.838 | 22-Jun-2048 | 350,000 | 352,196 | 332,931 | |
| Ontario School Boards Financing Corp. | 5.483 | 26-Nov-2029 | 78,636 | 82,849 | 88,928 | |
| Ontario School Boards Financing Corp. | 5.070 | 18-Apr-2031 | 48,214 | 49,099 | 53,259 | |
| Ontario School Boards Financing Corp. | 5.376 | 25-Jun-2032 | 50,128 | 52,505 | 56,736 | |
| OPB Finance Trust | 1.880 | 24-Feb-2022 | 651,000 | 642,915 | 638,927 | |
| OPB Finance Trust | 2.900 | 24-May-2023 | 100,000 | 99,931 | 101,055 | |
| OPB Finance Trust | 2.950 | 2-Feb-2026 | 275,000 | 274,857 | 276,410 | |
| OPB Finance Trust | 2.980 | 25-Jan-2027 | 510,000 | 512,385 | 511,364 | |
| OPB Finance Trust | 3.890 | 4-Jul-2042 | 400,000 | 423,812 | 428,184 | |
| Ottawa MacDonald-Cartier International Airport Authority | 3.933 | 9-Jun-2045 | 500,000 | 502,250 | 513,922 | |
| Pembina Pipeline Corp. | 4.890 | 29-Mar-2021 | 227,000 | 243,969 | 235,399 | |
| Pembina Pipeline Corp. | 3.770 | 24-Oct-2022 | 300,000 | 306,770 | 303,731 | |
| Pembina Pipeline Corp. | 2.990 | 22-Jan-2024 | 505,000 | 498,935 | 491,158 | |
| Pembina Pipeline Corp. | 3.540 | 3-Feb-2025 | 300,000 | 302,550 | 296,770 | |
| Pembina Pipeline Corp. | 3.710 | 11-Aug-2026 | 400,000 | 406,898 | 394,996 | |
| Pembina Pipeline Corp. | 4.240 | 15-Jun-2027 | 350,000 | 352,082 | 356,117 | |
| Pembina Pipeline Corp. | 4.020 | 27-Mar-2028 | 270,000 | 269,978 | 268,456 | |
| Pembina Pipeline Corp. | 4.750 | 30-Apr-2043 | 400,000 | 416,360 | 383,079 | |
| Pembina Pipeline Corp. | 4.810 | 25-Mar-2044 | 400,000 | 413,518 | 386,130 | |
| Pembina Pipeline Corp. | 4.740 | 21-Jan-2047 | 480,000 | 472,399 | 460,734 | |
| Pembina Pipeline Corp. | 4.750 | 26-Mar-2048 | 230,000 | 229,853 | 220,598 | |
| Penske Truck Leasing Canada Inc. | 2.950 | 12-Jun-2020 | 100,000 | 100,794 | 100,162 | |
| Penske Truck Leasing Canada Inc. | 2.850 | 7-Dec-2022 | 285,000 | 284,425 | 279,820 | |
| Plenary Health Bridgepoint LP | 7.246 | 31-Aug-2042 | 239,152 | 329,248 | 327,957 | |
| Plenary Health Care Partnerships Humber LP | 4.895 | 31-May-2039 | 277,676 | 306,832 | 306,873 | |
| Plenary Health Care Partnerships Humber LP | 4.822 | 30-Nov-2044 | 200,000 | 218,696 | 230,679 | |
| Plenary Properties LTAP LP | 6.288 | 31-Jan-2044 | 623,129 | 799,212 | 801,829 | |
| Power Corp of Canada | 8.570 | 22-Apr-2039 | 100,000 | 149,180 | 152,192 | |
| Power Corp of Canada | 4.810 | 31-Jan-2047 | 325,000 | 355,738 | 337,153 | |
| Power Corp of Canada | 4.455 | 27-Jul-2048 | 100,000 | 100,000 | 100,501 | |
| Power Financial Corp. | 6.900 | 11-Mar-2033 | 199,000 | 258,638 | 258,237 | |
| PSP Capital Inc. | 3.030 | 22-Oct-2020 | 690,000 | 732,235 | 701,461 | |
| PSP Capital Inc. | 1.340 | 18-Aug-2021 | 1,150,000 | 1,141,062 | 1,125,121 | |
| PSP Capital Inc. | 1.730 | 21-Jun-2022 | 1,500,000 | 1,494,360 | 1,470,431 | |
| PSP Capital Inc. | 2.090 | 22-Nov-2023 | 1,485,000 | 1,468,751 | 1,458,717 | |
| PSP Capital Inc. | 3.290 | 4-Apr-2024 | 1,100,000 | 1,173,968 | 1,141,439 | |
| PSP Capital Inc. | 3.000 | 5-Nov-2025 | 950,000 | 948,509 | 969,825 | |
| Reliance LP | 3.813 | 15-Sep-2020 | 200,000 | 201,014 | 202,168 | |
| Reliance LP | 4.075 | 2-Aug-2021 | 200,000 | 200,000 | 203,222 | |
| Reliance LP | 3.836 | 15-Mar-2025 | 300,000 | 299,994 | 295,003 | |
| RioCan Real Estate Investment Trust | 3.620 | 1-Jun-2020 | 100,000 | 100,195 | 100,984 | |
| RioCan Real Estate Investment Trust | 2.185 | 26-Aug-2020 | 150,000 | 150,000 | 148,137 | |
| RioCan Real Estate Investment Trust | 2.194 | 9-Apr-2021 | 250,000 | 250,690 | 244,992 | |
| RioCan Real Estate Investment Trust | 3.716 | 13-Dec-2021 | 200,000 | 211,876 | 202,576 | |
| RioCan Real Estate Investment Trust | 3.746 | 30-May-2022 | 200,000 | 201,070 | 202,293 | |
| RioCan Real Estate Investment Trust | 2.830 | 3-Oct-2022 | 240,000 | 238,565 | 234,662 | |
| RioCan Real Estate Investment Trust | 3.725 | 18-Apr-2023 | 200,000 | 201,772 | 201,200 | |
| RioCan Real Estate Investment Trust | 3.209 | 29-Sep-2023 | 275,000 | 273,674 | 269,974 | |
| RioCan Real Estate Investment Trust | 3.287 | 12-Feb-2024 | 200,000 | 201,606 | 196,143 | |
| Rogers Communications Inc. | 4.700 | 29-Sep-2020 | 600,000 | 653,033 | 618,343 | |
| Rogers Communications Inc. | 5.340 | 22-Mar-2021 | 1,108,000 | 1,240,749 | 1,162,401 | |
| Rogers Communications Inc. | 4.000 | 6-Jun-2022 | 500,000 | 531,366 | 512,946 | |
| Rogers Communications Inc. | 4.000 | 13-Mar-2024 | 420,000 | 432,092 | 430,866 | |
| Rogers Communications Inc. | 6.680 | 4-Nov-2039 | 400,000 | 509,312 | 501,075 | |
| Rogers Communications Inc. | 6.110 | 25-Aug-2040 | 552,000 | 652,126 | 651,014 | |
| Rogers Communications Inc. | 6.560 | 22-Mar-2041 | 325,000 | 430,220 | 403,544 | |
| Royal Bank of Canada | 1.920 | 17-Jul-2020 | 1,550,000 | 1,548,904 | 1,535,295 | |
| Royal Bank of Canada | 2.860 | 4-Mar-2021 | 1,350,000 | 1,392,551 | 1,355,076 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-------------|---------------|-----------|-------------------|-----------------|-----------------------|
| Royal Bank of Canada | 2.030 | 15-Mar-2021 | 1,800,000 | 1,811,951 | 1,775,149 | |
| Royal Bank of Canada | 1.650 | 15-Jul-2021 | 1,350,000 | 1,344,375 | 1,314,385 | |
| Royal Bank of Canada | 1.583 | 13-Sep-2021 | 1,090,000 | 1,084,270 | 1,057,225 | |
| Royal Bank of Canada | 1.968 | 2-Mar-2022 | 1,650,000 | 1,634,031 | 1,609,181 | |
| Royal Bank of Canada | 2.000 | 21-Mar-2022 | 1,200,000 | 1,195,564 | 1,170,417 | |
| Royal Bank of Canada | 2.360 | 5-Dec-2022 | 1,455,000 | 1,440,572 | 1,428,125 | |
| Royal Bank of Canada | 2.949 | 1-May-2023 | 1,420,000 | 1,419,814 | 1,423,170 | |
| Royal Bank of Canada | 3.296 | 26-Sep-2023 | 1,560,000 | 1,558,070 | 1,567,192 | |
| Royal Bank of Canada | 2.333 | 5-Dec-2023 | 910,000 | 908,386 | 885,363 | |
| Royal Bank of Canada | 2.480 | 4-Jun-2025 | 700,000 | 697,466 | 695,644 | |
| Royal Bank of Canada | 4.930 | 16-Jul-2025 | 575,000 | 667,019 | 639,961 | |
| Royal Bank of Canada | 3.310 | 20-Jan-2026 | 1,200,000 | 1,215,360 | 1,205,656 | |
| Royal Bank of Canada | 3.450 | 29-Sep-2026 | 800,000 | 812,888 | 805,171 | |
| Royal Office Finance LP | 5.209 | 12-Nov-2032 | 629,982 | 771,953 | 741,886 | |
| Saputo Inc. | 2.196 | 23-Jun-2021 | 250,000 | 250,000 | 245,025 | |
| Saputo Inc. | 1.939 | 13-Jun-2022 | 150,000 | 145,799 | 143,832 | |
| Saputo Inc. | 2.827 | 21-Nov-2023 | 200,000 | 200,000 | 194,377 | |
| Saputo Inc. | 3.603 | 14-Aug-2025 | 250,000 | 250,000 | 248,939 | |
| Scotiabank Capital Trust | 5.650 | 31-Dec-2056 | 478,000 | 571,341 | 563,977 | |
| Sea To Sky Highway Investment LP | 2.629 | 31-Aug-2030 | 326,434 | 326,421 | 315,394 | |
| SGTP Highway Bypass LP | 4.105 | 31-Jan-2045 | 500,000 | 503,915 | 520,554 | |
| Shaw Communications Inc. | 5.500 | 7-Dec-2020 | 369,000 | 417,774 | 385,837 | |
| Shaw Communications Inc. | 3.150 | 19-Feb-2021 | 200,000 | 203,590 | 200,002 | |
| Shaw Communications Inc. | 3.800 | 2-Nov-2023 | 420,000 | 420,000 | 422,730 | |
| Shaw Communications Inc. | 4.350 | 31-Jan-2024 | 400,000 | 412,566 | 411,861 | |
| Shaw Communications Inc. | 3.800 | 1-Mar-2027 | 210,000 | 213,964 | 205,716 | |
| Shaw Communications Inc. | 4.400 | 2-Nov-2028 | 325,000 | 324,090 | 325,745 | |
| Shaw Communications Inc. | 6.750 | 9-Nov-2039 | 1,163,000 | 1,417,491 | 1,387,156 | |
| Sinai Health System/Canada | 3.527 | 9-Jun-2056 | 250,000 | 250,000 | 242,345 | |
| Smart Real Estate Investment Trust | 3.749 | 11-Feb-2021 | 125,000 | 131,175 | 126,440 | |
| Smart Real Estate Investment Trust | 2.876 | 21-Mar-2022 | 100,000 | 100,009 | 98,207 | |
| Smart Real Estate Investment Trust | 3.730 | 22-Jul-2022 | 200,000 | 201,792 | 201,374 | |
| Smart Real Estate Investment Trust | 3.985 | 30-May-2023 | 100,000 | 99,750 | 101,165 | |
| Smart Real Estate Investment Trust | 3.556 | 6-Feb-2025 | 100,000 | 100,410 | 97,739 | |
| SmartCentres Real Estate Investment Trust | 3.444 | 28-Aug-2026 | 380,000 | 380,247 | 361,731 | |
| SmartCentres Real Estate Investment Trust | 3.834 | 21-Dec-2027 | 150,000 | 146,141 | 144,425 | |
| SNC-Lavalin Group Inc. | 2.689 | 24-Nov-2020 | 250,000 | 250,768 | 248,026 | |
| SNC-Lavalin Group Inc. | 3.235 | 2-Mar-2023 | 200,000 | 199,774 | 197,129 | |
| SNC-Lavalin Innisfree McGill Finance Inc. | 6.632 | 30-Jun-2044 | 531,544 | 674,258 | 681,901 | |
| SOCIETE EN COMMANDITE CE SEBASTOPOL | 4.141 | 31-Jul-2047 | 99,632 | 99,632 | 98,343 | |
| SSL Finance Inc. / SSL Financement Inc. | 4.099 | 31-Oct-2045 | 450,000 | 456,088 | 469,221 | |
| Sun Life Financial Inc. | 4.570 | 23-Aug-2021 | 300,000 | 327,012 | 313,582 | |
| Sun Life Financial Inc. | 2.600 | 25-Sep-2025 | 350,000 | 354,082 | 348,355 | |
| Sun Life Financial Inc. | 3.100 | 19-Feb-2026 | 500,000 | 503,755 | 501,515 | |
| Sun Life Financial Inc. | 2.750 | 23-Nov-2027 | 300,000 | 299,086 | 295,216 | |
| Sun Life Financial Inc. | 3.050 | 19-Sep-2028 | 725,000 | 732,541 | 717,778 | |
| Sun Life Financial Inc. | 5.400 | 29-May-2042 | 268,000 | 303,407 | 308,379 | |
| Suncor Energy Inc. | 3.100 | 26-Nov-2021 | 500,000 | 521,456 | 502,034 | |
| Suncor Energy Inc. | 3.000 | 14-Sep-2026 | 535,000 | 529,620 | 517,984 | |
| Suncor Energy Inc. | 5.390 | 26-Mar-2037 | 521,000 | 600,536 | 594,798 | |
| Suncor Energy Inc. | 4.340 | 13-Sep-2046 | 235,000 | 234,765 | 236,169 | |
| Sysco Canada Inc. | 3.650 | 25-Apr-2025 | 380,000 | 380,386 | 381,779 | |
| TD Capital Trust IV | 6.631 | 30-Jun-2108 | 562,000 | 690,097 | 609,345 | |
| TD Capital Trust IV | 10.000 | 30-Jun-2108 | 350,000 | 485,280 | 421,555 | |
| TELUS Communications Inc. | 10.650 | 19-Jun-2021 | 30,000 | 42,763 | 35,258 | |
| TELUS Communications Inc. | 9.650 | 8-Apr-2022 | 75,000 | 102,097 | 89,366 | |
| TELUS Corp. | 5.050 | 23-Jul-2020 | 721,000 | 800,765 | 745,750 | |
| TELUS Corp. | 3.600 | 26-Jan-2021 | 400,000 | 420,711 | 405,232 | |
| TELUS Corp. | 3.200 | 5-Apr-2021 | 375,000 | 382,829 | 376,675 | |
| TELUS Corp. | 2.350 | 28-Mar-2022 | 650,000 | 646,188 | 634,554 | |
| TELUS Corp. | 3.350 | 15-Mar-2023 | 450,000 | 456,894 | 450,669 | |
| TELUS Corp. | 3.350 | 1-Apr-2024 | 725,000 | 741,646 | 721,663 | |
| TELUS Corp. | 3.750 | 17-Jan-2025 | 750,000 | 779,847 | 757,931 | |
| TELUS Corp. | 3.750 | 10-Mar-2026 | 380,000 | 384,919 | 381,796 | |
| TELUS Corp. | 3.625 | 1-Mar-2028 | 500,000 | 498,117 | 490,338 | |
| TELUS Corp. | 4.400 | 1-Apr-2043 | 400,000 | 398,660 | 374,360 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|----------------------------|-------------|---------------|-----------|-------------------|-----------------|-----------------------|
| TELUS Corp. | 5.150 | 26-Nov-2043 | 350,000 | 373,520 | 364,220 | |
| TELUS Corp. | 4.850 | 5-Apr-2044 | 705,000 | 717,474 | 704,718 | |
| TELUS Corp. | 4.750 | 17-Jan-2045 | 300,000 | 301,470 | 295,125 | |
| TELUS Corp. | 4.400 | 29-Jan-2046 | 300,000 | 290,496 | 279,143 | |
| TELUS Corp. | 4.700 | 6-Mar-2048 | 300,000 | 311,420 | 292,817 | |
| Teranet Holdings LP | 4.807 | 16-Dec-2020 | 450,000 | 495,751 | 462,869 | |
| Teranet Holdings LP | 3.646 | 18-Nov-2022 | 150,000 | 150,878 | 149,515 | |
| Teranet Holdings LP | 5.754 | 17-Dec-2040 | 300,000 | 326,620 | 305,516 | |
| Teranet Holdings LP | 6.100 | 17-Jun-2041 | 221,000 | 259,154 | 236,231 | |
| Thomson Reuters Corp. | 3.309 | 12-Nov-2021 | 350,000 | 361,002 | 353,475 | |
| TMX Group Ltd. | 4.461 | 3-Oct-2023 | 200,000 | 209,671 | 211,344 | |
| TMX Group Ltd. | 2.997 | 11-Dec-2024 | 300,000 | 299,364 | 296,015 | |
| TMX Group Ltd. | 3.779 | 5-Jun-2028 | 170,000 | 171,454 | 171,912 | |
| Toromont Industries Ltd. | 3.710 | 30-Sep-2025 | 125,000 | 125,000 | 126,980 | |
| Toromont Industries Ltd. | 3.842 | 27-Oct-2027 | 500,000 | 497,480 | 502,622 | |
| Toronto Hydro Corp. | 3.540 | 18-Nov-2021 | 300,000 | 323,650 | 307,545 | |
| Toronto Hydro Corp. | 2.910 | 10-Apr-2023 | 200,000 | 208,020 | 201,240 | |
| Toronto Hydro Corp. | 2.520 | 25-Aug-2026 | 100,000 | 99,984 | 97,063 | |
| Toronto Hydro Corp. | 5.540 | 21-May-2040 | 200,000 | 250,372 | 252,960 | |
| Toronto Hydro Corp. | 4.080 | 16-Sep-2044 | 50,000 | 49,974 | 52,882 | |
| Toronto Hydro Corp. | 3.550 | 28-Jul-2045 | 200,000 | 199,100 | 193,990 | |
| Toronto Hydro Corp. | 3.485 | 28-Feb-2048 | 245,000 | 244,228 | 234,276 | |
| Toronto Hydro Corp. | 3.960 | 9-Apr-2063 | 200,000 | 218,540 | 205,283 | |
| Toronto-Dominion Bank | 1.693 | 2-Apr-2020 | 1,000,000 | 1,000,669 | 990,312 | |
| Toronto-Dominion Bank | 2.563 | 24-Jun-2020 | 1,150,000 | 1,167,656 | 1,150,580 | |
| Toronto-Dominion Bank | 2.045 | 8-Mar-2021 | 1,865,000 | 1,852,682 | 1,841,266 | |
| Toronto-Dominion Bank | 1.680 | 8-Jun-2021 | 1,440,000 | 1,431,354 | 1,410,674 | |
| Toronto-Dominion Bank | 2.621 | 22-Dec-2021 | 2,500,000 | 2,545,715 | 2,490,888 | |
| Toronto-Dominion Bank | 1.994 | 23-Mar-2022 | 2,110,000 | 2,077,328 | 2,059,736 | |
| Toronto-Dominion Bank | 3.005 | 30-May-2023 | 1,600,000 | 1,601,209 | 1,609,496 | |
| Toronto-Dominion Bank | 1.909 | 18-Jul-2023 | 1,430,000 | 1,415,207 | 1,371,302 | |
| Toronto-Dominion Bank | 3.226 | 24-Jul-2024 | 1,525,000 | 1,593,587 | 1,546,842 | |
| Toronto-Dominion Bank | 9.150 | 26-May-2025 | 14,000 | 19,861 | 18,767 | |
| Toronto-Dominion Bank | 2.692 | 24-Jun-2025 | 1,150,000 | 1,150,672 | 1,145,748 | |
| Toronto-Dominion Bank | 2.982 | 30-Sep-2025 | 700,000 | 704,872 | 699,971 | |
| Toronto-Dominion Bank | 3.589 | 14-Sep-2028 | 1,275,000 | 1,271,845 | 1,269,988 | |
| Toronto-Dominion Bank | 3.224 | 25-Jul-2029 | 1,015,000 | 1,013,935 | 988,275 | |
| Toronto-Dominion Bank | 4.859 | 4-Mar-2031 | 900,000 | 978,732 | 955,733 | |
| Toyota Credit Canada Inc. | 1.800 | 19-Feb-2020 | 400,000 | 399,721 | 396,782 | |
| Toyota Credit Canada Inc. | 2.050 | 20-May-2020 | 426,000 | 423,681 | 422,802 | |
| Toyota Credit Canada Inc. | 2.200 | 25-Feb-2021 | 200,000 | 200,740 | 197,652 | |
| Toyota Credit Canada Inc. | 1.750 | 21-Jul-2021 | 200,000 | 199,538 | 194,766 | |
| Toyota Credit Canada Inc. | 2.020 | 28-Feb-2022 | 400,000 | 401,178 | 389,473 | |
| Toyota Credit Canada Inc. | 2.350 | 18-Jul-2022 | 250,000 | 245,512 | 244,893 | |
| Toyota Credit Canada Inc. | 2.620 | 11-Oct-2022 | 280,000 | 282,038 | 276,108 | |
| Toyota Credit Canada Inc. | 2.700 | 25-Jan-2023 | 350,000 | 349,895 | 345,415 | |
| Toyota Credit Canada Inc. | 3.040 | 12-Jul-2023 | 330,000 | 330,060 | 329,698 | |
| TransAlta Corp. | 5.000 | 25-Nov-2020 | 400,000 | 412,116 | 412,349 | |
| TransAlta Corp. | 7.300 | 22-Oct-2029 | 192,000 | 213,002 | 211,152 | |
| TransAlta Corp. | 6.900 | 15-Nov-2030 | 221,000 | 175,229 | 233,920 | |
| TransCanada PipeLines Ltd. | 3.650 | 15-Nov-2021 | 400,000 | 419,109 | 408,261 | |
| TransCanada PipeLines Ltd. | 3.690 | 19-Jul-2023 | 700,000 | 733,418 | 714,828 | |
| TransCanada PipeLines Ltd. | 3.300 | 17-Jul-2025 | 800,000 | 811,059 | 796,782 | |
| TransCanada PipeLines Ltd. | 8.290 | 5-Feb-2026 | 31,000 | 40,764 | 39,746 | |
| TransCanada PipeLines Ltd. | 7.900 | 15-Apr-2027 | 114,000 | 145,982 | 146,389 | |
| TransCanada PipeLines Ltd. | 3.390 | 15-Mar-2028 | 360,000 | 360,697 | 349,914 | |
| TransCanada PipeLines Ltd. | 6.280 | 26-May-2028 | 300,000 | 368,355 | 354,242 | |
| TransCanada PipeLines Ltd. | 6.890 | 7-Aug-2028 | 300,000 | 373,749 | 369,166 | |
| TransCanada PipeLines Ltd. | 6.500 | 9-Dec-2030 | 27,000 | 30,861 | 32,035 | |
| TransCanada PipeLines Ltd. | 8.050 | 17-Feb-2039 | 300,000 | 477,789 | 426,912 | |
| TransCanada PipeLines Ltd. | 4.550 | 15-Nov-2041 | 625,000 | 653,417 | 616,985 | |
| TransCanada PipeLines Ltd. | 4.350 | 6-Jun-2046 | 650,000 | 673,774 | 621,448 | |
| TransCanada PipeLines Ltd. | 4.330 | 16-Sep-2047 | 565,000 | 581,076 | 536,231 | |
| TransCanada PipeLines Ltd. | 4.180 | 3-Jul-2048 | 550,000 | 549,813 | 507,207 | |
| TransCanada Trust | 4.650 | 18-May-2077 | 1,100,000 | 1,106,675 | 985,834 | |
| TransED Partners GP | 3.951 | 30-Sep-2050 | 300,000 | 277,473 | 284,420 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--------------------------------------|-------------|---------------|-----------|----------------------|----------------------|-----------------------|
| Trillium Health Partners Volunteers | 3.702 | 20-Dec-2058 | 375,000 | 375,000 | 373,418 | |
| Union Gas Ltd. | 2.760 | 2-Jun-2021 | 200,000 | 203,314 | 200,216 | |
| Union Gas Ltd. | 4.850 | 25-Apr-2022 | 50,000 | 56,903 | 53,194 | |
| Union Gas Ltd. | 3.790 | 10-Jul-2023 | 150,000 | 161,243 | 155,411 | |
| Union Gas Ltd. | 3.190 | 17-Sep-2025 | 275,000 | 277,229 | 276,135 | |
| Union Gas Ltd. | 8.650 | 10-Nov-2025 | 32,000 | 44,590 | 42,424 | |
| Union Gas Ltd. | 2.810 | 1-Jun-2026 | 200,000 | 197,400 | 194,712 | |
| Union Gas Ltd. | 2.880 | 22-Nov-2027 | 200,000 | 194,506 | 194,009 | |
| Union Gas Ltd. | 6.050 | 2-Sep-2038 | 100,000 | 127,050 | 129,911 | |
| Union Gas Ltd. | 5.200 | 23-Jul-2040 | 203,000 | 249,768 | 241,145 | |
| Union Gas Ltd. | 4.880 | 21-Jun-2041 | 200,000 | 232,247 | 228,933 | |
| Union Gas Ltd. | 4.200 | 2-Jun-2044 | 450,000 | 483,544 | 471,824 | |
| Union Gas Ltd. | 3.800 | 1-Jun-2046 | 135,000 | 139,176 | 132,614 | |
| Union Gas Ltd. | 3.590 | 22-Nov-2047 | 200,000 | 199,122 | 188,992 | |
| University of Ottawa | 3.256 | 12-Oct-2056 | 150,000 | 150,000 | 138,959 | |
| Vancouver Airport Authority | 7.425 | 7-Dec-2026 | 200,000 | 293,678 | 265,386 | |
| Vancouver Airport Authority | 3.857 | 10-Nov-2045 | 150,000 | 150,000 | 159,933 | |
| Vancouver Airport Authority | 3.656 | 23-Nov-2048 | 185,000 | 185,000 | 190,505 | |
| Ventas Canada Finance Ltd. | 3.300 | 1-Feb-2022 | 100,000 | 99,992 | 100,155 | |
| Ventas Canada Finance Ltd. | 2.550 | 15-Mar-2023 | 300,000 | 294,348 | 290,243 | |
| Ventas Canada Finance Ltd. | 4.125 | 30-Sep-2024 | 200,000 | 208,949 | 205,130 | |
| Veresen Inc. | 3.430 | 10-Nov-2021 | 160,000 | 159,946 | 160,796 | |
| VW Credit Canada Inc. | 2.150 | 24-Jun-2020 | 350,000 | 346,039 | 345,658 | |
| VW Credit Canada Inc. | 2.900 | 29-Mar-2021 | 450,000 | 449,573 | 447,174 | |
| VW Credit Canada Inc. | 3.700 | 14-Nov-2022 | 400,000 | 399,554 | 403,082 | |
| VW Credit Canada Inc. | 3.250 | 29-Mar-2023 | 275,000 | 274,673 | 271,968 | |
| Wells Fargo Canada Corp. | 3.040 | 29-Jan-2021 | 1,000,000 | 1,037,962 | 1,004,663 | |
| Wells Fargo Canada Corp. | 3.460 | 24-Jan-2023 | 300,000 | 311,223 | 305,074 | |
| West Edmonton Mall Property Inc. | 4.056 | 13-Feb-2024 | 429,734 | 452,827 | 436,318 | |
| Westcoast Energy Inc. | 9.900 | 10-Jan-2020 | 50,000 | 71,720 | 53,501 | |
| Westcoast Energy Inc. | 4.570 | 2-Jul-2020 | 200,000 | 216,940 | 205,063 | |
| Westcoast Energy Inc. | 3.883 | 28-Oct-2021 | 100,000 | 104,090 | 102,386 | |
| Westcoast Energy Inc. | 3.120 | 5-Dec-2022 | 200,000 | 210,194 | 200,344 | |
| Westcoast Energy Inc. | 3.430 | 12-Sep-2024 | 250,000 | 251,466 | 252,211 | |
| Westcoast Energy Inc. | 3.770 | 8-Dec-2025 | 250,000 | 257,493 | 255,897 | |
| Westcoast Energy Inc. | 7.300 | 18-Dec-2026 | 250,000 | 334,330 | 309,465 | |
| Westcoast Energy Inc. | 7.150 | 20-Mar-2031 | 237,000 | 320,935 | 302,611 | |
| Westcoast Energy Inc. | 4.791 | 28-Oct-2041 | 200,000 | 214,318 | 206,400 | |
| | | | | 372,658,673 | 364,802,367 | 30.41 |
| Total Bonds | | | | 1,197,493,813 | 1,174,892,508 | 97.93 |
| Total Investments | | | | 1,197,493,813 | 1,174,892,508 | 97.93 |
| Other Assets less Liabilities | | | | | 24,871,881 | 2.07 |
| Total Net Assets | | | | | 1,199,764,389 | 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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 39.15 | 40.05 |
| AA/Aa | 17.31 | 16.19 |
| A/A | 29.99 | 31.73 |
| BBB/Bbb | 11.02 | 10.70 |
| Not Rated | 0.45 | 0.59 |
| Total | 97.92 | 99.26 |

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, 2018 | - 515,347,068 | 659,545,440 | 1,174,892,508 | |
| December 31, 2017 | - 464,459,504 | 590,114,150 | 1,054,573,654 | |

As at December 31, 2018, 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 \$124,817,455 (\$116,231,973 as at December 31, 2017). 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, 2018 and 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, 2018 | December 31, 2017 |
| Bonds | | |
| Federal Bonds | 34.2 | 35.0 |
| Provincial Bonds | 31.6 | 32.1 |
| Municipal Bonds | 1.7 | 1.8 |
| Corporate Bonds | 30.4 | 30.4 |
| Other Assets less Liabilities | 2.1 | 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, 2018 and December 31, 2017.

| December 31, 2018 | | | | |
|-------------------|--------------|-----------------|-----------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Bonds | | - 1,174,892,508 | - 1,174,892,508 | |

| December 31, 2017 | | | | |
|-------------------|--------------|-----------------|-----------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Bonds | | - 1,054,573,654 | - 1,054,573,654 | |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018, the Fund had accumulated capital losses of \$8,644,209 (\$2,993,446 as at December 31, 2017). 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.

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

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 7,076,776 | 4,191,311 |
| Short-term investments | - | - |
| Cash | - | - |
| 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 | 5,307 | 7,515 |
| Accrued interest | - | - |
| Dividends receivable | - | - |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 9,993 | 48,625 |
| | 7,092,076 | 4,247,451 |
| Liabilities | | |
| Current Liabilities | | |
| Bank indebtedness | 5,420 | 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 | 230 | 116 |
| Redemptions payable | - | 3,153 |
| Distributions payable | - | - |
| Due to investment dealers | 4,611 | 48,646 |
| Management fees payable | 1,255 | 601 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 11,516 | 59,667 |
| Net Assets Attributable to Holders of Redeemable Units | 7,080,560 | 4,187,784 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 1,937,603 | 1,075,752 |
| Series T5 | 15,218 | 13,104 |
| Series T8 | 22,022 | 17,685 |
| Series F | 158,233 | 41,531 |
| Series F5 | 11,572 | - |
| Series F8 | 11,572 | - |
| Series I | 4,569,563 | 2,872,621 |
| Series O | 354,777 | 167,091 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 12.17 | 11.23 |
| Series T5 | 16.67 | 15.89 |
| Series T8 | 15.33 | 15.03 |
| Series F | 11.87 | 11.11 |
| Series F5 | 15.71 | - |
| Series F8 | 15.36 | - |
| Series I | 12.19 | 11.43 |
| Series O | 12.18 | 11.41 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

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

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|-----------------|--------------|
| Investment Income | | |
| Dividend income | - | - |
| Interest income for distribution purposes | 115 | 2 |
| Distributions from underlying funds | 566,219 | 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 | 171,921 | 78,126 |
| 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 | (78,059) | 16,150 |
| 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 | 660,196 | 421,615 |
| Net gain (loss) on foreign exchange | - | - |
| Other income | - | - |
| Total income (loss) | 660,196 | 421,615 |
| Expenses (note 6) | | |
| Management fees | 34,202 | 24,444 |
| Administration fees | 6,299 | 4,015 |
| Independent review committee fees | 34 | 28 |
| Withholding tax | - | - |
| Transaction costs (note 3) | - | - |
| Total operating expenses | 40,535 | 28,487 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | 619,661 | 393,128 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | 619,661 | 393,128 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | 130,145 | 131,393 |
| Series T5 | 1,754 | 1,348 |
| Series T8 | 2,347 | 1,810 |
| Series F | 489 | 1,335 |
| Series F5 | 1,572 | - |
| Series F8 | 1,572 | - |
| Series I | 462,976 | 241,796 |
| Series O | 18,806 | 15,446 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 115,651 | 99,933 |
| Series T5 | 855 | 784 |
| Series T8 | 1,235 | 1,110 |
| Series F | 7,129 | 1,331 |
| Series F5 | 681 | - |
| Series F8 | 689 | - |
| Series I | 290,378 | 179,226 |
| Series O | 19,789 | 12,387 |

Sun Life Dynamic American Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | 1.13 | 1.31 |
| Series T5 | 2.05 | 1.72 |
| Series T8 | 1.90 | 1.63 |
| Series F | 0.07 | 1.00 |
| Series F5 | 2.31 | - |
| Series F8 | 2.28 | - |
| Series I | 1.59 | 1.35 |
| Series O | 0.95 | 1.25 |

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 | |
|--|---------------------|------------------|---------------|---------------|---------------|---------------|----------------|---------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 1,075,752 | 996,098 | 13,104 | 11,702 | 17,685 | 16,375 | 41,531 | 11,956 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 130,145 | 131,393 | 1,754 | 1,348 | 2,347 | 1,810 | 489 | 1,335 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 1,258,136 | 496,546 | 360 | 55 | 2,450 | - | 132,086 | 28,240 |
| Redemption of redeemable units | \$ (526,430) | (548,259) | - | - | (460) | (500) | (15,873) | - |
| Reinvestment of distributions to holders of redeemable units | \$ 82,178 | 23,066 | 1,136 | 907 | 2,150 | 1,662 | 9,690 | 2,607 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 813,884 | (28,647) | 1,496 | 962 | 4,140 | 1,162 | 125,903 | 30,847 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (81,962) | (22,648) | (474) | (325) | (754) | (424) | (9,639) | (2,571) |
| From net investment income | \$ (216) | (444) | (41) | (159) | (43) | (424) | (51) | (36) |
| Return of capital | \$ - | - | (621) | (424) | (1,353) | (814) | - | - |
| | \$ (82,178) | (23,092) | (1,136) | (908) | (2,150) | (1,662) | (9,690) | (2,607) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 861,851 | 79,654 | 2,114 | 1,402 | 4,337 | 1,310 | 116,702 | 29,575 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 1,937,603 | 1,075,752 | 15,218 | 13,104 | 22,022 | 17,685 | 158,233 | 41,531 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 95,773 | 96,674 | 825 | 765 | 1,176 | 1,102 | 3,740 | 1,138 |
| Units issued | 96,981 | 45,224 | 21 | 3 | 153 | - | 10,040 | 2,372 |
| Units issued on reinvestment of distributions | 7,038 | 2,013 | 67 | 57 | 136 | 108 | 851 | 230 |
| Units redeemed | (40,631) | (48,138) | - | - | (29) | (34) | (1,298) | - |
| Balance - end of period | 159,161 | 95,773 | 913 | 825 | 1,436 | 1,176 | 13,333 | 3,740 |

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

Sun Life Dynamic American Fund (continued)

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

For the periods ended December 31

| | Series F5 | | Series F8 | | Series I | | Series O | |
|---|----------------|-----------|-----------|------|-----------|-----------|----------|----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - | 2,872,621 | 1,417,694 | 167,091 | 96,839 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 1,572 | - | 1,572 | - | 462,976 | 241,796 | 18,806 | 15,446 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 10,000 | - | 10,000 | - | 1,963,044 | 1,405,256 | 175,267 | 112,573 |
| Redemption of redeemable units | \$ - | - | - | - | (729,078) | (192,125) | (6,387) | (57,767) |
| Reinvestment of distributions to holders of redeemable units | \$ 1,104 | - | 1,366 | - | 346,766 | 194,602 | 26,185 | 11,006 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 11,104 | - | 11,366 | - | 1,580,732 | 1,407,733 | 195,065 | 65,812 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (660) | - | (660) | - | (346,766) | (194,602) | (26,185) | (11,006) |
| From net investment income | \$ (20) | - | (21) | - | - | - | - | - |
| Return of capital | \$ (424) | - | (685) | - | - | - | - | - |
| | \$ (1,104) | - | (1,366) | - | (346,766) | (194,602) | (26,185) | (11,006) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 11,572 | - | 11,572 | - | 1,696,942 | 1,454,927 | 187,686 | 70,252 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 11,572 | - | 11,572 | - | 4,569,563 | 2,872,621 | 354,777 | 167,091 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | - | - | - | - | 251,401 | 131,840 | 14,643 | 9,030 |
| Units issued | 667 | - | 666 | - | 147,296 | 118,767 | 12,713 | 9,371 |
| Units issued on reinvestment of distributions | 70 | - | 87 | - | 29,682 | 16,691 | 2,242 | 945 |
| Units redeemed | - | - | - | - | (53,471) | (15,897) | (478) | (4,703) |
| Balance - end of period | 737 | - | 753 | - | 374,908 | 251,401 | 29,120 | 14,643 |
| | | | | | | | | |
| | Total | | | | | | | |
| | 2018 | 2017 | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 4,187,784 | 2,550,664 | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 619,661 | 393,128 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 3,551,343 | 2,042,670 | | | | | | |
| Redemption of redeemable units | \$ (1,278,228) | (798,651) | | | | | | |
| Reinvestment of distributions to holders of redeemable units | \$ 470,575 | 233,850 | | | | | | |
| Capitalized distributions | \$ - | - | | | | | | |
| | \$ 2,743,690 | 1,477,869 | | | | | | |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (467,100) | (231,576) | | | | | | |
| From net investment income | \$ (392) | (1,063) | | | | | | |
| Return of capital | \$ (3,083) | (1,238) | | | | | | |
| | \$ (470,575) | (233,877) | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 2,892,776 | 1,637,120 | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 7,080,560 | 4,187,784 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 367,558 | 240,549 | | | | | | |
| Units issued | 268,537 | 175,737 | | | | | | |
| Units issued on reinvestment of distributions | 40,173 | 20,044 | | | | | | |
| Units redeemed | (95,907) | (68,772) | | | | | | |
| Balance - end of period | 580,361 | 367,558 | | | | | | |

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

Sun Life Dynamic American Fund (continued)

Statements of Cash Flows

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|--------------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 619,661 | 393,128 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (171,921) | (78,126) |
| Change in unrealized (appreciation) depreciation in value of investments | 78,059 | (16,150) |
| 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 | - | - |
| Non-cash income distributions from underlying funds | (566,219) | (327,337) |
| Change in margin | - | - |
| Purchases of investments | (3,375,829) | (1,811,406) |
| Proceeds from sale of investments | 1,108,618 | 580,154 |
| 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 | 654 | (1,460) |
| Change in other payables and accrued expenses | 114 | (179) |
| Net Cash Provided by (Used in) Operating Activities | (2,306,863) | (1,261,376) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | - | (27) |
| Proceeds from redeemable units issued | 3,589,975 | 2,002,060 |
| Redemption of redeemable units | (1,281,381) | (795,998) |
| Net Cash Provided by (Used in) Financing Activities | 2,308,594 | 1,206,035 |
| Net increase (decrease) in cash | 1,731 | (55,341) |
| Cash (bank indebtedness) at beginning of period | (7,151) | 48,190 |
| Cash (bank indebtedness) at end of period | (5,420) | (7,151) |
| Dividends received, net of withholding taxes | - | - |
| Interest received, net of withholding taxes | 115 | 2 |
| Interest paid | - | - |

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--------------------------------------|------------------|-------------------|------------------|-----------------------|
| MUTUAL FUNDS | | | | |
| Dynamic American Fund, Series O | 543,949 | 6,993,524 | 7,076,776 | |
| | | 6,993,524 | 7,076,776 | 99.95 |
| Total Investments | | 6,993,524 | 7,076,776 | 99.95 |
| Other Assets less Liabilities | | | 3,784 | 0.05 |
| Total Net Assets | | | 7,080,560 | 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, 2018 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 9 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)

(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, 2018 and 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, 2018 | December 31, 2017 |
| Equities | | |
| Health Care | 38.7 | 15.5 |
| Information Technology | 22.8 | 30.3 |
| Consumer Discretionary | 10.2 | 12.7 |
| Industrials | 5.2 | 23.9 |
| Materials | 5.0 | 6.1 |
| Financials | - | 11.6 |
| Other Assets less Liabilities | 18.1 | (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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|--------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Mutual Funds | 7,076,776 | - | - | 7,076,776 |

| | December 31, 2017 | | | Total (\$) |
|--------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Mutual Funds | 4,191,311 | - | - | 4,191,311 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 was \$63,762 (\$81,709 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series T5 | 887 | 14,796 |
| Series T8 | 966 | 14,804 |
| Series F | 1,303 | 15,465 |
| Series F5 | 737 | 11,572 |
| Series F8 | 753 | 11,572 |
| Series I | 1,324 | 16,143 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series T5 | 821 | 13,050 |
| Series T8 | 868 | 13,056 |
| Series F | 1,214 | 13,486 |
| Series F5 | - | - |
| Series F8 | - | - |
| Series I | 1,219 | 13,934 |

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

Sun Life Dynamic American Fund (continued)

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | - | - | - |
| Series T5 | 36 | - | 1,072 |
| Series T8 | 36 | - | 1,496 |
| Series F | 38 | - | 971 |
| Series F5 | 10,019 | - | 1,084 |
| Series F8 | 10,019 | - | 1,345 |
| Series I | - | - | 1,227 |
| Series O | - | - | - |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 269 | 131,411 | - |
| Series T5 | 32 | - | 871 |
| Series T8 | 32 | - | 1,201 |
| Series F | 33 | - | 835 |
| Series F5 | - | - | - |
| Series F8 | - | - | - |
| Series I | - | - | 959 |
| Series O | - | 13,275 | - |

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, 2018 and December 31, 2017, SLA held the following position in the Fund:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | 46,356 | 565,014 |

| | December 31, 2017 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | 42,679 | 487,674 |

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | - | 42,959 |

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

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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| Series I Units | January 29, 2015 | February 02, 2015 |
| Series O Units | January 29, 2015 | February 02, 2015 |

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

Sun Life Dynamic Energy Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 7,030,169 | 13,982,458 |
| Short-term investments | - | - |
| Cash | 1,744,416 | 1,116,187 |
| Margin | - | - |
| Option contracts, at fair value - long | - | - |
| Credit default swaps, sell protection | - | - |
| Unrealized appreciation on futures contracts | - | - |
| Unrealized appreciation on currency forward contracts | 1,210 | 29,285 |
| Unrealized appreciation on swaps | - | 13,618 |
| Due from investment dealers | - | - |
| Accrued interest | - | - |
| Dividends receivable | 38,988 | 62,490 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 7,192 | 6,732 |
| | 8,821,975 | 15,210,770 |
| 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 | 32,815 | 7,704 |
| Unrealized depreciation on swaps | 39,406 | 246 |
| Accrued expenses | 297 | 421 |
| Redemptions payable | 2,427 | 7,892 |
| Distributions payable | - | - |
| Due to investment dealers | - | - |
| Management fees payable | 1,704 | 2,105 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 76,649 | 18,368 |
| Net Assets Attributable to Holders of Redeemable Units | 8,745,326 | 15,192,402 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 2,731,077 | 4,129,577 |
| Series T5 | 36,532 | 11,811 |
| Series T8 | 84,351 | 111,033 |
| Series F | 246,617 | 266,048 |
| Series F5 | 8,924 | - |
| Series F8 | 8,924 | - |
| Series I | 5,236,329 | 10,144,227 |
| Series O | 392,572 | 529,706 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 7.57 | 9.48 |
| Series T5 | 9.68 | 12.81 |
| Series T8 | 8.58 | 11.74 |
| Series F | 7.81 | 9.67 |
| Series F5 | 12.78 | - |
| Series F8 | 12.44 | - |
| Series I | 8.04 | 9.84 |
| Series O | 8.01 | 9.82 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

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

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|---------------------|
| Investment Income | | |
| Dividend income | 290,336 | 1,190,969 |
| Interest income for distribution purposes | 6,216 | 3,463 |
| 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 | (167,981) | (4,715,460) |
| Net realized gain (loss) on futures contracts | - | (18,570) |
| Net realized gain (loss) on currency forward contracts | (49,128) | 429,991 |
| Net realized gain (loss) on option contracts | - | - |
| Net realized gain (loss) on swaps | (26,017) | (2,242,376) |
| Change in unrealized appreciation (depreciation) in value of investments | (1,806,509) | (12,794,021) |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (53,186) | 149,504 |
| Change in unrealized appreciation (depreciation) in option contracts | - | - |
| Change in unrealized appreciation (depreciation) in value of swaps | (52,778) | (381,075) |
| Net gains (losses) on investments | (1,859,047) | (18,377,575) |
| Net gain (loss) on foreign exchange | 33,191 | 76,574 |
| Other income | - | - |
| Total income (loss) | (1,825,856) | (18,301,001) |
| Expenses (note 6) | | |
| Management fees | 76,481 | 83,652 |
| Administration fees | 12,740 | 45,102 |
| Independent review committee fees | 76 | 97 |
| Withholding tax | 18,974 | 37,610 |
| Transaction costs (note 3) | 20,921 | 246,269 |
| Total operating expenses | 129,192 | 412,730 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (1,955,048) | (18,713,731) |
| Finance Cost | | |
| Interest expense | (119) | (468) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (1,955,167) | (18,714,199) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (691,108) | (625,222) |
| Series T5 | (8,188) | (1,813) |
| Series T8 | (21,177) | (3,310) |
| Series F | (60,909) | (35,498) |
| Series F5 | (1,076) | - |
| Series F8 | (1,076) | - |
| Series I | (1,083,254) | (17,945,991) |
| Series O | (88,379) | (102,365) |
| Weighted Average Number of Units Outstanding | | |
| Series A | 380,752 | 423,626 |
| Series T5 | 2,933 | 865 |
| Series T8 | 9,368 | 6,273 |
| Series F | 30,764 | 24,617 |
| Series F5 | 681 | - |
| Series F8 | 689 | - |
| Series I | 628,294 | 6,346,723 |
| Series O | 51,183 | 61,887 |

Sun Life Dynamic Energy Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (1.82) | (1.48) |
| Series T5 | (2.79) | (2.10) |
| Series T8 | (2.26) | (0.53) |
| Series F | (1.98) | (1.44) |
| Series F5 | (1.58) | - |
| Series F8 | (1.56) | - |
| Series I | (1.72) | (2.83) |
| Series O | (1.73) | (1.65) |

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 | |
|---|----------------|-------------|-----------|---------|-----------|-----------|-----------|-----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 4,129,577 | 3,650,073 | 11,811 | 11,325 | 111,033 | 98,717 | 266,048 | 197,615 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (691,108) | (625,222) | (8,188) | (1,813) | (21,177) | (3,310) | (60,909) | (35,498) |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 783,973 | 2,449,830 | 32,909 | 2,300 | 21,467 | 153,241 | 153,953 | 225,159 |
| Redemption of redeemable units | \$ (1,491,365) | (1,345,117) | - | - | (26,972) | (137,057) | (112,475) | (121,230) |
| Reinvestment of distributions to holders of redeemable units | \$ 737 | 713 | 1,971 | 726 | 8,820 | 7,270 | 109 | 118 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ (706,655) | 1,105,426 | 34,880 | 3,026 | 3,315 | 23,454 | 41,587 | 104,047 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | - | - | - | - | - | - |
| From net investment income | \$ (737) | (700) | (1,718) | (373) | (7,689) | (4,119) | (109) | (116) |
| Return of capital | \$ - | - | (253) | (354) | (1,131) | (3,709) | - | - |
| | \$ (737) | (700) | (1,971) | (727) | (8,820) | (7,828) | (109) | (116) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (1,398,500) | 479,504 | 24,721 | 486 | (26,682) | 12,316 | (19,431) | 68,433 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 2,731,077 | 4,129,577 | 36,532 | 11,811 | 84,351 | 111,033 | 246,617 | 266,048 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 435,601 | 328,508 | 922 | 709 | 9,460 | 6,494 | 27,504 | 17,624 |
| Units issued | 85,971 | 250,109 | 2,686 | 157 | 2,209 | 11,740 | 16,094 | 22,900 |
| Units issued on reinvestment of distributions | 78 | 76 | 167 | 56 | 826 | 608 | 11 | 12 |
| Units redeemed | (160,950) | (143,092) | - | - | (2,669) | (9,382) | (12,047) | (13,032) |
| Balance - end of period | 360,700 | 435,601 | 3,775 | 922 | 9,826 | 9,460 | 31,562 | 27,504 |

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 F5 | | Series F8 | | Series I | | Series O | |
|---|----------------|---------------|-----------|------|-------------|---------------|-----------|-----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - | 10,144,227 | 66,256,442 | 529,706 | 892,880 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,076) | - | (1,076) | - | (1,083,254) | (17,945,991) | (88,379) | (102,365) |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 10,000 | - | 10,000 | - | 3,014,635 | 63,143,656 | 32,666 | 113,542 |
| Redemption of redeemable units | \$ - | - | - | - | (6,839,279) | (101,309,880) | (81,421) | (374,351) |
| Reinvestment of distributions to holders of redeemable units | \$ 486 | - | 776 | - | - | - | - | - |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 10,486 | - | 10,776 | - | (3,824,644) | (38,166,224) | (48,755) | (260,809) |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | - | - | - | - | - | - |
| From net investment income | \$ (486) | - | (776) | - | - | - | - | - |
| Return of capital | \$ - | - | - | - | - | - | - | - |
| | \$ (486) | - | (776) | - | - | - | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 8,924 | - | 8,924 | - | (4,907,898) | (56,112,215) | (137,134) | (363,174) |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 8,924 | - | 8,924 | - | 5,236,329 | 10,144,227 | 392,572 | 529,706 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | - | - | - | - | 1,030,568 | 5,870,408 | 53,965 | 79,199 |
| Units issued | 667 | - | 667 | - | 319,928 | 6,247,291 | 3,446 | 11,988 |
| Units issued on reinvestment of distributions | 31 | - | 51 | - | - | - | - | - |
| Units redeemed | - | - | - | - | (698,972) | (11,087,131) | (8,376) | (37,222) |
| Balance - end of period | 698 | - | 718 | - | 651,524 | 1,030,568 | 49,035 | 53,965 |
| | | | | | | | | |
| | Total | | | | | | | |
| | 2018 | 2017 | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 15,192,402 | 71,107,052 | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,955,167) | (18,714,199) | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 4,059,603 | 66,087,728 | | | | | | |
| Redemption of redeemable units | \$ (8,551,512) | (103,287,635) | | | | | | |
| Reinvestment of distributions to holders of redeemable units | \$ 12,899 | 8,827 | | | | | | |
| Capitalized distributions | \$ - | - | | | | | | |
| | \$ (4,479,010) | (37,191,080) | | | | | | |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | | | | | | |
| From net investment income | \$ (11,515) | (5,308) | | | | | | |
| Return of capital | \$ (1,384) | (4,063) | | | | | | |
| | \$ (12,899) | (9,371) | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (6,447,076) | (55,914,650) | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 8,745,326 | 15,192,402 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 1,558,020 | 6,302,942 | | | | | | |
| Units issued | 431,668 | 6,544,185 | | | | | | |
| Units issued on reinvestment of distributions | 1,164 | 752 | | | | | | |
| Units redeemed | (883,014) | (11,289,859) | | | | | | |
| Balance - end of period | 1,107,838 | 1,558,020 | | | | | | |

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

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|---------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (1,955,167) | (18,714,199) |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | 167,981 | 4,715,460 |
| Change in unrealized (appreciation) depreciation in value of investments | 1,806,509 | 12,794,021 |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 53,186 | (149,504) |
| Change in unrealized (appreciation) depreciation in option contracts | - | - |
| Change in unrealized (appreciation) depreciation in value of swaps | 52,778 | 381,075 |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | - | - |
| Purchases of investments | (5,865,655) | (71,989,519) |
| Proceeds from sale of investments | 10,822,533 | 98,863,140 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | 23,502 | 70,505 |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | (401) | (4,959) |
| Change in other payables and accrued expenses | 20,797 | 242,568 |
| Net Cash Provided by (Used in) Operating Activities | 5,126,063 | 26,208,588 |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | - | (544) |
| Proceeds from redeemable units issued | 4,059,143 | 66,281,396 |
| Redemption of redeemable units | (8,556,977) | (103,280,043) |
| Net Cash Provided by (Used in) Financing Activities | (4,497,834) | (36,999,191) |
| Net increase (decrease) in cash | 628,229 | (10,790,603) |
| Cash (bank indebtedness) at beginning of period | 1,116,187 | 11,906,790 |
| Cash (bank indebtedness) at end of period | 1,744,416 | 1,116,187 |
| Dividends received, net of withholding taxes | 294,864 | 1,223,864 |
| Interest received, net of withholding taxes | 6,216 | 3,463 |
| Interest paid | (119) | (468) |

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|---------------------|----------------------|--------------------|--------------------------|
| EQUITIES | | | | |
| Energy | | | | |
| ARC Resources Ltd. | 24,800 | 353,843 | 200,880 | |
| BP PLC, ADR | 3,200 | 161,952 | 165,732 | |
| Canadian Natural Resources Ltd. | 11,800 | 434,501 | 388,692 | |
| Chevron Corp. | 2,900 | 401,115 | 430,899 | |
| Concho Resources Inc. | 1,200 | 168,241 | 168,469 | |
| ConocoPhillips | 5,500 | 385,559 | 468,368 | |
| Diamondback Energy Inc. | 2,700 | 365,950 | 341,847 | |
| Enbridge Inc. | 7,200 | 299,822 | 305,352 | |
| Enerplus Corp. | 35,200 | 307,199 | 373,824 | |
| EOG Resources Inc. | 2,600 | 291,600 | 309,690 | |
| Keyera Corp. | 9,320 | 360,908 | 240,549 | |
| Marathon Oil Corp. | 9,300 | 218,847 | 182,146 | |
| Occidental Petroleum Corp. | 4,300 | 321,260 | 360,482 | |
| Pembina Pipeline Corp. | 10,687 | 409,915 | 432,930 | |
| Pioneer Natural Resources Co. | 1,400 | 255,021 | 251,483 | |
| Royal Dutch Shell PLC, ADR B Shares | 5,761 | 397,865 | 471,631 | |
| Suncor Energy Inc. | 11,058 | 417,441 | 421,642 | |
| Total SA | 5,661 | 356,481 | 408,170 | |
| Tourmaline Oil Corp. | 13,400 | 318,943 | 227,532 | |
| TransCanada Corporation | 8,118 | 413,242 | 395,753 | |
| Whitecap Resources Inc. | 45,800 | 399,138 | 199,230 | |
| | | 7,038,843 | 6,745,301 | 77.13 |
| Materials | | | | |
| DowDuPont Inc. | 3,900 | 339,298 | 284,868 | |
| | | 339,298 | 284,868 | 3.26 |
| Total Equities | | 7,378,141 | 7,030,169 | 80.39 |
| Transaction Costs | | (7,996) | | |
| Total Investments | | 7,370,145 | 7,030,169 | 80.39 |
| Currency Forward Contracts⁽¹⁾ | | | (31,605) | (0.36) |
| Unrealized appreciation/(depreciation) on swaps⁽²⁾ | | | (39,406) | (0.45) |
| Other Assets less Liabilities | | | 1,786,168 | 20.42 |
| Total Net Assets | | | 8,745,326 | 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) (\$) |
|----------------------|--------------------------------|-----------------|--------------------|-----------|---------------|-----------|-----------------------------|
| Bank of Montreal | A-1 | 16-Jan-2019 | USD | 70,000 | CAD | (94,353) | 1,210 |
| | | | | | | | 1,210 |
| Bank of Montreal | A-1 | 16-Jan-2019 | CAD | 61,332 | USD | (45,000) | (102) |
| CIBC | A-1 | 15-Mar-2019 | CAD | 12,259 | EUR | (8,000) | (287) |
| T.D. Bank Corp. | A-1+ | 15-Mar-2019 | CAD | 66,902 | USD | (50,000) | (1,265) |
| Royal Bank of Canada | A-1+ | 15-Mar-2019 | CAD | 88,855 | EUR | (58,000) | (2,104) |
| CIBC | A-1 | 15-Mar-2019 | CAD | 267,477 | USD | (200,000) | (5,188) |
| CIBC | A-1 | 20-Feb-2019 | CAD | 196,733 | USD | (150,000) | (7,858) |
| CIBC | A-1 | 16-Jan-2019 | CAD | 325,276 | USD | (250,000) | (16,011) |
| | | | | | | | (32,815) |
| | | | | | | | (31,605) |

⁽²⁾ Swaps Schedule

| Referenced Entity | Notional Units | Interest Rate | Expiry Date | Counterparty | Credit Rating for Counterparty | Market Value (\$) | Unrealized Gain/(Loss) (\$) |
|---|----------------|-----------------------|-------------|---------------------|--------------------------------|-------------------|-----------------------------|
| PLAINS ALL AMER PIPELINE LP TRS - EQUITY LEG | 7,500 | | 21-Jun-2019 | Goldman Sachs & Co. | A-2 | 205,280 | (22,741) |
| ENTERPRISE PRODUCTS PARTNERS TRS - EQUITY LEG | 5,600 | | 26-Jun-2019 | Goldman Sachs & Co. | A-2 | 188,076 | (3,518) |
| VIPER ENERGY PARTNERS LP TRS - EQUITY LEG | 5,000 | | 19-Dec-2019 | Goldman Sachs & Co. | A-2 | 177,827 | (7,915) |
| ENTERPRISE PRODUCTS PARTNERS TRS - EQUITY LEG | 3,800 | | 8-Aug-2019 | Goldman Sachs & Co. | A-2 | 127,623 | (2,387) |
| ENTERPRISE PRODUCTS PARTNERS TRS - EQ LEG | 2,900 | | 9-Jan-2019 | Goldman Sachs & Co. | A-2 | 97,397 | (1,822) |
| ENTERPRISE PRODUCTS PARTNERS TRS - EQUITY LEG | 500 | | 17-Jun-2019 | Goldman Sachs & Co. | A-2 | 16,793 | (314) |
| ENTERPRISE PRODUCTS PARTNERS TRS - INT LEG | (500) | 1-Month LIBOR + 60BPS | 17-Jun-2019 | Goldman Sachs & Co. | A-2 | (17,124) | (18) |
| ENTERPRISE PRODUCTS PARTNERS TRS - INT LEG | (2,900) | 1-Month LIBOR + 60BPS | 9-Jan-2019 | Goldman Sachs & Co. | A-2 | (99,320) | (102) |
| ENTERPRISE PRODUCTS PARTNERS TRS - INT LEG | (3,800) | 1-Month LIBOR + 60BPS | 8-Aug-2019 | Goldman Sachs & Co. | A-2 | (130,144) | (133) |
| VIPER ENERGY PARTNERS LP TRS - INT LEG | (5,000) | 1-Month LIBOR + 60BPS | 19-Dec-2019 | Goldman Sachs & Co. | A-2 | (185,903) | (160) |
| ENTERPRISE PRODUCTS PARTNERS TRS - INT LEG | (5,600) | 1-Month LIBOR + 60BPS | 26-Jun-2019 | Goldman Sachs & Co. | A-2 | (191,791) | (196) |
| PLAINS ALL AMER PIPELINE LP TRS - INT LEG | (7,500) | 1-Month LIBOR + 60BPS | 21-Jun-2019 | Goldman Sachs & Co. | A-2 | (228,120) | (100) |
| | | | | | | (39,406) | (39,406) |

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

Sun Life Dynamic Energy Fund (continued)

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and 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. 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. 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, 2018 and December 31, 2017. 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, 2018 | | December 31, 2017 | |
| United States | | | | |
| Dollar | 2,808,329 | 32.11 | 4,969,299 | 32.71 |
| Euro | 317,563 | 3.63 | 516,160 | 3.40 |
| Total | 3,125,892 | 35.74 | 5,485,459 | 36.11 |

As at December 31, 2018, 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 \$156,295 (\$274,273 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at December 31, 2018 and December 31, 2017, 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, 2018, 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 \$349,538 (\$699,792 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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.

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

Sun Life Dynamic Energy 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, 2018 | December 31, 2017 |
| Equities | | |
| Energy | 77.1 | 92.0 |
| Material | 3.3 | - |
| Derivative Assets (Liabilities) | (0.8) | 0.2 |
| Other Assets less Liabilities | 20.4 | 7.8 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Equities | 7,030,169 | - | - | 7,030,169 |
| Currency Forward Contracts | - | 1,210 | - | 1,210 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 32,815 | - | 32,815 |
| Swaps | - | 39,406 | - | 39,406 |
| | | | | |
| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$20,921 (\$246,269 for the period ended December 31, 2017).

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, 2018 was \$2,346 (\$27,327 for the period ended December 31, 2017).

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$5,733,521 (\$5,733,521 as at December 31, 2017). 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, 2018, the Fund had accumulated non-capital losses of \$517,649 (\$802,961 as at December 31, 2017). The non-capital losses for tax purposes are available for carry forward until the year ending 2036.

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 Energy 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series T5 | 800 | 7,743 |
| Series T8 | 903 | 7,752 |
| Series F | - | - |
| Series F5 | 698 | 8,924 |
| Series F8 | 718 | 8,924 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series T5 | 756 | 9,683 |
| Series T8 | 825 | 9,685 |
| Series F | 2,060 | 19,924 |
| Series F5 | - | - |
| Series F8 | - | - |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series T5 | 23 | - | 497 |
| Series T8 | 23 | - | 806 |
| Series F | 20 | 20,711 | - |
| Series F5 | 10,017 | - | 468 |
| Series F8 | 10,017 | - | 757 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series T5 | 25 | - | 582 |
| Series T8 | 25 | - | 948 |
| Series F | 50 | - | - |
| Series F5 | - | - | - |
| Series F8 | - | - | - |

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, 2018 | | | | |
| Derivative assets - Forward Contracts | 1,210 | (102) | - | 1,108 |
| Total | 1,210 | (102) | - | 1,108 |
| Derivative liabilities - Forward Contracts | (32,815) | 102 | - | (32,713) |
| Derivative liabilities - Swaps | (39,406) | - | - | (39,406) |
| Total | (72,221) | 102 | - | (72,119) |
| 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) |

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| Series I Units | July 30, 2015 | August 10, 2015 |
| Series O Units | July 30, 2015 | August 10, 2015 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 80,739,815 | 70,013,552 |
| Short-term investments | - | - |
| Cash | 187,384 | - |
| 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 | 79,835 | - |
| Accrued interest | - | - |
| Dividends receivable | - | - |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 262,141 | 544,500 |
| | 81,269,175 | 70,558,052 |
| 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 | 2,445 | 1,896 |
| Redemptions payable | 78,902 | 15,227 |
| Distributions payable | - | - |
| Due to investment dealers | 253,236 | 528,169 |
| Management fees payable | 15,586 | 10,836 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 350,169 | 568,985 |
| Net Assets Attributable to Holders of Redeemable Units | 80,919,006 | 69,989,067 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 27,337,004 | 23,314,969 |
| Series F | 2,036,994 | 1,417,483 |
| Series I | 47,147,265 | 40,783,346 |
| Series O | 4,397,743 | 4,473,269 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 9.96 | 10.97 |
| Series F | 10.08 | 11.09 |
| Series I | 10.55 | 11.52 |
| Series O | 9.48 | 10.41 |

Approved on behalf of Trustee

| | |
|------------------------|--------------------------|
| “signed” Rick Headrick | “signed” Kari Holdsworth |
| President | Chief Financial Officer |

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|--------------|
| Investment Income | | |
| Dividend income | - | - |
| Interest income for distribution purposes | 3,360 | 2,465 |
| Distributions from underlying funds | 4,738,841 | 3,429,886 |
| 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 | 272,770 | 212,794 |
| 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 | (7,358,327) | 3,297,954 |
| 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 | (2,343,356) | 6,943,099 |
| Net gain (loss) on foreign exchange | - | - |
| Other income | 1,132 | - |
| Total income (loss) | (2,342,224) | 6,943,099 |
| Expenses (note 6) | | |
| Management fees | 531,161 | 369,938 |
| Administration fees | 80,431 | 59,255 |
| Independent review committee fees | 621 | 501 |
| Withholding tax | - | - |
| Transaction costs (note 3) | - | - |
| Total operating expenses | 612,213 | 429,694 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (2,954,437) | 6,513,405 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (2,954,437) | 6,513,405 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (1,348,093) | 1,987,393 |
| Series F | (94,189) | 78,764 |
| Series I | (1,365,745) | 4,013,787 |
| Series O | (146,410) | 433,461 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 2,500,938 | 1,640,596 |
| Series F | 156,353 | 58,952 |
| Series I | 3,923,936 | 2,662,782 |
| Series O | 459,364 | 325,901 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.54) | 1.21 |
| Series F | (0.60) | 1.34 |
| Series I | (0.35) | 1.51 |
| Series O | (0.32) | 1.33 |

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 F | | Series I | |
|---|----------------------|-------------------|------------------|------------------|-------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 23,314,969 | 14,417,492 | 1,417,483 | 191,904 | 40,783,346 | 24,857,719 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,348,093) | 1,987,393 | (94,189) | 78,764 | (1,365,745) | 4,013,787 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 10,952,196 | 10,505,532 | 1,356,594 | 1,408,569 | 15,180,522 | 17,623,828 |
| Redemption of redeemable units | \$ (5,557,971) | (3,549,779) | (639,936) | (255,703) | (7,450,858) | (5,711,987) |
| Reinvestment of distributions to holders of redeemable units | \$ 1,194,169 | 2,425,148 | 93,516 | 162,841 | 2,564,221 | 4,924,242 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 6,588,394 | 9,380,901 | 810,174 | 1,315,707 | 10,293,885 | 16,836,083 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ - | (600,046) | - | (36,725) | - | (1,040,541) |
| From net investment income | \$ (485,765) | (253,612) | (38,577) | (17,917) | (1,012,360) | (526,500) |
| Return of capital | \$ (732,501) | (1,617,159) | (57,897) | (114,250) | (1,551,861) | (3,357,202) |
| | \$ (1,218,266) | (2,470,817) | (96,474) | (168,892) | (2,564,221) | (4,924,243) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 4,022,035 | 8,897,477 | 619,511 | 1,225,579 | 6,363,919 | 15,925,627 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 27,337,004 | 23,314,969 | 2,036,994 | 1,417,483 | 47,147,265 | 40,783,346 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 2,126,050 | 1,303,841 | 127,837 | 16,848 | 3,541,086 | 2,135,300 |
| Units issued | 1,025,782 | 912,361 | 125,156 | 117,910 | 1,356,365 | 1,449,964 |
| Units issued on reinvestment of distributions | 112,665 | 217,715 | 8,731 | 14,461 | 228,932 | 421,110 |
| Units redeemed | (520,992) | (307,867) | (59,632) | (21,382) | (659,093) | (465,288) |
| Balance - end of period | 2,743,505 | 2,126,050 | 202,092 | 127,837 | 4,467,290 | 3,541,086 |

| | Series O | | Total | |
|---|---------------------|------------------|--------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 4,473,269 | 2,041,652 | 69,989,067 | 41,508,767 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (146,410) | 433,461 | (2,954,437) | 6,513,405 |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | \$ 1,467,763 | 2,644,311 | 28,957,075 | 32,182,240 |
| Redemption of redeemable units | \$ (1,390,731) | (629,814) | (15,039,496) | (10,147,283) |
| Reinvestment of distributions to holders of redeemable units | \$ 283,425 | 529,879 | 4,135,331 | 8,042,110 |
| Capitalized distributions | \$ - | - | - | - |
| | \$ 360,457 | 2,544,376 | 18,052,910 | 30,077,067 |
| Distributions to Holders of Redeemable Units | | | | |
| From capital gains | \$ - | (116,330) | - | (1,793,642) |
| From net investment income | \$ (114,324) | (58,278) | (1,651,026) | (856,307) |
| Return of capital | \$ (175,249) | (371,612) | (2,517,508) | (5,460,223) |
| | \$ (289,573) | (546,220) | (4,168,534) | (8,110,172) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (75,526) | 2,431,617 | 10,929,939 | 28,480,300 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 4,397,743 | 4,473,269 | 80,919,006 | 69,989,067 |
| Redeemable Unit Transactions | | | | |
| Balance - beginning of period | 429,825 | 194,838 | 6,224,798 | 3,650,827 |
| Units issued | 143,892 | 242,119 | 2,651,195 | 2,722,354 |
| Units issued on reinvestment of distributions | 28,128 | 49,972 | 378,456 | 703,258 |
| Units redeemed | (137,941) | (57,104) | (1,377,658) | (851,641) |
| Balance - end of period | 463,904 | 429,825 | 7,876,791 | 6,224,798 |

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

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (2,954,437) | 6,513,405 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (272,770) | (212,794) |
| Change in unrealized (appreciation) depreciation in value of investments | 7,358,327 | (3,297,954) |
| 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 | - | - |
| Non-cash income distributions from underlying funds | (4,738,841) | (3,429,886) |
| Change in margin | - | - |
| Purchases of investments | (18,796,730) | (24,751,992) |
| Proceeds from sale of investments | 5,368,983 | 2,827,325 |
| 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 | 4,750 | (15,291) |
| Change in other payables and accrued expenses | 549 | (2,033) |
| Net Cash Provided by (Used in) Operating Activities | (14,030,169) | (22,369,220) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (33,203) | (68,062) |
| Proceeds from redeemable units issued | 29,239,434 | 32,538,702 |
| Redemption of redeemable units | (14,975,821) | (10,137,343) |
| Net Cash Provided by (Used in) Financing Activities | 14,230,410 | 22,333,297 |
| Net increase (decrease) in cash | 200,241 | (35,923) |
| Cash (bank indebtedness) at beginning of period | (12,857) | 23,066 |
| Cash (bank indebtedness) at end of period | 187,384 | (12,857) |
| Dividends received, net of withholding taxes | - | - |
| Interest received, net of withholding taxes | 3,360 | 2,465 |
| Interest paid | - | - |

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--------------------------------------|------------------|-------------------|-------------------|-----------------------|
| MUTUAL FUND | | | | |
| Dynamic Equity Income Fund, Series O | 11,436,234 | 82,690,528 | 80,739,815 | |
| | | 82,690,528 | 80,739,815 | 99.78 |
| Total Investments | | 82,690,528 | 80,739,815 | 99.78 |
| Other Assets less Liabilities | | | 179,191 | 0.22 |
| Total Net Assets | | | 80,919,006 | 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, 2018 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 9 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, 2018 and 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, 2018 | December 31, 2017 |
| Equities | | |
| Financials | 19.6 | 17.3 |
| Health Care | 9.5 | 6.9 |
| Industrials | 8.6 | 10.4 |
| Information Technology | 8.5 | 7.5 |
| Communication Services | 7.3 | - |
| Energy Infrastructure | 7.2 | 6.5 |
| Consumer Staples | 6.9 | 6.1 |
| Utilities | 6.8 | 7.2 |
| Energy | 4.5 | 3.0 |
| Consumer Discretionary | 3.6 | 8.2 |
| Telecommunication Services | - | 7.2 |
| Real Estate | 3.5 | 7.6 |
| Materials | 3.3 | 1.4 |
| Private Equity - Real Estate | 1.9 | 1.9 |
| Other Assets less Liabilities | 8.8 | 8.8 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|-------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Mutual Fund | 80,739,815 | - | - | 80,739,815 |
| December 31, 2017 | | | | |
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Mutual Fund | 70,013,552 | - | - | 70,013,552 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 was \$95,010 (\$124,527 for the period ended December 31, 2017).

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$1,952,622 (\$nil as at December 31, 2017). 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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 119,267,931 | 156,971,325 |
| Short-term investments | 16,792,471 | - |
| Cash | 29,573,954 | 19,073,374 |
| Margin | 31,084 | 2,487,107 |
| Option contracts, at fair value - long | - | - |
| Credit default swaps, sell protection | - | - |
| Unrealized appreciation on futures contracts | - | - |
| Unrealized appreciation on currency forward contracts | 102,210 | 705,303 |
| Unrealized appreciation on swaps | 75,733 | 138,906 |
| Due from investment dealers | 501,506 | 49,342 |
| Accrued interest | 214,436 | 225,039 |
| Dividends receivable | 275,386 | 338,246 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 20,048 | 43,295 |
| | 166,854,759 | 180,031,937 |
| Liabilities | | |
| Current Liabilities | | |
| Bank indebtedness | - | - |
| Margin | - | - |
| Option contracts, at fair value - short | 208,206 | 29,033 |
| Credit default swaps, buy protection | - | - |
| Unrealized depreciation on futures contracts | 4,210 | - |
| Unrealized depreciation on currency forward contracts | 1,733,769 | - |
| Unrealized depreciation on swaps | 33,849 | 3,907 |
| Accrued expenses | 5,736 | 5,713 |
| Redemptions payable | 189,471 | 130,947 |
| Distributions payable | - | - |
| Due to investment dealers | 270,691 | - |
| Management fees payable | 31,660 | 29,820 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 2,477,592 | 199,420 |
| Net Assets Attributable to Holders of Redeemable Units | 164,377,167 | 179,832,517 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 52,592,511 | 60,256,202 |
| Series F | 2,103,562 | 1,669,475 |
| Series I | 99,501,918 | 105,900,689 |
| Series O | 10,179,176 | 12,006,151 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 9.27 | 10.03 |
| Series F | 9.71 | 10.50 |
| Series I | 10.43 | 11.21 |
| Series O | 9.17 | 9.94 |

Approved on behalf of Trustee

| | |
|------------------------|--------------------------|
| “signed” Rick Headrick | “signed” Kari Holdsworth |
| President | Chief Financial Officer |

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|--------------|
| Investment Income | | |
| Dividend income | 2,626,164 | 3,156,279 |
| Interest income for distribution purposes | 1,151,497 | 1,192,471 |
| Distributions from underlying funds | 1,727,628 | 1,408,503 |
| 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 | 4,311,732 | 4,668,818 |
| Net realized gain (loss) on futures contracts | (83,224) | (111,884) |
| Net realized gain (loss) on currency forward contracts | (1,251,193) | 49,768 |
| Net realized gain (loss) on option contracts | 407,815 | 380,960 |
| Net realized gain (loss) on swaps | (278,934) | 515,932 |
| Change in unrealized appreciation (depreciation) in value of investments | (7,864,594) | 3,693,121 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | (4,210) | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (2,336,862) | 728,891 |
| Change in unrealized appreciation (depreciation) in option contracts | (217,919) | 17,106 |
| Change in unrealized appreciation (depreciation) in value of swaps | (93,115) | 30,468 |
| Net gains (losses) on investments | (1,905,215) | 15,730,433 |
| Net gain (loss) on foreign exchange | 1,693,769 | (908,704) |
| Other income | - | - |
| Total income (loss) | (211,446) | 14,821,729 |
| Expenses (note 6) | | |
| Management fees | 1,174,891 | 1,239,745 |
| Administration fees | 206,458 | 218,353 |
| Independent review committee fees | 1,302 | 1,520 |
| Withholding tax | 177,021 | 189,797 |
| Transaction costs (note 3) | 126,885 | 129,474 |
| Total operating expenses | 1,686,557 | 1,778,889 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (1,898,003) | 13,042,840 |
| Finance Cost | | |
| Interest expense | (36) | (98) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (1,898,039) | 13,042,742 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (1,442,000) | 3,622,760 |
| Series F | (34,865) | 80,282 |
| Series I | (372,041) | 8,502,104 |
| Series O | (49,133) | 837,596 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 5,815,440 | 6,012,364 |
| Series F | 187,612 | 118,273 |
| Series I | 9,465,180 | 9,393,583 |
| Series O | 1,171,823 | 1,069,940 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.25) | 0.60 |
| Series F | (0.19) | 0.68 |
| Series I | (0.04) | 0.91 |
| Series O | (0.04) | 0.78 |

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 F | | Series I | |
|---|----------------------|-------------------|------------------|------------------|-------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 60,256,202 | 61,287,511 | 1,669,475 | 842,764 | 105,900,689 | 103,680,167 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,442,000) | 3,622,760 | (34,865) | 80,282 | (372,041) | 8,502,104 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 10,117,549 | 9,571,288 | 873,400 | 1,321,110 | 9,951,367 | 7,915,894 |
| Redemption of redeemable units | \$ (16,314,820) | (14,209,071) | (404,465) | (574,716) | (15,978,097) | (14,197,476) |
| Reinvestment of distributions to holders of redeemable units | \$ 2,943,728 | 3,056,687 | 123,366 | 76,719 | 6,985,576 | 4,781,483 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ (3,253,543) | (1,581,096) | 592,301 | 823,113 | 958,846 | (1,500,099) |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ - | - | - | - | - | - |
| From net investment income | \$ (2,328,565) | (1,343,521) | (96,769) | (33,526) | (5,480,309) | (2,090,491) |
| Return of capital | \$ (639,583) | (1,729,452) | (26,580) | (43,158) | (1,505,267) | (2,690,992) |
| | \$ (2,968,148) | (3,072,973) | (123,349) | (76,684) | (6,985,576) | (4,781,483) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (7,663,691) | (1,031,309) | 434,087 | 826,711 | (6,398,771) | 2,220,522 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 52,592,511 | 60,256,202 | 2,103,562 | 1,669,475 | 99,501,918 | 105,900,689 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 6,006,676 | 6,163,052 | 158,924 | 81,134 | 9,449,259 | 9,587,422 |
| Units issued | 1,036,817 | 949,470 | 85,293 | 124,782 | 905,783 | 714,207 |
| Units issued on reinvestment of distributions | 304,692 | 303,970 | 12,209 | 7,293 | 644,290 | 430,966 |
| Units redeemed | (1,673,675) | (1,409,816) | (39,807) | (54,285) | (1,457,597) | (1,283,336) |
| Balance - end of period | 5,674,510 | 6,006,676 | 216,619 | 158,924 | 9,541,735 | 9,449,259 |

| | Series O | | Total | |
|---|----------------------|-------------------|---------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 12,006,151 | 10,099,719 | 179,832,517 | 175,910,161 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (49,133) | 837,596 | (1,898,039) | 13,042,742 |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | \$ 1,448,761 | 3,103,342 | 22,391,077 | 21,911,634 |
| Redemption of redeemable units | \$ (3,186,891) | (1,996,065) | (35,884,273) | (30,977,328) |
| Reinvestment of distributions to holders of redeemable units | \$ 799,423 | 702,685 | 10,852,093 | 8,617,574 |
| Capitalized distributions | \$ - | - | - | - |
| | \$ (938,707) | 1,809,962 | (2,641,103) | (448,120) |
| Distributions to Holders of Redeemable Units | | | | |
| From capital gains | \$ - | - | - | - |
| From net investment income | \$ (658,316) | (324,025) | (8,563,959) | (3,791,563) |
| Return of capital | \$ (180,819) | (417,101) | (2,352,249) | (4,880,703) |
| | \$ (839,135) | (741,126) | (10,916,208) | (8,672,266) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (1,826,975) | 1,906,432 | (15,455,350) | 3,922,356 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 10,179,176 | 12,006,151 | 164,377,167 | 179,832,517 |
| Redeemable Unit Transactions | | | | |
| Balance - beginning of period | 1,208,391 | 1,028,008 | 16,823,250 | 16,859,616 |
| Units issued | 148,634 | 310,834 | 2,176,527 | 2,099,293 |
| Units issued on reinvestment of distributions | 83,578 | 70,535 | 1,044,769 | 812,764 |
| Units redeemed | (330,433) | (200,986) | (3,501,512) | (2,948,423) |
| Balance - end of period | 1,110,170 | 1,208,391 | 16,543,034 | 16,823,250 |

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

| | 2018 (\$) | 2017 (\$) |
|---|----------------------|--------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (1,898,039) | 13,042,742 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (4,311,732) | (4,668,818) |
| Change in unrealized (appreciation) depreciation in value of investments | 7,864,594 | (3,693,121) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | 4,210 | - |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 2,336,862 | (728,891) |
| Change in unrealized (appreciation) depreciation in option contracts | 217,919 | (17,106) |
| Change in unrealized (appreciation) depreciation in value of swaps | 93,115 | (30,468) |
| Non-cash income distributions from underlying funds | (1,727,628) | (1,408,503) |
| Change in margin | 2,456,023 | (56,933) |
| Purchases of investments | (105,642,493) | (98,537,977) |
| Proceeds from sale of investments | 140,859,637 | 102,791,323 |
| Purchases of short-term investments | (65,523,727) | - |
| Proceeds from sale of short-term investments | 49,072,565 | - |
| Change in dividends and interest receivable | 73,463 | (6,524) |
| Change in distributions receivable from underlying funds | - | 44,142 |
| Change in management fees payable | 1,840 | (90,448) |
| Change in other payables and accrued expenses | 99,511 | 100,863 |
| Net Cash Provided by (Used in) Operating Activities | 23,976,120 | 6,740,281 |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (64,115) | (54,692) |
| Proceeds from redeemable units issued | 22,414,324 | 22,015,534 |
| Redemption of redeemable units | (35,825,749) | (31,449,397) |
| Net Cash Provided by (Used in) Financing Activities | (13,475,540) | (9,488,555) |
| Net increase (decrease) in cash | 10,500,580 | (2,748,274) |
| Cash (bank indebtedness) at beginning of period | 19,073,374 | 21,821,648 |
| Cash (bank indebtedness) at end of period | 29,573,954 | 19,073,374 |
| Dividends received, net of withholding taxes | 2,512,003 | 2,929,067 |
| Interest received, net of withholding taxes | 1,162,100 | 1,223,362 |
| Interest paid | (36) | (98) |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|--------|---------------|-----------|-------------------|-------------------|-----------------------|
| SHORT-TERM INVESTMENTS | | | | | | |
| Treasury Bills | | | | | | |
| United States Treasury Bill | 2.160% | 10-Jan-2019 | 2,014,000 | 2,602,040 | 2,731,224 | |
| United States Treasury Bill | 2.302% | 7-Feb-2019 | 2,569,000 | 3,383,713 | 3,489,776 | |
| United States Treasury Bill | 2.475% | 9-May-2019 | 2,586,000 | 3,383,687 | 3,489,749 | |
| | | | | 9,369,440 | 9,710,749 | 5.91 |
| Bankers' Acceptances | | | | | | |
| Canadian Imperial Bank of Commerce | 2.067% | 29-Jan-2019 | 2,372,000 | 2,359,974 | 2,359,974 | |
| The Bank of Nova Scotia | 2.130% | 22-Feb-2019 | 2,374,000 | 2,361,869 | 2,361,869 | |
| The Toronto-Dominion Bank | 2.038% | 24-Jan-2019 | 2,372,000 | 2,359,879 | 2,359,879 | |
| | | | | 7,081,722 | 7,081,722 | 4.31 |
| Total Short-Term Investments | | | | 16,451,162 | 16,792,471 | 10.22 |
| BONDS | | | | | | |
| Federal Bonds | | | | | | |
| Canadian Government Bond | 2.250% | 1-Jun-2029 | 1,002,000 | 999,832 | 1,027,406 | |
| Canadian Government Bond | 2.500% | 1-Jun-2024 | 59,000 | 59,897 | 60,811 | |
| Canadian Government Bond | 2.000% | 1-Jun-2028 | 636,000 | 614,838 | 637,997 | |
| Canadian Government Bond | 5.750% | 1-Jun-2033 | 118,000 | 167,525 | 171,850 | |
| | | | | 1,842,092 | 1,898,064 | 1.15 |
| Corporate Bonds | | | | | | |
| Enbridge Inc. | 3.940% | 13-Jan-2023 | 301,000 | 308,935 | 307,725 | |
| Bell Canada Inc. | 3.800% | 21-Aug-2028 | 257,000 | 256,760 | 254,543 | |
| The Bank of Montreal | 3.190% | 1-Mar-2028 | 270,000 | 268,073 | 270,394 | |
| The Toronto-Dominion Bank | 3.589% | 14-Sep-2028 | 21,000 | 20,942 | 20,917 | |
| Apple Inc. | 2.513% | 19-Aug-2024 | 166,000 | 159,187 | 161,429 | |
| OMERS Realty Corp. | 3.628% | 5-Jun-2030 | 345,000 | 349,770 | 353,194 | |
| Alectra Inc. | 2.488% | 17-May-2027 | 218,000 | 216,470 | 209,088 | |
| Algonquin Power Co. | 4.090% | 17-Feb-2027 | 293,000 | 294,185 | 293,092 | |
| Alliance Pipeline LP | 4.928% | 16-Dec-2019 | 250,000 | 269,974 | 254,754 | |
| Alliance Pipeline LP | 6.765% | 31-Dec-2025 | 36,000 | 40,664 | 40,850 | |
| AltaGas Ltd. | 3.840% | 15-Jan-2025 | 477,000 | 481,824 | 470,260 | |
| AltaLink LP | 3.399% | 6-Jun-2024 | 348,000 | 356,523 | 357,407 | |
| Bank of America Corp. | 3.407% | 20-Sep-2025 | 246,000 | 245,113 | 243,856 | |
| Bank of Montreal | 2.890% | 20-Jun-2023 | 330,000 | 327,554 | 329,819 | |
| Bank of Montreal | 3.120% | 19-Sep-2024 | 76,000 | 76,801 | 76,181 | |
| bclMC Realty Corp. | 3.000% | 31-Mar-2027 | 165,000 | 164,462 | 163,105 | |
| Bell Canada Inc. | 4.700% | 11-Sep-2023 | 142,000 | 154,985 | 149,580 | |
| BP Capital Markets PLC | 3.470% | 15-May-2025 | 213,000 | 212,681 | 213,420 | |
| Brookfield Asset Management Inc. | 5.040% | 8-Mar-2024 | 131,000 | 143,592 | 138,126 | |
| Brookfield Asset Management Inc. | 4.820% | 28-Jan-2026 | 414,000 | 444,106 | 430,289 | |
| Brookfield Infrastructure Finance ULC | 3.452% | 11-Mar-2022 | 391,000 | 392,438 | 391,106 | |
| Brookfield Infrastructure Finance ULC | 3.315% | 22-Feb-2024 | 347,000 | 342,615 | 339,281 | |
| Brookfield Renewable Partners ULC | 4.790% | 7-Feb-2022 | 94,000 | 103,069 | 97,558 | |
| Brookfield Renewable Partners ULC | 3.630% | 15-Jan-2027 | 364,000 | 364,466 | 349,316 | |
| BRP Finance ULC | 4.790% | 7-Feb-2022 | 69,000 | 74,397 | 71,612 | |
| Bruce Power LP | 3.969% | 23-Jun-2026 | 173,000 | 178,389 | 176,130 | |
| Choice Properties Real Estate Investment Trust | 3.556% | 9-Sep-2024 | 129,000 | 128,792 | 127,089 | |
| CI Financial Corp. | 3.904% | 27-Sep-2027 | 95,000 | 95,000 | 93,194 | |
| Enbridge Inc. | 3.940% | 30-Jun-2023 | 191,000 | 196,510 | 195,422 | |
| Enbridge Inc. | 5.375% | 27-Sep-2077 | 252,000 | 249,603 | 232,825 | |
| Enbridge Inc. | 6.625% | 12-Apr-2078 | 223,000 | 228,723 | 224,153 | |
| Enbridge Pipelines Inc. | 8.200% | 15-Feb-2024 | 145,000 | 194,288 | 177,452 | |
| Enbridge Southern Lights LP | 4.014% | 30-Jun-2040 | 131,292 | 131,225 | 127,367 | |
| First Capital Realty Inc. | 4.323% | 31-Jul-2025 | 275,000 | 283,081 | 279,770 | |
| First Capital Realty Inc. | 3.753% | 12-Jul-2027 | 118,000 | 118,000 | 113,959 | |
| H&R Real Estate Investment Trust | 3.369% | 30-Jan-2024 | 137,000 | 135,256 | 133,051 | |
| Heathrow Funding Ltd. | 3.250% | 21-May-2025 | 609,000 | 615,142 | 606,997 | |
| Hydro One Ltd. | 4.000% | 30-Sep-2027 | 2,745,000 | 928,798 | 873,596 | |
| Intact Financial Corp. | 3.770% | 2-Mar-2026 | 371,000 | 379,395 | 380,576 | |
| Kimco Realty Corp. | 2.700% | 1-Mar-2024 | 23,000 | 28,952 | 29,639 | |
| Loblaws Cos Ltd. | 4.860% | 12-Sep-2023 | 70,000 | 75,600 | 73,943 | |
| Lower Mattagami Energy LP | 3.416% | 20-Jun-2024 | 196,000 | 208,233 | 201,312 | |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------------|--------|---------------|------------------|-------------------|-------------------|-----------------------|
| Lower Mattagami Energy LP | 2.307% | 21-Oct-2026 | 277,000 | 259,273 | 261,989 | |
| McDonald's Corp. | 3.125% | 4-Mar-2025 | 197,000 | 198,741 | 193,950 | |
| Morgan Stanley | 3.125% | 5-Aug-2021 | 139,000 | 139,818 | 139,203 | |
| OMERS Realty Corp. | 2.858% | 23-Feb-2024 | 441,000 | 439,258 | 439,937 | |
| OMERS Realty Corp. | 3.244% | 4-Oct-2027 | 64,000 | 63,416 | 64,327 | |
| Pembina Pipeline Corp. | 2.990% | 22-Jan-2024 | 198,000 | 193,945 | 192,573 | |
| Pembina Pipeline Corp. | 3.540% | 3-Feb-2025 | 160,000 | 159,140 | 158,278 | |
| Royal Bank of Canada | 2.360% | 5-Dec-2022 | 191,000 | 186,667 | 187,472 | |
| Royal Bank of Canada | 2.949% | 1-May-2023 | 301,000 | 300,298 | 301,672 | |
| Smart Real Estate Investment Trust | 3.556% | 6-Feb-2025 | 123,000 | 120,720 | 120,220 | |
| Suncor Energy Inc. | 3.000% | 14-Sep-2026 | 106,000 | 105,189 | 102,629 | |
| TELUS Corp. | 3.750% | 17-Jan-2025 | 29,000 | 29,942 | 29,307 | |
| TELUS Corp. | 3.625% | 1-Mar-2028 | 452,000 | 445,614 | 443,265 | |
| The Bank of Nova Scotia | 2.980% | 17-Apr-2023 | 499,000 | 497,593 | 500,036 | |
| The Bank of Nova Scotia | 2.290% | 28-Jun-2024 | 345,000 | 338,500 | 332,893 | |
| The Toronto-Dominion Bank | 3.005% | 30-May-2023 | 828,000 | 827,245 | 832,914 | |
| The Toronto-Dominion Bank | 3.226% | 24-Jul-2024 | 297,000 | 305,606 | 301,254 | |
| TMX Group Ltd. | 2.997% | 11-Dec-2024 | 139,000 | 137,087 | 137,154 | |
| TMX Group Ltd. | 3.779% | 5-Jun-2028 | 293,000 | 297,455 | 296,295 | |
| Union Gas Ltd. | 3.790% | 10-Jul-2023 | 166,000 | 173,842 | 171,988 | |
| United Parcel Service Inc. | 2.125% | 21-May-2024 | 196,000 | 192,985 | 186,941 | |
| Ventas Canada Finance Ltd. | 4.125% | 30-Sep-2024 | 299,000 | 310,364 | 306,669 | |
| Videotron Ltd. | 5.625% | 15-Jun-2025 | 203,000 | 217,036 | 206,299 | |
| Wells Fargo & Co. | 2.509% | 27-Oct-2023 | 267,000 | 257,153 | 256,110 | |
| Westcoast Energy Inc. | 3.120% | 5-Dec-2022 | 241,000 | 243,732 | 241,415 | |
| | | | | 16,685,192 | 16,438,167 | 10.00 |
| Mortgage-Backed Securities | | | | | | |
| Merrill Lynch Financial Assets Inc. | 5.145% | 12-Oct-2039 | 35,000 | 36,012 | 35,954 | |
| Merrill Lynch Financial Assets Inc. | 0.000% | 12-Oct-2039 | 225,000 | 233,629 | 230,293 | |
| | | | | 269,641 | 266,247 | 0.16 |
| Total Bonds | | | | 18,796,925 | 18,602,478 | 11.31 |
| | | | | | | |
| | | | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
| EQUITIES | | | | | | |
| Energy | | | | | | |
| Canadian Natural Resources Ltd. | | | 38,600 | 1,684,646 | 1,271,484 | |
| Enbridge Inc. | | | 39,000 | 1,845,714 | 1,653,990 | |
| Pembina Pipeline Corp. | | | 22,100 | 797,154 | 895,271 | |
| Suncor Energy Inc. | | | 36,929 | 1,728,380 | 1,408,103 | |
| TransCanada Corporation | | | 24,414 | 1,241,982 | 1,190,183 | |
| | | | | 7,297,876 | 6,419,031 | 3.91 |
| Materials | | | | | | |
| DowDuPont Inc. | | | 30,800 | 2,710,500 | 2,249,729 | |
| | | | | 2,710,500 | 2,249,729 | 1.37 |
| Industrials | | | | | | |
| Canadian National Railway Co. | | | 7,400 | 717,752 | 748,214 | |
| Canadian Pacific Railway Ltd. | | | 6,400 | 1,326,330 | 1,550,336 | |
| Honeywell International Inc. | | | 6,400 | 1,104,147 | 1,154,879 | |
| | | | | 3,148,229 | 3,453,429 | 2.10 |
| Consumer Discretionary | | | | | | |
| Home Depot Inc. | | | 8,900 | 1,798,313 | 2,088,583 | |
| McDonald's Corp. | | | 5,100 | 1,086,713 | 1,236,881 | |
| The TJX Companies Inc. | | | 16,000 | 843,577 | 977,696 | |
| | | | | 3,728,603 | 4,303,160 | 2.61 |
| Consumer Staples | | | | | | |
| Costco Wholesale Corp. | | | 5,900 | 1,392,343 | 1,641,544 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------------|----------------------|--------------------|--------------------------|
| Loblaw Companies Ltd. | 25,500 | 1,414,693 | 1,558,305 | |
| The Coca-Cola Co. | 16,000 | 917,819 | 1,034,732 | |
| | | 3,724,855 | 4,234,581 | 2.58 |
| Health Care | | | | |
| Johnson & Johnson | 13,700 | 2,236,322 | 2,414,719 | |
| Medtronic PLC | 17,200 | 1,702,564 | 2,136,815 | |
| Pfizer Inc. | 35,900 | 1,585,835 | 2,140,261 | |
| UnitedHealth Group Inc. | 6,000 | 1,749,541 | 2,041,493 | |
| | | 7,274,262 | 8,733,288 | 5.31 |
| Financials | | | | |
| Bank of Nova Scotia | 23,100 | 1,582,900 | 1,571,955 | |
| Atrium Mortgage Investment Corp. | 46,400 | 546,452 | 584,176 | |
| Brookfield Asset Management Inc., Class A | 31,100 | 1,413,316 | 1,627,152 | |
| Canadian Imperial Bank of Commerce | 14,700 | 1,582,499 | 1,494,696 | |
| JPMorgan Chase & Co. | 11,900 | 1,323,068 | 1,586,623 | |
| Royal Bank of Canada | 19,100 | 1,595,393 | 1,784,704 | |
| Starwood Property Trust Inc. | 78,300 | 2,302,453 | 2,107,834 | |
| The Toronto-Dominion Bank | 22,900 | 1,494,093 | 1,553,994 | |
| | | 11,840,174 | 12,311,134 | 7.48 |
| Real Estate | | | | |
| American Tower Corp. | 4,800 | 676,740 | 1,037,071 | |
| Equinix Inc. | 1,500 | 796,742 | 722,291 | |
| Equity Residential | 26,500 | 2,154,964 | 2,389,151 | |
| Killam Apartment Real Estate Investment Trust | 106,596 | 1,343,821 | 1,699,140 | |
| Smart Real Estate Investment Trust | 31,984 | 905,221 | 986,067 | |
| | | 5,877,488 | 6,833,720 | 4.16 |
| Information Technology | | | | |
| Microsoft Corp. | 12,100 | 1,382,401 | 1,678,568 | |
| Texas Instruments Inc. | 6,600 | 863,986 | 851,851 | |
| | | 2,246,387 | 2,530,419 | 1.54 |
| Communication Services | | | | |
| Comcast Corporation, Class A | 54,500 | 2,300,669 | 2,534,555 | |
| BCE Inc. | 49,100 | 2,699,863 | 2,647,963 | |
| Rogers Communications Inc., Class B | 25,600 | 1,278,993 | 1,790,976 | |
| TELUS Corp. | 22,458 | 1,054,942 | 1,016,225 | |
| | | 7,334,467 | 7,989,719 | 4.86 |
| Utilities | | | | |
| Hydro One Ltd. | 41,800 | 880,636 | 846,450 | |
| Fortis Inc. | 51,424 | 2,062,972 | 2,340,306 | |
| Innergex Renewable Energy Inc. | 144,600 | 1,673,085 | 1,813,284 | |
| NextEra Energy Inc. | 4,900 | 724,670 | 1,163,279 | |
| | | 5,341,363 | 6,163,319 | 3.75 |
| Total Equities | | 60,524,204 | 65,221,529 | 39.67 |
| MUTUAL FUNDS | | | | |
| Dynamic Total Return Bond Fund, Series O | 2,594,056 | 25,901,274 | 24,851,057 | |
| Dynamic Credit Spectrum Fund, Series O | 532,582 | 4,987,098 | 4,356,517 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|--------------------|--------------------|-----------------------|
| Dynamic High Yield Bond Fund, Series O | 1,528,378 | 5,035,698 | 4,325,310 | |
| Dynamic Premium Yield Fund, Series O | 194,014 | 2,171,236 | 1,911,040 | |
| Total Mutual Funds | | 38,095,306 | 35,443,924 | 21.56 |
| Transaction Costs | | (29,323) | | |
| Total Investments | | 133,838,274 | 136,060,402 | 82.76 |
| Currency Forward Contracts ⁽¹⁾ | | | (1,631,559) | (0.99) |
| Futures Contracts ⁽²⁾ | | | (4,210) | - |
| Unrealized appreciation/(depreciation) on swaps ⁽³⁾ | | | 41,884 | 0.03 |
| Option Contracts ⁽⁴⁾ | | | (208,206) | (0.13) |
| Other Assets less Liabilities | | | 30,118,856 | 18.33 |
| Total Net Assets | | | 164,377,167 | 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 | 17-Jan-2019 | USD | 2,946,130 | CAD | (3,973,266) | 48,645 |
| BANK OF NOVA SCOTIA | A-1 | 17-Jan-2019 | USD | 3,100,000 | CAD | (4,187,837) | 44,137 |
| CIBC | A-1 | 17-Jan-2019 | USD | 155,000 | CAD | (207,722) | 3,875 |
| CIBC | A-1 | 17-Jan-2019 | USD | 155,865 | CAD | (208,960) | 3,818 |
| BANK OF NOVA SCOTIA | A-1 | 17-Jan-2019 | USD | 701,635 | CAD | (956,111) | 1,735 |
| | | | | | | | 102,210 |
| CIBC | A-1 | 17-Jan-2019 | CAD | 17,367,949 | USD | (13,357,700) | (866,749) |
| BANK OF NOVA SCOTIA | A-1 | 17-Jan-2019 | CAD | 17,367,753 | USD | (13,357,755) | (867,020) |
| | | | | | | | (1,733,769) |
| | | | | | | | (1,631,559) |

⁽²⁾ Futures Contracts

| Name of Future | Contracted Value (\$) | Expiry Date | Numbers of Contracts | Contracted Price | Current Value (\$) | Unrealized Appreciation/(Depreciation) (\$) |
|-------------------------------|-----------------------|-------------|----------------------|------------------|--------------------|---|
| MTL 10YR CANADIAN BOND FUTURE | (132,560) | 20-Mar-2019 | (1) | 133 | (136,770) | (4,210) |
| | | | | | | (4,210) |

⁽³⁾ Swaps Schedule

| Referenced Entity | Notional Units | Expiry Date | Counterparty | Credit Rating for Counterparty | Market Value (\$) | Unrealized Gain/(Loss) (\$) |
|---|----------------|-------------|---------------------|--------------------------------|-------------------|-----------------------------|
| THE BLACKSTONE GROUP TRS - EQUITY LEG | 21,200 | 17-May-2019 | Goldman Sachs & Co. | A-2 | 863,147 | 29,245 |
| THE BLACKSTONE GROUP TRS - EQUITY LEG | 19,600 | 28-Jun-2019 | Goldman Sachs & Co. | A-2 | 798,004 | 27,037 |
| THE BLACKSTONE GROUP TRS - EQUITY LEG | 5,927 | 27-Sep-2019 | Goldman Sachs & Co. | A-2 | 241,315 | 8,176 |
| THE BLACKSTONE GROUP TRS - EQUITY LEG | 4,400 | 27-Sep-2019 | Goldman Sachs & Co. | A-2 | 179,144 | 6,070 |
| THE BLACKSTONE GROUP TRS - EQUITY LEG | 3,173 | 27-Sep-2019 | Goldman Sachs & Co. | A-2 | 129,187 | 4,377 |
| THE BLACKSTONE GROUP TRS - EQUITY LEG | 600 | 27-Sep-2019 | Goldman Sachs & Co. | A-2 | 24,429 | 828 |
| | | | | | | 75,733 |
| ENTERPRISE PRODUCTS PARTNERS TRS - INT LEG | (99) | 27-Jun-2019 | Goldman Sachs & Co. | A-2 | (3,391) | (3) |
| THE BLACKSTONE GROUP TRS - INT LEG | (600) | 27-Sep-2019 | Goldman Sachs & Co. | A-2 | (23,625) | (24) |
| ENTERPRISE PRODUCTS PARTNERS TRS - EQUITY LEG | 99 | 27-Jun-2019 | Goldman Sachs & Co. | A-2 | 3,325 | (62) |
| ENTERPRISE PRODUCTS PARTNERS TRS - INT LEG | (2,501) | 23-Aug-2019 | Goldman Sachs & Co. | A-2 | (85,655) | (88) |
| THE BLACKSTONE GROUP TRS - INT LEG | (3,173) | 27-Sep-2019 | Goldman Sachs & Co. | A-2 | (124,938) | (128) |

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

Sun Life Dynamic Strategic Yield Fund (continued)

Schedule of Investments (continued)

⁽³⁾ Swaps Schedule (continued)

| Referenced Entity | Notional Units | Expiry Date | Counterparty | Credit Rating for Counterparty | Market Value (\$) | Unrealized Gain/(Loss) (\$) |
|---|----------------|-------------|---------------------|--------------------------------|-------------------|-----------------------------|
| THE BLACKSTONE GROUP TRS - INT LEG | (4,400) | 27-Sep-2019 | Goldman Sachs & Co. | A-2 | (173,251) | (177) |
| THE BLACKSTONE GROUP TRS - INT LEG | (5,927) | 27-Sep-2019 | Goldman Sachs & Co. | A-2 | (233,377) | (239) |
| ENTERPRISE PRODUCTS PARTNERS TRS - INT LEG | (7,500) | 24-Apr-2019 | Goldman Sachs & Co. | A-2 | (256,862) | (263) |
| ENTERPRISE PRODUCTS PARTNERS TRS - INT LEG | (7,600) | 7-Nov-2019 | Goldman Sachs & Co. | A-2 | (260,287) | (266) |
| ENTERPRISE PRODUCTS PARTNERS TRS - INT LEG | (14,100) | 25-Apr-2019 | Goldman Sachs & Co. | A-2 | (482,901) | (494) |
| ENTERPRISE PRODUCTS PARTNERS TRS - INT LEG | (15,900) | 11-Apr-2019 | Goldman Sachs & Co. | A-2 | (544,548) | (557) |
| THE BLACKSTONE GROUP TRS - INT LEG | (19,600) | 28-Jun-2019 | Goldman Sachs & Co. | A-2 | (771,756) | (789) |
| THE BLACKSTONE GROUP TRS - INT LEG | (21,200) | 17-May-2019 | Goldman Sachs & Co. | A-2 | (834,756) | (853) |
| ENTERPRISE PRODUCTS PARTNERS TRS - EQUITY LEG | 2,501 | 23-Aug-2019 | Goldman Sachs & Co. | A-2 | 83,996 | (1,571) |
| ENTERPRISE PRODUCTS PARTNERS TRS - EQUITY LEG | 7,500 | 24-Apr-2019 | Goldman Sachs & Co. | A-2 | 251,888 | (4,712) |
| ENTERPRISE PRODUCTS PARTNERS TRS - EQUITY LEG | 7,600 | 7-Nov-2019 | Goldman Sachs & Co. | A-2 | 255,246 | (4,775) |
| ENTERPRISE PRODUCTS PARTNERS TRS - EQUITY LEG | 14,100 | 25-Apr-2019 | Goldman Sachs & Co. | A-2 | 473,549 | (8,859) |
| ENTERPRISE PRODUCTS PARTNERS TRS - EQUITY LEG | 15,900 | 11-Apr-2019 | Goldman Sachs & Co. | A-2 | 534,002 | (9,989) |
| | | | | | | (33,849) |
| | | | | | | 41,884 |

⁽⁴⁾ Option Contracts

| | Expiry Date | Number of Contracts | Average Cost (\$) | Current Value (\$) |
|---------------------------------------|-------------|---------------------|-------------------|--------------------|
| BLACKSTONE GROUP@33 OTC PUT OPT | 18-Jan-2019 | (96) | (54,289) | (43,196) |
| BLACKSTONE GROUP@35 OTC PUT OPT | 18-Jan-2019 | (96) | (78,801) | (68,005) |
| | | | | (111,201) |
| ISHARES RUSSELL 2000 ETF@160 CALL OPT | 18-Jan-2019 | 500 | 101,967 | 551 |
| SPDR S&P 500 ETF TRUST@292 CALL OPT | 18-Jan-2019 | 435 | 45,747 | 151 |
| SPDR S&P 500 ETF TRUST@307 CALL OPT | 18-Jan-2019 | (435) | (4,753) | (8) |
| COSTCO WHOLESALE CORP@192.5 PUT OPT | 25-Jan-2019 | (37) | (15,160) | (10,562) |
| COMCAST CORP@34 PUT OPT | 1-Feb-2019 | (110) | (12,019) | (19,907) |
| MASTERCARD INC@182.5 PUT OPT | 25-Jan-2019 | (35) | (15,893) | (20,077) |
| VISA INC@130 PUT OPT | 25-Jan-2019 | (49) | (15,267) | (23,423) |
| MARATHON PETROLEUM CORP@62 PUT OPT | 11-Jan-2019 | (50) | (16,663) | (23,730) |
| | | | | (97,005) |
| | | | | (208,206) |

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

Sun Life Dynamic Strategic Yield Fund (continued)

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and 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 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 11.37 | 0.13 |
| AA/Aa | 4.47 | 5.89 |
| A/A | 2.83 | 6.08 |
| BBB/Bbb | 4.35 | 5.53 |
| BB/Ba | 0.13 | 0.22 |
| Not Rated | 0.78 | 0.40 |
| Total | 23.93 | 18.25 |

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.

The following table summarizes the Fund’s proportionate exposure to currency risk as at December 31, 2018 and 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, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| United States Dollar | 43,916,704 | 46,872,674 | 26.72 | 26.06 |
| British Pound | 21,497 | 2,783,816 | 0.01 | 1.55 |
| Euro | - | 440,740 | - | 0.25 |
| Japanese Yen | - | 5,956 | - | - |
| Hong Kong Dollar | - | 1,001,200 | - | 0.56 |
| Total | 43,938,201 | 51,104,386 | 26.73 | 28.42 |

As at December 31, 2018, 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 \$2,196,910 (\$2,555,219 as at December 31, 2017). 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, 2018 | 17,047,225 | 4,247,575 | 14,100,149 | 35,394,949 |
| December 31, 2017 | - | 14,814,970 | 12,695,159 | 27,510,129 |

As at December 31, 2018, 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 \$1,535,371 (\$1,556,816 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

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

Sun Life Dynamic Strategic Yield Fund (continued)

(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, 2018, 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 \$3,263,171 (\$5,497,594 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 5.9 | - |
| Bankers' Acceptances | 4.3 | - |
| Bonds | | |
| Federal Bonds | 1.1 | - |
| Corporate Bonds | 10.0 | 15.2 |
| Mortgage-Backed Securities | 0.2 | 0.1 |
| Equities | | |
| Energy | 3.9 | 6.6 |
| Materials | 1.4 | 4.0 |
| Industrials | 2.1 | 4.9 |
| Consumer Discretionary | 2.6 | 3.2 |
| Consumer Staples | 2.6 | 4.5 |
| Health Care | 5.3 | 3.9 |
| Financials | 7.5 | 14.8 |
| Real Estate | 4.2 | 2.1 |
| Information Technology | 1.5 | 8.5 |
| Telecommunication Services | - | 4.1 |
| Communication Services | 4.9 | - |
| Utilities | 3.7 | 4.5 |
| Mutual Funds | | |
| Canadian Fixed Income | 15.1 | 5.0 |
| Income and Real Property | 1.2 | 1.0 |
| High Yield Fixed Income | 5.3 | 4.9 |
| Derivative Assets (Liabilities) | (1.1) | 0.4 |
| Other Assets less Liabilities | 18.3 | 12.3 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Equities | 65,221,529 | - | - | 65,221,529 |
| Bonds | - | 18,336,231 | - | 18,336,231 |
| Short-Term Investments | - | 16,792,471 | - | 16,792,471 |
| Mutual Funds | 35,443,924 | - | - | 35,443,924 |
| Currency Forward Contracts | - | 102,210 | - | 102,210 |
| Swaps | - | 75,733 | - | 75,733 |
| Mortgage-Backed Securities | - | 35,954 | 230,293 | 266,247 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 1,733,769 | - | 1,733,769 |
| Option Contracts | 208,206 | - | - | 208,206 |
| Futures Contracts | 4,210 | - | - | 4,210 |
| Swaps | - | 33,849 | - | 33,849 |

| | December 31, 2017 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

The following is a reconciliation of Level 3 fair value assets as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | December 31, 2017 |
|---------------------------|-------------------|-------------------|
| | (\$) | (\$) |
| Opening Balance | - | - |
| Net purchases and (sales) | 233,629 | - |
| Net transfers in (out) | - | - |
| Gains (Losses) | | |
| Realized | - | - |
| Unrealized | (3,336) | - |
| Closing Balance | 230,293 | - |

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

Sun Life Dynamic Strategic Yield Fund (continued)

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.

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, futures contracts, 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.

Futures contracts are classified as Level 1 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.

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, 2018 were \$126,885 (\$129,474 for the period ended December 31, 2017).

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, 2018 was \$39,416 (\$34,051 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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

Sun Life Dynamic Strategic Yield Fund (continued)

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, 2018 | | | | |
| Derivative assets - Forward Contracts | 102,210 | (102,210) | - | - |
| Derivative assets - Swaps | 75,733 | (33,849) | - | 41,884 |
| Total | 177,943 | (136,059) | - | 41,884 |
| Derivative liabilities - Forward Contracts | (1,733,769) | 102,210 | - | (1,631,559) |
| Derivative liabilities - Swaps | (33,849) | 33,849 | - | - |
| Total | (1,767,618) | 136,059 | - | (1,631,559) |
| 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 | - | - |

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 |

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

Sun Life Excel Emerging Markets Fund

(formerly Sun Life Schroder Emerging Markets Fund)

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 579,394,154 | 386,458,879 |
| Short-term investments | - | - |
| Cash | 17,086,459 | 3,834,262 |
| 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 | 657,355 | 226,450 |
| Accrued interest | - | 159 |
| Dividends receivable | 735,260 | 451,210 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 687,016 | 493,840 |
| | 598,560,244 | 391,464,800 |
| 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 | 11,735 | 5,447 |
| Redemptions payable | 386,784 | 3,117,278 |
| Distributions payable | - | - |
| Due to investment dealers | 1,714,457 | 71,302 |
| Management fees payable | 35,877 | 2,228 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 2,148,853 | 3,196,255 |
| Net Assets Attributable to Holders of Redeemable Units | 596,411,391 | 388,268,545 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 44,070,770 | 3,307,235 |
| Series DB | 79,662 | - |
| Series F | 11,870,310 | 165,527 |
| Series I | 537,293,955 | 384,197,744 |
| Series IS | 2,124,311 | - |
| Series O | 972,383 | 598,039 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 10.10 | 11.13 |
| Series DB | 9.00 | - |
| Series F | 10.66 | 11.73 |
| Series I | 10.97 | 12.03 |
| Series IS | 9.08 | - |
| Series O | 13.08 | 14.35 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|-------------------|
| Investment Income | | |
| Dividend income | 15,150,445 | 7,151,709 |
| Interest income for distribution purposes | 65,640 | 996 |
| 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 | 3,751,764 | 9,142,625 |
| 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 | (63,960,584) | 63,808,029 |
| 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 | (44,992,735) | 80,103,359 |
| Net gain (loss) on foreign exchange | (483,731) | (267,859) |
| Other income | 33,425 | - |
| Total income (loss) | (45,443,041) | 79,835,500 |
| Expenses (note 6) | | |
| Management fees | 772,503 | 72,744 |
| Administration fees | 375,447 | 203,322 |
| Independent review committee fees | 37,625 | 67 |
| Withholding tax | 1,852,762 | 871,152 |
| Transaction costs (note 3) | 793,018 | 445,939 |
| Total operating expenses | 3,831,355 | 1,593,224 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (49,274,396) | 78,242,276 |
| Finance Cost | | |
| Interest expense | (2) | (3) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (49,274,398) | 78,242,273 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (5,368,536) | 644,678 |
| Series DB | (8,883) | - |
| Series F | (1,261,239) | 16,621 |
| Series I | (41,586,677) | 77,459,690 |
| Series IS | (963,857) | - |
| Series O | (85,206) | 121,284 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 2,692,858 | 261,023 |
| Series DB | 9,086 | - |
| Series F | 621,894 | 6,870 |
| Series I | 42,434,876 | 26,150,291 |
| Series IS | 592,846 | - |
| Series O | 65,167 | 33,963 |

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

Sun Life Excel Emerging Markets Fund (continued)

(formerly Sun Life Schroder Emerging Markets Fund)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (1.99) | 2.47 |
| Series DB | (0.98) | - |
| Series F | (2.03) | 2.42 |
| Series I | (0.98) | 2.96 |
| Series IS | (1.63) | - |
| Series O | (1.31) | 3.57 |

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

For the periods ended December 31

| | Series A | | Series DB | | Series F | | Series I | |
|---|-----------------|-----------|-----------|------|-------------|----------|---------------|--------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 3,307,235 | 2,185,377 | - | - | 165,527 | 30,578 | 384,197,744 | 188,505,123 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (5,368,536) | 644,678 | (8,883) | - | (1,261,239) | 16,621 | (41,586,677) | 77,459,690 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 76,559,040 | 1,125,340 | 95,377 | - | 15,866,967 | 129,669 | 333,915,057 | 164,633,858 |
| Redemption of redeemable units | \$ (30,425,103) | (648,183) | (6,832) | - | (2,892,014) | (11,347) | (139,232,169) | (46,400,927) |
| Reinvestment of distributions to holders of redeemable units | \$ 56,001 | 444 | 423 | - | 78,492 | 1,080 | 11,706,775 | 5,302,016 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 46,189,938 | 477,601 | 88,968 | - | 13,053,445 | 119,402 | 206,389,663 | 123,534,947 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | - | - | - | - | - | - |
| From net investment income | \$ (57,867) | (421) | (423) | - | (87,423) | (1,074) | (11,706,775) | (5,301,702) |
| Return of capital | \$ - | - | - | - | - | - | - | (314) |
| | \$ (57,867) | (421) | (423) | - | (87,423) | (1,074) | (11,706,775) | (5,302,016) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 40,763,535 | 1,121,858 | 79,662 | - | 11,704,783 | 134,949 | 153,096,211 | 195,692,621 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 44,070,770 | 3,307,235 | 79,662 | - | 11,870,310 | 165,527 | 537,293,955 | 384,197,744 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 297,220 | 253,822 | - | - | 14,108 | 3,382 | 31,933,112 | 20,544,164 |
| Units issued | 6,851,462 | 108,430 | 9,538 | - | 1,354,863 | 11,676 | 27,851,548 | 15,032,620 |
| Units issued on reinvestment of distributions | 5,605 | 43 | 48 | - | 7,438 | 93 | 1,037,265 | 443,164 |
| Units redeemed | (2,792,913) | (65,075) | (736) | - | (262,497) | (1,043) | (11,845,083) | (4,086,836) |
| Balance - end of period | 4,361,374 | 297,220 | 8,850 | - | 1,113,912 | 14,108 | 48,976,842 | 31,933,112 |

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

Sun Life Excel Emerging Markets Fund (continued)

(formerly Sun Life Schroder Emerging Markets Fund)

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

For the periods ended December 31

| | Series IS | | Series O | | Total | |
|---|---------------------|------|----------------|----------------|---------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | 598,039 | 295,898 | 388,268,545 | 191,016,976 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (963,857) | - | (85,206) | 121,284 | (49,274,398) | 78,242,273 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 8,261,363 | - | 674,931 | 282,257 | 435,372,735 | 166,171,124 |
| Redemption of redeemable units | \$ (5,173,195) | - | (215,381) | (101,399) | (177,944,694) | (47,161,856) |
| Reinvestment of distributions to holders of redeemable units | \$ - | - | 19,861 | 7,744 | 11,861,552 | 5,311,284 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 3,088,168 | - | 479,411 | 188,602 | 269,289,593 | 124,320,552 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ - | - | - | - | - | - |
| From net investment income | \$ - | - | (19,861) | (7,745) | (11,872,349) | (5,310,942) |
| Return of capital | \$ - | - | - | - | - | (314) |
| | \$ - | - | (19,861) | (7,745) | (11,872,349) | (5,311,256) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 2,124,311 | - | 374,344 | 302,141 | 208,142,846 | 197,251,569 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 2,124,311 | - | 972,383 | 598,039 | 596,411,391 | 388,268,545 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | - | - | 41,690 | 27,039 | 32,286,130 | 20,828,407 |
| Units issued | 826,270 | - | 46,368 | 21,556 | 36,940,049 | 15,174,282 |
| Units issued on reinvestment of distributions | - | - | 1,479 | 543 | 1,051,835 | 443,843 |
| Units redeemed | (592,384) | - | (15,191) | (7,448) | (15,508,804) | (4,160,402) |
| Balance - end of period | 233,886 | - | 74,346 | 41,690 | 54,769,210 | 32,286,130 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 | 2017 | | 2018 | 2017 |
|---|----------------------|---------------|--|----------------------|----------------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Cash Flows from Operating Activities | | | Net Cash Provided by (Used in) Operating Activities | (241,241,377) | (120,215,496) |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (49,274,398) | 78,242,273 | Cash Flows from Financing Activities | | |
| Adjustments for: | | | Distributions paid to holders of redeemable units, net of reinvested distributions | (10,797) | 28 |
| Net realized (gain) loss on sale of investments | (3,751,764) | (9,142,625) | Proceeds from redeemable units issued | 435,179,559 | 166,681,455 |
| Change in unrealized (appreciation) depreciation in value of investments | 63,960,584 | (63,808,029) | Redemption of redeemable units | (180,675,188) | (44,075,569) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - | Net Cash Provided by (Used in) Financing Activities | 254,493,574 | 122,605,914 |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | - | Net increase (decrease) in cash | 13,252,197 | 2,390,418 |
| Change in unrealized (appreciation) depreciation in option contracts | - | - | Cash (bank indebtedness) at beginning of period | 3,834,262 | 1,443,844 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - | Cash (bank indebtedness) at end of period | 17,086,459 | 3,834,262 |
| Non-cash income distributions from underlying funds | - | - | Dividends received, net of withholding taxes | 13,013,633 | 6,111,319 |
| Change in margin | - | - | Interest received, net of withholding taxes | 65,799 | 837 |
| Purchases of investments | (454,044,820) | (212,088,630) | Interest paid | (2) | (3) |
| Proceeds from sale of investments | 201,319,957 | 86,312,407 | | | |
| Purchases of short-term investments | - | - | | | |
| Proceeds from sale of short-term investments | - | - | | | |
| Change in dividends and interest receivable | (283,891) | (169,397) | | | |
| Change in distributions receivable from underlying funds | - | - | | | |
| Change in management fees payable | 33,649 | (3,481) | | | |
| Change in other payables and accrued expenses | 799,306 | 441,986 | | | |

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

Sun Life Excel Emerging Markets Fund (continued)

(formerly Sun Life Schroder Emerging Markets Fund)

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|-------------------|-------------------|-----------------------|
| EQUITIES | | | | |
| Energy | | | | |
| China Petroleum & Chemical Corporation, H Shares | 11,092,000 | 11,906,192 | 10,816,423 | |
| CNOOC Ltd. | 4,864,000 | 9,106,311 | 10,263,046 | |
| Lukoil PJSC | 169,196 | 12,463,158 | 16,485,847 | |
| MOL Hungarian Oil & Gas PLC | 185,387 | 2,225,557 | 2,777,185 | |
| NovaTek OAO | 37,039 | 7,368,102 | 8,650,544 | |
| Petroleo Brasileiro SA | 240,722 | 3,765,782 | 4,277,413 | |
| Petroleo Brasileiro SA, ADR | 165,066 | 2,560,878 | 2,612,938 | |
| PTT Exploration & Production PCL | 673,400 | 3,753,737 | 3,206,067 | |
| SK Innovation Co., Ltd. | 29,745 | 6,534,419 | 6,535,520 | |
| Tupras Turkiye Petrol Rafinerileri AS | 106,611 | 3,585,522 | 3,194,167 | |
| | | 63,269,658 | 68,819,150 | 11.54 |
| Materials | | | | |
| Anhui Conch Cement Co., Ltd. | 695,500 | 3,957,000 | 4,610,444 | |
| Klabin SA | 397,500 | 2,741,058 | 2,224,434 | |
| Korea Zinc Co., Ltd. | 7,420 | 3,898,490 | 3,928,183 | |
| LG Chem Ltd. | 20,738 | 8,158,901 | 8,808,421 | |
| Vale SA, ADR | 466,381 | 6,951,211 | 8,401,827 | |
| | | 25,706,660 | 27,973,309 | 4.69 |
| Industrials | | | | |
| Cheil Industries Inc. | 18,489 | 2,716,403 | 2,387,633 | |
| DP World Ltd. | 121,418 | 3,432,080 | 2,835,746 | |
| SK Holdings Co., Ltd. | 12,765 | 4,302,647 | 4,062,523 | |
| Weg SA | 469,261 | 2,794,603 | 2,900,521 | |
| Zhuzhou CSR Times Electric Co., Ltd. | 408,900 | 2,781,592 | 3,095,771 | |
| | | 16,027,325 | 15,282,194 | 2.56 |
| Consumer Discretionary | | | | |
| Alibaba Group Holding Ltd. | 130,238 | 24,177,304 | 24,381,937 | |
| Astra International Tbk PT | 3,352,600 | 2,035,183 | 2,619,068 | |
| Guangzhou Automobile Group Co., Ltd., Class H | 1,700,800 | 3,231,226 | 2,317,215 | |
| Hyundai Motor Company | 32,833 | 5,734,542 | 4,762,452 | |
| Hyundai Motor Company, Preferred | 23,986 | 2,813,337 | 2,260,738 | |
| Li Ning Co., Ltd. | 805,000 | 1,114,191 | 1,179,607 | |
| Lojas Renner SA | 472,634 | 5,450,732 | 7,061,920 | |
| Maruti Suzuki India Ltd. | 24,555 | 3,501,281 | 3,586,230 | |
| Media Group Co., Ltd. | 1,028,552 | 7,440,546 | 7,541,970 | |
| Shenzhou International Group Holdings Ltd. | 388,000 | 4,366,144 | 6,007,062 | |
| | | 59,864,486 | 61,718,199 | 10.35 |
| Consumer Staples | | | | |
| Amorepacific Corp. | 15,037 | 5,123,090 | 3,856,088 | |
| AVI Ltd. | 237,592 | 2,436,811 | 2,293,521 | |
| Bid Corp., Ltd. | 55,680 | 1,481,767 | 1,400,952 | |
| China Mengniu Dairy Co., Ltd. | 2,018,000 | 6,929,160 | 8,589,601 | |
| China Resources Beer Holdings Co., Ltd. | 1,020,000 | 4,346,540 | 4,866,531 | |
| Fomento Economico Mexicano SAB de CV | 44,422 | 5,539,895 | 5,220,800 | |
| Hindustan Unilever Ltd. | 139,948 | 3,285,165 | 4,981,887 | |
| ITC Ltd. | 880,653 | 4,881,102 | 4,852,370 | |
| Korea Kolmar Co., Ltd. | 23,765 | 2,071,781 | 2,050,825 | |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|--------------------|--------------------|-----------------------|
| Raia Drogasil SA | 136,601 | 3,579,197 | 2,751,073 | |
| X5 Retail Group NV | 43,410 | 1,619,349 | 1,469,194 | |
| | | 41,293,857 | 42,332,842 | 7.10 |
| Health Care | | | | |
| Medy-Tox Inc. | 2,018 | 1,378,930 | 1,427,089 | |
| Richter Gedeon Nyrt | 142,900 | 3,799,267 | 3,776,495 | |
| | | 5,178,197 | 5,203,584 | 0.87 |
| Financials | | | | |
| Absa Group Ltd. | 104,014 | 1,651,118 | 1,598,093 | |
| AIA Group Ltd. | 1,185,000 | 11,647,964 | 13,436,734 | |
| Alpha Bank A.E. | 1,118,318 | 3,202,760 | 1,920,669 | |
| B3 SA - Brasil Bolsa Balcao | 428,027 | 3,402,118 | 4,043,896 | |
| Banco Bradesco SA | 451,048 | 5,222,226 | 6,092,663 | |
| Banco Santander Chile SA | 88,700 | 3,593,351 | 3,622,287 | |
| Bangkok Bank PCL | 520,000 | 4,114,237 | 4,427,953 | |
| Bank Pekao SA | 116,898 | 5,126,698 | 4,632,435 | |
| BBVA Banco Frances S.A. | 106,975 | 2,419,986 | 1,655,390 | |
| Cathay Financial Holding Co., Ltd. | 3,937,809 | 8,066,395 | 8,223,924 | |
| China Construction Bank Corporation | 16,541,000 | 18,732,792 | 18,640,445 | |
| China Pacific Insurance Group Co., Ltd. | 1,722,600 | 9,004,797 | 7,617,709 | |
| Commercial International Bank Egypt SAE | 572,891 | 3,331,267 | 3,321,527 | |
| Credicorp Ltd. | 17,180 | 4,766,023 | 5,201,375 | |
| FirstRand Ltd. | 926,923 | 6,232,267 | 5,769,798 | |
| Habib Bank Ltd. | 495,900 | 992,983 | 587,759 | |
| Hana Financial Group Inc. | 79,316 | 3,369,250 | 3,519,415 | |
| HDFC Bank Ltd. | 109,247 | 3,994,170 | 4,534,536 | |
| HDFC Bank Ltd., ADR | 51,048 | 5,265,964 | 7,222,452 | |
| Industrial and Commercial Bank of China Ltd. | 3,443,000 | 3,785,712 | 3,357,460 | |
| Itau Unibanco Holding SA, ADR | 1,076,640 | 11,022,737 | 13,440,170 | |
| Kasikornbank PCL | 851,000 | 6,458,525 | 6,603,967 | |
| National Bank of Greece SA | 377,715 | 1,684,217 | 648,711 | |
| OTP Bank PLC | 78,284 | 3,305,165 | 4,301,539 | |
| Pagseguro Digital Ltd. | 47,189 | 1,790,405 | 1,207,165 | |
| PICC Property & Casualty Co., Ltd. | 4,487,000 | 7,000,199 | 6,269,755 | |
| Powszechna Kasa Oszczednosci Bank Polski SA | 528,726 | 7,689,546 | 7,587,060 | |
| Powszechny Zaklad Ubezpieczen SA | 215,203 | 2,904,333 | 3,434,698 | |
| Sberbank of Russia, ADR | 554,071 | 8,563,445 | 8,294,000 | |
| Shinhan Financial Group Co., Ltd. | 134,963 | 7,571,586 | 6,542,016 | |
| United Bank Ltd./Pakistan | 461,600 | 935,294 | 557,053 | |
| | | 166,847,530 | 168,312,654 | 28.22 |
| Real Estate | | | | |
| Emaar Properties PJSC | 559,111 | 1,231,532 | 858,613 | |
| | | 1,231,532 | 858,613 | 0.14 |
| Information Technology | | | | |
| ASE Industrial Holding Co Ltd. | 2,076,492 | 6,621,514 | 5,379,295 | |
| Ennoconn Corp. | 122,000 | 2,281,206 | 1,322,745 | |
| Hon Hai Precision Industry Co., Ltd. | 1,610,872 | 6,908,513 | 5,067,816 | |
| Infosys Ltd. | 842,501 | 9,477,643 | 10,860,810 | |
| Largan Precision Co., Ltd. | 45,000 | 7,520,183 | 6,428,654 | |
| LG Innotek Co., Ltd. | 4,924 | 746,411 | 520,755 | |
| Meituan Dianping | 169,232 | 1,965,274 | 1,296,012 | |

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

Sun Life Excel Emerging Markets Fund (continued)

(formerly Sun Life Schroder Emerging Markets Fund)

Schedule of Investments (continued)

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------------|----------------------|--------------------|--------------------------|
| Netmarble Games Corp. | 14,634 | 2,064,051 | 1,997,283 | |
| Samsung Electronics Co., Ltd. | 754,207 | 36,621,748 | 35,727,550 | |
| Taiwan Semiconductor Manufacturing Co., Ltd. | 3,327,000 | 27,936,120 | 33,336,955 | |
| Tencent Music Entertainment Group | 174 | 273,042 | 3,142 | |
| | 102,415,705 | 101,941,017 | 101,941,017 | 17.09 |
| Communication Services | | | | |
| America Movil SAB de CV | 331,063 | 6,891,052 | 6,443,378 | |
| China Mobile Ltd. | 590,500 | 7,018,458 | 7,761,848 | |
| Hellenic Telecommunications Organization SA | 230,570 | 3,487,090 | 3,427,158 | |
| Naspers Ltd. | 36,510 | 10,409,030 | 10,026,023 | |
| NCSOFT Corp. | 6,939 | 2,934,611 | 3,962,325 | |
| NHN Corp. | 38,698 | 6,480,352 | 5,778,964 | |
| Tencent Holdings Ltd. | 678,800 | 32,014,897 | 37,182,062 | |
| | 69,235,490 | 74,581,758 | 74,581,758 | 12.51 |
| Utilities | | | | |
| Equatorial Energia SA | 131,793 | 3,068,421 | 3,462,823 | |
| | 3,068,421 | 3,462,823 | 3,462,823 | 0.58 |
| Total Equities | 554,138,861 | 570,486,143 | 570,486,143 | 95.65 |
| MUTUAL FUNDS | | | | |
| Schroder International Selection Fund Frontier Markets Equity Fund, Series I | 40,859 | 9,083,902 | 8,908,011 | |
| Total Mutual Funds | | 9,083,902 | 8,908,011 | 1.49 |
| Transaction Costs | | (636,354) | | |
| Total Investments | | 562,586,409 | 579,394,154 | 97.14 |
| Other Assets less Liabilities | | | 17,017,237 | 2.86 |
| Total Net Assets | | | 596,411,391 | 100.00 |

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Excel Emerging Markets Fund (formerly 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, 2018 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 9 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, 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 accompanying notes are an integral part of the financial statements.

Sun Life Excel Emerging Markets Fund (continued)

(formerly Sun Life Schroder Emerging Markets Fund)

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2018 and December 31, 2017. 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, 2018 | Percentage of Net Assets (%) | December 31, 2017 | Percentage of Net Assets (%) |
| Hong Kong Dollar | 147,928,318 | 24.80 | 90,181,939 | 23.23 |
| United States Dollar | 140,630,075 | 23.58 | 98,145,287 | 25.28 |
| Korean Won | 96,699,963 | 16.21 | 73,371,173 | 18.90 |
| Taiwan Dollar | 60,090,886 | 10.08 | 41,139,705 | 10.60 |
| Indian Rupee | 28,815,832 | 4.83 | 13,792,111 | 3.55 |
| Brazilian Real | 22,340,320 | 3.75 | 14,374,473 | 3.70 |
| South African Rand | 21,088,530 | 3.54 | 13,820,348 | 3.56 |
| Polish Zloty | 15,654,362 | 2.62 | 11,514,223 | 2.97 |
| Thai Baht | 14,237,986 | 2.39 | 8,131,000 | 2.09 |
| Hungarian Forint | 10,855,219 | 1.82 | 7,554,170 | 1.95 |
| Chinese Renminbi | 7,541,969 | 1.26 | - | - |
| Euro | 5,996,538 | 1.01 | 4,355,017 | 1.12 |
| Turkish Lira | 3,194,217 | 0.54 | 5,469,814 | 1.41 |
| Indonesian Rupiah | 2,619,068 | 0.44 | - | - |
| Pakistani Rupee | 1,149,082 | 0.19 | - | - |
| UAE Dirham | 858,613 | 0.14 | 2,100,156 | 0.54 |
| Malaysian Ringgit | 8,204 | - | - | - |
| Singapore Dollar | 141 | - | 1,025,609 | 0.26 |
| British Pound | 131 | - | 789,272 | 0.20 |
| Chilean Peso | - | - | 1,699,822 | 0.44 |
| Mexican Peso | - | - | 88 | - |
| Czech Koruna | - | - | 94 | - |
| Total | 579,709,454 | 97.20 | 387,464,301 | 99.80 |

As at December 31, 2018, 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 \$28,985,473 (\$19,373,215 as at December 31, 2017). 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, 2018, 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 \$28,524,307 (\$19,035,786 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Equities | | |
| Energy | 11.5 | 7.9 |
| Materials | 4.7 | 6.0 |
| Industrials | 2.6 | 2.9 |
| Consumer Discretionary | 10.4 | 9.5 |
| Consumer Staples | 7.1 | 6.2 |
| Health Care | 0.9 | 0.3 |
| Financials | 28.1 | 28.4 |
| Real Estate | 0.1 | 0.5 |
| Information Technology | 17.1 | 30.7 |
| Telecommunication Services | - | 4.5 |
| Communication Services | 12.5 | - |
| Utilities | 0.6 | 1.1 |
| Mutual Funds | | |
| Global Equities | 1.5 | 1.5 |
| Other Assets less Liabilities | 2.9 | 0.5 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|--------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Mutual Funds | 8,908,011 | - | - | 8,908,011 |
| Equities | 545,706,296 | 24,779,847 | - | 570,486,143 |
| | | | | |
| | December 31, 2017 | | | Total (\$) |
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Mutual Funds | 5,743,164 | - | - | 5,743,164 |
| Equities | 361,763,893 | 18,951,822 | - | 380,715,715 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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

Sun Life Excel Emerging Markets Fund (continued)

(formerly Sun Life Schroder Emerging Markets Fund)

The following is a reconciliation of Level 3 fair value assets as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|---------------------------|------------------------|------------------------|
| Opening Balance | - | - |
| Net purchases and (sales) | (3,685,295) | - |
| Net transfers in (out) | 4,208,401 | - |
| Gains (Losses) | - | - |
| Realized | - | - |
| Unrealized | (523,106) | - |
| 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.

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, 2018 were \$793,018 (\$445,939 for the period ended December 31, 2017).

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$3,178,351 (\$5,363,636 as at December 31, 2017). 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F | - | - |

| | December 31, 2017 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F | 2,173 | 25,498 |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F | 26 | 25,636 | 116 |

| | December 31, 2017 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F | 58 | - | 167 |

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, 2018 and December 31, 2017, there were no seed capital positions held.

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | - | - |

| | December 31, 2017 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | 13,341,380 | - |

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

Sun Life Excel Emerging Markets Fund (continued)

(formerly Sun Life Schroder Emerging Markets Fund)

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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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 DB Units | June 15, 2018 | June 15, 2018 |
| Series F Units | August 24, 2011 | September 01, 2011 |
| Series I Units | August 24, 2011 | September 01, 2011 |
| Series IS Units | June 15, 2018 | June 15, 2018 |
| Series O Units | April 01, 2014 | April 01, 2014 |

Fund Name Change

Effective June 18, 2018, the Fund changed its name from the Sun Life Schroder Emerging Markets Fund to the Sun Life Excel Emerging Markets Fund.

Fund Merger

As of close of business on June 15, 2018, all assets of the Excel Chindia Fund and Excel Emerging Markets Fund (the "Terminating Funds") were reclassified into the Sun Life Excel Emerging Markets Fund (formerly Sun Life Schroder Emerging Markets Fund) (the "Continuing Fund").

| Terminating Funds | Continuing Fund | Net Assets Acquired by Continuing Fund | Units Issued by Continuing Fund |
|-----------------------------|---|--|---------------------------------|
| Excel Chindia Fund | Sun Life Excel Emerging Markets Fund (formerly Sun Life Schroder Emerging Markets Fund) | | |
| Series A | Series A | 37,438,962 | 3,334,912 |
| Series F | Series F | 4,466,616 | 377,315 |
| Excel Emerging Markets Fund | Sun Life Excel Emerging Markets Fund (formerly Sun Life Schroder Emerging Markets Fund) | | |
| Series A | Series A | 15,353,775 | 1,367,653 |
| Series DB | Series DB | 95,377 | 9,538 |
| Series F | Series F | 8,797,518 | 743,165 |
| Series I | Series I | 13,847,831 | 1,137,193 |
| Series IS | Series IS | 8,247,084 | 824,708 |

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 Balanced Growth Portfolio

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 1,283,961,606 | 1,117,466,746 |
| Short-term investments | - | - |
| Cash | 4,685,110 | 5,957,019 |
| 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 | 4,347 | - |
| Dividends receivable | 292,540 | - |
| Distributions receivable from underlying funds | - | 11,863,328 |
| Subscriptions receivable | 1,405,354 | 2,823,340 |
| | 1,290,348,957 | 1,138,110,433 |
| 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 | 32,236 | 24,898 |
| Redemptions payable | 12,414 | 365,466 |
| Distributions payable | 4,531 | 509 |
| Due to investment dealers | 1,485,300 | 15,375,861 |
| Management fees payable | 187,581 | 131,293 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 1,722,062 | 15,898,027 |
| Net Assets Attributable to Holders of Redeemable Units | 1,288,626,895 | 1,122,212,406 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 300,252,345 | 254,164,719 |
| Series T5 | 4,334,773 | 3,686,306 |
| Series T8 | 1,972,370 | 784,731 |
| Series F | 41,398,873 | 26,673,458 |
| Series F5 | 52,803 | - |
| Series F8 | 10,114 | - |
| Series I | 901,697,061 | 798,070,071 |
| Series O | 38,908,556 | 38,833,121 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 12.45 | 13.62 |
| Series T5 | 14.93 | 17.11 |
| Series T8 | 12.23 | 14.42 |
| Series F | 12.83 | 13.98 |
| Series F5 | 13.68 | - |
| Series F8 | 13.46 | - |
| Series I | 13.19 | 14.45 |
| Series O | 10.25 | 11.21 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

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

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|-------------------|
| Investment Income | | |
| Dividend income | 2,859,653 | 2,181,870 |
| Interest income for distribution purposes | 71,819 | 17,216 |
| Distributions from underlying funds | 42,059,461 | 32,214,154 |
| 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 | 47,142,429 | 22,059,709 |
| 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 | (112,121,681) | 41,649,125 |
| 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 | (19,988,319) | 98,122,074 |
| Net gain (loss) on foreign exchange | 301,807 | (241,759) |
| Other income | 2,962 | - |
| Total income (loss) | (19,683,550) | 97,880,315 |
| Expenses (note 6) | | |
| Management fees | 6,251,927 | 4,631,069 |
| Administration fees | 1,064,728 | 826,502 |
| Independent review committee fees | 6,771 | 5,783 |
| Withholding tax | 407,015 | 327,281 |
| Transaction costs (note 3) | 74,511 | 14,556 |
| Total operating expenses | 7,804,952 | 5,805,191 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (27,488,502) | 92,075,124 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (27,488,502) | 92,075,124 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (11,165,875) | 17,169,766 |
| Series T5 | (169,066) | 291,628 |
| Series T8 | (62,109) | 62,247 |
| Series F | (1,153,898) | 1,755,889 |
| Series F5 | (1,281) | - |
| Series F8 | 112 | - |
| Series I | (14,233,495) | 69,497,971 |
| Series O | (702,890) | 3,297,623 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 21,021,048 | 16,005,398 |
| Series T5 | 246,742 | 206,422 |
| Series T8 | 78,305 | 54,428 |
| Series F | 2,430,806 | 1,425,690 |
| Series F5 | 1,400 | - |
| Series F8 | 691 | - |
| Series I | 59,871,981 | 47,013,670 |
| Series O | 3,554,816 | 2,948,607 |

Sun Life Granite Balanced Growth Portfolio (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.53) | 1.07 |
| Series T5 | (0.69) | 1.41 |
| Series T8 | (0.79) | 1.14 |
| Series F | (0.47) | 1.23 |
| Series F5 | (0.92) | - |
| Series F8 | 0.16 | - |
| Series I | (0.24) | 1.48 |
| Series O | (0.20) | 1.12 |

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 | |
|---|-----------------|--------------|-----------|-----------|-----------|-----------|--------------|-------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 254,164,719 | 171,737,541 | 3,686,306 | 3,196,772 | 784,731 | 724,702 | 26,673,458 | 14,119,372 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (11,165,875) | 17,169,766 | (169,066) | 291,628 | (62,109) | 62,247 | (1,153,898) | 1,755,889 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 111,483,405 | 99,206,927 | 1,723,669 | 1,083,449 | 1,548,339 | 224,419 | 27,196,152 | 15,675,253 |
| Redemption of redeemable units | \$ (54,178,761) | (33,929,394) | (630,366) | (720,505) | (231,992) | (183,916) | (11,131,111) | (4,799,854) |
| Reinvestment of distributions to holders of redeemable units | \$ 15,349,284 | 7,412,664 | 148,074 | 86,037 | 95,758 | 35,416 | 2,281,391 | 980,431 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 72,653,928 | 72,690,197 | 1,241,377 | 448,981 | 1,412,105 | 75,919 | 18,346,432 | 11,855,830 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (15,343,307) | (5,924,929) | (229,825) | (87,865) | (80,542) | (18,628) | (2,100,727) | (621,933) |
| From net investment income | \$ (57,120) | (1,310,117) | (183) | (136,386) | (64) | (50,109) | (366,392) | (414,944) |
| Return of capital | \$ - | (197,739) | (193,836) | (26,824) | (81,751) | (9,400) | - | (20,756) |
| | \$ (15,400,427) | (7,432,785) | (423,844) | (251,075) | (162,357) | (78,137) | (2,467,119) | (1,057,633) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 46,087,626 | 82,427,178 | 648,467 | 489,534 | 1,187,639 | 60,029 | 14,725,415 | 12,554,086 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 300,252,345 | 254,164,719 | 4,334,773 | 3,686,306 | 1,972,370 | 784,731 | 41,398,873 | 26,673,458 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 18,665,136 | 13,274,177 | 215,455 | 188,888 | 54,414 | 49,398 | 1,907,348 | 1,062,854 |
| Units issued | 8,162,000 | 7,352,672 | 102,543 | 62,823 | 115,939 | 15,046 | 1,926,128 | 1,114,735 |
| Units issued on reinvestment of distributions | 1,259,078 | 541,282 | 9,576 | 4,993 | 7,537 | 2,415 | 181,948 | 69,725 |
| Units redeemed | (3,977,158) | (2,502,995) | (37,269) | (41,249) | (16,608) | (12,445) | (788,347) | (339,966) |
| Balance - end of period | 24,109,056 | 18,665,136 | 290,305 | 215,455 | 161,282 | 54,414 | 3,227,077 | 1,907,348 |

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 F5 | | Series F8 | | Series I | | Series O | |
|---|------------|------|-----------|------|--------------|--------------|--------------|-------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - | 798,070,071 | 556,545,059 | 38,833,121 | 28,035,221 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,281) | - | 112 | - | (14,233,495) | 69,497,971 | (702,890) | 3,297,623 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 57,106 | - | 10,000 | - | 166,500,824 | 201,891,544 | 12,800,867 | 15,877,955 |
| Redemption of redeemable units | \$ - | - | - | - | (48,640,339) | (29,864,503) | (12,022,542) | (8,377,940) |
| Reinvestment of distributions to holders of redeemable units | \$ 1,030 | - | 1,213 | - | 66,307,666 | 37,582,487 | 2,775,154 | 1,791,502 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 58,136 | - | 11,213 | - | 184,168,151 | 209,609,528 | 3,553,479 | 9,291,517 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (2,840) | - | (508) | - | (46,335,155) | (18,570,366) | (2,000,969) | (945,766) |
| From net investment income | \$ (1,212) | - | (703) | - | (19,882,631) | (18,392,351) | (774,185) | (845,474) |
| Return of capital | \$ - | - | - | - | (89,880) | (619,770) | - | - |
| | \$ (4,052) | - | (1,211) | - | (66,307,666) | (37,582,487) | (2,775,154) | (1,791,240) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 52,803 | - | 10,114 | - | 103,626,990 | 241,525,012 | 75,435 | 10,797,900 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 52,803 | - | 10,114 | - | 901,697,061 | 798,070,071 | 38,908,556 | 38,833,121 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | - | - | - | - | 55,233,195 | 40,668,207 | 3,463,251 | 2,639,233 |
| Units issued | 3,787 | - | 667 | - | 11,335,983 | 14,067,810 | 1,115,724 | 1,418,965 |
| Units issued on reinvestment of distributions | 73 | - | 85 | - | 5,141,165 | 2,587,399 | 276,950 | 158,930 |
| Units redeemed | - | - | - | - | (3,343,427) | (2,090,221) | (1,058,714) | (753,877) |
| Balance - end of period | 3,860 | - | 752 | - | 68,366,916 | 55,233,195 | 3,797,211 | 3,463,251 |

| | Total | |
|---|------------------|---------------|
| | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 1,122,212,406 | 774,358,667 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (27,488,502) | 92,075,124 |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | \$ 321,320,362 | 333,959,547 |
| Redemption of redeemable units | \$ (126,835,111) | (77,876,112) |
| Reinvestment of distributions to holders of redeemable units | \$ 86,959,570 | 47,888,537 |
| Capitalized distributions | \$ - | - |
| | \$ 281,444,821 | 303,971,972 |
| Distributions to Holders of Redeemable Units | | |
| From capital gains | \$ (66,093,873) | (26,169,487) |
| From net investment income | \$ (21,082,490) | (21,149,381) |
| Return of capital | \$ (365,467) | (874,489) |
| | \$ (87,541,830) | (48,193,357) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 166,414,489 | 347,853,739 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 1,288,626,895 | 1,122,212,406 |
| Redeemable Unit Transactions | | |
| Balance - beginning of period | 79,538,799 | 57,882,757 |
| Units issued | 22,762,771 | 24,032,051 |
| Units issued on reinvestment of distributions | 6,876,412 | 3,364,744 |
| Units redeemed | (9,221,523) | (5,740,753) |
| Balance - end of period | 99,956,459 | 79,538,799 |

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

Sun Life Granite Balanced Growth Portfolio (continued)

Statements of Cash Flows

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|----------------------|---------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (27,488,502) | 92,075,124 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (47,142,429) | (22,059,709) |
| Change in unrealized (appreciation) depreciation in value of investments | 112,121,681 | (41,649,125) |
| 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 | - | - |
| Non-cash income distributions from underlying funds | (42,059,461) | (32,214,154) |
| Change in margin | - | - |
| Purchases of investments | (797,542,834) | (742,283,464) |
| Proceeds from sale of investments | 594,163,111 | 498,735,697 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | (296,887) | 80,634 |
| Change in distributions receivable from underlying funds | 11,863,328 | (6,622,590) |
| Change in management fees payable | 56,288 | (211,287) |
| Change in other payables and accrued expenses | 81,849 | (19,702) |
| Net Cash Provided by (Used in) Operating Activities | (196,243,856) | (254,168,576) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (578,238) | (304,311) |
| Proceeds from redeemable units issued | 322,738,348 | 333,530,627 |
| Redemption of redeemable units | (127,188,163) | (77,639,640) |
| Net Cash Provided by (Used in) Financing Activities | 194,971,947 | 255,586,676 |
| Net increase (decrease) in cash | (1,271,909) | 1,418,100 |
| Cash (bank indebtedness) at beginning of period | 5,957,019 | 4,538,919 |
| Cash (bank indebtedness) at end of period | 4,685,110 | 5,957,019 |
| Dividends received, net of withholding taxes | 2,160,098 | 1,935,223 |
| Interest received, net of withholding taxes | 67,472 | 17,216 |
| Interest paid | - | - |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|----------------------|----------------------|-----------------------|
| EXCHANGE-TRADED FUNDS | | | | |
| iShares Core S&P 500 ETF | 391,076 | 136,526,416 | 134,393,150 | |
| iShares Core S&P 500 Index ETF (CAD- Hedged) | 510,309 | 16,740,934 | 14,288,652 | |
| | | 153,267,350 | 148,681,802 | 11.54 |
| MUTUAL FUNDS | | | | |
| ABSL Umbrella UCITS Fund, Class E | 58,217 | 8,579,534 | 10,447,073 | |
| Beutel Goodman Canadian Equity Fund, Class I | 2,211,507 | 85,251,871 | 81,596,186 | |
| Invesco Global Real Estate Fund, Series I | 1,407,844 | 17,524,190 | 17,168,656 | |
| PH&N Bond Fund, Series O | 9,538,182 | 98,898,424 | 95,748,085 | |
| RBC Global High Yield Bond Fund, Series O | 3,995,578 | 42,786,710 | 40,265,038 | |
| Sun Life BlackRock Canadian Composite Equity Fund, Series I | 12,609,382 | 137,229,689 | 125,709,230 | |
| Sun Life BlackRock Canadian Universe Bond Fund, Series I | 7,004,460 | 73,822,469 | 72,232,789 | |
| Sun Life Excel Emerging Markets Fund, Series I | 5,126,334 | 55,912,012 | 56,237,934 | |
| Sun Life Granite Tactical Completion Fund, Series I | 11,160,373 | 113,090,354 | 108,396,238 | |
| Sun Life Infrastructure Fund, Series I | 3,508,120 | 31,024,989 | 29,244,041 | |
| Sun Life JPMorgan International Equity Fund, Series I | 3,810,084 | 37,760,801 | 33,996,998 | |
| Sun Life MFS Canadian Equity Growth Fund, Series I | 1,284,168 | 64,011,629 | 62,019,159 | |
| Sun Life MFS International Growth Fund, Series I | 3,757,832 | 61,779,615 | 59,252,371 | |
| Sun Life MFS International Value Fund, Series I | 3,401,674 | 68,496,009 | 75,995,435 | |
| Sun Life MFS U.S. Growth Fund, Series I | 2,289,733 | 74,997,829 | 80,878,873 | |
| Sun Life MFS U.S. Value Fund, Series I | 1,528,792 | 40,686,851 | 40,026,668 | |
| Sun Life Money Market Fund, Series I | 1,306,451 | 13,064,512 | 13,064,512 | |
| Sun Life NWQ Flexible Income Fund, Series I | 1,147,274 | 11,265,920 | 10,259,617 | |
| Sun Life Ryan Labs U.S. Core Fixed Income Fund, Series I | 4,857,970 | 48,486,602 | 47,110,162 | |
| Sun Life Schroder Global Mid Cap Fund, Series I | 4,902,206 | 55,242,244 | 49,004,407 | |
| Templeton Global Bond Fund (Hedged), Series O | 3,340,694 | 28,930,181 | 26,626,332 | |
| | | 1,168,842,435 | 1,135,279,804 | 88.10 |
| Transaction Costs | | (10,289) | | |
| Total Investments | | 1,322,099,496 | 1,283,961,606 | 99.64 |
| Other Assets less Liabilities | | | 4,665,289 | 0.36 |
| Total Net Assets | | | 1,288,626,895 | 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, 2018 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 9 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, 2018 and December 31, 2017, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio'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, 2018 | December 31, 2017 |
| Exchange-Traded Funds | | |
| U.S. Equities | 11.5 | 11.6 |
| Mutual Funds | | |
| Canadian Fixed Income | 13.0 | 12.9 |
| International Equities | 13.9 | 16.3 |
| Tactical Balanced | 9.2 | 10.2 |
| Canadian Equities | 16.1 | 14.8 |
| U.S. Equities | 9.4 | 7.7 |
| Global Equities | 2.3 | 1.1 |
| High Yield Fixed Income | 3.1 | 4.2 |
| Canadian Focused Equities | 4.8 | 4.8 |
| Global Fixed Income | 2.1 | 2.0 |
| Emerging Markets Equities | 4.4 | 3.4 |
| U.S. Small/Mid Cap Equities | - | 2.3 |
| U.S. Fixed Income | 3.7 | 2.4 |
| Real Estate Equities | 1.3 | 2.2 |
| Global Small/Mid Cap Equities | 3.8 | 2.2 |
| Canadian Money Market | 1.0 | - |
| Canadian Small/Mid Cap Equities | - | 1.5 |
| Other Assets less Liabilities | 0.4 | 0.4 |
| Total | 100.0 | 100.0 |

Fair Value Disclosure

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|-----------------------|-------------------|--------------|--------------|---------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Exchange-Traded Funds | 148,681,802 | - | - | 148,681,802 |
| Mutual Funds | 1,135,279,804 | - | - | 1,135,279,804 |
| | | | | |
| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$74,511 (\$14,556 for the period ended December 31, 2017).

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)

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, 2018 and December 31, 2017, the Company held the following positions in the Portfolio:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | 739 | 10,114 |
| Series F8 | 752 | 10,114 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | - | - |
| Series F8 | - | - |

The following are transactions in the Portfolio by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F5 | 10,016 | - | 1,011 |
| Series F8 | 10,016 | - | 1,194 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F5 | - | - | - |
| Series F8 | - | - | - |

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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| Series I Units | January 11, 2012 | January 17, 2012 |
| Series O Units | April 01, 2014 | April 01, 2014 |

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

Sun Life Granite Balanced Portfolio

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 3,031,186,962 | 2,548,843,409 |
| Short-term investments | - | - |
| Cash | 1,250,600 | 9,530,706 |
| 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 | 4,405,397 | - |
| Accrued interest | 1,528 | - |
| Dividends receivable | 496,831 | - |
| Distributions receivable from underlying funds | - | 26,160,271 |
| Subscriptions receivable | 3,615,980 | 5,054,217 |
| | 3,040,957,298 | 2,589,588,603 |
| 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 | 81,098 | 59,649 |
| Redemptions payable | 732,302 | 1,059,234 |
| Distributions payable | - | - |
| Due to investment dealers | 8,569,599 | 31,643,961 |
| Management fees payable | 464,429 | 308,861 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 9,847,428 | 33,071,705 |
| Net Assets Attributable to Holders of Redeemable Units | 3,031,109,870 | 2,556,516,898 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 762,287,271 | 607,712,597 |
| Series T5 | 4,768,237 | 4,409,010 |
| Series D | 38,196,555 | 44,725,983 |
| Series F | 89,927,053 | 49,236,609 |
| Series F5 | 392,586 | - |
| Series I | 2,033,933,803 | 1,757,560,114 |
| Series O | 101,604,365 | 92,872,585 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 11.79 | 12.76 |
| Series T5 | 14.22 | 16.09 |
| Series D | 9.46 | 10.21 |
| Series F | 12.27 | 13.31 |
| Series F5 | 13.93 | - |
| Series I | 12.55 | 13.58 |
| Series O | 10.11 | 10.94 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------------|
| Investment Income | | |
| Dividend income | 5,547,180 | 4,291,983 |
| Interest income for distribution purposes | 74,680 | 50,963 |
| Distributions from underlying funds | 97,690,755 | 74,739,523 |
| 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 | 89,599,080 | 49,712,835 |
| 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 | (229,270,945) | 76,332,552 |
| 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 | (36,359,250) | 205,127,856 |
| Net gain (loss) on foreign exchange | 320,258 | (426,084) |
| Other income | 11,404 | - |
| Total income (loss) | (36,027,588) | 204,701,772 |
| Expenses (note 6) | | |
| Management fees | 15,095,313 | 10,751,805 |
| Administration fees | 2,606,531 | 1,965,695 |
| Independent review committee fees | 17,029 | 14,083 |
| Withholding tax | 801,925 | 643,374 |
| Transaction costs (note 3) | 145,264 | 21,981 |
| Total operating expenses | 18,666,062 | 13,396,938 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (54,693,650) | 191,304,834 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (54,693,650) | 191,304,834 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (25,453,180) | 35,627,869 |
| Series T5 | (156,862) | 245,792 |
| Series D | (876,915) | 3,800,072 |
| Series F | (2,131,759) | 2,690,064 |
| Series F5 | (6,558) | - |
| Series I | (24,662,677) | 142,004,389 |
| Series O | (1,405,699) | 6,936,648 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 55,287,376 | 39,516,273 |
| Series T5 | 300,733 | 223,694 |
| Series D | 4,101,394 | 4,527,867 |
| Series F | 5,130,665 | 2,585,950 |
| Series F5 | 15,088 | - |
| Series I | 142,124,111 | 110,978,184 |
| Series O | 9,046,159 | 6,887,948 |

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

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.46) | 0.90 |
| Series T5 | (0.52) | 1.10 |
| Series D | (0.21) | 0.84 |
| Series F | (0.42) | 1.04 |
| Series F5 | (0.43) | - |
| Series I | (0.17) | 1.28 |
| Series O | (0.16) | 1.01 |

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 F | |
|---|------------------|--------------|-----------|-----------|-------------|-------------|--------------|-------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 607,712,597 | 384,156,193 | 4,409,010 | 3,024,957 | 44,725,983 | 48,029,975 | 49,236,609 | 18,421,370 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (25,453,180) | 35,627,869 | (156,862) | 245,792 | (876,915) | 3,800,072 | (2,131,759) | 2,690,064 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 318,005,842 | 274,467,209 | 1,739,324 | 1,942,114 | 1,701,093 | 1,307,672 | 73,092,178 | 35,431,408 |
| Redemption of redeemable units | \$ (137,910,000) | (86,513,283) | (937,232) | (642,459) | (7,330,397) | (8,394,925) | (30,012,771) | (7,216,846) |
| Reinvestment of distributions to holders of redeemable units | \$ 34,456,379 | 19,586,071 | 142,168 | 116,653 | 1,945,163 | 1,632,234 | 4,929,649 | 2,018,472 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 214,552,221 | 207,539,997 | 944,260 | 1,416,308 | (3,684,141) | (5,455,019) | 48,009,056 | 30,233,034 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (31,973,130) | (15,217,810) | (207,642) | (112,556) | (1,624,113) | (1,132,775) | (3,748,455) | (1,224,402) |
| From net investment income | \$ (2,362,626) | (4,393,652) | (234) | (78,885) | (344,259) | (516,270) | (1,438,398) | (883,457) |
| Return of capital | \$ (188,611) | - | (220,295) | (86,606) | - | - | - | - |
| | \$ (34,524,367) | (19,611,462) | (428,171) | (278,047) | (1,968,372) | (1,649,045) | (5,186,853) | (2,107,859) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 154,574,674 | 223,556,404 | 359,227 | 1,384,053 | (6,529,428) | (3,303,992) | 40,690,444 | 30,815,239 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 762,287,271 | 607,712,597 | 4,768,237 | 4,409,010 | 38,196,555 | 44,725,983 | 89,927,053 | 49,236,609 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 47,613,541 | 31,314,260 | 274,044 | 188,231 | 4,379,929 | 4,916,076 | 3,699,636 | 1,440,255 |
| Units issued | 24,872,715 | 21,533,397 | 110,679 | 118,050 | 165,720 | 126,174 | 5,452,541 | 2,640,424 |
| Units issued on reinvestment of distributions | 2,977,633 | 1,526,908 | 9,593 | 7,173 | 209,633 | 159,075 | 409,292 | 150,940 |
| Units redeemed | (10,801,049) | (6,761,024) | (59,026) | (39,410) | (717,396) | (821,396) | (2,232,665) | (531,983) |
| Balance - end of period | 64,662,840 | 47,613,541 | 335,290 | 274,044 | 4,037,886 | 4,379,929 | 7,328,804 | 3,699,636 |

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 F5 | | Series I | | Series O | | Total | |
|---|-------------------|------|----------------------|----------------------|--------------------|-------------------|----------------------|----------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | 1,757,560,114 | 1,258,917,964 | 92,872,585 | 61,447,788 | 2,556,516,898 | 1,773,998,247 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (6,558) | - | (24,662,677) | 142,004,389 | (1,405,699) | 6,936,648 | (54,693,650) | 191,304,834 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 421,022 | - | 358,288,511 | 386,156,410 | 34,163,120 | 42,995,439 | 787,411,090 | 742,300,252 |
| Redemption of redeemable units | \$ (19,460) | - | (57,252,145) | (29,518,491) | (23,849,701) | (18,359,977) | (257,311,706) | (150,645,981) |
| Reinvestment of distributions to holders of redeemable units | \$ 22,902 | - | 132,065,630 | 87,105,785 | 6,322,479 | 4,336,597 | 179,884,370 | 114,795,812 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 424,464 | - | 433,101,996 | 443,743,704 | 16,635,898 | 28,972,059 | 709,983,754 | 706,450,083 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (16,477) | - | (85,739,537) | (44,203,019) | (4,307,132) | (2,344,888) | (127,616,486) | (64,235,450) |
| From net investment income | \$ (8,843) | - | (46,326,093) | (42,902,924) | (2,191,287) | (2,139,022) | (52,671,740) | (50,914,210) |
| Return of capital | \$ - | - | - | - | - | - | (408,906) | (86,606) |
| | \$ (25,320) | - | (132,065,630) | (87,105,943) | (6,498,419) | (4,483,910) | (180,697,132) | (115,236,266) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 392,586 | - | 276,373,689 | 498,642,150 | 8,731,780 | 31,424,797 | 474,592,972 | 782,518,651 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 392,586 | - | 2,033,933,803 | 1,757,560,114 | 101,604,365 | 92,872,585 | 3,031,109,870 | 2,556,516,898 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | - | - | 129,406,059 | 96,773,281 | 8,489,898 | 5,862,672 | 193,863,107 | 140,494,775 |
| Units issued | 27,870 | - | 26,085,622 | 28,413,936 | 3,078,238 | 3,901,009 | 59,793,385 | 56,732,990 |
| Units issued on reinvestment of distributions | 1,616 | - | 10,731,372 | 6,384,463 | 637,775 | 394,616 | 14,976,914 | 8,623,175 |
| Units redeemed | (1,297) | - | (4,159,784) | (2,165,621) | (2,155,443) | (1,668,399) | (20,126,660) | (11,987,833) |
| Balance - end of period | 28,189 | - | 162,063,269 | 129,406,059 | 10,050,468 | 8,489,898 | 248,506,746 | 193,863,107 |

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

| | 2018 (\$) | 2017 (\$) |
|---|------------------------|-----------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (54,693,650) | 191,304,834 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (89,599,080) | (49,712,835) |
| Change in unrealized (appreciation) depreciation in value of investments | 229,270,945 | (76,332,552) |
| 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 | - | - |
| Non-cash income distributions from underlying funds | (97,690,755) | (74,739,523) |
| Change in margin | - | - |
| Purchases of investments | (1,712,902,523) | (1,562,213,428) |
| Proceeds from sale of investments | 1,160,952,837 | 997,438,590 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | (498,359) | 40,401 |
| Change in distributions receivable from underlying funds | 26,160,271 | (14,385,420) |
| Change in management fees payable | 155,568 | (462,868) |
| Change in other payables and accrued expenses | 166,713 | (54,297) |
| Net Cash Provided by (Used in) Operating Activities | (538,678,033) | (589,117,098) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (812,762) | (440,454) |
| Proceeds from redeemable units issued | 788,849,327 | 743,160,585 |
| Redemption of redeemable units | (257,638,638) | (149,722,267) |
| Net Cash Provided by (Used in) Financing Activities | 530,397,927 | 592,997,864 |
| Net increase (decrease) in cash | (8,280,106) | 3,880,766 |
| Cash (bank indebtedness) at beginning of period | 9,530,706 | 5,649,940 |
| Cash (bank indebtedness) at end of period | 1,250,600 | 9,530,706 |
| Dividends received, net of withholding taxes | 4,248,424 | 3,689,010 |
| Interest received, net of withholding taxes | 73,152 | 50,963 |
| 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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|----------------------|----------------------|-----------------------|
| EXCHANGE-TRADED FUNDS | | | | |
| iShares Core S&P 500 ETF | 790,637 | 276,280,914 | 271,702,167 | |
| iShares Core S&P 500 Index ETF (CAD- Hedged) | 701,540 | 22,853,352 | 19,643,120 | |
| | | 299,134,266 | 291,345,287 | 9.61 |
| MUTUAL FUNDS | | | | |
| ABSL Umbrella UCITS Fund, Class E | 123,438 | 18,572,409 | 22,151,149 | |
| Beutel Goodman Canadian Equity Fund, Class I | 4,600,201 | 176,291,922 | 169,729,921 | |
| Invesco Global Real Estate Fund, Series I | 2,908,600 | 36,279,491 | 35,470,374 | |
| PH&N Bond Fund, Series O | 33,259,311 | 345,556,373 | 333,870,269 | |
| RBC Global High Yield Bond Fund, Series O | 10,667,793 | 113,993,637 | 107,503,615 | |
| Sun Life BlackRock Canadian Composite Equity Fund, Series I | 25,276,949 | 274,531,340 | 251,998,544 | |
| Sun Life BlackRock Canadian Universe Bond Fund, Series I | 24,425,784 | 258,273,126 | 251,888,452 | |
| Sun Life Excel Emerging Markets Fund, Series I | 10,757,608 | 118,903,296 | 118,015,266 | |
| Sun Life Granite Tactical Completion Fund, Series I | 25,939,402 | 262,284,728 | 251,939,037 | |
| Sun Life Infrastructure Fund, Series I | 7,528,758 | 66,684,105 | 62,760,483 | |
| Sun Life JPMorgan International Equity Fund, Series I | 7,256,557 | 72,030,424 | 64,749,536 | |
| Sun Life MFS Canadian Equity Growth Fund, Series I | 2,629,487 | 130,854,445 | 126,991,606 | |
| Sun Life MFS International Growth Fund, Series I | 7,235,854 | 119,040,726 | 114,092,773 | |
| Sun Life MFS International Value Fund, Series I | 6,532,736 | 131,717,925 | 145,945,238 | |
| Sun Life MFS U.S. Growth Fund, Series I | 4,656,499 | 152,427,551 | 164,478,726 | |
| Sun Life MFS U.S. Value Fund, Series I | 2,961,516 | 78,242,878 | 77,538,127 | |
| Sun Life Money Market Fund, Series I | 6,068,732 | 60,687,316 | 60,687,316 | |
| Sun Life NWQ Flexible Income Fund, Series I | 3,194,628 | 31,691,355 | 28,568,282 | |
| Sun Life Ryan Labs U.S. Core Fixed Income Fund, Series I | 17,576,580 | 175,811,021 | 170,448,886 | |
| Sun Life Schroder Global Mid Cap Fund, Series I | 10,379,356 | 116,703,800 | 103,756,191 | |
| Templeton Global Bond Fund (Hedged), Series O | 9,693,222 | 83,631,788 | 77,257,884 | |
| | | 2,824,209,656 | 2,739,841,675 | 90.39 |
| Transaction Costs | | (17,467) | | |
| Total Investments | | 3,123,326,455 | 3,031,186,962 | 100.00 |
| Other Assets less Liabilities | | | (77,092) | - |
| Total Net Assets | | | 3,031,109,870 | 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, 2018 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 9 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, 2018 and December 31, 2017, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio'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, 2018 | December 31, 2017 |
| Exchange-Traded Funds | | |
| U.S. Equities | 9.6 | 10.0 |
| Mutual Funds | | |
| Canadian Fixed Income | 19.4 | 18.9 |
| International Equities | 11.4 | 13.8 |
| Tactical Balanced | 9.2 | 10.8 |
| Canadian Equities | 14.0 | 12.6 |
| U.S. Equities | 8.0 | 6.6 |
| U.S. Fixed Income | 5.6 | 4.3 |
| High Yield Fixed Income | 3.5 | 5.1 |
| Global Fixed Income | 2.5 | 2.5 |
| Global Equities | 2.1 | 1.1 |
| Canadian Focused Equities | 4.2 | 4.1 |
| Real Estate Equities | 1.2 | 1.7 |
| Emerging Markets Equities | 3.9 | 3.1 |
| U.S. Small/Mid Cap Equities | - | 1.9 |
| Global Small/Mid Cap Equities | 3.4 | 1.9 |
| Canadian Money Market | 2.0 | - |
| Canadian Small/Mid Cap Equities | - | 1.3 |
| Other Assets less Liabilities | - | 0.3 |
| Total | 100.0 | 100.0 |

Fair Value Disclosure

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|-----------------------|-------------------|--------------|--------------|---------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Exchange-Traded Funds | 291,345,287 | - | - | 291,345,287 |
| Mutual Funds | 2,739,841,675 | - | - | 2,739,841,675 |
| | | | | |
| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$145,264 (\$21,981 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, the Company held the following positions in the Portfolio:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | 727 | 10,121 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | - | - |

The following are transactions in the Portfolio by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series D | - | - | - |
| Series F5 | 10,016 | - | 850 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series D | - | 10,855 | - |
| Series F5 | - | - | - |

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, 2018 and December 31, 2017, the Portfolio had interests in underlying funds as noted in the following tables:

| Underlying Fund | As at December 31, 2018 | |
|--|------------------------------|--------------------------------------|
| | Percentage of Net Assets (%) | Percentage of Ownership Interest (%) |
| Sun Life BlackRock Canadian Universe Bond Fund | 8 | 21 |
| Sun Life Granite Tactical Completion Fund | 8 | 36 |
| Sun Life Infrastructure Fund | 2 | 21 |
| Sun Life MFS Canadian Equity Growth Fund | 4 | 34 |
| Sun Life MFS International Growth Fund | 4 | 21 |
| Sun Life Ryan Labs U.S. Core Fixed Income Fund | 6 | 24 |
| Sun Life Schroder Global Mid Cap Fund | 3 | 26 |

| 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 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 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 |

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series I Units | January 11, 2012 | January 17, 2012 |
| Series O Units | April 01, 2014 | April 01, 2014 |

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

Sun Life Granite Conservative Portfolio

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 1,267,667,440 | 1,200,149,549 |
| Short-term investments | - | - |
| Cash | 1,179,860 | 7,875,401 |
| 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 | 166,620 | - |
| Distributions receivable from underlying funds | - | 10,572,029 |
| Subscriptions receivable | 725,244 | 1,824,728 |
| | 1,269,739,164 | 1,220,421,707 |
| 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 | 42,347 | 33,728 |
| Redemptions payable | 675,395 | 454,858 |
| Distributions payable | - | - |
| Due to investment dealers | 795,725 | 12,578,409 |
| Management fees payable | 228,207 | 169,577 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 1,741,674 | 13,236,572 |
| Net Assets Attributable to Holders of Redeemable Units | 1,267,997,490 | 1,207,185,135 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 451,065,142 | 419,009,553 |
| Series T5 | 5,601,986 | 6,876,620 |
| Series F | 54,446,961 | 35,284,000 |
| Series F5 | 543,007 | - |
| Series I | 702,516,440 | 694,930,187 |
| Series O | 53,823,954 | 51,084,775 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 10.74 | 11.35 |
| Series T5 | 13.07 | 14.14 |
| Series F | 10.89 | 11.52 |
| Series F5 | 14.15 | - |
| Series I | 11.23 | 11.87 |
| Series O | 9.86 | 10.42 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|-------------------|
| Investment Income | | |
| Dividend income | 871,934 | 1,088,159 |
| Interest income for distribution purposes | 58,591 | 33,230 |
| Distributions from underlying funds | 41,026,865 | 37,320,907 |
| 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 | 19,347,748 | 17,444,753 |
| 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 | (64,709,002) | 11,645,481 |
| 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 | (3,403,864) | 67,532,530 |
| Net gain (loss) on foreign exchange | 144,778 | (116,108) |
| Other income | 9,219 | - |
| Total income (loss) | (3,249,867) | 67,416,422 |
| Expenses (note 6) | | |
| Management fees | 7,745,087 | 6,385,379 |
| Administration fees | 1,404,974 | 1,193,283 |
| Independent review committee fees | 10,167 | 9,508 |
| Withholding tax | 130,790 | 163,224 |
| Transaction costs (note 3) | 46,421 | 6,476 |
| Total operating expenses | 9,337,439 | 7,757,870 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (12,587,306) | 59,658,552 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (12,587,306) | 59,658,552 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (9,547,119) | 17,178,781 |
| Series T5 | (162,321) | 269,704 |
| Series F | (652,073) | 1,197,305 |
| Series F5 | (9,945) | - |
| Series I | (1,998,386) | 38,121,657 |
| Series O | (217,462) | 2,891,105 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 39,021,137 | 32,511,561 |
| Series T5 | 498,502 | 393,740 |
| Series F | 3,915,051 | 2,074,862 |
| Series F5 | 18,106 | - |
| Series I | 59,833,301 | 49,499,629 |
| Series O | 5,240,212 | 4,342,140 |

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

Sun Life Granite Conservative Portfolio (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.24) | 0.53 |
| Series T5 | (0.33) | 0.68 |
| Series F | (0.17) | 0.58 |
| Series F5 | (0.55) | - |
| Series I | (0.03) | 0.77 |
| Series O | (0.04) | 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 F | | Series F5 | |
|---|------------------|--------------|-------------|-------------|--------------|--------------|-----------|------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 419,009,553 | 321,953,351 | 6,876,620 | 5,603,667 | 35,284,000 | 14,658,286 | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (9,547,119) | 17,178,781 | (162,321) | 269,704 | (652,073) | 1,197,305 | (9,945) | - |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 177,658,177 | 171,136,700 | 2,045,361 | 2,268,177 | 40,323,071 | 29,880,275 | 815,915 | - |
| Redemption of redeemable units | \$ (136,016,260) | (91,231,242) | (3,037,756) | (1,086,124) | (20,350,873) | (10,401,244) | (240,548) | - |
| Reinvestment of distributions to holders of redeemable units | \$ 14,843,442 | 11,773,262 | 259,920 | 195,148 | 2,162,878 | 1,274,289 | 4,159 | - |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 56,485,359 | 91,678,720 | (732,475) | 1,377,201 | 22,135,076 | 20,753,320 | 579,526 | - |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (10,487,999) | (6,848,586) | (131,685) | (113,538) | (1,248,471) | (573,399) | (12,997) | - |
| From net investment income | \$ (4,362,777) | (4,951,126) | (248,153) | (198,025) | (1,060,419) | (751,379) | (13,428) | - |
| Return of capital | \$ (31,875) | (1,587) | - | (62,389) | (11,152) | (133) | (149) | - |
| | \$ (14,882,651) | (11,801,299) | (379,838) | (373,952) | (2,320,042) | (1,324,911) | (26,574) | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 32,055,589 | 97,056,202 | (1,274,634) | 1,272,953 | 19,162,961 | 20,625,714 | 543,007 | - |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 451,065,142 | 419,009,553 | 5,601,986 | 6,876,620 | 54,446,961 | 35,284,000 | 543,007 | - |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 36,928,379 | 28,899,258 | 486,398 | 390,385 | 3,062,011 | 1,293,309 | - | - |
| Units issued | 15,757,128 | 14,949,427 | 149,500 | 157,650 | 3,508,522 | 2,546,326 | 54,332 | - |
| Units issued on reinvestment of distributions | 1,395,695 | 1,034,569 | 19,291 | 13,601 | 200,680 | 110,275 | 289 | - |
| Units redeemed | (12,071,923) | (7,954,875) | (226,707) | (75,238) | (1,769,210) | (887,899) | (16,245) | - |
| Balance - end of period | 42,009,279 | 36,928,379 | 428,482 | 486,398 | 5,002,003 | 3,062,011 | 38,376 | - |

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 (continued)

For the periods ended December 31

| | Series I | | Series O | | Total | |
|---|-----------------------|--------------------|-------------------|-------------------|----------------------|----------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 694,930,187 | 505,650,469 | 51,084,775 | 43,239,104 | 1,207,185,135 | 891,104,877 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,998,386) | 38,121,657 | (217,462) | 2,891,105 | (12,587,306) | 59,658,552 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 128,034,575 | 197,753,776 | 22,829,867 | 22,786,017 | 371,706,966 | 423,824,945 |
| Redemption of redeemable units | \$ (118,449,936) | (46,595,698) | (19,905,826) | (17,842,026) | (298,001,199) | (167,156,334) |
| Reinvestment of distributions to holders of redeemable units | \$ 35,619,715 | 30,912,250 | 2,638,619 | 2,175,850 | 55,528,733 | 46,330,799 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 45,204,354 | 182,070,328 | 5,562,660 | 7,119,841 | 129,234,500 | 302,999,410 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ (16,437,457) | (11,536,653) | (1,236,818) | (840,461) | (29,555,427) | (19,912,637) |
| From net investment income | \$ (18,967,354) | (19,372,941) | (1,354,026) | (1,324,619) | (26,006,157) | (26,598,090) |
| Return of capital | \$ (214,904) | (2,673) | (15,175) | (195) | (273,255) | (66,977) |
| | \$ (35,619,715) | (30,912,267) | (2,606,019) | (2,165,275) | (55,834,839) | (46,577,704) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 7,586,253 | 189,279,718 | 2,739,179 | 7,845,671 | 60,812,355 | 316,080,258 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 702,516,440 | 694,930,187 | 53,823,954 | 51,084,775 | 1,267,997,490 | 1,207,185,135 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 58,523,231 | 43,437,993 | 4,904,444 | 4,233,213 | 103,904,463 | 78,254,158 |
| Units issued | 10,756,925 | 16,345,534 | 2,191,859 | 2,152,379 | 32,418,266 | 36,151,316 |
| Units issued on reinvestment of distributions | 3,204,480 | 2,596,861 | 270,384 | 208,373 | 5,090,819 | 3,963,679 |
| Units redeemed | (9,951,647) | (3,857,157) | (1,905,641) | (1,689,521) | (25,941,373) | (14,464,690) |
| Balance - end of period | 62,532,989 | 58,523,231 | 5,461,046 | 4,904,444 | 115,472,175 | 103,904,463 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 | 2017 | | 2018 | 2017 |
|---|----------------------|---------------|--|----------------------|----------------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Cash Flows from Operating Activities | | | Net Cash Provided by (Used in) Operating Activities | (81,415,223) | (252,176,809) |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (12,587,306) | 59,658,552 | Cash Flows from Financing Activities | | |
| Adjustments for: | | | Distributions paid to holders of redeemable units, net of reinvested distributions | (306,106) | (246,905) |
| Net realized (gain) loss on sale of investments | (19,347,748) | (17,444,753) | Proceeds from redeemable units issued | 372,806,450 | 426,186,751 |
| Change in unrealized (appreciation) depreciation in value of investments | 64,709,002 | (11,645,481) | Redemption of redeemable units | (297,780,662) | (166,797,329) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - | Net Cash Provided by (Used in) Financing Activities | 74,719,682 | 259,142,517 |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | - | Net increase (decrease) in cash | (6,695,541) | 6,965,708 |
| Change in unrealized (appreciation) depreciation in option contracts | - | - | Cash (bank indebtedness) at beginning of period | 7,875,401 | 909,693 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - | Cash (bank indebtedness) at end of period | 1,179,860 | 7,875,401 |
| Non-cash income distributions from underlying funds | (41,026,865) | (37,320,907) | Dividends received, net of withholding taxes | 574,524 | 924,935 |
| Change in margin | - | - | Interest received, net of withholding taxes | 58,591 | 33,230 |
| Purchases of investments | (569,872,633) | (794,442,467) | Interest paid | - | - |
| Proceeds from sale of investments | 486,191,248 | 554,693,558 | | | |
| Purchases of short-term investments | - | - | | | |
| Proceeds from sale of short-term investments | - | - | | | |
| Change in dividends and interest receivable | (166,620) | - | | | |
| Change in distributions receivable from underlying funds | 10,572,029 | (5,278,191) | | | |
| Change in management fees payable | 58,630 | (345,504) | | | |
| Change in other payables and accrued expenses | 55,040 | (51,616) | | | |

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

Sun Life Granite Conservative Portfolio (continued)

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|----------------------|----------------------|-----------------------|
| EXCHANGE-TRADED FUNDS | | | | |
| iShares Core S&P 500 ETF | 111,923 | 41,472,664 | 38,462,305 | |
| | | 41,472,664 | 38,462,305 | 3.03 |
| MUTUAL FUNDS | | | | |
| ABSL Umbrella UCITS Fund, Class E | 30,355 | 5,189,388 | 5,447,241 | |
| Beutel Goodman Canadian Equity Fund, Class I | 1,032,571 | 39,996,034 | 38,097,940 | |
| Invesco Global Real Estate Fund, Series I | 709,494 | 8,885,021 | 8,652,274 | |
| PH&N Bond Fund, Series O | 29,326,662 | 306,220,895 | 294,392,764 | |
| RBC Global High Yield Bond Fund, Series O | 5,903,706 | 63,140,559 | 59,494,006 | |
| Sun Life BlackRock Canadian Composite Equity Fund, Series I | 5,069,310 | 55,466,238 | 50,538,488 | |
| Sun Life BlackRock Canadian Universe Bond Fund, Series I | 21,766,976 | 231,057,602 | 224,469,767 | |
| Sun Life Excel Emerging Markets Fund, Series I | 1,394,308 | 16,575,687 | 15,296,111 | |
| Sun Life Granite Tactical Completion Fund, Series I | 10,997,393 | 111,913,487 | 106,813,278 | |
| Sun Life Infrastructure Fund, Series I | 1,728,924 | 15,448,010 | 14,412,480 | |
| Sun Life JPMorgan International Equity Fund, Series I | 1,484,638 | 14,739,828 | 13,247,277 | |
| Sun Life MFS Canadian Equity Growth Fund, Series I | 551,583 | 27,796,041 | 26,638,830 | |
| Sun Life MFS International Growth Fund, Series I | 1,460,050 | 23,759,880 | 23,021,634 | |
| Sun Life MFS International Value Fund, Series I | 1,317,481 | 26,432,807 | 29,433,308 | |
| Sun Life MFS U.S. Growth Fund, Series I | 983,402 | 32,818,873 | 34,736,109 | |
| Sun Life MFS U.S. Value Fund, Series I | 504,240 | 13,309,305 | 13,201,964 | |
| Sun Life Money Market Fund, Series I | 6,898,873 | 68,988,732 | 68,988,732 | |
| Sun Life NWQ Flexible Income Fund, Series I | 2,129,905 | 20,962,604 | 19,046,887 | |
| Sun Life Ryan Labs U.S. Core Fixed Income Fund, Series I | 12,321,585 | 123,491,790 | 119,488,575 | |
| Sun Life Schroder Global Mid Cap Fund, Series I | 1,718,644 | 19,434,663 | 17,180,253 | |
| Templeton Global Bond Fund (Hedged), Series O | 5,847,611 | 50,224,056 | 46,607,217 | |
| | | 1,275,851,500 | 1,229,205,135 | 96.95 |
| Transaction Costs | | (1,481) | | |
| Total Investments | | 1,317,322,683 | 1,267,667,440 | 99.98 |
| Other Assets less Liabilities | | | 330,050 | 0.02 |
| Total Net Assets | | | 1,267,997,490 | 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, 2018 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 9 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, 2018 and December 31, 2017, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio'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, 2018 | December 31, 2017 |
| Exchange-Traded Funds | | |
| U.S. Equities | 3.0 | 4.8 |
| Mutual Funds | | |
| Canadian Fixed Income | 41.1 | 40.9 |
| Tactical Balanced | 9.9 | 11.8 |
| Global Fixed Income | 3.7 | 3.6 |
| High Yield Fixed Income | 4.7 | 7.4 |
| International Equities | 5.5 | 6.9 |
| Canadian Equities | 7.0 | 5.7 |
| U.S. Equities | 3.7 | 3.1 |
| Canadian Money Market | 5.4 | - |
| Global Equities | 1.1 | 0.9 |
| Canadian Focused Equities | 2.1 | 1.9 |
| U.S. Fixed Income | 9.5 | 7.6 |
| U.S. Small/Mid Cap Equities | - | 0.9 |
| Global Small/Mid Cap Equities | 1.4 | 0.8 |
| Real Estate Equities | 0.7 | 1.1 |
| Canadian Small/Mid Cap Equities | - | 0.6 |
| Emerging Markets Equities | 1.2 | 1.4 |
| Other Assets less Liabilities | - | 0.6 |
| Total | 100.0 | 100.0 |

Fair Value Disclosure

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|-----------------------|-------------------|--------------|--------------|---------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Exchange-Traded Funds | 38,462,305 | - | - | 38,462,305 |
| Mutual Funds | 1,229,205,135 | - | - | 1,229,205,135 |
| | | | | |
| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$46,421 (\$6,476 for the period ended December 31, 2017).

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)

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, 2018 and December 31, 2017, the Company held the following positions in the Portfolio:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | 716 | 10,135 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | - | - |

The following are transactions in the Portfolio by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F5 | 10,016 | - | 707 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F5 | - | - | - |

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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series I Units | January 11, 2012 | January 17, 2012 |
| Series O Units | April 01, 2014 | April 01, 2014 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 238,009,002 | 217,863,625 |
| Short-term investments | - | - |
| Cash | 1,706,757 | 1,156,761 |
| Margin | - | - |
| Option contracts, at fair value - long | - | - |
| Credit default swaps, sell protection | - | - |
| Unrealized appreciation on futures contracts | - | - |
| Unrealized appreciation on currency forward contracts | 2,357 | 524,764 |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | 1,240,375 | - |
| Accrued interest | - | - |
| Dividends receivable | 46,254 | 93,991 |
| Distributions receivable from underlying funds | - | 1,354,103 |
| Subscriptions receivable | 49,998 | 279,939 |
| | 241,054,743 | 221,273,183 |
| 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 | 301,737 | - |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 11,773 | 9,459 |
| Redemptions payable | 80,519 | 90,421 |
| Distributions payable | - | - |
| Due to investment dealers | - | 1,565,359 |
| Management fees payable | 85,441 | 62,466 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 479,470 | 1,727,705 |
| Net Assets Attributable to Holders of Redeemable Units | 240,575,273 | 219,545,478 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 144,399,477 | 130,362,629 |
| Series F | 14,297,623 | 10,797,111 |
| Series I | 65,298,356 | 62,601,952 |
| Series O | 16,579,817 | 15,783,786 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 8.49 | 9.62 |
| Series F | 9.09 | 10.14 |
| Series I | 9.78 | 10.76 |
| Series O | 9.05 | 10.01 |

Approved on behalf of Trustee

| | |
|------------------------|--------------------------|
| “signed” Rick Headrick | “signed” Kari Holdsworth |
| President | Chief Financial Officer |

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Investment Income | | |
| Dividend income | 1,257,087 | 1,058,149 |
| Interest income for distribution purposes | 56,673 | 16,746 |
| Distributions from underlying funds | 10,091,876 | 8,819,397 |
| Changes in fair value on financial assets and financial liabilities at fair value through profit or loss | | |
| Net realized gain (loss) on sale of investments | 569,356 | 516,073 |
| Net realized gain (loss) on futures contracts | - | - |
| Net realized gain (loss) on currency forward contracts | (1,498,963) | 506,589 |
| Net realized gain (loss) on option contracts | - | 323,654 |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | (18,494,548) | 2,861,505 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (824,144) | 479,720 |
| Change in unrealized appreciation (depreciation) in option contracts | - | (159,818) |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | (8,842,663) | 14,422,015 |
| Net gain (loss) on foreign exchange | 106,428 | (73,253) |
| Other income | 6,385 | - |
| Total income (loss) | (8,729,850) | 14,348,762 |
| Expenses (note 6) | | |
| Management fees | 2,915,873 | 2,094,019 |
| Administration fees | 389,611 | 293,368 |
| Independent review committee fees | 3,198 | 2,682 |
| Withholding tax | 169,928 | 120,731 |
| Transaction costs (note 3) | 12,485 | 20,459 |
| Total operating expenses | 3,491,095 | 2,531,259 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (12,220,945) | 11,817,503 |
| Finance Cost | | |
| Interest expense | (1,144) | (13) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (12,222,089) | 11,817,490 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (8,519,964) | 6,247,121 |
| Series F | (679,121) | 580,484 |
| Series I | (2,395,125) | 3,855,294 |
| Series O | (627,879) | 1,134,591 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 15,561,382 | 10,676,565 |
| Series F | 1,319,657 | 767,512 |
| Series I | 6,269,810 | 4,434,131 |
| Series O | 1,806,943 | 1,432,058 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.55) | 0.59 |
| Series F | (0.51) | 0.76 |
| Series I | (0.38) | 0.87 |
| Series O | (0.35) | 0.79 |

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 F | | Series I | |
|---|-----------------------|--------------------|-------------------|-------------------|-------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 130,362,629 | 81,335,677 | 10,797,111 | 5,928,652 | 62,601,952 | 33,850,733 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (8,519,964) | 6,247,121 | (679,121) | 580,484 | (2,395,125) | 3,855,294 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 62,570,872 | 69,660,987 | 11,400,242 | 6,069,300 | 14,535,972 | 28,836,598 |
| Redemption of redeemable units | \$ (38,154,559) | (25,815,160) | (6,830,209) | (1,456,536) | (9,444,443) | (3,940,673) |
| Reinvestment of distributions to holders of redeemable units | \$ 7,584,334 | 5,481,260 | 425,625 | 263,815 | 3,770,069 | 3,433,310 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 32,000,647 | 49,327,087 | 4,995,658 | 4,876,579 | 8,861,598 | 28,329,235 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ - | - | - | (163,882) | - | (1,002,594) |
| From net investment income | \$ (2,540,826) | (3,300,486) | (223,783) | (373,528) | (1,000,876) | (2,200,660) |
| Return of capital | \$ (6,903,009) | (3,246,770) | (592,242) | (51,194) | (2,769,193) | (230,056) |
| | \$ (9,443,835) | (6,547,256) | (816,025) | (588,604) | (3,770,069) | (3,433,310) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 14,036,848 | 49,026,952 | 3,500,512 | 4,868,459 | 2,696,404 | 28,751,219 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 144,399,477 | 130,362,629 | 14,297,623 | 10,797,111 | 65,298,356 | 62,601,952 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 13,548,039 | 8,442,866 | 1,064,384 | 586,271 | 5,816,399 | 3,194,136 |
| Units issued | 6,796,369 | 7,207,148 | 1,177,285 | 594,587 | 1,400,212 | 2,668,520 |
| Units issued on reinvestment of distributions | 835,953 | 567,794 | 44,383 | 25,848 | 365,311 | 318,327 |
| Units redeemed | (4,170,788) | (2,669,769) | (713,292) | (142,322) | (908,087) | (364,584) |
| Balance - end of period | 17,009,573 | 13,548,039 | 1,572,760 | 1,064,384 | 6,673,835 | 5,816,399 |

| | Series O | | Total | |
|---|----------------------|-------------------|---------------------|---------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 15,783,786 | 11,980,813 | 219,545,478 | 133,095,875 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (627,879) | 1,134,591 | (12,222,089) | 11,817,490 |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | \$ 7,099,922 | 6,375,084 | 95,607,008 | 110,941,969 |
| Redemption of redeemable units | \$ (5,460,888) | (3,531,873) | (59,890,099) | (34,744,242) |
| Reinvestment of distributions to holders of redeemable units | \$ 873,908 | 765,682 | 12,653,936 | 9,944,067 |
| Capitalized distributions | \$ - | - | - | - |
| | \$ 2,512,942 | 3,608,893 | 48,370,845 | 86,141,794 |
| Distributions to Holders of Redeemable Units | | | | |
| From capital gains | \$ - | (153,781) | - | (1,320,257) |
| From net investment income | \$ (289,116) | (546,191) | (4,054,601) | (6,420,865) |
| Return of capital | \$ (799,916) | (240,539) | (11,064,360) | (3,768,559) |
| | \$ (1,089,032) | (940,511) | (15,118,961) | (11,509,681) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 796,031 | 3,802,973 | 21,029,795 | 86,449,603 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 16,579,817 | 15,783,786 | 240,575,273 | 219,545,478 |
| Redeemable Unit Transactions | | | | |
| Balance - beginning of period | 1,576,612 | 1,216,128 | 22,005,434 | 13,439,401 |
| Units issued | 728,958 | 637,073 | 10,102,824 | 11,107,328 |
| Units issued on reinvestment of distributions | 91,260 | 76,576 | 1,336,907 | 988,545 |
| Units redeemed | (564,277) | (353,165) | (6,356,444) | (3,529,840) |
| Balance - end of period | 1,832,553 | 1,576,612 | 27,088,721 | 22,005,434 |

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

| | 2018 (\$) | 2017 (\$) |
|---|----------------------|---------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (12,222,089) | 11,817,490 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (569,356) | (516,073) |
| Change in unrealized (appreciation) depreciation in value of investments | 18,494,548 | (2,861,505) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 824,144 | (479,720) |
| Change in unrealized (appreciation) depreciation in option contracts | - | 159,818 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - |
| Non-cash income distributions from underlying funds | (10,091,876) | (8,819,397) |
| Change in margin | - | 3,600,999 |
| Purchases of investments | (128,206,793) | (143,728,137) |
| Proceeds from sale of investments | 97,409,881 | 57,972,043 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | 47,737 | (93,991) |
| Change in distributions receivable from underlying funds | 1,354,103 | (1,182,944) |
| Change in management fees payable | 22,975 | (91,743) |
| Change in other payables and accrued expenses | 14,799 | (4,323) |
| Net Cash Provided by (Used in) Operating Activities | (32,921,927) | (84,227,483) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (2,465,025) | (1,565,614) |
| Proceeds from redeemable units issued | 95,836,949 | 111,426,007 |
| Redemption of redeemable units | (59,900,001) | (34,732,432) |
| Net Cash Provided by (Used in) Financing Activities | 33,471,923 | 75,127,961 |
| Net increase (decrease) in cash | 549,996 | (9,099,522) |
| Cash (bank indebtedness) at beginning of period | 1,156,761 | 10,256,283 |
| Cash (bank indebtedness) at end of period | 1,706,757 | 1,156,761 |
| Dividends received, net of withholding taxes | 1,134,896 | 843,427 |
| Interest received, net of withholding taxes | 56,673 | 16,746 |
| Interest paid | (1,144) | (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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|--------------------|--------------------|-----------------------|
| EXCHANGE-TRADED FUNDS | | | | |
| BMO Equal Weight Oil & Gas Index ETF | 580,064 | 6,076,980 | 4,530,300 | |
| iShares iBoxx \$ Investment Grade Corporate Bond ETF | 37,705 | 5,840,535 | 5,809,960 | |
| Vanguard Global ex-U.S. Real Estate ETF | 129,115 | 9,421,235 | 9,242,276 | |
| Vanguard REIT ETF | 89,753 | 9,824,233 | 9,141,157 | |
| | | 31,162,983 | 28,723,693 | 11.94 |
| MUTUAL FUNDS | | | | |
| Dynamic Equity Income Fund, Series O | 5,188,429 | 38,191,740 | 36,630,311 | |
| Guardian Global Dividend Growth Fund, Series I | 1,095,781 | 20,103,726 | 20,167,847 | |
| PH&N Bond Fund, Series O | 816,919 | 8,094,161 | 8,200,561 | |
| RBC Global High Yield Bond Fund, Series O | 4,424,723 | 47,757,519 | 44,589,706 | |
| Sun Life Dynamic Energy Fund, Series I | 651,524 | 6,306,015 | 5,236,301 | |
| Sun Life Granite Tactical Completion Fund, Series I | 2,109,026 | 21,635,839 | 20,484,124 | |
| Sun Life MFS Low Volatility Global Equity Fund, Series I | 231,279 | 2,861,634 | 2,771,139 | |
| Sun Life NWQ Flexible Income Fund, Series I | 2,360,416 | 23,487,508 | 21,108,254 | |
| Sun Life Ryan Labs U.S. Core Fixed Income Fund, Series I | 1,472,541 | 14,502,324 | 14,279,966 | |
| Sun Life Infrastructure Fund, Series I | 2,229,482 | 20,258,654 | 18,585,187 | |
| Sun Life MFS Global Value Fund, Series I | 383,789 | 9,805,253 | 9,446,701 | |
| Templeton Global Bond Fund (Hedged), Series O | 976,778 | 8,562,184 | 7,785,212 | |
| | | 221,566,557 | 209,285,309 | 86.98 |
| Transaction Costs | | (9,155) | | |
| Total Investments | | 252,720,385 | 238,009,002 | 98.92 |
| Currency Forward Contracts⁽¹⁾ | | | (299,380) | (0.12) |
| Other Assets less Liabilities | | | 2,865,651 | 1.20 |
| Total Net Assets | | | 240,575,273 | 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-2019 | USD | 1,216,341 | CAD | (1,657,520) | 2,357 |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 24,141,755 | USD | (17,912,237) | (301,737) |
| | | | | | | | (299,380) |

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and December 31, 2017, 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | - | 0.24 |
| Total | - | 0.24 |

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 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, 2018 and December 31, 2017, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio'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, 2018 | December 31, 2017 |
| Exchange-Traded Funds | | |
| U.S. Fixed Income | 2.4 | 4.8 |
| U.S. Equities | - | 5.1 |
| Global Equities | 3.8 | 4.4 |
| Real Estate Equities | 3.8 | 3.6 |
| Canadian Equities | 1.9 | - |
| Mutual Funds | | |
| Global Equities | 17.4 | 18.3 |
| Canadian Fixed Income | 6.6 | 3.2 |
| U.S. Fixed Income | 5.9 | - |
| High Yield Fixed Income | 18.5 | 23.3 |
| Tactical Balanced | 17.3 | 18.3 |
| Canadian Focused Equities | 3.9 | - |
| Canadian Dividend & Income Equities | 15.2 | 13.6 |
| Energy Equities | 2.2 | 4.6 |
| Derivative Assets (Liabilities) | (0.1) | 0.2 |
| Other Assets less Liabilities | 1.2 | 0.6 |
| Total | 100.0 | 100.0 |

Fair Value Disclosure

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Exchange-Traded Funds | 28,723,693 | - | - | 28,723,693 |
| Mutual Funds | 209,285,309 | - | - | 209,285,309 |
| Currency Forward Contracts | - | 2,357 | - | 2,357 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 301,737 | - | 301,737 |
| | | | | |
| | 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 |

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

Sun Life Granite Enhanced Income Portfolio (continued)

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$12,485 (\$20,459 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, the Portfolio had interests in underlying funds as noted in the following tables:

| Underlying Fund | As at December 31, 2018 | |
|------------------------------|------------------------------|--------------------------------------|
| | Percentage of Net Assets (%) | Percentage of Ownership Interest (%) |
| Sun Life Dynamic Energy Fund | 2 | 60 |

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

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

| | Amounts Eligible for Offset | | | Net (\$) |
|--|----------------------------------|----------------------------|--------------------------------|------------------|
| | Gross Assets/ (Liabilities) (\$) | Financial Instruments (\$) | Collateral received/ paid (\$) | |
| December 31, 2018 | | | | |
| Derivative assets - Forward Contracts | 2,357 | (2,357) | - | - |
| Total | 2,357 | (2,357) | - | - |
| Derivative liabilities - Forward Contracts | (301,737) | 2,357 | - | (299,380) |
| Total | (301,737) | 2,357 | - | (299,380) |
| December 31, 2017 | | | | |
| Derivative assets - Forward Contracts | 524,764 | - | - | 524,764 |
| Total | 524,764 | - | - | 524,764 |
| 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 |

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

Sun Life Granite Growth Portfolio

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 888,385,253 | 716,773,662 |
| Short-term investments | - | - |
| Cash | 2,062,666 | 4,725,637 |
| 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 | 12,771 | - |
| Dividends receivable | 232,773 | - |
| Distributions receivable from underlying funds | - | 7,894,468 |
| Subscriptions receivable | 473,711 | 1,845,076 |
| | 891,167,174 | 731,238,843 |
| 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 | 26,980 | 18,703 |
| Redemptions payable | 251,740 | 99,020 |
| Distributions payable | 265 | - |
| Due to investment dealers | 587,385 | 9,857,462 |
| Management fees payable | 184,462 | 116,151 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 1,050,832 | 10,091,336 |
| Net Assets Attributable to Holders of Redeemable Units | 890,116,342 | 721,147,507 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 296,857,073 | 224,800,886 |
| Series T5 | 166,732 | 112,097 |
| Series T8 | 347,578 | 157,260 |
| Series F | 29,620,491 | 15,555,509 |
| Series F5 | 57,515 | - |
| Series F8 | 10,111 | - |
| Series I | 533,904,594 | 456,558,091 |
| Series O | 29,152,248 | 23,963,664 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 12.48 | 13.71 |
| Series T5 | 15.34 | 17.67 |
| Series T8 | 12.53 | 14.86 |
| Series F | 12.80 | 14.09 |
| Series F5 | 13.57 | - |
| Series F8 | 13.43 | - |
| Series I | 13.31 | 14.61 |
| Series O | 10.18 | 11.18 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

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

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Investment Income | | |
| Dividend income | 2,298,783 | 1,525,836 |
| Interest income for distribution purposes | 32,026 | 17,313 |
| Distributions from underlying funds | 28,988,638 | 20,742,847 |
| 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 | 32,929,784 | 15,123,576 |
| 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 | (81,647,136) | 29,460,484 |
| 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 | (17,397,905) | 66,870,056 |
| Net gain (loss) on foreign exchange | 147,869 | (142,581) |
| Other income | 6,579 | - |
| Total income (loss) | (17,243,457) | 66,727,475 |
| Expenses (note 6) | | |
| Management fees | 5,906,823 | 3,869,718 |
| Administration fees | 859,071 | 592,517 |
| Independent review committee fees | 5,953 | 4,501 |
| Withholding tax | 327,988 | 228,875 |
| Transaction costs (note 3) | 52,134 | 9,560 |
| Total operating expenses | 7,151,969 | 4,705,171 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (24,395,426) | 62,022,304 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (24,395,426) | 62,022,304 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (12,375,069) | 15,992,663 |
| Series T5 | (6,474) | 10,863 |
| Series T8 | (14,606) | 14,553 |
| Series F | (956,464) | 1,068,799 |
| Series F5 | 818 | - |
| Series F8 | 109 | - |
| Series I | (10,436,804) | 42,767,272 |
| Series O | (606,936) | 2,168,154 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 19,708,907 | 13,403,002 |
| Series T5 | 7,904 | 6,523 |
| Series T8 | 19,873 | 10,002 |
| Series F | 1,653,678 | 778,510 |
| Series F5 | 800 | - |
| Series F8 | 691 | - |
| Series I | 34,553,585 | 26,457,317 |
| Series O | 2,454,860 | 1,763,862 |

Sun Life Granite Growth Portfolio (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.63) | 1.19 |
| Series T5 | (0.82) | 1.67 |
| Series T8 | (0.73) | 1.46 |
| Series F | (0.58) | 1.37 |
| Series F5 | 1.02 | - |
| Series F8 | 0.16 | - |
| Series I | (0.30) | 1.62 |
| Series O | (0.25) | 1.23 |

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 | |
|---|-----------------|--------------|-----------|----------|-----------|----------|-------------|-------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 224,800,886 | 136,896,174 | 112,097 | 111,634 | 157,260 | 168,466 | 15,555,509 | 5,472,568 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (12,375,069) | 15,992,663 | (6,474) | 10,863 | (14,606) | 14,553 | (956,464) | 1,068,799 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 128,440,789 | 101,912,526 | 95,052 | 49,775 | 259,069 | 36,940 | 20,431,361 | 11,081,739 |
| Redemption of redeemable units | \$ (43,988,347) | (29,998,500) | (33,766) | (59,440) | (33,454) | (61,417) | (5,397,006) | (2,066,978) |
| Reinvestment of distributions to holders of redeemable units | \$ 15,817,810 | 6,795,134 | 15,025 | 7,297 | 20,244 | 13,718 | 1,922,072 | 620,837 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 100,270,252 | 78,709,160 | 76,311 | (2,368) | 245,859 | (10,759) | 16,956,427 | 9,635,598 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (15,790,749) | (5,699,013) | (8,882) | (2,859) | (18,997) | (3,922) | (1,580,469) | (389,035) |
| From net investment income | \$ (48,247) | (1,096,801) | (9) | (5,173) | (18) | (11,078) | (354,512) | (232,332) |
| Return of capital | \$ - | (1,297) | (6,311) | - | (21,920) | - | - | (89) |
| | \$ (15,838,996) | (6,797,111) | (15,202) | (8,032) | (40,935) | (15,000) | (1,934,981) | (621,456) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 72,056,187 | 87,904,712 | 54,635 | 463 | 190,318 | (11,206) | 14,064,982 | 10,082,941 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 296,857,073 | 224,800,886 | 166,732 | 112,097 | 347,578 | 157,260 | 29,620,491 | 15,555,509 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 16,391,988 | 10,586,207 | 6,343 | 6,436 | 10,585 | 11,238 | 1,104,049 | 412,149 |
| Units issued | 9,294,661 | 7,518,653 | 5,509 | 2,794 | 17,990 | 2,450 | 1,431,722 | 794,672 |
| Units issued on reinvestment of distributions | 1,298,958 | 492,342 | 946 | 411 | 1,509 | 910 | 153,803 | 43,792 |
| Units redeemed | (3,191,244) | (2,205,214) | (1,931) | (3,298) | (2,347) | (4,013) | (376,349) | (146,564) |
| Balance - end of period | 23,794,363 | 16,391,988 | 10,867 | 6,343 | 27,737 | 10,585 | 2,313,225 | 1,104,049 |

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 F5 | | Series F8 | | Series I | | Series O | |
|---|------------|------|-----------|------|--------------|--------------|-------------|-------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - | 456,558,091 | 313,676,343 | 23,963,664 | 15,084,862 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 818 | - | 109 | - | (10,436,804) | 42,767,272 | (606,936) | 2,168,154 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 60,000 | - | 10,000 | - | 115,466,983 | 116,803,417 | 11,460,892 | 10,573,653 |
| Redemption of redeemable units | \$ - | - | - | - | (27,683,676) | (16,688,935) | (5,665,365) | (3,863,004) |
| Reinvestment of distributions to holders of redeemable units | \$ 1,100 | - | 1,233 | - | 39,014,602 | 21,784,555 | 2,104,974 | 1,115,622 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 61,100 | - | 11,233 | - | 126,797,909 | 121,899,037 | 7,900,501 | 7,826,271 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (3,244) | - | (528) | - | (28,479,695) | (11,582,566) | (1,563,654) | (611,943) |
| From net investment income | \$ (1,159) | - | (703) | - | (10,464,205) | (10,199,358) | (541,327) | (482,878) |
| Return of capital | \$ - | - | - | - | (70,702) | (2,637) | - | (20,802) |
| | \$ (4,403) | - | (1,231) | - | (39,014,602) | (21,784,561) | (2,104,981) | (1,115,623) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 57,515 | - | 10,111 | - | 77,346,503 | 142,881,748 | 5,188,584 | 8,878,802 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 57,515 | - | 10,111 | - | 533,904,594 | 456,558,091 | 29,152,248 | 23,963,664 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | - | - | - | - | 31,247,055 | 22,864,797 | 2,144,400 | 1,437,210 |
| Units issued | 4,160 | - | 667 | - | 7,736,561 | 8,049,909 | 1,009,108 | 952,164 |
| Units issued on reinvestment of distributions | 78 | - | 86 | - | 3,006,906 | 1,482,094 | 212,097 | 99,235 |
| Units redeemed | - | - | - | - | (1,865,054) | (1,149,745) | (501,169) | (344,209) |
| Balance - end of period | 4,238 | - | 753 | - | 40,125,468 | 31,247,055 | 2,864,436 | 2,144,400 |

| | Total | |
|---|-----------------|--------------|
| | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 721,147,507 | 471,410,047 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (24,395,426) | 62,022,304 |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | \$ 276,224,146 | 240,458,050 |
| Redemption of redeemable units | \$ (82,801,614) | (52,738,274) |
| Reinvestment of distributions to holders of redeemable units | \$ 58,897,060 | 30,337,163 |
| Capitalized distributions | \$ - | - |
| | \$ 252,319,592 | 218,056,939 |
| Distributions to Holders of Redeemable Units | | |
| From capital gains | \$ (47,446,218) | (18,289,338) |
| From net investment income | \$ (11,410,180) | (12,027,620) |
| Return of capital | \$ (98,933) | (24,825) |
| | \$ (58,955,331) | (30,341,783) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 168,968,835 | 249,737,460 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 890,116,342 | 721,147,507 |
| Redeemable Unit Transactions | | |
| Balance - beginning of period | 50,904,420 | 35,318,037 |
| Units issued | 19,500,378 | 17,320,642 |
| Units issued on reinvestment of distributions | 4,674,383 | 2,118,784 |
| Units redeemed | (5,938,094) | (3,853,043) |
| Balance - end of period | 69,141,087 | 50,904,420 |

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

| | 2018 (\$) | 2017 (\$) |
|---|----------------------|---------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (24,395,426) | 62,022,304 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (32,929,784) | (15,123,576) |
| Change in unrealized (appreciation) depreciation in value of investments | 81,647,136 | (29,460,484) |
| 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 | - | - |
| Non-cash income distributions from underlying funds | (28,988,638) | (20,742,847) |
| Change in margin | - | - |
| Purchases of investments | (607,528,542) | (500,321,389) |
| Proceeds from sale of investments | 406,866,026 | 324,504,479 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | (245,544) | 37,960 |
| Change in distributions receivable from underlying funds | 7,894,468 | (4,629,249) |
| Change in management fees payable | 68,311 | (153,682) |
| Change in other payables and accrued expenses | 60,411 | (1,795) |
| Net Cash Provided by (Used in) Operating Activities | (197,551,582) | (183,868,279) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (58,006) | (4,620) |
| Proceeds from redeemable units issued | 277,595,511 | 239,462,787 |
| Redemption of redeemable units | (82,648,894) | (52,941,031) |
| Net Cash Provided by (Used in) Financing Activities | 194,888,611 | 186,517,136 |
| Net increase (decrease) in cash | (2,662,971) | 2,648,857 |
| Cash (bank indebtedness) at beginning of period | 4,725,637 | 2,076,780 |
| Cash (bank indebtedness) at end of period | 2,062,666 | 4,725,637 |
| Dividends received, net of withholding taxes | 1,738,022 | 1,334,809 |
| Interest received, net of withholding taxes | 19,255 | 17,425 |
| Interest paid | - | - |

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|--------------------|--------------------|-----------------------|
| EXCHANGE-TRADED FUNDS | | | | |
| iShares Core S&P 500 ETF | 322,269 | 111,451,588 | 110,747,645 | |
| iShares Core S&P 500 Index ETF (CAD- Hedged) | 394,806 | 12,768,332 | 11,054,568 | |
| | | 124,219,920 | 121,802,213 | 13.68 |
| MUTUAL FUNDS | | | | |
| ABSL Umbrella UCITS Fund, Class E | 42,471 | 6,084,466 | 7,621,503 | |
| Beutel Goodman Canadian Equity Fund, Class I | 1,717,366 | 66,594,519 | 63,364,276 | |
| Invesco Global Real Estate Fund, Series I | 987,676 | 12,197,502 | 12,044,712 | |
| PH&N Bond Fund, Series O | 3,424,337 | 35,388,948 | 34,374,863 | |
| RBC Global High Yield Bond Fund, Series O | 2,149,390 | 22,940,597 | 21,660,264 | |
| Sun Life BlackRock Canadian Composite Equity Fund, Series I | 10,020,682 | 109,182,632 | 99,901,189 | |
| Sun Life BlackRock Canadian Universe Bond Fund, Series I | 2,461,041 | 25,783,680 | 25,379,239 | |
| Sun Life Excel Emerging Markets Fund, Series I | 3,865,565 | 42,487,136 | 42,406,794 | |
| Sun Life Granite Tactical Completion Fund, Series I | 7,687,982 | 77,862,903 | 74,670,291 | |
| Sun Life Infrastructure Fund, Series I | 2,769,068 | 24,569,408 | 23,083,225 | |
| Sun Life JPMorgan International Equity Fund, Series I | 3,066,943 | 30,392,981 | 27,366,027 | |
| Sun Life MFS Canadian Equity Growth Fund, Series I | 1,024,475 | 51,476,150 | 49,477,206 | |
| Sun Life MFS International Growth Fund, Series I | 3,060,933 | 50,523,235 | 48,263,879 | |
| Sun Life MFS International Value Fund, Series I | 2,759,065 | 55,701,047 | 61,639,167 | |
| Sun Life MFS U.S. Growth Fund, Series I | 1,789,445 | 58,213,973 | 63,207,484 | |
| Sun Life MFS U.S. Value Fund, Series I | 1,211,607 | 32,263,205 | 31,722,163 | |
| Sun Life Money Market Fund, Series I | 896,689 | 8,966,889 | 8,966,889 | |
| Sun Life NWQ Flexible Income Fund, Series I | 391,226 | 3,815,797 | 3,498,577 | |
| Sun Life Ryan Labs U.S. Core Fixed Income Fund, Series I | 1,553,185 | 15,378,840 | 15,062,013 | |
| Sun Life Schroder Global Mid Cap Fund, Series I | 3,872,691 | 43,868,629 | 38,712,972 | |
| Templeton Global Bond Fund (Hedged), Series O | 1,776,634 | 15,400,751 | 14,160,307 | |
| | | 789,093,288 | 766,583,040 | 86.12 |
| Transaction Costs | | (8,165) | | |
| Total Investments | | 913,305,043 | 888,385,253 | 99.80 |
| Other Assets less Liabilities | | | 1,731,089 | 0.20 |
| Total Net Assets | | | 890,116,342 | 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, 2018 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 9 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, 2018 and December 31, 2017, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio'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, 2018 | December 31, 2017 |
| Exchange-Traded Funds | | |
| U.S. Equities | 13.7 | 13.2 |
| Mutual Funds | | |
| International Equities | 16.3 | 18.7 |
| Canadian Equities | 18.2 | 16.8 |
| Tactical Balanced | 8.7 | 9.8 |
| Canadian Fixed Income | 6.8 | 6.6 |
| Global Equities | 2.6 | 1.3 |
| U.S. Equities | 10.7 | 8.8 |
| Real Estate Equities | 1.4 | 2.7 |
| Canadian Focused Equities | 5.6 | 5.5 |
| High Yield Fixed Income | 2.4 | 3.5 |
| Emerging Markets Equities | 4.8 | 3.8 |
| U.S. Small/Mid Cap Equities | - | 2.6 |
| U.S. Fixed Income | 1.7 | 0.4 |
| Global Fixed Income | 1.6 | 1.5 |
| Global Small/Mid Cap Equities | 4.3 | 2.4 |
| Canadian Money Market | 1.0 | - |
| Canadian Small/Mid Cap Equities | - | 1.8 |
| Other Assets less Liabilities | 0.2 | 0.6 |
| Total | 100.0 | 100.0 |

Fair Value Disclosure

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|-----------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Exchange-Traded Funds | 121,802,213 | - | - | 121,802,213 |
| Mutual Funds | 766,583,040 | - | - | 766,583,040 |
| | | | | |
| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$52,134 (\$9,560 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, the Company held the following positions in the Portfolio:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | 745 | 10,111 |
| Series F8 | 753 | 10,111 |
| | December 31, 2017 | |
| | Units | Market Value (\$) |
| Series F5 | - | - |
| Series F8 | - | - |

The following are transactions in the Portfolio by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F5 | 10,017 | - | 1,082 |
| Series F8 | 10,017 | - | 1,214 |
| | December 31, 2017 | | |
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F5 | - | - | - |
| Series F8 | - | - | - |

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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| Series I Units | January 11, 2012 | January 17, 2012 |
| Series O Units | April 01, 2014 | April 01, 2014 |

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

Sun Life Granite Income Portfolio

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 173,092,545 | 183,576,556 |
| Short-term investments | - | - |
| Cash | 2,992,599 | 2,221,558 |
| Margin | - | - |
| Option contracts, at fair value - long | - | - |
| Credit default swaps, sell protection | - | - |
| Unrealized appreciation on futures contracts | - | - |
| Unrealized appreciation on currency forward contracts | 2,014 | 465,948 |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | 102,273 | 540,821 |
| Accrued interest | - | 9,881 |
| Dividends receivable | - | 55,472 |
| Distributions receivable from underlying funds | - | 1,138,016 |
| Subscriptions receivable | 6,226 | 19,742 |
| | 176,195,657 | 188,027,994 |
| 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 | 245,561 | - |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 7,091 | 7,064 |
| Redemptions payable | 119,252 | 373,505 |
| Distributions payable | - | - |
| Due to investment dealers | 511,274 | 1,138,016 |
| Management fees payable | 38,925 | 34,381 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 922,103 | 1,552,966 |
| Net Assets Attributable to Holders of Redeemable Units | 175,273,554 | 186,475,028 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 78,605,387 | 85,953,916 |
| Series T5 | 81,233 | 71,619 |
| Series F | 7,945,149 | 7,628,034 |
| Series F5 | 150,800 | - |
| Series I | 72,432,809 | 73,323,133 |
| Series O | 16,058,176 | 19,498,326 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 9.09 | 9.95 |
| Series T5 | 13.30 | 14.71 |
| Series F | 9.56 | 10.44 |
| Series F5 | 14.28 | - |
| Series I | 10.21 | 11.02 |
| Series O | 9.50 | 10.29 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|-------------------|
| Investment Income | | |
| Dividend income | 946,929 | 850,205 |
| Interest income for distribution purposes | 47,710 | 19,100 |
| Distributions from underlying funds | 6,988,490 | 7,961,235 |
| 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 | 76,588 | 426,217 |
| Net realized gain (loss) on futures contracts | - | - |
| Net realized gain (loss) on currency forward contracts | (1,276,862) | 422,173 |
| Net realized gain (loss) on option contracts | - | 156,923 |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | (9,868,160) | 1,262,689 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (709,495) | 400,251 |
| Change in unrealized appreciation (depreciation) in option contracts | - | 7,490 |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | (3,794,800) | 11,506,283 |
| Net gain (loss) on foreign exchange | 97,683 | (82,475) |
| Other income | 6,128 | - |
| Total income (loss) | (3,690,989) | 11,423,808 |
| Expenses (note 6) | | |
| Management fees | 1,427,850 | 1,322,625 |
| Administration fees | 253,432 | 241,246 |
| Independent review committee fees | 2,023 | 2,133 |
| Withholding tax | 142,025 | 83,042 |
| Transaction costs (note 3) | 4,934 | 19,065 |
| Total operating expenses | 1,830,264 | 1,668,111 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (5,521,253) | 9,755,697 |
| Finance Cost | | |
| Interest expense | (12) | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (5,521,265) | 9,755,697 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (3,272,652) | 4,296,387 |
| Series T5 | (3,187) | 430 |
| Series F | (247,541) | 411,370 |
| Series F5 | (4,912) | - |
| Series I | (1,614,123) | 3,898,607 |
| Series O | (378,850) | 1,148,903 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 8,709,810 | 7,738,229 |
| Series T5 | 5,766 | 4,856 |
| Series F | 796,632 | 642,087 |
| Series F5 | 5,065 | - |
| Series I | 6,963,279 | 4,891,684 |
| Series O | 1,821,381 | 1,583,845 |

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

Sun Life Granite Income Portfolio (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.38) | 0.56 |
| Series T5 | (0.55) | 0.09 |
| Series F | (0.31) | 0.64 |
| Series F5 | (0.97) | - |
| Series I | (0.23) | 0.80 |
| Series O | (0.21) | 0.73 |

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

For the periods ended December 31

| | Series A | | Series T5 | | Series F | | Series F5 | |
|---|-----------------|--------------|-----------|---------|-------------|-------------|-----------|------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 85,953,916 | 70,621,705 | 71,619 | - | 7,628,034 | 4,548,113 | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (3,272,652) | 4,296,387 | (3,187) | 430 | (247,541) | 411,370 | (4,912) | - |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 26,247,958 | 35,124,645 | 16,253 | 72,748 | 3,012,574 | 5,278,320 | 160,000 | - |
| Redemption of redeemable units | \$ (30,181,103) | (23,911,892) | - | - | (2,322,021) | (2,463,089) | - | - |
| Reinvestment of distributions to holders of redeemable units | \$ 4,049,822 | 4,619,743 | 1,425 | 271 | 332,920 | 263,829 | 620 | - |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 116,677 | 15,832,496 | 17,678 | 73,019 | 1,023,473 | 3,079,060 | 160,620 | - |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | (1,099,707) | (402) | (933) | (39,154) | (96,656) | (749) | - |
| From net investment income | \$ (2,670,978) | (2,463,097) | - | - | (195,528) | (208,527) | (1,604) | - |
| Return of capital | \$ (1,521,576) | (1,233,868) | (4,475) | (897) | (224,135) | (105,326) | (2,555) | - |
| | \$ (4,192,554) | (4,796,672) | (4,877) | (1,830) | (458,817) | (410,509) | (4,908) | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (7,348,529) | 15,332,211 | 9,614 | 71,619 | 317,115 | 3,079,921 | 150,800 | - |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 78,605,387 | 85,953,916 | 81,233 | 71,619 | 7,945,149 | 7,628,034 | 150,800 | - |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 8,637,095 | 7,066,729 | 4,868 | - | 730,732 | 438,454 | - | - |
| Units issued | 2,747,422 | 3,476,596 | 1,136 | 4,850 | 298,518 | 500,049 | 10,519 | - |
| Units issued on reinvestment of distributions | 425,498 | 459,291 | 103 | 18 | 33,493 | 25,099 | 42 | - |
| Units redeemed | (3,160,623) | (2,365,521) | - | - | (231,952) | (232,870) | - | - |
| Balance - end of period | 8,649,392 | 8,637,095 | 6,107 | 4,868 | 830,791 | 730,732 | 10,561 | - |

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 (continued)

For the periods ended December 31

| | Series I | | Series O | | Total | |
|---|----------------------|-------------------|-------------------|-------------------|---------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 73,323,133 | 47,465,691 | 19,498,326 | 12,636,736 | 186,475,028 | 135,272,245 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,614,123) | 3,898,607 | (378,850) | 1,148,903 | (5,521,265) | 9,755,697 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 15,264,512 | 41,389,042 | 5,286,227 | 9,696,351 | 49,987,524 | 91,561,106 |
| Redemption of redeemable units | \$ (14,540,713) | (19,430,199) | (8,325,831) | (3,957,428) | (55,369,668) | (49,762,608) |
| Reinvestment of distributions to holders of redeemable units | \$ 4,003,060 | 3,357,725 | 992,783 | 990,130 | 9,380,630 | 9,231,698 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 4,726,859 | 25,316,568 | (2,046,821) | 6,729,053 | 3,998,486 | 51,030,196 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ (742,379) | (945,824) | (79,265) | (251,025) | (861,949) | (2,394,145) |
| From net investment income | \$ (1,283,113) | (1,566,935) | (439,776) | (505,815) | (4,590,999) | (4,744,374) |
| Return of capital | \$ (1,977,568) | (844,974) | (495,438) | (259,526) | (4,225,747) | (2,444,591) |
| | \$ (4,003,060) | (3,357,733) | (1,014,479) | (1,016,366) | (9,678,695) | (9,583,110) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (890,324) | 25,857,442 | (3,440,150) | 6,861,590 | (11,201,474) | 51,202,783 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 72,432,809 | 73,323,133 | 16,058,176 | 19,498,326 | 175,273,554 | 186,475,028 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 6,654,500 | 4,384,826 | 1,894,893 | 1,244,217 | 17,922,088 | 13,134,226 |
| Units issued | 1,417,361 | 3,715,933 | 525,728 | 936,293 | 5,000,684 | 8,633,721 |
| Units issued on reinvestment of distributions | 378,664 | 303,749 | 100,618 | 95,753 | 938,418 | 883,910 |
| Units redeemed | (1,357,581) | (1,750,008) | (830,258) | (381,370) | (5,580,414) | (4,729,769) |
| Balance - end of period | 7,092,944 | 6,654,500 | 1,690,981 | 1,894,893 | 18,280,776 | 17,922,088 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 | 2017 | | 2018 | 2017 |
|---|---------------------|---------------|--|---------------------|--------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Cash Flows from Operating Activities | | | Net Cash Provided by (Used in) Operating Activities | 6,691,987 | (49,461,497) |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (5,521,265) | 9,755,697 | Cash Flows from Financing Activities | | |
| Adjustments for: | | | Distributions paid to holders of redeemable units, net of reinvested distributions | (298,065) | (351,412) |
| Net realized (gain) loss on sale of investments | (76,588) | (426,217) | Proceeds from redeemable units issued | 50,001,040 | 91,593,931 |
| Change in unrealized (appreciation) depreciation in value of investments | 9,868,160 | (1,262,689) | Redemption of redeemable units | (55,623,921) | (49,460,706) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - | Net Cash Provided by (Used in) Financing Activities | (5,920,946) | 41,781,813 |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 709,495 | (400,251) | Net increase (decrease) in cash | 771,041 | (7,679,684) |
| Change in unrealized (appreciation) depreciation in option contracts | - | (7,490) | Cash (bank indebtedness) at beginning of period | 2,221,558 | 9,901,242 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - | Cash (bank indebtedness) at end of period | 2,992,599 | 2,221,558 |
| Non-cash income distributions from underlying funds | (6,988,490) | (7,961,235) | Dividends received, net of withholding taxes | 860,376 | 711,691 |
| Change in margin | - | 3,705,100 | Interest received, net of withholding taxes | 57,591 | 9,219 |
| Purchases of investments | (81,946,383) | (109,760,551) | Interest paid | (12) | - |
| Proceeds from sale of investments | 89,434,184 | 58,047,872 | | | |
| Purchases of short-term investments | - | - | | | |
| Proceeds from sale of short-term investments | - | - | | | |
| Change in dividends and interest receivable | 65,353 | (65,353) | | | |
| Change in distributions receivable from underlying funds | 1,138,016 | (1,003,867) | | | |
| Change in management fees payable | 4,544 | (76,367) | | | |
| Change in other payables and accrued expenses | 4,961 | (6,146) | | | |

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

Sun Life Granite Income Portfolio (continued)

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|--------------------|--------------------|-----------------------|
| EXCHANGE-TRADED FUNDS | | | | |
| iShares iBoxx \$ Investment Grade Corporate Bond ETF | 46,839 | 7,215,364 | 7,217,417 | |
| Vanguard Global ex-U.S. Real Estate ETF | 92,441 | 6,717,830 | 6,617,087 | |
| Vanguard REIT ETF | 66,482 | 7,270,567 | 6,771,054 | |
| | | 21,203,761 | 20,605,558 | 11.76 |
| MUTUAL FUNDS | | | | |
| Dynamic Equity Income Fund, Series O | 2,940,838 | 21,694,394 | 20,762,318 | |
| Guardian Global Dividend Growth Fund, Series I | 568,279 | 10,413,006 | 10,459,176 | |
| RBC Global High Yield Bond Fund, Series O | 805,447 | 8,670,178 | 8,116,814 | |
| Sun Life Granite Tactical Completion Fund, Series I | 1,502,415 | 15,446,126 | 14,592,357 | |
| Sun Life MFS Low Volatility Global Equity Fund, Series I | 217,637 | 2,692,843 | 2,607,686 | |
| Sun Life MFS Canadian Bond Fund, Series I | 3,304,835 | 44,786,523 | 42,968,808 | |
| Sun Life Money Market Fund, Series I | 439,155 | 4,391,545 | 4,391,545 | |
| Sun Life NWQ Flexible Income Fund, Series I | 1,676,038 | 16,655,318 | 14,988,135 | |
| Sun Life Ryan Labs U.S. Core Fixed Income Fund, Series I | 822,023 | 8,092,369 | 7,971,563 | |
| Sun Life Infrastructure Fund, Series I | 1,548,112 | 14,415,834 | 12,905,220 | |
| Sun Life MFS Global Value Fund, Series I | 282,214 | 7,253,762 | 6,946,497 | |
| Templeton Global Bond Fund (Hedged), Series O | 724,799 | 6,347,707 | 5,776,868 | |
| | | 160,859,605 | 152,486,987 | 87.00 |
| Transaction Costs | | (2,697) | - | |
| Total Investments | | 182,060,669 | 173,092,545 | 98.76 |
| Currency Forward Contracts ⁽¹⁾ | | | (243,547) | (0.14) |
| Other Assets less Liabilities | | | 2,424,556 | 1.38 |
| Total Net Assets | | | 175,273,554 | 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-2019 | USD | 1,039,365 | CAD | (1,416,353) | 2,014 |
| | | | | | | | 2,014 |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 1,117,149 | USD | (820,149) | (2,064) |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 19,481,981 | USD | (14,454,867) | (243,497) |
| | | | | | | | (245,561) |
| | | | | | | | (243,547) |

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

Sun Life Granite Income Portfolio (continued)

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and December 31, 2017, 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 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | - | 0.25 |
| Total | - | 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 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, 2018 and December 31, 2017, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio'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, 2018 | December 31, 2017 |
| Exchange-Traded Funds | | |
| U.S. Fixed Income | 4.1 | 6.3 |
| U.S. Equities | - | 3.5 |
| Global Equities | 3.8 | 4.2 |
| Real Estate Equities | 3.9 | 3.3 |
| Mutual Funds | | |
| Canadian Fixed Income | 27.0 | 24.7 |
| Global Equities | 14.8 | 15.8 |
| High Yield Fixed Income | 4.6 | 9.9 |
| Tactical Balanced | 16.9 | 18.3 |
| Canadian Focused Equities | 4.0 | - |
| Canadian Dividend & Income Equities | 11.8 | 12.4 |
| Global Fixed Income | 3.3 | - |
| U.S. Fixed Income | 4.6 | - |
| Derivative Assets (Liabilities) | (0.2) | 0.3 |
| Other Assets less Liabilities | 1.4 | 1.3 |
| 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 Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Exchange-Traded Funds | 20,605,558 | - | - | 20,605,558 |
| Mutual Funds | 152,486,987 | - | - | 152,486,987 |
| Currency Forward Contracts | - | 2,014 | - | 2,014 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 245,561 | - | 245,561 |

| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$4,934 (\$19,065 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, the Company held the following positions in the Portfolio:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series A | 12,385 | 112,553 |
| Series T5 | 767 | 10,196 |
| Series F | 1,112 | 10,631 |
| Series F5 | 705 | 10,070 |
| Series I | 1,076 | 10,990 |
| Series O | 1,119 | 10,624 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series A | 11,745 | 116,883 |
| Series T5 | 720 | 10,595 |
| Series F | 1,048 | 10,941 |
| Series F5 | - | - |
| Series I | 1,019 | 11,233 |
| Series O | 1,063 | 10,936 |

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, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 283 | - | 5,775 |
| Series T5 | 26 | - | 616 |
| Series F | 27 | - | 604 |
| Series F5 | 10,016 | - | 554 |
| Series I | - | - | 599 |
| Series O | - | 62 | 613 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 116,189 | - | 2,776 |
| Series T5 | 10,533 | - | 266 |
| Series F | 10,860 | - | 254 |
| Series F5 | - | - | - |
| Series I | 11,131 | - | 263 |
| Series O | 10,858 | 17 | 260 |

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, 2018 and December 31, 2017, SLA held the following position in the Portfolio:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | 521,927 | 5,329,914 |

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

The following are transactions in the Portfolio by SLA from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | - | 290,684 |

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

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, 2018 and December 31, 2017, the Portfolio had interests in underlying funds as noted in the following tables:

| Underlying Fund | As at December 31, 2018 | |
|---------------------------------|------------------------------|------------------------|
| | Percentage of Net Assets (%) | Ownership Interest (%) |
| Sun Life MFS Canadian Bond Fund | 25 | 38 |

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

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

| | Amounts Eligible for Offset | | | Net (\$) |
|--|----------------------------------|----------------------------|--------------------------------|------------------|
| | Gross Assets/ (Liabilities) (\$) | Financial Instruments (\$) | Collateral received/ paid (\$) | |
| December 31, 2018 | | | | |
| Derivative assets - Forward Contracts | 2,014 | (2,014) | - | - |
| Total | 2,014 | (2,014) | - | - |
| December 31, 2017 | | | | |
| Derivative liabilities - Forward Contracts | (245,561) | 2,014 | - | (243,547) |
| Total | (245,561) | 2,014 | - | (243,547) |
| December 31, 2017 | | | | |
| Derivative assets - Forward Contracts | 465,948 | - | - | 465,948 |
| Total | 465,948 | - | - | 465,948 |

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

Sun Life Granite Income Portfolio (continued)

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series I Units | January 11, 2013 | January 17, 2013 |
| Series O Units | April 01, 2014 | April 01, 2014 |

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

Sun Life Granite Moderate Portfolio

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 1,382,396,365 | 1,178,151,749 |
| Short-term investments | - | - |
| Cash | 2,155,795 | 5,173,956 |
| 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 | 20,582 | - |
| Dividends receivable | 101,249 | - |
| Distributions receivable from underlying funds | - | 11,476,417 |
| Subscriptions receivable | 3,333,982 | 1,709,503 |
| | 1,388,007,973 | 1,196,511,625 |
| 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 | 42,731 | 32,530 |
| Redemptions payable | 877,215 | 144,825 |
| Distributions payable | - | - |
| Due to investment dealers | 3,594,132 | 13,749,641 |
| Management fees payable | 251,298 | 174,192 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 4,765,376 | 14,101,188 |
| Net Assets Attributable to Holders of Redeemable Units | 1,383,242,597 | 1,182,410,437 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 425,163,719 | 362,745,485 |
| Series T5 | 2,109,311 | 2,869,503 |
| Series F | 74,167,167 | 40,360,099 |
| Series F5 | 69,718 | - |
| Series I | 814,782,705 | 714,273,807 |
| Series O | 66,949,977 | 62,161,543 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 11.93 | 12.72 |
| Series T5 | 14.12 | 15.69 |
| Series F | 12.25 | 13.11 |
| Series F5 | 14.06 | - |
| Series I | 12.49 | 13.41 |
| Series O | 10.19 | 10.93 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Investment Income | | |
| Dividend income | 1,796,779 | 1,679,791 |
| Interest income for distribution purposes | 45,094 | 20,133 |
| Distributions from underlying funds | 44,341,483 | 35,294,022 |
| 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 | 31,608,206 | 21,598,764 |
| 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 | (90,343,341) | 27,177,338 |
| 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 | (12,551,779) | 85,770,048 |
| Net gain (loss) on foreign exchange | 157,284 | (209,004) |
| Other income | 9,168 | - |
| Total income (loss) | (12,385,327) | 85,561,044 |
| Expenses (note 6) | | |
| Management fees | 8,317,260 | 6,262,424 |
| Administration fees | 1,380,843 | 1,074,441 |
| Independent review committee fees | 9,921 | 8,352 |
| Withholding tax | 269,517 | 251,969 |
| Transaction costs (note 3) | 50,659 | 12,576 |
| Total operating expenses | 10,028,200 | 7,609,762 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (22,413,527) | 77,951,282 |
| Finance Cost | | |
| Interest expense | (20) | (18) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (22,413,547) | 77,951,264 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (12,636,047) | 19,647,824 |
| Series T5 | (72,864) | 179,879 |
| Series F | (1,549,391) | 1,845,913 |
| Series F5 | (2,401) | - |
| Series I | (7,504,664) | 52,238,837 |
| Series O | (648,180) | 4,038,811 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 31,789,599 | 24,628,599 |
| Series T5 | 161,807 | 174,883 |
| Series F | 4,672,815 | 2,000,794 |
| Series F5 | 3,139 | - |
| Series I | 57,419,731 | 45,839,798 |
| Series O | 6,124,206 | 4,569,790 |

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

Sun Life Granite Moderate Portfolio (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.40) | 0.80 |
| Series T5 | (0.45) | 1.03 |
| Series F | (0.33) | 0.92 |
| Series F5 | (0.76) | - |
| Series I | (0.13) | 1.14 |
| Series O | (0.11) | 0.88 |

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

For the periods ended December 31

| | Series A | | Series T5 | | Series F | | Series F5 | |
|---|-----------------|--------------|-----------|-------------|--------------|-------------|-----------|------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 362,745,485 | 258,689,277 | 2,869,503 | 3,136,065 | 40,360,099 | 14,511,234 | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (12,636,047) | 19,647,824 | (72,864) | 179,879 | (1,549,391) | 1,845,913 | (2,401) | - |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 168,280,503 | 147,693,213 | 254,738 | 1,025,126 | 52,761,703 | 28,735,852 | 75,780 | - |
| Redemption of redeemable units | \$ (93,175,142) | (63,221,818) | (888,675) | (1,401,930) | (17,371,780) | (4,717,583) | - | - |
| Reinvestment of distributions to holders of redeemable units | \$ 14,274,006 | 10,525,067 | 124,509 | 114,760 | 3,518,989 | 1,645,672 | 783 | - |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 89,379,367 | 94,996,462 | (509,428) | (262,044) | 38,908,912 | 25,663,941 | 76,563 | - |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (14,217,382) | (7,330,763) | (74,219) | (58,335) | (2,484,867) | (815,970) | (2,414) | - |
| From net investment income | \$ (27,514) | (3,077,852) | (141) | (70,348) | (1,067,586) | (825,043) | (2,030) | - |
| Return of capital | \$ (80,190) | (179,463) | (103,540) | (55,714) | - | (19,976) | - | - |
| | \$ (14,325,086) | (10,588,078) | (177,900) | (184,397) | (3,552,453) | (1,660,989) | (4,444) | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 62,418,234 | 104,056,208 | (760,192) | (266,562) | 33,807,068 | 25,848,865 | 69,718 | - |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 425,163,719 | 362,745,485 | 2,109,311 | 2,869,503 | 74,167,167 | 40,360,099 | 69,718 | - |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 28,518,270 | 21,045,330 | 182,875 | 199,387 | 3,078,550 | 1,143,929 | - | - |
| Units issued | 13,265,830 | 11,600,513 | 16,954 | 64,008 | 4,002,678 | 2,164,218 | 4,905 | - |
| Units issued on reinvestment of distributions | 1,214,790 | 823,924 | 8,470 | 7,243 | 291,650 | 125,015 | 54 | - |
| Units redeemed | (7,354,162) | (4,951,497) | (58,960) | (87,763) | (1,320,292) | (354,612) | - | - |
| Balance - end of period | 35,644,728 | 28,518,270 | 149,339 | 182,875 | 6,052,586 | 3,078,550 | 4,959 | - |

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 (continued)

For the periods ended December 31

| | Series I | | Series O | | Total | |
|---|-----------------------|--------------------|-------------------|-------------------|----------------------|----------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 714,273,807 | 528,434,166 | 62,161,543 | 39,003,287 | 1,182,410,437 | 843,774,029 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (7,504,664) | 52,238,837 | (648,180) | 4,038,811 | (22,413,547) | 77,951,264 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 154,675,611 | 165,555,884 | 23,989,940 | 29,681,175 | 400,038,275 | 372,691,250 |
| Redemption of redeemable units | \$ (46,662,049) | (31,955,080) | (18,553,343) | (10,572,408) | (176,650,989) | (111,868,819) |
| Reinvestment of distributions to holders of redeemable units | \$ 48,676,371 | 33,613,922 | 3,877,504 | 2,839,980 | 70,472,162 | 48,739,401 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 156,689,933 | 167,214,726 | 9,314,101 | 21,948,747 | 293,859,448 | 309,561,832 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ (27,316,869) | (14,554,029) | (2,261,989) | (1,264,390) | (46,357,740) | (24,023,487) |
| From net investment income | \$ (21,359,502) | (18,703,599) | (1,615,498) | (1,533,959) | (24,072,271) | (24,210,801) |
| Return of capital | \$ - | (356,294) | - | (30,953) | (183,730) | (642,400) |
| | \$ (48,676,371) | (33,613,922) | (3,877,487) | (2,829,302) | (70,613,741) | (48,876,688) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 100,508,898 | 185,839,641 | 4,788,434 | 23,158,256 | 200,832,160 | 338,636,408 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 814,782,705 | 714,273,807 | 66,949,977 | 62,161,543 | 1,383,242,597 | 1,182,410,437 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 53,250,711 | 40,870,982 | 5,686,249 | 3,700,054 | 90,716,655 | 66,959,682 |
| Units issued | 11,463,813 | 12,245,124 | 2,182,353 | 2,684,168 | 30,936,533 | 28,758,031 |
| Units issued on reinvestment of distributions | 3,960,455 | 2,496,503 | 386,648 | 258,833 | 5,862,067 | 3,711,518 |
| Units redeemed | (3,450,339) | (2,361,898) | (1,686,652) | (956,806) | (13,870,405) | (8,712,576) |
| Balance - end of period | 65,224,640 | 53,250,711 | 6,568,598 | 5,686,249 | 113,644,850 | 90,716,655 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 | 2017 | | 2018 | 2017 |
|---|----------------------|---------------|--|----------------------|----------------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Cash Flows from Operating Activities | | | Net Cash Provided by (Used in) Operating Activities | (225,371,779) | (266,432,425) |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (22,413,547) | 77,951,264 | Cash Flows from Financing Activities | | |
| Adjustments for: | | | Distributions paid to holders of redeemable units, net of reinvested distributions | (141,579) | (137,287) |
| Net realized (gain) loss on sale of investments | (31,608,206) | (21,598,764) | Proceeds from redeemable units issued | 398,413,796 | 374,389,147 |
| Change in unrealized (appreciation) depreciation in value of investments | 90,343,341 | (27,177,338) | Redemption of redeemable units | (175,918,599) | (111,887,419) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - | Net Cash Provided by (Used in) Financing Activities | 222,353,618 | 262,364,441 |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | - | Net increase (decrease) in cash | (3,018,161) | (4,067,984) |
| Change in unrealized (appreciation) depreciation in option contracts | - | - | Cash (bank indebtedness) at beginning of period | 5,173,956 | 9,241,940 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - | Cash (bank indebtedness) at end of period | 2,155,795 | 5,173,956 |
| Non-cash income distributions from underlying funds | (44,341,483) | (35,294,022) | Dividends received, net of withholding taxes | 1,426,013 | 1,503,632 |
| Change in margin | - | - | Interest received, net of withholding taxes | 24,512 | 20,133 |
| Purchases of investments | (743,040,722) | (749,961,480) | Interest paid | (20) | (18) |
| Proceeds from sale of investments | 514,196,286 | 495,956,458 | | | |
| Purchases of short-term investments | - | - | | | |
| Proceeds from sale of short-term investments | - | - | | | |
| Change in dividends and interest receivable | (121,831) | 75,810 | | | |
| Change in distributions receivable from underlying funds | 11,476,417 | (6,043,154) | | | |
| Change in management fees payable | 77,106 | (307,885) | | | |
| Change in other payables and accrued expenses | 60,860 | (33,314) | | | |

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

Sun Life Granite Moderate Portfolio (continued)

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|----------------------|----------------------|-----------------------|
| EXCHANGE-TRADED FUNDS | | | | |
| iShares Core S&P 500 ETF | 270,610 | 95,050,541 | 92,995,045 | |
| | | 95,050,541 | 92,995,045 | 6.72 |
| MUTUAL FUNDS | | | | |
| ABSL Umbrella UCITS Fund, Class E | 47,290 | 7,182,290 | 8,486,191 | |
| Beutel Goodman Canadian Equity Fund, Class I | 1,720,265 | 66,022,443 | 63,471,230 | |
| Invesco Global Real Estate Fund, Series I | 1,346,495 | 16,875,125 | 16,420,502 | |
| PH&N Bond Fund, Series O | 19,934,984 | 207,293,340 | 200,115,345 | |
| RBC Global High Yield Bond Fund, Series O | 5,519,585 | 58,926,217 | 55,623,070 | |
| Sun Life BlackRock Canadian Composite Equity Fund, Series I | 9,580,942 | 104,580,035 | 95,517,203 | |
| Sun Life BlackRock Canadian Universe Bond Fund, Series I | 14,673,032 | 155,372,770 | 151,314,174 | |
| Sun Life Excel Emerging Markets Fund, Series I | 3,278,971 | 36,893,795 | 35,971,622 | |
| Sun Life Granite Tactical Completion Fund, Series I | 11,819,547 | 119,478,786 | 114,798,537 | |
| Sun Life Infrastructure Fund, Series I | 2,816,269 | 25,070,242 | 23,476,696 | |
| Sun Life JPMorgan International Equity Fund, Series I | 2,795,117 | 27,660,847 | 24,940,545 | |
| Sun Life MFS Canadian Equity Growth Fund, Series I | 1,003,553 | 50,113,813 | 48,466,812 | |
| Sun Life MFS International Growth Fund, Series I | 2,763,406 | 45,288,013 | 43,572,563 | |
| Sun Life MFS International Value Fund, Series I | 2,479,593 | 50,269,293 | 55,395,596 | |
| Sun Life MFS U.S. Growth Fund, Series I | 1,796,977 | 59,147,574 | 63,473,548 | |
| Sun Life MFS U.S. Value Fund, Series I | 1,030,807 | 27,234,209 | 26,988,473 | |
| Sun Life Money Market Fund, Series I | 6,517,830 | 65,178,302 | 65,178,302 | |
| Sun Life NWQ Flexible Income Fund, Series I | 1,875,897 | 18,542,607 | 16,775,394 | |
| Sun Life Ryan Labs U.S. Core Fixed Income Fund, Series I | 10,453,292 | 104,525,960 | 101,370,801 | |
| Sun Life Schroder Global Mid Cap Fund, Series I | 3,730,538 | 42,101,571 | 37,291,953 | |
| Templeton Global Bond Fund (Hedged), Series O | 5,113,078 | 43,969,427 | 40,752,763 | |
| | | 1,331,726,659 | 1,289,401,320 | 93.21 |
| Transaction Costs | | (3,633) | | |
| Total Investments | | 1,426,773,567 | 1,382,396,365 | 99.93 |
| Other Assets less Liabilities | | | 846,232 | 0.07 |
| Total Net Assets | | | 1,383,242,597 | 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, 2018 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 9 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, 2018 and December 31, 2017, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio'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, 2018 | December 31, 2017 |
| Exchange-Traded Funds | | |
| U.S. Equities | 6.7 | 8.1 |
| Mutual Funds | | |
| Canadian Fixed Income | 25.4 | 25.3 |
| Tactical Balanced | 9.5 | 11.0 |
| Canadian Equities | 11.5 | 10.1 |
| International Equities | 9.6 | 11.5 |
| High Yield Fixed Income | 4.0 | 6.8 |
| Global Fixed Income | 2.9 | 2.8 |
| U.S. Equities | 6.6 | 5.5 |
| Global Equities | 1.7 | 1.1 |
| Canadian Focused Equities | 3.5 | 3.3 |
| Real Estate Equities | 1.2 | 1.7 |
| U.S. Small/Mid Cap Equities | - | 1.6 |
| U.S. Fixed Income | 7.3 | 5.7 |
| Emerging Markets Equities | 2.6 | 2.5 |
| Canadian Money Market | 4.7 | - |
| Global Small/Mid Cap Equities | 2.7 | 1.5 |
| Canadian Small/Mid Cap Equities | - | 1.1 |
| Other Assets less Liabilities | 0.1 | 0.4 |
| Total | 100.0 | 100.0 |

Fair Value Disclosure

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|-----------------------|-------------------|--------------|--------------|---------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Exchange-Traded Funds | 92,995,045 | - | - | 92,995,045 |
| Mutual Funds | 1,289,401,320 | - | - | 1,289,401,320 |
| | | | | |
| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$50,659 (\$12,576 for the period ended December 31, 2017).

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)

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, 2018 and December 31, 2017, the Company held the following positions in the Portfolio:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | 720 | 10,127 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | - | - |

The following are transactions in the Portfolio by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F5 | 10,016 | - | 765 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F5 | - | - | - |

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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series I Units | January 11, 2012 | January 17, 2012 |
| Series O Units | April 01, 2014 | April 01, 2014 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 109,607,102 | 109,403,796 |
| Short-term investments | 546,602,291 | 482,135,474 |
| Cash | 30,731,899 | 9,823,979 |
| Margin | - | 2,765,800 |
| Option contracts, at fair value - long | 9,130,503 | 1,394,054 |
| Credit default swaps, sell protection | - | - |
| Unrealized appreciation on futures contracts | 2,144,835 | - |
| Unrealized appreciation on currency forward contracts | - | - |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | - | - |
| Accrued interest | 1,101,758 | 860,036 |
| Dividends receivable | - | - |
| Distributions receivable from underlying funds | - | 26 |
| Subscriptions receivable | 64,476 | - |
| | 699,382,864 | 606,383,165 |
| Liabilities | | |
| Current Liabilities | | |
| Bank indebtedness | - | - |
| Margin | 1,334,709 | 273,525 |
| Option contracts, at fair value - short | 4,696,644 | 8,047,260 |
| Credit default swaps, buy protection | - | - |
| Unrealized depreciation on futures contracts | 843,382 | 2,765,800 |
| Unrealized depreciation on currency forward contracts | - | - |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 11,395 | 8,190 |
| Redemptions payable | - | - |
| Distributions payable | - | - |
| Due to investment dealers | - | - |
| Management fees payable | - | - |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 6,886,130 | 11,094,775 |
| Net Assets Attributable to Holders of Redeemable Units | 692,496,734 | 595,288,390 |
| Net Assets Attributable to Holders of Redeemable Units per Unit - Series I (note 5) | 9.71 | 9.89 |

Approved on behalf of Trustee

| | |
|-------------------------------------|---|
| “signed” Rick Headrick President | “signed” Kari Holdsworth Chief Financial Officer |
|-------------------------------------|---|

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|---------------------|--------------|
| Investment Income | | |
| Dividend income | - | - |
| Interest income for distribution purposes | 10,247,621 | 4,539,673 |
| 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 | (11,955,298) | (3,585,135) |
| Net realized gain (loss) on futures contracts | (6,996,571) | 3,276,816 |
| Net realized gain (loss) on currency forward contracts | (1,504,395) | - |
| Net realized gain (loss) on option contracts | 3,737,429 | 33,449,452 |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | 42,268 | (88,487) |
| Change in unrealized appreciation (depreciation) in value of futures contracts | 4,067,253 | (2,765,800) |
| Change in unrealized appreciation (depreciation) in currency forward contracts | - | - |
| Change in unrealized appreciation (depreciation) in option contracts | (11,869,381) | (994,046) |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | (14,231,074) | 33,832,473 |
| Net gain (loss) on foreign exchange | 11,807,470 | (5,042,355) |
| Other income | - | - |
| Total income (loss) | (2,423,604) | 28,790,118 |
| Expenses (note 6) | | |
| Management fees | - | - |
| Administration fees | 370,231 | 285,371 |
| Independent review committee fees | - | - |
| Withholding tax | - | - |
| Transaction costs (note 3) | 10,452,252 | 7,639,137 |
| Total operating expenses | 10,822,483 | 7,924,508 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (13,246,087) | 20,865,610 |
| Finance Cost | | |
| Interest expense | (108) | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) - Series I | (13,246,195) | 20,865,610 |
| Weighted Average Number of Units Outstanding - Series I | | |
| | 67,102,672 | 50,253,876 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) - Series I | (0.20) | 0.42 |

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 periods ended December 31

| | Total | |
|---|-----------------|---------------|
| | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 595,288,390 | 554,605,586 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (13,246,195) | 20,865,610 |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | \$ 140,655,689 | 341,483,168 |
| Redemption of redeemable units | \$ (30,201,150) | (321,666,000) |
| Reinvestment of distributions to holders of redeemable units | \$ - | 38,737,913 |
| Capitalized distributions | \$ - | - |
| | \$ 110,454,539 | 58,555,081 |
| Distributions to Holders of Redeemable Units | | |
| From capital gains | \$ - | - |
| From net investment income | \$ - | (38,737,887) |
| Return of capital | \$ - | - |
| | \$ - | (38,737,887) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 97,208,344 | 40,682,804 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 692,496,734 | 595,288,390 |
| Redeemable Unit Transactions | | |
| Balance - beginning of period | 60,209,344 | 54,273,737 |
| Units issued | 14,173,975 | 33,235,110 |
| Units issued on reinvestment of distributions | - | 3,918,065 |
| Units redeemed | (3,084,222) | (31,217,568) |
| Balance - end of period | 71,299,097 | 60,209,344 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|---------------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (13,246,195) | 20,865,610 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | 11,955,298 | 3,585,135 |
| Change in unrealized (appreciation) depreciation in value of investments | (42,268) | 88,487 |
| Change in unrealized (appreciation) depreciation in value of futures contracts | (4,067,253) | 2,765,800 |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | - |
| Change in unrealized (appreciation) depreciation in option contracts | 11,869,381 | 994,046 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | 3,826,984 | 35,154,756 |
| Purchases of investments | (223,090,574) | (127,503,704) |
| Proceeds from sale of investments | 187,945,903 | 17,091,707 |
| Purchases of short-term investments | (3,614,560,514) | (2,947,745,422) |
| Proceeds from sale of short-term investments | 3,550,093,697 | 2,976,913,970 |
| Change in dividends and interest receivable | (241,722) | (747,255) |
| Change in distributions receivable from underlying funds | 26 | (26) |
| Change in management fees payable | - | - |
| Change in other payables and accrued expenses | 75,094 | (2,939) |
| Net Cash Provided by (Used in) Operating Activities | (89,482,143) | (18,539,835) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | - | 26 |
| Proceeds from redeemable units issued | 140,591,213 | 341,483,168 |
| Redemption of redeemable units | (30,201,150) | (321,666,000) |
| Net Cash Provided by (Used in) Financing Activities | 110,390,063 | 19,817,194 |
| Net increase (decrease) in cash | 20,907,920 | 1,277,359 |
| Cash (bank indebtedness) at beginning of period | 9,823,979 | 8,546,620 |
| Cash (bank indebtedness) at end of period | 30,731,899 | 9,823,979 |
| Dividends received, net of withholding taxes | - | - |
| Interest received, net of withholding taxes | 10,005,899 | 3,792,418 |
| Interest paid | (108) | - |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------------|--------|---------------|------------|--------------------|--------------------|-----------------------|
| SHORT-TERM INVESTMENTS | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.725% | 4-Jan-2019 | 42,888,000 | 42,843,895 | 42,843,895 | |
| Canadian Treasury Bill | 1.688% | 10-Jan-2019 | 36,227,000 | 36,094,560 | 36,094,560 | |
| Canadian Treasury Bill | 1.619% | 24-Jan-2019 | 19,885,000 | 19,803,886 | 19,803,886 | |
| Canadian Treasury Bill | 1.630% | 21-Feb-2019 | 26,832,000 | 26,763,477 | 26,763,477 | |
| Canadian Treasury Bill | 1.693% | 7-Mar-2019 | 91,965,000 | 91,545,893 | 91,545,893 | |
| Canadian Treasury Bill | 1.633% | 21-Mar-2019 | 75,910,000 | 75,604,961 | 75,604,961 | |
| Canadian Treasury Bill | 1.652% | 4-Apr-2019 | 25,000,000 | 24,890,750 | 24,890,750 | |
| Canadian Treasury Bill | 1.679% | 18-Apr-2019 | 8,506,000 | 8,462,790 | 8,462,790 | |
| United States Treasury Bill | 2.282% | 3-Jan-2019 | 3,179,000 | 4,210,695 | 4,332,129 | |
| | | | | 330,220,907 | 330,342,341 | 47.69 |
| Bankers' Acceptances | | | | | | |
| Bank of Nova Scotia | 2.194% | 18-Jan-2019 | 10,000,000 | 9,983,200 | 9,983,200 | |
| Canadian Imperial Bank of Commerce | 2.149% | 28-Feb-2019 | 5,026,000 | 4,999,513 | 4,999,513 | |
| Bank of Montreal | 2.126% | 15-Jan-2019 | 25,000,000 | 24,953,500 | 24,953,500 | |
| Bank of Montreal | 2.181% | 18-Mar-2019 | 4,977,000 | 4,950,672 | 4,950,672 | |
| National Bank of Canada | 2.194% | 28-Jan-2019 | 15,000,000 | 14,971,200 | 14,971,200 | |
| National Bank of Canada | 2.180% | 14-Mar-2019 | 5,000,000 | 4,974,450 | 4,974,450 | |
| Royal Bank of Canada | 2.184% | 24-Jan-2019 | 10,000,000 | 9,979,700 | 9,979,700 | |
| The Toronto-Dominion Bank | 2.161% | 23-Jan-2019 | 10,000,000 | 9,980,500 | 9,980,500 | |
| The Toronto-Dominion Bank | 2.140% | 28-Feb-2019 | 25,000,000 | 24,868,750 | 24,868,750 | |
| | | | | 109,661,485 | 109,661,485 | 15.84 |
| Discount Commercial Paper | | | | | | |
| Bay Street Funding Trust | 2.182% | 25-Feb-2019 | 10,000,000 | 9,945,900 | 9,945,900 | |
| Bay Street Funding Trust | 2.218% | 18-Mar-2019 | 5,000,000 | 4,972,500 | 4,972,500 | |
| Canadian Master Trust | 2.089% | 12-Feb-2019 | 5,000,000 | 4,965,900 | 4,965,900 | |
| Canadian Master Trust | 2.149% | 19-Feb-2019 | 2,400,000 | 2,382,744 | 2,382,744 | |
| Canadian Master Trust | 2.191% | 25-Feb-2019 | 5,000,000 | 4,963,350 | 4,963,350 | |
| Honda Canada Finance Inc. | 2.091% | 18-Jan-2019 | 5,000,000 | 4,976,050 | 4,976,050 | |
| King Street Funding Trust | 2.182% | 25-Feb-2019 | 15,000,000 | 14,918,850 | 14,918,850 | |
| Merit Trust | 2.158% | 20-Feb-2019 | 5,000,000 | 4,972,950 | 4,972,950 | |
| Merit Trust | 2.182% | 25-Feb-2019 | 10,000,000 | 9,945,900 | 9,945,900 | |
| Plaza Trust | 1.959% | 3-Jan-2019 | 5,000,000 | 4,974,900 | 4,974,900 | |
| Plaza Trust | 1.999% | 8-Jan-2019 | 3,000,000 | 2,980,410 | 2,980,410 | |
| Plaza Trust | 2.259% | 25-Mar-2019 | 5,000,000 | 4,969,850 | 4,969,850 | |
| Prime Trust | 2.099% | 21-Jan-2019 | 10,000,000 | 9,948,500 | 9,948,500 | |
| SAFE Trust | 2.158% | 26-Feb-2019 | 6,800,000 | 6,763,212 | 6,763,211 | |
| SAFE Trust | 2.210% | 22-Mar-2019 | 5,000,000 | 4,972,300 | 4,972,300 | |
| SOUND Trust | 2.158% | 26-Feb-2019 | 5,000,000 | 4,972,950 | 4,972,950 | |
| SOUND Trust | 2.218% | 15-Mar-2019 | 5,000,000 | 4,972,200 | 4,972,200 | |
| | | | | 106,598,466 | 106,598,465 | 15.39 |
| Total Short-Term Investments | | | | 546,480,858 | 546,602,291 | 78.92 |
| BONDS | | | | | | |
| Corporate Bonds | | | | | | |
| Canadian Imperial Bank of Commerce | 2.290% | 7-Feb-2020 | 5,000,000 | 4,999,175 | 4,995,115 | |
| Royal Bank of Canada | 2.750% | 11-Feb-2020 | 8,197,000 | 8,244,405 | 8,230,441 | |
| Royal Bank of Canada | 2.200% | 5-Nov-2019 | 5,000,000 | 5,000,000 | 5,000,800 | |
| The Bank of Nova Scotia | 2.220% | 2-Apr-2020 | 18,500,000 | 18,511,370 | 18,493,969 | |
| The Bank of Nova Scotia | 2.250% | 27-Aug-2019 | 5,000,000 | 5,000,000 | 5,002,200 | |
| The Toronto-Dominion Bank | 2.754% | 18-Feb-2020 | 18,194,000 | 18,298,372 | 18,269,869 | |
| Bank of Montreal | 1.944% | 30-Mar-2020 | 10,000,000 | 10,000,000 | 10,004,507 | |
| Canadian Imperial Bank of Commerce | 1.765% | 8-May-2019 | 15,000,000 | 15,000,000 | 15,003,933 | |
| Canadian Imperial Bank of Commerce | 1.765% | 7-Jun-2019 | 10,000,000 | 10,000,000 | 10,003,100 | |

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

Sun Life Granite Tactical Completion Fund (continued)

Schedule of Investments (continued)

As at December 31, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|--------|---------------|------------|--------------------|--------------------|-----------------------|
| National Bank of Canada | 1.763% | 11-Jun-2019 | 10,000,000 | 10,000,000 | 10,003,000 | |
| The Toronto-Dominion Bank | 1.788% | 31-Jul-2019 | 4,600,000 | 4,600,000 | 4,600,168 | |
| | | | | 109,653,322 | 109,607,102 | 15.83 |
| Total Bonds | | | | 109,653,322 | 109,607,102 | 15.83 |
| Transaction Costs | | | | - | | |
| Total Investments | | | | 656,134,180 | 656,209,393 | 94.75 |
| Written Option Contracts⁽¹⁾ | | | | | 4,433,859 | 0.64 |
| Futures Contracts⁽²⁾ | | | | | 1,301,453 | 0.19 |
| Other Assets less Liabilities | | | | | 30,552,029 | 4.42 |
| Total Net Assets | | | | | 692,496,734 | 100.00 |

⁽¹⁾ Written Option Contracts

| | Expiry Date | Number of Contracts | Average Cost (\$) | Current Value (\$) |
|--|-------------|---------------------|--------------------|--------------------|
| S&P 500 INDEX@2625 CALL OPT | 18-Jan-2019 | 4,400 | 6,850,853 | 5,198,235 |
| S&P 500 INDEX@2500 CALL OPT | 4-Jan-2019 | 515 | 5,556,757 | 2,148,847 |
| ISHARES MSCI EMERGING MKT@39 CALL OPT | 18-Jan-2019 | 5,800 | 1,464,632 | 724,830 |
| ISHARES MSCI EMERGING MKT@40 CALL OPT | 18-Jan-2019 | 6,750 | 1,668,666 | 419,471 |
| ISHARES MSCI EMERGING MKT@40 CALL OPT | 18-Jan-2019 | 5,800 | 1,052,390 | 360,435 |
| ISHARES MSCI EMERGING MKT@41 CALL OPT | 18-Jan-2019 | 6,750 | 1,170,832 | 170,554 |
| S&P 500 INDEX@3300 CALL OPT | 15-Mar-2019 | 6,600 | 135,214 | 67,607 |
| WISDOMTREE JAPAN HEDGED EQT@54 CALL OPT | 18-Jan-2019 | 15,500 | 4,233,980 | 24,678 |
| ISHARES 20+ YR TREASURY BD@106 PUT OPT | 18-Jan-2019 | 10,500 | 28,682 | 15,752 |
| ISHARES 20+ YR TREASURY BD@145 CALL OPT | 18-Jan-2019 | 10,500 | 43,023 | 94 |
| UNITED STATES OIL FUND LP@19 CALL OPT | 18-Jan-2019 | 36,500 | 49,852 | - |
| | | | 22,254,881 | 9,130,503 |
| ISHARES 20+ YR TSRY BD@117.5 PUT OPT | 25-Jan-2019 | (10,500) | (301,159) | (308,329) |
| ISHARES MSCI EMERGING MARKETS@38 PUT OPT | 18-Jan-2019 | (17,000) | (1,555,646) | (951,963) |
| ISHARES 20+ YEAR TREASURY@122 CALL OPT | 25-Jan-2019 | (10,500) | (631,000) | (1,663,544) |
| S&P 500 INDEX@2675 CALL OPT | 18-Jan-2019 | (4,400) | (2,884,570) | (1,772,808) |
| | | | (5,372,375) | (4,696,644) |
| | | | | 4,433,859 |

⁽²⁾ Futures Contracts

| Name of Future | Contracted Value (\$) | Expiry Date | Numbers of Contracts | Contracted Price | Current Value (\$) | Unrealized Appreciation/ (Depreciation) (\$) |
|-------------------------------------|-----------------------|-------------|----------------------|------------------|--------------------|--|
| TSE TOPIX STOCK INDEX FUTURES | 83,684,769 | 7-Mar-2019 | 480 | 1,458 | 85,829,604 | 2,144,835 |
| | | | | | 85,829,604 | 2,144,835 |
| E-MINI MSCI EMERGING MARKET FUTURES | 90,085,027 | 15-Mar-2019 | 1,300 | 976 | 89,241,645 | (843,382) |
| | | | | | 89,241,645 | (843,382) |
| | | | | | | 1,301,453 |

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

Sun Life Granite Tactical Completion Fund (continued)

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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 75.33 | 77.60 |
| AA/Aa | 11.57 | 12.33 |
| A/A | 6.50 | 5.77 |
| Not Rated | 2.67 | 3.90 |
| Total | 96.07 | 99.60 |

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, 2018 and December 31, 2017. Amounts shown are based on the fair value of monetary and non-monetary assets.

| | December 31, 2018 | | December 31, 2017 | |
|----------------------|---|------------------------------|---|------------------------------|
| | Holdings Exposed to Currency Risk (\$CAD) | Percentage of Net Assets (%) | Holdings Exposed to Currency Risk (\$CAD) | Percentage of Net Assets (%) |
| United States Dollar | 11,219,330 | 1.62 | 227,280,759 | 38.18 |
| Japanese Yen | 6,119,953 | 0.88 | - | - |
| Euro | 52,326 | 0.01 | - | - |
| Total | 17,391,609 | 2.51 | 227,280,759 | 38.18 |

As at December 31, 2018, 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 \$869,580 (\$11,364,038 as at December 31, 2017). 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, 2018 | 596,215,493 | 59,993,900 | - | 656,209,393 |
| December 31, 2017 | 591,539,270 | - | - | 591,539,270 |

As at December 31, 2018, 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 \$1,695,411 (\$882,216 as at December 31, 2017). 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, 2018, 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 \$8,753,562 (\$0 as at December 31, 2017). 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 Granite Tactical Completion Fund (continued)

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 47.7 | 60.6 |
| Bankers' Acceptances | 15.9 | 9.9 |
| Discount Commercial Paper | 15.4 | 10.5 |
| Bonds | | |
| Corporate Bonds | 15.8 | 18.4 |
| Derivative Assets (Liabilities) | 0.8 | (1.6) |
| Other Assets less Liabilities | 4.4 | 2.2 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|---------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Bonds | - 109,607,102 | | - 109,607,102 | |
| Short-Term Investments | - 546,602,291 | | - 546,602,291 | |
| Futures | | | | |
| Contracts | 2,144,835 | - | - 2,144,835 | |
| Option | | | | |
| Contracts | 9,130,503 | - | - 9,130,503 | |
| Financial Liabilities | | | | |
| Futures | | | | |
| Contracts | 843,382 | - | - 843,382 | |
| Option | | | | |
| Contracts | 4,696,644 | - | - 4,696,644 | |
| | | | | |
| | 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 | |

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, 2018 and January 1 to December 31, 2017.

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 1 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, 2018 were \$10,452,252 (\$7,639,137 for the period ended December 31, 2017).

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$10,550,178 (\$5,260,480 as at December 31, 2017). 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, 2018, the Fund had accumulated non-capital losses of \$3,432,450 (\$nil as at December 31, 2017). The non-capital losses for tax purposes are available for carry forward until the year ending 2036.

The Fund had no accumulated capital losses.

Sun Life Granite Tactical Completion 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 I Units | February 05, 2016 | February 11, 2016 |

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

Sun Life Infrastructure Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 295,814,779 | 109,105,263 |
| Short-term investments | - | - |
| Cash | 8,557,848 | 19,634,806 |
| 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 | 510,589 | - |
| Accrued interest | - | 310 |
| Dividends receivable | 1,915,944 | 354,368 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 234,386 | 3,018,201 |
| | 307,033,546 | 132,112,948 |
| 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 | 5,974 | 2,394 |
| Redemptions payable | 603,919 | 28,138 |
| Distributions payable | - | - |
| Due to investment dealers | 1,888,678 | 9,187,522 |
| Management fees payable | 10,023 | 8,311 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 2,508,594 | 9,226,365 |
| Net Assets Attributable to Holders of Redeemable Units | 304,524,952 | 122,886,583 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 14,877,094 | 15,164,708 |
| Series T5 | 12,742 | 13,120 |
| Series T8 | 49,530 | 14,862 |
| Series F | 1,814,536 | 1,218,138 |
| Series F5 | 10,511 | - |
| Series F8 | 10,511 | - |
| Series I | 285,063,373 | 102,737,873 |
| Series O | 2,686,655 | 3,737,882 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 7.49 | 8.05 |
| Series T5 | 11.24 | 12.22 |
| Series T8 | 10.27 | 11.54 |
| Series F | 7.67 | 8.15 |
| Series F5 | 15.06 | - |
| Series F8 | 14.65 | - |
| Series I | 8.34 | 8.87 |
| Series O | 8.01 | 8.43 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

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

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|-------------------|
| Investment Income | | |
| Dividend income | 10,996,553 | 4,935,018 |
| Interest income for distribution purposes | 15,657 | 49,276 |
| 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 | 4,564,821 | 22,081,730 |
| Net realized gain (loss) on futures contracts | - | - |
| Net realized gain (loss) on currency forward contracts | - | 1,998,754 |
| Net realized gain (loss) on option contracts | - | (317,996) |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | (15,892,596) | (10,878,640) |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | - | (249,428) |
| Change in unrealized appreciation (depreciation) in option contracts | - | 266,075 |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | (315,565) | 17,884,789 |
| Net gain (loss) on foreign exchange | (210,854) | (2,052) |
| Other income | - | - |
| Total income (loss) | (526,419) | 17,882,737 |
| Expenses (note 6) | | |
| Management fees | 353,677 | 309,244 |
| Administration fees | 171,319 | 109,617 |
| Independent review committee fees | 374 | 374 |
| Withholding tax | 1,444,138 | 327,066 |
| Transaction costs (note 3) | 493,239 | 418,604 |
| Total operating expenses | 2,462,747 | 1,164,905 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (2,989,166) | 16,717,832 |
| Finance Cost | | |
| Interest expense | (950) | (360) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (2,990,116) | 16,717,472 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (438,931) | 1,082,736 |
| Series T5 | (378) | 1,151 |
| Series T8 | (881) | 1,032 |
| Series F | (41,220) | 79,733 |
| Series F5 | 511 | - |
| Series F8 | 511 | - |
| Series I | (2,482,412) | 15,304,207 |
| Series O | (27,316) | 248,613 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 1,942,354 | 1,435,297 |
| Series T5 | 1,101 | 917 |
| Series T8 | 3,529 | 891 |
| Series F | 191,795 | 96,971 |
| Series F5 | 681 | - |
| Series F8 | 690 | - |
| Series I | 26,249,916 | 12,762,000 |
| Series O | 406,057 | 298,392 |

Sun Life Infrastructure Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.23) | 0.75 |
| Series T5 | (0.34) | 1.26 |
| Series T8 | (0.25) | 1.16 |
| Series F | (0.21) | 0.82 |
| Series F5 | 0.75 | - |
| Series F8 | 0.74 | - |
| Series I | (0.09) | 1.20 |
| Series O | (0.07) | 0.83 |

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 | |
|---|----------------------|-------------------|---------------|---------------|---------------|---------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 15,164,708 | 10,990,502 | 13,120 | 11,969 | 14,862 | 10,003 | 1,218,138 | 656,964 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (438,931) | 1,082,736 | (378) | 1,151 | (881) | 1,032 | (41,220) | 79,733 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 4,805,439 | 5,913,594 | - | 335 | 61,127 | 4,000 | 1,419,504 | 922,414 |
| Redemption of redeemable units | \$ (4,646,358) | (2,770,066) | - | (335) | (23,127) | - | (773,767) | (375,269) |
| Reinvestment of distributions to holders of redeemable units | \$ 615,316 | 2,798,547 | 702 | 2,448 | 944 | 2,073 | 54,016 | 180,602 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 774,397 | 5,942,075 | 702 | 2,448 | 38,944 | 6,073 | 699,753 | 727,747 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | (2,253,616) | - | (1,851) | - | (1,381) | (5,688) | (206,251) |
| From net investment income | \$ (553,927) | (596,989) | - | (597) | - | (865) | (50,182) | (40,055) |
| Return of capital | \$ (69,153) | - | (702) | - | (3,395) | - | (6,265) | - |
| | \$ (623,080) | (2,850,605) | (702) | (2,448) | (3,395) | (2,246) | (62,135) | (246,306) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (287,614) | 4,174,206 | (378) | 1,151 | 34,668 | 4,859 | 596,398 | 561,174 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 14,877,094 | 15,164,708 | 12,742 | 13,120 | 49,530 | 14,862 | 1,814,536 | 1,218,138 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 1,883,098 | 1,215,980 | 1,074 | 882 | 1,288 | 782 | 149,446 | 71,159 |
| Units issued | 619,943 | 627,247 | - | 23 | 5,632 | 337 | 178,017 | 94,624 |
| Units issued on reinvestment of distributions | 79,523 | 332,976 | 60 | 192 | 87 | 169 | 6,865 | 21,447 |
| Units redeemed | (596,374) | (293,105) | - | (23) | (2,184) | - | (97,716) | (37,784) |
| Balance - end of period | 1,986,190 | 1,883,098 | 1,134 | 1,074 | 4,823 | 1,288 | 236,612 | 149,446 |

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

Sun Life Infrastructure Fund (continued)

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

For the periods ended December 31

| | Series F5 | | Series F8 | | Series I | | Series O | |
|---|-----------|------|-----------|------|--------------|---------------|-------------|-----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - | 102,737,873 | 200,190,943 | 3,737,882 | 2,060,054 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 511 | - | 511 | - | (2,482,412) | 15,304,207 | (27,316) | 248,613 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 10,000 | - | 10,000 | - | 209,835,116 | 24,906,796 | 188,629 | 2,023,342 |
| Redemption of redeemable units | \$ - | - | - | - | (25,027,204) | (137,664,075) | (1,206,254) | (555,092) |
| Reinvestment of distributions to holders of redeemable units | \$ 486 | - | 776 | - | 12,967,854 | 18,525,206 | 134,315 | 703,283 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 10,486 | - | 10,776 | - | 197,775,766 | (94,232,073) | (883,310) | 2,171,533 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | - | - | (4,954,306) | (12,951,100) | - | (611,739) |
| From net investment income | \$ (432) | - | (690) | - | (7,124,158) | (5,574,104) | (124,996) | (130,579) |
| Return of capital | \$ (54) | - | (86) | - | (889,390) | - | (15,605) | - |
| | \$ (486) | - | (776) | - | (12,967,854) | (18,525,204) | (140,601) | (742,318) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 10,511 | - | 10,511 | - | 182,325,500 | (97,453,070) | (1,051,227) | 1,677,828 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 10,511 | - | 10,511 | - | 285,063,373 | 102,737,873 | 2,686,655 | 3,737,882 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | - | - | - | - | 11,587,545 | 21,119,674 | 443,469 | 218,056 |
| Units issued | 667 | - | 666 | - | 23,964,597 | 2,701,665 | 23,001 | 200,413 |
| Units issued on reinvestment of distributions | 31 | - | 51 | - | 1,522,013 | 1,991,828 | 16,405 | 80,373 |
| Units redeemed | - | - | - | - | (2,878,799) | (14,225,622) | (147,473) | (55,373) |
| Balance - end of period | 698 | - | 717 | - | 34,195,356 | 11,587,545 | 335,402 | 443,469 |

| | Total | |
|---|-----------------|---------------|
| | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 122,886,583 | 213,920,435 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (2,990,116) | 16,717,472 |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | \$ 216,329,815 | 33,770,481 |
| Redemption of redeemable units | \$ (31,676,710) | (141,364,837) |
| Reinvestment of distributions to holders of redeemable units | \$ 13,774,409 | 22,212,159 |
| Capitalized distributions | \$ - | - |
| | \$ 198,427,514 | (85,382,197) |
| Distributions to Holders of Redeemable Units | | |
| From capital gains | \$ (4,959,994) | (16,025,938) |
| From net investment income | \$ (7,854,385) | (6,343,189) |
| Return of capital | \$ (984,650) | - |
| | \$ (13,799,029) | (22,369,127) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 181,638,369 | (91,033,852) |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 304,524,952 | 122,886,583 |
| Redeemable Unit Transactions | | |
| Balance - beginning of period | 14,065,920 | 22,626,533 |
| Units issued | 24,792,523 | 3,624,309 |
| Units issued on reinvestment of distributions | 1,625,035 | 2,426,985 |
| Units redeemed | (3,722,546) | (14,611,907) |
| Balance - end of period | 36,760,932 | 14,065,920 |

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

Sun Life Infrastructure Fund (continued)

Statements of Cash Flows

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|----------------------|---------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (2,990,116) | 16,717,472 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (4,564,821) | (22,081,730) |
| Change in unrealized (appreciation) depreciation in value of investments | 15,892,596 | 10,878,640 |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | 249,428 |
| Change in unrealized (appreciation) depreciation in option contracts | - | (266,075) |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | - | - |
| Purchases of investments | (319,757,541) | (144,680,014) |
| Proceeds from sale of investments | 113,417,578 | 266,590,676 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | (1,561,266) | 166,727 |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | 1,712 | (14,970) |
| Change in other payables and accrued expenses | 496,819 | 408,196 |
| Net Cash Provided by (Used in) Operating Activities | (199,065,039) | 127,968,350 |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (24,620) | (156,968) |
| Proceeds from redeemable units issued | 219,113,630 | 30,760,901 |
| Redemption of redeemable units | (31,100,929) | (145,418,360) |
| Net Cash Provided by (Used in) Financing Activities | 187,988,081 | (114,814,427) |
| Net increase (decrease) in cash | (11,076,958) | 13,153,923 |
| Cash (bank indebtedness) at beginning of period | 19,634,806 | 6,480,883 |
| Cash (bank indebtedness) at end of period | 8,557,848 | 19,634,806 |
| Dividends received, net of withholding taxes | 7,990,839 | 4,774,989 |
| Interest received, net of withholding taxes | 15,967 | 48,966 |
| Interest paid | (950) | (360) |

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------------|----------------------|--------------------|--------------------------|
| EQUITIES | | | | |
| Energy | | | | |
| Snam SpA | 3,692,497 | 22,324,972 | 22,017,309 | |
| | | 22,324,972 | 22,017,309 | 7.23 |
| Industrials | | | | |
| ASTM SpA | 82,001 | 2,708,727 | 2,237,974 | |
| Atlantia SpA | 811,052 | 30,312,011 | 22,882,385 | |
| Atlas Arteria Ltd. | 675,472 | 3,954,095 | 4,065,783 | |
| Fraport AG Frankfurt Airport Services Worldwide | 86,190 | 11,046,428 | 8,405,301 | |
| Kansas City Southern | 47,700 | 6,140,409 | 6,218,453 | |
| Norfolk Southern Corp. | 95,800 | 21,124,234 | 19,566,401 | |
| Societa Iniziative Autostradali e Servizi SpA | 78,968 | 1,824,673 | 1,486,938 | |
| Transurban Group | 1,754,535 | 19,834,326 | 19,653,978 | |
| Vinci SA | 140,425 | 16,676,059 | 15,790,358 | |
| | | 113,620,962 | 100,307,571 | 32.94 |
| Consumer Discretionary | | | | |
| Eutelsat Communications SA | 437,429 | 11,727,550 | 11,750,509 | |
| SES SA | 668,043 | 14,296,057 | 17,429,113 | |
| | | 26,023,607 | 29,179,622 | 9.58 |
| Utilities | | | | |
| American Electric Power Co., Inc. | 29,200 | 2,731,575 | 2,980,739 | |
| Atco Ltd., Class I | 37,200 | 1,482,362 | 1,436,292 | |
| AusNet Services | 811,547 | 1,260,830 | 1,213,407 | |
| Edison International | 116,880 | 9,248,874 | 9,062,482 | |
| Hera SpA | 554,963 | 2,441,531 | 2,306,569 | |
| Italgas SpA | 1,051,726 | 8,158,377 | 8,203,883 | |
| National Grid PLC | 1,760,267 | 25,826,190 | 23,399,597 | |
| Pennon Group PLC | 781,944 | 9,421,813 | 9,423,372 | |
| PG&E Corp. | 362,522 | 18,502,244 | 11,759,424 | |
| Red Electrica Corp SA | 393,547 | 10,701,997 | 11,978,826 | |
| REN - Redes Energéticas Nacionais SGPS SA | 650,453 | 2,478,218 | 2,471,900 | |
| Severn Trent PLC | 418,410 | 13,771,269 | 13,213,599 | |
| Spark Infrastructure Group | 3,052,598 | 6,865,251 | 6,486,708 | |
| Terna Rete Elettrica Nazionale SpA | 3,089,607 | 23,316,579 | 23,892,743 | |
| United Utilities Group PLC | 1,286,939 | 17,139,388 | 16,480,736 | |
| | | 153,346,498 | 144,310,277 | 47.39 |
| Total Equities | | 315,316,039 | 295,814,779 | 97.14 |
| Transaction Costs | | (529,963) | | |
| Total Investments | | 314,786,076 | 295,814,779 | 97.14 |
| Other Assets less Liabilities | | | 8,710,173 | 2.86 |
| Total Net Assets | | | 304,524,952 | 100.00 |

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

Sun Life Infrastructure Fund (continued)

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and December 31, 2017, 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, 2018 and December 31, 2017. 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, 2018 | | December 31, 2017 | |
| Euro | 150,939,713 | 49.58 | 61,952,424 | 50.41 |
| United States Dollar | 48,278,856 | 15.85 | 17,925,421 | 14.59 |
| British Pound | 63,258,821 | 20.77 | 14,820,098 | 12.06 |
| Australian Dollar | 31,762,344 | 10.43 | 5,637,379 | 4.59 |
| Swiss Franc | 273,467 | 0.09 | - | - |
| Total | 294,513,201 | 96.72 | 100,335,322 | 81.65 |

As at December 31, 2018, 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 \$14,725,660 (\$5,016,766 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at December 31, 2018 and December 31, 2017, 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, 2018, 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 \$14,790,739 (\$5,455,263 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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.

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

Sun Life Infrastructure 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, 2018 | December 31, 2017 |
| Equities | | |
| Energy | 7.2 | 7.6 |
| Industrials | 32.9 | 35.3 |
| Consumer Discretionary | 9.6 | 3.5 |
| Utilities | 47.4 | 42.4 |
| Other Assets less Liabilities | 2.9 | 11.2 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|----------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities | 295,814,779 | - | - | 295,814,779 |

| | December 31, 2017 | | | Total (\$) |
|----------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities | 109,105,263 | - | - | 109,105,263 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$493,239 (\$418,604 for the period ended December 31, 2017).

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, 2018 was \$73,981 (\$11,877 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series T5 | 947 | 10,643 |
| Series T8 | 1,038 | 10,663 |
| Series F5 | 698 | 10,511 |
| Series F8 | 717 | 10,511 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series T5 | 897 | 10,955 |
| Series T8 | 951 | 10,975 |
| Series F5 | - | - |
| Series F8 | - | - |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series T5 | 27 | - | 561 |
| Series T8 | 27 | - | 914 |
| Series F5 | 10,017 | - | 468 |
| Series F8 | 10,017 | - | 758 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series T5 | 28 | - | 2,019 |
| Series T8 | 28 | - | 2,043 |
| Series F5 | - | - | - |
| Series F8 | - | - | - |

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

Sun Life Infrastructure Fund (continued)

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, 2018 and December 31, 2017, there were no seed capital positions held.

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| December 31, 2018 | | | |
|-------------------|----------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | - | - |

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

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| Series I Units | January 29, 2015 | February 02, 2015 |
| Series O Units | January 29, 2015 | February 02, 2015 |

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

Sun Life JPMorgan International Equity Fund

Statement of Financial Position

As at December 31, 2018

| | December 31, 2018 (\$) |
|--|---------------------------|
| Assets | |
| Current Assets | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 357,314,183 |
| Short-term investments | - |
| Cash | 8,932,515 |
| 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 | 266,634 |
| Distributions receivable from underlying funds | - |
| Subscriptions receivable | 522,070 |
| | 367,035,402 |
| 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 | 6,009 |
| Redemptions payable | 20,191 |
| Distributions payable | - |
| Due to investment dealers | - |
| Management fees payable | 59 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 26,259 |
| Net Assets Attributable to Holders of Redeemable Units | 367,009,143 |
| Net Assets Attributable to Holders of Redeemable Units per Series | |
| Series A | 76,749 |
| Series T5 | 8,895 |
| Series T8 | 8,895 |
| Series F | 23,501 |
| Series F5 | 8,941 |
| Series F8 | 8,941 |
| Series I | 366,864,280 |
| Series O | 8,941 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | |
| Series A | 8.87 |
| Series T5 | 12.97 |
| Series T8 | 12.75 |
| Series F | 8.91 |
| Series F5 | 13.03 |
| Series F8 | 12.82 |
| Series I | 8.92 |
| Series O | 8.92 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

Statement of Comprehensive Income (Loss)

For the period from July 13, 2018 to December 31, 2018

| | 2018 (\$) |
|---|---------------------|
| Investment Income | |
| Dividend income | 2,771,239 |
| Interest income for distribution purposes | 21,570 |
| 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 | (10,442,209) |
| 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 | (22,666,077) |
| 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 | (30,315,477) |
| Net gain (loss) on foreign exchange | (61,377) |
| Other income | - |
| Total income (loss) | (30,376,854) |
| Expenses (note 6) | |
| Management fees | 704 |
| Administration fees | 79,008 |
| Independent review committee fees | - |
| Withholding tax | 215,489 |
| Transaction costs (note 3) | 758,143 |
| Total operating expenses | 1,053,344 |
| Management fees waived/absorbed by the Manager | - |
| Operating Profit (Loss) | (31,430,198) |
| Finance Cost | |
| Interest expense | (182) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | (31,430,380) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | |
| Series A | (3,795) |
| Series T5 | (1,105) |
| Series T8 | (1,105) |
| Series F | (2,640) |
| Series F5 | (1,059) |
| Series F8 | (1,059) |
| Series I | (31,418,588) |
| Series O | (1,029) |
| Weighted Average Number of Units Outstanding | |
| Series A | 4,720 |
| Series T5 | 675 |
| Series T8 | 681 |
| Series F | 2,512 |
| Series F5 | 675 |
| Series F8 | 680 |
| Series I | 34,549,594 |
| Series O | 999 |

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

Sun Life JPMorgan International Equity Fund (continued)

Statement of Comprehensive Income (Loss) (continued)

For the period from July 13, 2018 to December 31, 2018

| | 2018 (\$) |
|--|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | |
| Series A | (0.80) |
| Series T5 | (1.64) |
| Series T8 | (1.62) |
| Series F | (1.05) |
| Series F5 | (1.57) |
| Series F8 | (1.56) |
| Series I | (0.91) |
| Series O | (1.03) |

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

For the period from July 13, 2018 to December 31, 2018

| | Series A 2018 | Series T5 2018 | Series T8 2018 | Series F 2018 |
|---|------------------|-------------------|-------------------|------------------|
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (3,795) | (1,105) | (1,105) | (2,640) |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | \$ 88,960 | 10,000 | 10,000 | 26,141 |
| Redemption of redeemable units | \$ (8,416) | - | - | - |
| Reinvestment of distributions to holders of redeemable units | \$ 156 | 263 | 417 | 51 |
| Capitalized distributions | \$ - | - | - | - |
| | \$ 80,700 | 10,263 | 10,417 | 26,192 |
| Distributions to Holders of Redeemable Units | | | | |
| From capital gains | \$ - | - | - | - |
| From net investment income | \$ (156) | (263) | (244) | (51) |
| Return of capital | \$ - | - | (173) | - |
| | \$ (156) | (263) | (417) | (51) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 76,749 | 8,895 | 8,895 | 23,501 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 76,749 | 8,895 | 8,895 | 23,501 |
| Redeemable Unit Transactions | | | | |
| Balance - beginning of period | - | - | - | - |
| Units issued | 9,599 | 667 | 667 | 2,630 |
| Units issued on reinvestment of distributions | 18 | 19 | 31 | 6 |
| Units redeemed | (962) | - | - | - |
| Balance - end of period | 8,655 | 686 | 698 | 2,636 |

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

Sun Life JPMorgan International Equity Fund (continued)

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

For the period from July 13, 2018 to December 31, 2018

| | Series F5 | Series F8 | Series I | Series O | Total |
|---|-----------------|--------------|--------------------|--------------|---------------------|
| | 2018 | 2018 | 2018 | 2018 | 2018 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,059) | (1,059) | (31,418,588) | (1,029) | (31,430,380) |
| Redeemable Unit Transactions | | | | | |
| Proceeds from redeemable units issued | \$ 10,000 | 10,000 | 415,031,900 | 10,000 | 415,197,001 |
| Redemption of redeemable units | \$ - | - | (16,749,032) | (30) | (16,757,478) |
| Reinvestment of distributions to holders of redeemable units | \$ 262 | 416 | 2,092,425 | 46 | 2,094,036 |
| Capitalized distributions | \$ - | - | - | - | - |
| | \$ 10,262 | 10,416 | 400,375,293 | 10,016 | 400,533,559 |
| Distributions to Holders of Redeemable Units | | | | | |
| From capital gains | \$ - | - | - | - | - |
| From net investment income | \$ (262) | (416) | (2,092,425) | (46) | (2,093,863) |
| Return of capital | \$ - | - | - | - | (173) |
| | \$ (262) | (416) | (2,092,425) | (46) | (2,094,036) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 8,941 | 8,941 | 366,864,280 | 8,941 | 367,009,143 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 8,941 | 8,941 | 366,864,280 | 8,941 | 367,009,143 |
| Redeemable Unit Transactions | | | | | |
| Balance - beginning of period | - | - | - | - | - |
| Units issued | 667 | 667 | 42,735,113 | 1,000 | 42,751,010 |
| Units issued on reinvestment of distributions | 19 | 31 | 238,611 | 5 | 238,740 |
| Units redeemed | - | - | (1,858,639) | (3) | (1,859,604) |
| Balance - end of period | 686 | 698 | 41,115,085 | 1,002 | 41,130,146 |

Statement of Cash Flows

For the period from July 13, 2018 to December 31, 2018

| | 2018 | 2018 |
|---|----------------------|--|
| | (\$) | (\$) |
| Cash Flows from Operating Activities | | Net Cash Provided by (Used in) Operating Activities |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (31,430,380) | (389,005,129) |
| Adjustments for: | | Cash Flows from Financing Activities |
| Net realized (gain) loss on sale of investments | 10,442,209 | Distributions paid to holders of redeemable units, net of reinvested distributions |
| Change in unrealized (appreciation) depreciation in value of investments | 22,666,077 | Proceeds from redeemable units issued |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | Redemption of redeemable units |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | |
| Change in unrealized (appreciation) depreciation in option contracts | - | Net Cash Provided by (Used in) Financing Activities |
| Change in unrealized (appreciation) depreciation in value of swaps | - | 397,937,644 |
| Non-cash income distributions from underlying funds | - | Net increase (decrease) in cash |
| Change in margin | - | Cash (bank indebtedness) at beginning of period |
| Purchases of investments | (490,142,705) | |
| Proceeds from sale of investments | 98,962,093 | 8,932,515 |
| Purchases of short-term investments | - | Cash (bank indebtedness) at end of period |
| Proceeds from sale of short-term investments | - | 8,932,515 |
| Change in dividends and interest receivable | (266,634) | Dividends received, net of withholding taxes |
| Change in distributions receivable from underlying funds | - | Interest received, net of withholding taxes |
| Change in management fees payable | 59 | Interest paid |
| Change in other payables and accrued expenses | 764,152 | (182) |

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

Sun Life JPMorgan International Equity Fund (continued)

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|-------------------|-------------------|-----------------------|
| EQUITIES | | | | |
| Energy | | | | |
| Royal Dutch Shell PLC, Class A | 310,125 | 13,807,304 | 12,422,335 | |
| | | 13,807,304 | 12,422,335 | 3.38 |
| Materials | | | | |
| BHP Group PLC | 311,504 | 8,822,965 | 8,949,346 | |
| Linde PLC | 32,152 | 6,619,851 | 6,955,189 | |
| Shin-Etsu Chemical Co., Ltd. | 65,500 | 8,025,047 | 6,960,137 | |
| | | 23,467,863 | 22,864,672 | 6.23 |
| Industrials | | | | |
| Airbus Group NV | 42,684 | 6,074,496 | 5,595,411 | |
| Canadian National Railway Co. | 70,618 | 8,133,297 | 7,140,186 | |
| FANUC Corp. | 27,200 | 6,436,941 | 5,644,514 | |
| Ferguson PLC | 85,818 | 9,016,653 | 7,489,370 | |
| Komatsu Ltd. | 138,900 | 5,388,560 | 4,090,226 | |
| RELX PLC | 308,870 | 8,802,275 | 8,665,990 | |
| Safran SA | 28,299 | 4,688,711 | 4,656,999 | |
| SMC Corp. | 13,900 | 5,737,216 | 5,751,722 | |
| | | 54,278,149 | 49,034,418 | 13.36 |
| Consumer Discretionary | | | | |
| Accor SA | 67,593 | 4,468,357 | 3,916,401 | |
| Burberry Group PLC | 233,464 | 8,269,110 | 7,048,023 | |
| Continental AG | 34,751 | 9,340,303 | 6,551,623 | |
| Delivery Hero AG | 92,889 | 6,761,703 | 4,713,484 | |
| LVMH Moët Hennessy Louis Vuitton SA | 22,607 | 10,025,738 | 9,113,676 | |
| Zalando SE | 110,872 | 6,136,905 | 3,884,536 | |
| | | 45,002,116 | 35,227,743 | 9.60 |
| Consumer Staples | | | | |
| Alimentation Couche-Tard Inc., Class B | 133,278 | 8,170,651 | 9,050,909 | |
| Asahi Group Holdings Ltd. | 102,600 | 5,909,747 | 5,452,499 | |
| Diageo PLC | 229,715 | 10,869,461 | 11,168,477 | |
| Nestle SA | 153,273 | 16,750,442 | 16,946,098 | |
| Unilever NV | 176,206 | 13,036,363 | 13,045,979 | |
| | | 54,736,664 | 55,663,962 | 15.17 |
| Health Care | | | | |
| AstraZeneca PLC | 77,420 | 7,667,646 | 7,909,262 | |
| Bayer AG | 66,845 | 8,711,986 | 6,320,468 | |
| GlaxoSmithKline PLC | 384,430 | 10,144,197 | 9,971,855 | |
| Novartis AG | 87,915 | 9,786,530 | 10,236,470 | |
| Novo Nordisk A/S | 130,064 | 8,300,665 | 8,106,601 | |
| Smith & Nephew PLC | 326,406 | 7,571,025 | 8,312,315 | |
| | | 52,182,049 | 50,856,971 | 13.86 |
| Financials | | | | |
| AIA Group Ltd. | 1,207,000 | 13,518,352 | 13,686,193 | |
| Aviva PLC | 829,765 | 6,830,276 | 5,419,857 | |
| Deutsche Boerse AG | 44,417 | 7,805,332 | 7,278,235 | |
| Erste Group Bank AG | 131,086 | 6,934,634 | 5,945,616 | |
| HDFC Bank Ltd., ADR | 108,650 | 14,883,719 | 15,372,187 | |
| Itau Unibanco Holding SA, ADR | 502,359 | 5,249,467 | 6,271,168 | |
| Legal & General Group PLC | 1,393,782 | 5,677,248 | 5,600,536 | |
| NN Group NV | 97,631 | 5,569,465 | 5,304,707 | |
| Ping An Insurance Group Co of China Ltd. | 1,029,000 | 12,629,088 | 12,412,794 | |
| The Toronto-Dominion Bank | 89,107 | 6,719,536 | 6,046,801 | |
| | | 85,817,117 | 83,338,094 | 22.71 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|--------------------|--------------------|-----------------------|
| Information Technology | | | | |
| ASML Holding NV | 21,768 | 5,937,107 | 4,661,658 | |
| Keyence Corp. | 9,200 | 6,652,677 | 6,376,893 | |
| SAP AG | 77,360 | 11,963,495 | 10,499,790 | |
| Taiwan Semiconductor Manufacturing Co., Ltd., ADR | 152,156 | 7,691,277 | 7,670,456 | |
| Tencent Music Entertainment Group | 58 | 108,454 | 1,047 | |
| | | 32,353,010 | 29,209,844 | 7.96 |
| Communication Services | | | | |
| Tencent Holdings Ltd. | 229,000 | 12,716,525 | 12,543,742 | |
| | | 12,716,525 | 12,543,742 | 3.42 |
| Real Estate | | | | |
| CK Asset Holdings Ltd. | 615,500 | 6,129,248 | 6,152,402 | |
| | | 6,129,248 | 6,152,402 | 1.67 |
| Total Equities | | 380,490,045 | 357,314,183 | 97.36 |
| Transaction Costs | | (509,785) | | |
| Total Investments | | 379,980,260 | 357,314,183 | 97.36 |
| Other Assets less Liabilities | | | 9,694,960 | 2.64 |
| Total Net Assets | | | 367,009,143 | 100.00 |

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life JPMorgan 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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018, 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.

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

Sun Life JPMorgan International Equity 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, 2018. 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, 2018 | |
| Euro | 119,532,097 | 32.57 |
| British Pound | 72,040,806 | 19.63 |
| Hong Kong Dollar | 44,795,130 | 12.21 |
| Japanese Yen | 34,324,845 | 9.35 |
| United States Dollar | 29,319,715 | 7.99 |
| Swiss Franc | 27,182,568 | 7.41 |
| Danish Krone | 8,106,601 | 2.20 |
| South Africa Rand | 14 | - |
| Total | 335,301,776 | 91.36 |

As at December 31, 2018, 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 \$16,765,089. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at December 31, 2018, 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, 2018, 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 \$17,865,709. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018, 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, 2018 |
| Equities | |
| Energy | 3.4 |
| Materials | 6.2 |
| Industrials | 13.4 |
| Consumer Discretionary | 9.6 |
| Consumer Staples | 15.2 |
| Health Care | 13.9 |
| Financials | 22.7 |
| Information Technology | 7.9 |
| Communication Services | 3.4 |
| Real Estate | 1.7 |
| Other Assets less Liabilities | 2.6 |
| 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, 2018.

| | December 31, 2018 | | | Total (\$) |
|----------|-------------------|--------------|--------------|---------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities | 357,314,183 | - | - | 357,314,183 |

There were no transfers between fair value Levels 1 and 2 during the period from July 13 to December 31, 2018.

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, 2018 were \$758,143.

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

Sun Life JPMorgan International Equity Fund (continued)

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$9,446,214. 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 Statement 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, 2018, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series A | 1,003 | 8,896 |
| Series T5 | 686 | 8,895 |
| Series T8 | 698 | 8,895 |
| Series F | 1,003 | 8,942 |
| Series F5 | 686 | 8,941 |
| Series F8 | 698 | 8,941 |
| Series I | 8,047 | 71,801 |
| Series O | 1,002 | 8,941 |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 10,010 | - | 17 |
| Series T5 | 10,010 | - | 253 |
| Series T8 | 10,010 | - | 407 |
| Series F | 10,010 | - | 16 |
| Series F5 | 10,010 | - | 253 |
| Series F8 | 10,010 | - | 407 |
| Series I | 80,000 | - | 411 |
| Series O | 10,000 | 30 | 46 |

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, 2018, SLA held the following position in the Fund:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | 17,196 | 153,437 |

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2018. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | 150,000 | - | - |

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 13, 2018 | July 13, 2018 |
| Series T5 Units | July 13, 2018 | July 13, 2018 |
| Series T8 Units | July 13, 2018 | July 13, 2018 |
| Series F Units | July 13, 2018 | July 13, 2018 |
| Series F5 Units | July 13, 2018 | July 13, 2018 |
| Series F8 Units | July 13, 2018 | July 13, 2018 |
| Series I Units | July 13, 2018 | July 13, 2018 |
| Series O Units | July 13, 2018 | July 13, 2018 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 112,718,373 | 132,614,029 |
| Short-term investments | 499,150 | - |
| Cash | 55,379 | 514,580 |
| Margin | 85,611 | 224,946 |
| Option contracts, at fair value - long | - | - |
| Credit default swaps, sell protection | - | - |
| Unrealized appreciation on futures contracts | 451,528 | 171,449 |
| Unrealized appreciation on currency forward contracts | 213,169 | 177,062 |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | - | 664,026 |
| Accrued interest | 729,505 | 773,738 |
| Dividends receivable | - | - |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 514,632 | 17,732 |
| | 115,267,347 | 135,157,562 |
| Liabilities | | |
| Current Liabilities | | |
| Bank indebtedness | - | - |
| Margin | - | - |
| Option contracts, at fair value - short | - | - |
| Credit default swaps, buy protection | - | - |
| Unrealized depreciation on futures contracts | 610,917 | 282,285 |
| Unrealized depreciation on currency forward contracts | 1,639,498 | 202,851 |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 3,064 | 3,212 |
| Redemptions payable | 40,523 | 282,383 |
| Distributions payable | - | - |
| Due to investment dealers | - | 664,061 |
| Management fees payable | 12,580 | 13,393 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 2,306,582 | 1,448,185 |
| Net Assets Attributable to Holders of Redeemable Units | 112,960,765 | 133,709,377 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 20,640,869 | 23,769,717 |
| Series D | 22,053,025 | 26,188,101 |
| Series F | 4,936,082 | 5,879,437 |
| Series FX | 377,759 | 417,278 |
| Series I | 61,965,895 | 73,682,533 |
| Series O | 2,987,135 | 3,772,311 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 13.49 | 13.92 |
| Series D | 13.54 | 13.98 |
| Series F | 9.99 | 10.30 |
| Series FX | 13.59 | 14.04 |
| Series I | 13.00 | 13.43 |
| Series O | 9.67 | 10.00 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|--------------|
| Investment Income | | |
| Dividend income | - | - |
| Interest income for distribution purposes | 4,512,643 | 4,130,330 |
| 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 | (1,549,800) | 81,113 |
| Net realized gain (loss) on futures contracts | 502,575 | (560,662) |
| Net realized gain (loss) on currency forward contracts | (1,757,998) | 1,722,324 |
| Net realized gain (loss) on option contracts | - | - |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | (132,817) | (1,699,537) |
| Change in unrealized appreciation (depreciation) in value of futures contracts | (48,553) | (62,715) |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (1,400,540) | 351,744 |
| Change in unrealized appreciation (depreciation) in option contracts | - | - |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | 125,510 | 3,962,597 |
| Net gain (loss) on foreign exchange | 15,683 | 22,806 |
| Other income | - | - |
| Total income (loss) | 141,193 | 3,985,403 |
| Expenses (note 6) | | |
| Management fees | 461,165 | 580,941 |
| Administration fees | 112,339 | 123,133 |
| Independent review committee fees | 1,026 | 1,282 |
| Withholding tax | - | - |
| Transaction costs (note 3) | 12,999 | 14,441 |
| Total operating expenses | 587,529 | 719,797 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (446,336) | 3,265,606 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (446,336) | 3,265,606 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (254,599) | 423,394 |
| Series D | (181,439) | 654,959 |
| Series F | (34,727) | 111,434 |
| Series FX | (2,269) | 10,012 |
| Series I | 26,247 | 1,966,957 |
| Series O | 451 | 98,850 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 1,607,866 | 1,740,271 |
| Series D | 1,751,066 | 1,962,945 |
| Series F | 554,020 | 529,282 |
| Series FX | 29,984 | 29,075 |
| Series I | 5,643,709 | 4,657,287 |
| Series O | 352,778 | 314,433 |

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

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.16) | 0.24 |
| Series D | (0.10) | 0.33 |
| Series F | (0.06) | 0.21 |
| Series FX | (0.08) | 0.34 |
| Series I | - | 0.42 |
| Series O | - | 0.31 |

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

For the periods ended December 31

| | Series A | | Series D | | Series F | | Series FX | |
|---|----------------|--------------|-------------|-------------|-------------|-------------|-----------|----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 23,769,717 | 25,960,509 | 26,188,101 | 29,048,752 | 5,879,437 | 5,440,245 | 417,278 | 407,265 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (254,599) | 423,394 | (181,439) | 654,959 | (34,727) | 111,434 | (2,269) | 10,012 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 7,125,224 | 8,011,944 | 1,847,094 | 1,219,492 | 2,554,761 | 2,430,479 | 5,496 | 24,360 |
| Redemption of redeemable units | \$ (9,978,163) | (10,594,100) | (5,752,458) | (4,664,413) | (3,452,377) | (2,091,439) | (42,746) | (24,360) |
| Reinvestment of distributions to holders of redeemable units | \$ 424,522 | 599,321 | 575,618 | 841,463 | 134,384 | 166,430 | 11,191 | 14,281 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ (2,428,417) | (1,982,835) | (3,329,746) | (2,603,458) | (763,232) | 505,470 | (26,059) | 14,281 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | (209,166) | - | (235,572) | - | (52,370) | - | (3,746) |
| From net investment income | \$ (445,832) | (422,185) | (623,891) | (676,580) | (145,396) | (125,342) | (11,191) | (10,534) |
| Return of capital | \$ - | - | - | - | - | - | - | - |
| | \$ (445,832) | (631,351) | (623,891) | (912,152) | (145,396) | (177,712) | (11,191) | (14,280) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (3,128,848) | (2,190,792) | (4,135,076) | (2,860,651) | (943,355) | 439,192 | (39,519) | 10,013 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 20,640,869 | 23,769,717 | 22,053,025 | 26,188,101 | 4,936,082 | 5,879,437 | 377,759 | 417,278 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 1,707,989 | 1,848,182 | 1,873,008 | 2,056,757 | 571,012 | 523,516 | 29,730 | 28,721 |
| Units issued | 524,233 | 567,880 | 135,115 | 86,270 | 253,840 | 232,387 | 396 | 1,682 |
| Units issued on reinvestment of distributions | 31,209 | 42,729 | 42,159 | 59,642 | 13,353 | 16,038 | 817 | 1,009 |
| Units redeemed | (733,668) | (750,802) | (420,964) | (329,661) | (344,083) | (200,929) | (3,137) | (1,682) |
| Balance - end of period | 1,529,763 | 1,707,989 | 1,629,318 | 1,873,008 | 494,122 | 571,012 | 27,806 | 29,730 |

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 I | | Series O | | Total | |
|---|----------------------|-------------------|------------------|------------------|---------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 73,682,533 | 59,266,430 | 3,772,311 | 3,048,132 | 133,709,377 | 123,171,333 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 26,247 | 1,966,957 | 451 | 98,850 | (446,336) | 3,265,606 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 37,273,484 | 30,406,168 | 656,546 | 1,870,528 | 49,462,605 | 43,962,971 |
| Redemption of redeemable units | \$ (49,016,369) | (17,957,022) | (1,442,173) | (1,245,199) | (69,684,286) | (36,576,533) |
| Reinvestment of distributions to holders of redeemable units | \$ 2,570,362 | 2,779,067 | 117,037 | 135,638 | 3,833,114 | 4,536,200 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ (9,172,523) | 15,228,213 | (668,590) | 760,967 | (16,388,567) | 11,922,638 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ - | (664,650) | - | (33,931) | - | (1,199,435) |
| From net investment income | \$ (2,570,362) | (2,114,417) | (117,037) | (101,707) | (3,913,709) | (3,450,765) |
| Return of capital | \$ - | - | - | - | - | - |
| | \$ (2,570,362) | (2,779,067) | (117,037) | (135,638) | (3,913,709) | (4,650,200) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (11,716,638) | 14,416,103 | (785,176) | 724,179 | (20,748,612) | 10,538,044 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 61,965,895 | 73,682,533 | 2,987,135 | 3,772,311 | 112,960,765 | 133,709,377 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 5,485,347 | 4,367,244 | 377,420 | 301,853 | 10,044,506 | 9,126,273 |
| Units issued | 2,822,364 | 2,233,479 | 67,180 | 184,914 | 3,803,128 | 3,306,612 |
| Units issued on reinvestment of distributions | 195,917 | 205,110 | 11,993 | 13,459 | 295,448 | 337,987 |
| Units redeemed | (3,737,672) | (1,320,486) | (147,836) | (122,806) | (5,387,360) | (2,726,366) |
| Balance - end of period | 4,765,956 | 5,485,347 | 308,757 | 377,420 | 8,755,722 | 10,044,506 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 | 2017 | | 2018 | 2017 |
|---|---------------------|--------------|--|---------------------|--------------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Cash Flows from Operating Activities | | | Net Cash Provided by (Used in) Operating Activities | 20,581,835 | (5,360,838) |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (446,336) | 3,265,606 | Cash Flows from Financing Activities | | |
| Adjustments for: | | | Distributions paid to holders of redeemable units, net of reinvested distributions | (80,595) | (114,000) |
| Net realized (gain) loss on sale of investments | 1,549,800 | (81,113) | Proceeds from redeemable units issued | 48,965,705 | 44,038,034 |
| Change in unrealized (appreciation) depreciation in value of investments | 132,817 | 1,699,537 | Redemption of redeemable units | (69,926,146) | (39,159,970) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | 48,553 | 62,715 | Net Cash Provided by (Used in) Financing Activities | (21,041,036) | 4,764,064 |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 1,400,540 | (351,744) | Net increase (decrease) in cash | (459,201) | (596,774) |
| Change in unrealized (appreciation) depreciation in option contracts | - | - | Cash (bank indebtedness) at beginning of period | 514,580 | 1,111,354 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - | Cash (bank indebtedness) at end of period | 55,379 | 514,580 |
| Non-cash income distributions from underlying funds | - | - | Dividends received, net of withholding taxes | - | - |
| Change in margin | 139,335 | (262,326) | Interest received, net of withholding taxes | 4,556,876 | 4,193,670 |
| Purchases of investments | (42,211,937) | (68,796,265) | Interest paid | - | - |
| Proceeds from sale of investments | 60,424,941 | 59,092,639 | | | |
| Purchases of short-term investments | (70,459,556) | (41,844,602) | | | |
| Proceeds from sale of short-term investments | 69,960,406 | 41,844,602 | | | |
| Change in dividends and interest receivable | 44,233 | 63,340 | | | |
| Change in distributions receivable from underlying funds | - | - | | | |
| Change in management fees payable | (813) | (44,804) | | | |
| Change in other payables and accrued expenses | (148) | (8,423) | | | |

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, 2018

| | Yield | Maturity Date | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-------------|---------------|------------------|-------------------|-------------------|-----------------------|
| SHORT-TERM NOTES | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.640% | 7-Feb-2019 | 500,000 | 499,150 | 499,150 | |
| Total Short-Term Notes | | | | 499,150 | 499,150 | 0.44 |
| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
| BONDS | | | | | | |
| Federal Bonds | | | | | | |
| Canadian Government Bond | 1.605% | 1-Sep-2020 | 765,000 | 745,182 | 751,341 | |
| Canadian Government Bond | 0.500% | 1-Mar-2022 | 5,470,000 | 5,188,579 | 5,240,461 | |
| Canadian Government Bond | 2.500% | 1-Jun-2024 | 6,360,000 | 6,535,048 | 6,555,217 | |
| Canadian Government Bond | 2.750% | 1-Dec-2048 | 4,065,000 | 4,453,406 | 4,571,238 | |
| Canadian Government Bond | 2.750% | 1-Dec-2064 | 1,095,000 | 1,263,163 | 1,285,836 | |
| | | | | 18,185,378 | 18,404,093 | 16.29 |
| Provincial Bonds | | | | | | |
| Province of Alberta | 4.000% | 1-Dec-2019 | 2,350,000 | 2,601,041 | 2,393,142 | |
| Province of Alberta | 2.900% | 20-Sep-2029 | 1,970,000 | 1,990,196 | 1,951,816 | |
| Province of Alberta | 3.450% | 1-Dec-2043 | 4,650,000 | 4,853,077 | 4,770,886 | |
| Province of British Columbia | 3.250% | 18-Dec-2021 | 3,375,000 | 3,633,360 | 3,476,763 | |
| Province of British Columbia | 4.950% | 18-Jun-2040 | 500,000 | 653,380 | 647,701 | |
| Province of British Columbia | 2.800% | 18-Jun-2048 | 1,340,000 | 1,268,658 | 1,270,312 | |
| Province of Manitoba | 4.650% | 5-Mar-2040 | 1,190,000 | 1,416,007 | 1,428,982 | |
| Province of Manitoba | 4.100% | 5-Mar-2041 | 1,440,000 | 1,636,971 | 1,609,568 | |
| Province of Ontario | 4.000% | 2-Jun-2021 | 5,365,000 | 5,981,155 | 5,594,094 | |
| Province of Ontario | 2.400% | 2-Jun-2026 | 2,975,000 | 2,946,635 | 2,913,376 | |
| Province of Ontario | 4.700% | 2-Jun-2037 | 4,050,000 | 5,084,934 | 4,922,042 | |
| Province of Ontario | 3.450% | 2-Jun-2045 | 2,010,000 | 2,101,745 | 2,097,672 | |
| Province of Ontario | 3.500% | 2-Jun-2024 | 1,180,000 | 1,258,116 | 1,236,628 | |
| Province of Quebec | 5.000% | 1-Dec-2038 | 1,125,000 | 1,458,703 | 1,437,995 | |
| Province of Quebec | 4.250% | 1-Dec-2021 | 1,155,000 | 1,254,238 | 1,220,953 | |
| Province of Quebec | 2.750% | 1-Sep-2028 | 2,905,000 | 2,869,094 | 2,900,676 | |
| Province of Saskatchewan | 4.750% | 1-Jun-2040 | 525,000 | 632,495 | 646,458 | |
| | | | | 41,639,805 | 40,519,064 | 35.87 |
| Municipal Bonds | | | | | | |
| City of Montreal | 4.250% | 1-Dec-2032 | 450,000 | 502,875 | 498,179 | |
| Regional Municipality of York | 2.350% | 9-Jun-2027 | 1,315,000 | 1,261,190 | 1,253,195 | |
| | | | | 1,764,065 | 1,751,374 | 1.55 |
| Corporate Bonds | | | | | | |
| Alectra Inc. | 3.958% | 30-Jul-2042 | 450,000 | 442,810 | 463,893 | |
| AltaGas Canada Inc. | 4.260% | 5-Dec-2028 | 80,000 | 79,942 | 81,414 | |
| Altalink LP | 3.990% | 30-Jun-2042 | 255,000 | 254,108 | 264,222 | |
| Bank of Montreal | 4.609% | 10-Sep-2025 | 1,025,000 | 1,188,938 | 1,123,421 | |
| Cameco Corp. | 4.190% | 24-Jun-2024 | 370,000 | 369,852 | 369,398 | |
| Canadian Western Bank | 2.924% | 15-Dec-2022 | 960,000 | 952,992 | 944,399 | |
| Choice Properties Real Estate Investment Trust | 3.546% | 10-Jan-2025 | 705,000 | 705,000 | 692,210 | |
| Enbridge Inc. | 3.940% | 30-Jun-2023 | 230,000 | 230,000 | 235,325 | |
| Enbridge Inc. | 4.240% | 27-Aug-2042 | 1,410,000 | 1,346,483 | 1,288,504 | |
| Enercare Solutions Inc. | 3.380% | 21-Feb-2022 | 415,000 | 414,925 | 413,283 | |
| Fairfax Financial Holdings Ltd. | 4.250% | 6-Dec-2027 | 970,000 | 969,922 | 950,725 | |
| General Motors Financial of Canada Ltd. | 3.080% | 22-May-2020 | 925,000 | 920,406 | 922,851 | |
| Glacier Credit Card Trust | 2.568% | 20-Sep-2019 | 170,000 | 170,000 | 170,161 | |
| IGM Financial Inc. | 4.560% | 25-Jan-2047 | 290,000 | 290,000 | 297,211 | |
| KS SP LP / KS SPI LP / ARI SP LP / ARI SPI LP | 3.210% | 15-Jun-2019 | 269,712 | 265,078 | 270,053 | |
| Metro Inc. | 3.200% | 1-Dec-2021 | 325,000 | 337,838 | 325,545 | |
| North West Redwater Partnership / NWR Financing Co Ltd. | 3.650% | 1-Jun-2035 | 335,000 | 334,776 | 321,261 | |
| Nova Scotia Power Inc. | 3.612% | 1-May-2045 | 405,000 | 382,567 | 380,384 | |
| OMERS Realty Corp. | 3.358% | 5-Jun-2023 | 410,000 | 410,000 | 418,218 | |
| Parkland Fuel Corp. | 6.500% | 21-Jan-2027 | 795,000 | 795,000 | 772,442 | |
| Pembina Pipeline Corp. | 4.810% | 25-Mar-2044 | 525,000 | 493,710 | 506,796 | |
| Rogers Communications Inc. | 4.000% | 13-Mar-2024 | 175,000 | 181,365 | 179,527 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-------------|---------------|-----------|--------------------|--------------------|-----------------------|
| Rogers Communications Inc. | 6.560% | 22-Mar-2041 | 1,530,000 | 2,008,353 | 1,899,764 | |
| Royal Bank of Canada | 2.333% | 5-Dec-2023 | 425,000 | 423,640 | 413,494 | |
| Royal Bank of Canada | 4.930% | 16-Jul-2025 | 1,530,000 | 1,761,439 | 1,702,854 | |
| Shaw Communications Inc. | 3.800% | 2-Nov-2023 | 1,055,000 | 1,055,000 | 1,061,857 | |
| Shaw Communications Inc. | 6.750% | 9-Nov-2039 | 245,000 | 290,812 | 292,221 | |
| SNC-Lavalin Group Inc. | 3.235% | 2-Mar-2023 | 960,000 | 963,360 | 946,219 | |
| Teck Resources Ltd. | 6.250% | 15-Jul-2041 | 495,000 | 664,140 | 643,959 | |
| The Bank of Nova Scotia | 3.270% | 11-Jan-2021 | 1,565,000 | 1,655,695 | 1,583,001 | |
| The Toronto-Dominion Bank | 3.226% | 24-Jul-2024 | 2,900,000 | 3,040,546 | 2,941,537 | |
| Toromont Industries Ltd. | 3.842% | 27-Oct-2027 | 245,000 | 245,000 | 246,285 | |
| Videotron Ltd. | 5.625% | 15-Jun-2025 | 622,000 | 639,013 | 632,108 | |
| VW Credit Canada Inc. | 3.700% | 14-Nov-2022 | 335,000 | 334,444 | 337,581 | |
| | | | | 24,617,154 | 24,092,123 | 21.33 |
| Foreign Bonds | | | | | | |
| Alibaba Group Holding Ltd. | 3.400% | 6-Dec-2027 | 420,000 | 538,633 | 531,020 | |
| American International Group Inc. | 3.750% | 10-Jul-2025 | 673,000 | 913,325 | 881,328 | |
| Anheuser-Busch Cos LLC | 4.900% | 1-Feb-2046 | 385,000 | 547,175 | 488,707 | |
| Anheuser-Busch InBev Finance Inc. | 2.650% | 1-Feb-2021 | 148,000 | 210,373 | 198,882 | |
| AT&T Inc. | 4.850% | 25-May-2047 | 485,000 | 490,990 | 447,633 | |
| Bank of America Corp. | 3.950% | 21-Apr-2025 | 2,181,000 | 2,808,073 | 2,888,664 | |
| Becton Dickinson and Co. | 4.669% | 6-Jun-2047 | 432,000 | 580,484 | 557,073 | |
| Building Materials Corp. of America | 5.375% | 15-Nov-2024 | 300,000 | 406,459 | 386,181 | |
| Constellation Brands Inc. | 4.250% | 1-May-2023 | 350,000 | 468,233 | 483,759 | |
| Emera US Finance LP | 4.750% | 15-Jun-2046 | 591,000 | 746,574 | 779,026 | |
| Equinix Inc. | 5.375% | 15-May-2027 | 610,000 | 785,086 | 816,477 | |
| ERAC USA Finance LLC | 7.000% | 15-Oct-2037 | 300,000 | 453,911 | 510,862 | |
| FirstEnergy Corp. | 3.900% | 15-Jul-2027 | 1,000,000 | 1,251,486 | 1,326,121 | |
| Forest Laboratories LLC | 4.875% | 15-Feb-2021 | 186,000 | 221,071 | 260,337 | |
| Gilead Sciences Inc. | 4.800% | 1-Apr-2044 | 400,000 | 443,518 | 549,127 | |
| HCA Inc. | 5.250% | 15-Jun-2026 | 342,000 | 462,470 | 464,769 | |
| Intercontinental Exchange Inc. | 4.000% | 15-Oct-2023 | 630,000 | 844,993 | 882,337 | |
| JPMorgan Chase & Co. | 3.125% | 23-Jan-2025 | 950,000 | 1,284,545 | 1,237,158 | |
| Lear Corp. | 5.250% | 15-Jan-2025 | 450,000 | 593,326 | 631,930 | |
| Liberty Mutual Group Inc. | 4.250% | 15-Jun-2023 | 325,000 | 431,450 | 447,983 | |
| Life Technologies Corp. | 5.000% | 15-Jan-2021 | 496,000 | 568,336 | 694,382 | |
| Masco Corp. | 4.375% | 1-Apr-2026 | 590,000 | 791,694 | 807,156 | |
| Morgan Stanley | 3.950% | 23-Apr-2027 | 500,000 | 582,850 | 644,956 | |
| ONEOK Inc. | 4.000% | 13-Jul-2027 | 694,000 | 883,415 | 905,712 | |
| Priceline Group Inc. | 3.650% | 15-Mar-2025 | 500,000 | 662,883 | 665,933 | |
| Sabine Pass Liquefaction LLC | 5.625% | 1-Mar-2025 | 600,000 | 781,252 | 852,065 | |
| Standard Industries Inc. | 4.750% | 15-Jan-2028 | 530,000 | 668,165 | 610,770 | |
| SunTrust Bank/Atlanta GA | 3.300% | 15-May-2026 | 690,000 | 900,924 | 893,920 | |
| UBS Group Funding Jersey Ltd. | 3.000% | 15-Apr-2021 | 324,000 | 426,159 | 439,242 | |
| Wells Fargo & Co. | 4.100% | 3-Jun-2026 | 871,000 | 1,173,504 | 1,162,796 | |
| | | | | 21,921,357 | 22,446,306 | 19.87 |
| Mortgage-Backed Securities | | | | | | |
| AIMCO CLO Series 2015-A | 3.740% | 15-Jan-2028 | 530,000 | 682,480 | 704,741 | |
| Atrium XII | 3.820% | 22-Apr-2027 | 510,000 | 651,092 | 679,027 | |
| Babson CLO Ltd 2013-I | 3.720% | 20-Jan-2028 | 530,000 | 676,599 | 700,962 | |
| Magnetite XVI Ltd. | 3.650% | 18-Jan-2028 | 530,000 | 660,807 | 705,179 | |
| Neuberger Berman CLO XX Ltd. | 3.690% | 15-Jan-2028 | 456,000 | 582,539 | 609,474 | |
| OCP CLO 2015-10 Ltd. | 3.810% | 26-Oct-2027 | 520,000 | 664,386 | 686,736 | |
| OCP CLO 2015-9 Ltd. | 3.790% | 15-Jul-2027 | 510,000 | 658,734 | 676,002 | |
| TICP CLO I-2 Ltd. | 4.010% | 26-Apr-2028 | 550,000 | 691,293 | 743,292 | |
| | | | | 5,267,930 | 5,505,413 | 4.87 |
| Total Bonds | | | | 113,395,689 | 112,718,373 | 99.78 |
| Total Investments | | | | 113,894,839 | 113,217,523 | 100.22 |
| Currency Forward Contracts⁽¹⁾ | | | | | (1,426,329) | (1.26) |
| Futures Contracts⁽²⁾ | | | | | (159,389) | (0.14) |
| Other Assets less Liabilities | | | | | 1,328,960 | 1.18 |
| Total Net Assets | | | | | 112,960,765 | 100.00 |

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

Sun Life MFS Canadian Bond 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) (\$) |
|------------------------------|--------------------------------|-----------------|--------------------|------------|---------------|--------------|-----------------------------|
| JP Morgan | A-2 | 11-Jan-2019 | USD | 2,462,382 | CAD | (3,276,953) | 85,104 |
| Citibank | A-2 | 11-Jan-2019 | USD | 388,721 | CAD | (501,798) | 28,940 |
| Citibank | A-2 | 11-Jan-2019 | USD | 489,164 | CAD | (640,695) | 27,187 |
| Citibank | A-2 | 11-Jan-2019 | USD | 356,500 | CAD | (466,931) | 19,818 |
| Goldman Sachs & Co. | A-2 | 11-Jan-2019 | USD | 310,175 | CAD | (408,193) | 15,307 |
| BNP Paribas | A-1 | 11-Jan-2019 | USD | 225,000 | CAD | (294,832) | 12,373 |
| Merrill Lynch | NR | 11-Jan-2019 | USD | 215,000 | CAD | (283,771) | 9,781 |
| BNP Paribas | A-1 | 11-Jan-2019 | USD | 90,000 | CAD | (116,402) | 6,479 |
| Citibank | A-2 | 11-Jan-2019 | USD | 76,940 | CAD | (100,068) | 4,982 |
| BNP Paribas | A-1 | 11-Jan-2019 | USD | 111,000 | CAD | (148,688) | 2,868 |
| JP Morgan | A-2 | 11-Jan-2019 | USD | 125,000 | CAD | (170,343) | 330 |
| | | | | | | | 213,169 |
| Brown Brothers Harriman & Co | NR | 11-Jan-2019 | CAD | 9,512 | USD | (7,362) | (539) |
| Merrill Lynch | NR | 11-Jan-2019 | CAD | 33,108,994 | USD | (25,449,859) | (1,638,959) |
| | | | | | | | (1,639,498) |
| | | | | | | | (1,426,329) |

⁽²⁾ Futures Contracts

| Name of Future | Contracted Value (\$) | Expiry Date | Numbers of Contracts | Contracted Price | Current Value (\$) | Unrealized Appreciation/Depreciation (\$) |
|--------------------------------|-----------------------|-------------|----------------------|------------------|--------------------|---|
| MTL 10YR CANADIAN BOND FUTURES | 9,663,740 | 20-Mar-2019 | 73 | 132 | 9,984,210 | 320,470 |
| CAN 5YR BOND FUTURES | 7,245,516 | 20-Mar-2019 | 62 | 117 | 7,374,280 | 128,764 |
| CBOT 5YR US T-NOTE FUTURES | 154,346 | 29-Mar-2019 | 1 | 113 | 156,640 | 2,294 |
| | | | | | | 451,528 |
| CBOT 20YR US T-BOND FUTURES | (17,556,081) | 20-Mar-2019 | (2) | 141 | (398,814) | (14,426) |
| CBOT 2YR US T-NOTE FUTURES | (7,566,276) | 29-Mar-2019 | (12) | 105 | (3,479,717) | (24,072) |
| CBOT ULTRA BOND FUTURES | (1,048,847) | 20-Mar-2019 | (10) | 152 | (2,194,243) | (115,239) |
| CBOT 10YR US T-NOTE FUTURES | (3,034,709) | 20-Mar-2019 | (111) | 119 | (18,498,032) | (457,180) |
| | | | | | | (610,917) |
| | | | | | | (159,389) |

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and 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 accompanying notes are an integral part of the financial statements.

Sun Life MFS Canadian Bond 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 21.66 | 22.43 |
| AA/Aa | 15.87 | 9.72 |
| A/A | 33.75 | 38.51 |
| BBB/Bbb | 22.94 | 23.72 |
| BB/Bb | 3.71 | 3.94 |
| Not Rated | 2.49 | 1.00 |
| Total | 100.42 | 99.32 |

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, 2018 and 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, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| United States Dollar | (208,843) | 1,584,445 | (0.18) | 1.19 |
| Total | (208,843) | 1,584,445 | (0.18) | 1.19 |

As at December 31, 2018, 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 \$10,442 (\$79,222 as at December 31, 2017). 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, 2018 | 3,332,506 | 27,292,307 | 82,592,710 | 113,217,523 |
| December 31, 2017 | 462,731 | 39,448,582 | 92,702,716 | 132,614,029 |

As at December 31, 2018, 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 \$12,964,594 (\$15,085,084 as at December 31, 2017). 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, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 0.4 | - |
| Bonds | | |
| Federal Bonds | 16.3 | 18.2 |
| Provincial Bonds | 35.9 | 34.4 |
| Municipal Bonds | 1.5 | 1.3 |
| Corporate Bonds | 21.3 | 18.2 |
| Foreign Bonds | 19.9 | 24.2 |
| Mortgage-Backed Securities | 4.9 | 2.9 |
| Derivative Assets (Liabilities) | (1.4) | (0.1) |
| Other Assets less Liabilities | 1.2 | 0.9 |
| Total | 100.0 | 100.0 |

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

Sun Life MFS Canadian 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Bonds | - | 107,212,960 | - | 107,212,960 |
| Mortgage-Backed Securities | - | 5,505,413 | - | 5,505,413 |
| Short-Term Investments | - | 499,150 | - | 499,150 |
| Futures Contracts | 451,528 | - | - | 451,528 |
| Currency Forward Contracts | - | 213,169 | - | 213,169 |
| Financial Liabilities | | | | |
| Futures Contracts | 610,917 | - | - | 610,917 |
| Currency Forward Contracts | - | 1,639,498 | - | 1,639,498 |
| | | | | |
| | December 31, 2017 | | | Total (\$) |
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Bonds | - | 128,785,029 | - | 128,785,029 |
| Mortgage-Backed Securities | - | - | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

The following is a reconciliation of Level 3 fair value assets as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | December 31, 2017 |
|---------------------------|-------------------|-------------------|
| | (\$) | (\$) |
| Opening Balance | 3,829,000 | - |
| Net purchases and (sales) | - | 2,592,709 |
| Net transfers in (out) | (3,905,946) | 1,310,080 |
| Gains (Losses) | | |
| Realized | - | - |
| Unrealized | 76,946 | (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.

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 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 1 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, 2018 were \$12,999 (\$14,441 for the period ended December 31, 2017).

As at December 31, 2018, the Fund had accumulated capital losses of \$2,790,958 (\$nil as at December 31, 2017). 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.

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, 2018 | | | | |
| Derivative assets - Currency Forward Contracts | 213,169 | (9,781) | - | 203,388 |
| Total | 213,169 | (9,781) | - | 203,388 |
| Derivative liabilities - Currency Forward Contracts | (1,639,498) | 9,781 | - | (1,629,717) |
| Total | (1,639,498) | 9,781 | - | (1,629,717) |
| 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) |

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 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 366,931,356 | 289,515,306 |
| Short-term investments | 7,378,358 | 5,144,585 |
| Cash | 154,053 | 180,447 |
| 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 | 183,361 | - |
| Accrued interest | 15,291 | 810 |
| Dividends receivable | 849,197 | 492,575 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 52,038 | 49,443 |
| | 375,563,654 | 295,383,166 |
| 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 | 7,897 | 5,061 |
| Redemptions payable | 2,287 | - |
| Distributions payable | - | - |
| Due to investment dealers | 1,623,648 | 354,616 |
| Management fees payable | 17,427 | 8,149 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 1,651,259 | 367,826 |
| Net Assets Attributable to Holders of Redeemable Units | 373,912,395 | 295,015,340 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 13,052,860 | 5,274,415 |
| Series D | 23,055,272 | 14,019,541 |
| Series F | 5,994,226 | 3,732,297 |
| Series I | 329,915,852 | 271,251,473 |
| Series O | 1,894,185 | 737,614 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 46.24 | 50.72 |
| Series D | 48.52 | 53.12 |
| Series F | 47.77 | 52.29 |
| Series I | 48.30 | 52.89 |
| Series O | 11.36 | 12.44 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Investment Income | | |
| Dividend income | 8,039,955 | 4,179,056 |
| Interest income for distribution purposes | 88,750 | 29,878 |
| 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 | 14,242,365 | 7,074,762 |
| 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 | (35,409,633) | 15,602,474 |
| 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 | (13,038,563) | 26,886,170 |
| Net gain (loss) on foreign exchange | (31,055) | (10,652) |
| Other income | - | - |
| Total income (loss) | (13,069,618) | 26,875,518 |
| Expenses (note 6) | | |
| Management fees | 518,850 | 318,939 |
| Administration fees | 255,101 | 147,749 |
| Independent review committee fees | 675 | 466 |
| Withholding tax | 164,196 | 81,920 |
| Transaction costs (note 3) | 109,923 | 108,317 |
| Total operating expenses | 1,048,745 | 657,391 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (14,118,363) | 26,218,127 |
| Finance Cost | | |
| Interest expense | (61) | (49) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (14,118,424) | 26,218,078 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (1,144,567) | 428,760 |
| Series D | (1,797,337) | 1,529,129 |
| Series F | (411,307) | 390,406 |
| Series I | (10,624,449) | 23,814,851 |
| Series O | (140,764) | 54,932 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 198,312 | 85,740 |
| Series D | 371,469 | 281,924 |
| Series F | 99,091 | 70,388 |
| Series I | 5,817,817 | 3,365,149 |
| Series O | 109,567 | 38,510 |

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

Sun Life MFS Canadian Equity Growth Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (5.77) | 5.00 |
| Series D | (4.84) | 5.42 |
| Series F | (4.15) | 5.55 |
| Series I | (1.83) | 7.08 |
| Series O | (1.28) | 1.43 |

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

For the periods ended December 31

| | Series A | | Series D | | Series F | |
|---|----------------|-----------|-------------|-------------|-------------|-----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 5,274,415 | 3,358,326 | 14,019,541 | 14,851,380 | 3,732,297 | 3,355,707 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,144,567) | 428,760 | (1,797,337) | 1,529,129 | (411,307) | 390,406 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 11,264,833 | 1,996,458 | 13,378,464 | 689,991 | 3,963,062 | 165,691 |
| Redemption of redeemable units | \$ (2,338,265) | (509,189) | (2,516,795) | (3,050,413) | (1,283,726) | (179,370) |
| Reinvestment of distributions to holders of redeemable units | \$ 462,757 | 1,857 | 870,691 | 14,632 | 257,679 | 12,751 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 9,389,325 | 1,489,126 | 11,732,360 | (2,345,790) | 2,937,015 | (928) |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ (451,262) | - | (806,468) | - | (207,640) | - |
| From net investment income | \$ (15,051) | (1,797) | (92,824) | (15,178) | (56,139) | (12,888) |
| Return of capital | \$ - | - | - | - | - | - |
| | \$ (466,313) | (1,797) | (899,292) | (15,178) | (263,779) | (12,888) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 7,778,445 | 1,916,089 | 9,035,731 | (831,839) | 2,261,929 | 376,590 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 13,052,860 | 5,274,415 | 23,055,272 | 14,019,541 | 5,994,226 | 3,732,297 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 104,001 | 73,215 | 263,928 | 311,037 | 71,379 | 71,461 |
| Units issued | 214,084 | 41,303 | 240,399 | 13,623 | 73,159 | 3,381 |
| Units issued on reinvestment of distributions | 9,873 | 38 | 17,620 | 295 | 5,268 | 257 |
| Units redeemed | (45,643) | (10,555) | (46,771) | (61,027) | (24,313) | (3,720) |
| Balance - end of period | 282,315 | 104,001 | 475,176 | 263,928 | 125,493 | 71,379 |

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 (continued)

For the periods ended December 31

| | Series I | | Series O | | Total | |
|---|-----------------------|--------------------|------------------|----------------|---------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 271,251,473 | 118,147,710 | 737,614 | 385,179 | 295,015,340 | 140,098,302 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (10,624,449) | 23,814,851 | (140,764) | 54,932 | (14,118,424) | 26,218,078 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 157,559,459 | 168,075,268 | 1,832,021 | 367,660 | 187,997,839 | 171,295,068 |
| Redemption of redeemable units | \$ (88,270,631) | (38,786,356) | (534,686) | (70,157) | (94,944,103) | (42,595,485) |
| Reinvestment of distributions to holders of redeemable units | \$ 17,877,549 | 3,249,227 | 89,956 | 8,613 | 19,558,632 | 3,287,080 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 87,166,377 | 132,538,139 | 1,387,291 | 306,116 | 112,612,368 | 131,986,663 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ (11,285,271) | - | (65,342) | - | (12,815,983) | - |
| From net investment income | \$ (6,592,278) | (3,249,227) | (24,614) | (8,613) | (6,780,906) | (3,287,703) |
| Return of capital | \$ - | - | - | - | - | - |
| | \$ (17,877,549) | (3,249,227) | (89,956) | (8,613) | (19,596,889) | (3,287,703) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 58,664,379 | 153,103,763 | 1,156,571 | 352,435 | 78,897,055 | 154,917,038 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 329,915,852 | 271,251,473 | 1,894,185 | 737,614 | 373,912,395 | 295,015,340 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 5,128,825 | 2,487,986 | 59,311 | 34,476 | 5,627,444 | 2,978,175 |
| Units issued | 2,944,123 | 3,360,899 | 142,739 | 30,124 | 3,614,504 | 3,449,330 |
| Units issued on reinvestment of distributions | 356,461 | 62,504 | 7,761 | 707 | 396,983 | 63,801 |
| Units redeemed | (1,598,171) | (782,564) | (43,045) | (5,996) | (1,757,943) | (863,862) |
| Balance - end of period | 6,831,238 | 5,128,825 | 166,766 | 59,311 | 7,880,988 | 5,627,444 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 | 2017 | | 2018 | 2017 |
|---|----------------------|---------------|--|---------------------|---------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Cash Flows from Operating Activities | | | Net Cash Provided by (Used in) | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (14,118,424) | 26,218,078 | Operating Activities | (93,041,565) | (128,632,745) |
| Adjustments for: | | | Cash Flows from Financing Activities | | |
| Net realized (gain) loss on sale of investments | (14,242,365) | (7,074,762) | Distributions paid to holders of redeemable units, net of reinvested distributions | (38,257) | (623) |
| Change in unrealized (appreciation) depreciation in value of investments | 35,409,633 | (15,602,474) | Proceeds from redeemable units issued | 187,995,244 | 171,269,472 |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - | Redemption of redeemable units | (94,941,816) | (42,596,488) |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | - | Net Cash Provided by (Used in) | | |
| Change in unrealized (appreciation) depreciation in option contracts | - | - | Financing Activities | 93,015,171 | 128,672,361 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - | Net increase (decrease) in cash | (26,394) | 39,616 |
| Non-cash income distributions from underlying funds | - | - | Cash (bank indebtedness) at beginning of period | 180,447 | 140,831 |
| Change in margin | - | - | Cash (bank indebtedness) at end of period | 154,053 | 180,447 |
| Purchases of investments | (248,296,760) | (190,335,270) | Dividends received, net of withholding taxes | 7,519,137 | 3,839,113 |
| Proceeds from sale of investments | 150,689,190 | 61,483,545 | Interest received, net of withholding taxes | 74,269 | 29,093 |
| Purchases of short-term investments | (446,896,755) | (212,535,561) | Interest paid | (61) | (49) |
| Proceeds from sale of short-term investments | 444,662,982 | 209,390,976 | | | |
| Change in dividends and interest receivable | (371,103) | (258,808) | | | |
| Change in distributions receivable from underlying funds | - | - | | | |
| Change in management fees payable | 9,278 | (21,343) | | | |
| Change in other payables and accrued expenses | 112,759 | 102,874 | | | |

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, 2018

| | Yield | Maturity Date | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------|--------|---------------|------------------|-------------------|------------------|-----------------------|
| SHORT-TERM NOTES | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.720% | 4-Jan-2019 | 200,000 | 199,802 | 199,802 | |
| Canadian Treasury Bill | 1.640% | 7-Feb-2019 | 1,600,000 | 1,595,424 | 1,595,424 | |
| | | | | 1,795,226 | 1,795,226 | 0.48 |
| Promissory Note | | | | | | |
| Province of Alberta | 1.901% | 29-Jan-2019 | 2,700,000 | 2,690,334 | 2,690,334 | |
| Province of Quebec | 1.843% | 3-Jan-2019 | 1,000,000 | 997,130 | 997,130 | |
| Province of Quebec | 1.854% | 3-Jan-2019 | 1,900,000 | 1,895,668 | 1,895,668 | |
| | | | | 5,583,132 | 5,583,132 | 1.49 |
| Total Short-Term Notes | | | | 7,378,358 | 7,378,358 | 1.97 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|-------------------|-------------------|-----------------|-----------------------|
| EQUITIES | | | | |
| Energy | | | | |
| Caltex Australia Ltd. | 9,050 | 286,139 | 221,723 | |
| Canadian Natural Resources Ltd. | 264,961 | 10,585,130 | 8,727,815 | |
| Concho Resources Inc. | 803 | 142,480 | 112,734 | |
| Enbridge Inc. | 328,122 | 15,886,668 | 13,915,653 | |
| Encana Corp. | 248,486 | 4,142,017 | 1,958,070 | |
| Oil Search Ltd. | 68,789 | 514,506 | 473,581 | |
| Pioneer Natural Resources Co. | 1,201 | 263,237 | 215,736 | |
| Suncor Energy Inc. | 314,821 | 13,574,807 | 12,004,125 | |
| TORC Oil & Gas Ltd. | 303,483 | 2,010,837 | 1,326,221 | |
| Tourmaline Oil Corp. | 114,719 | 3,043,281 | 1,947,929 | |
| TransCanada Corporation | 202,968 | 11,376,328 | 9,894,690 | |
| | 61,825,430 | 50,798,277 | 13.59 | |
| Materials | | | | |
| Agnico Eagle Mines Ltd. | 94,157 | 5,306,407 | 5,188,051 | |
| Air Liquide SA | 5,634 | 847,118 | 953,983 | |
| Akzo Nobel NV | 9,390 | 1,022,753 | 1,032,126 | |
| Barrick Gold Corp. | 206,489 | 3,609,621 | 3,805,592 | |
| CCL Industries Inc., Class B | 68,101 | 3,788,370 | 3,409,136 | |
| Croda International PLC | 6,921 | 481,134 | 564,029 | |
| First Quantum Minerals Ltd. | 151,080 | 2,468,562 | 1,667,923 | |
| Franco-Nevada Corp. | 56,485 | 5,162,564 | 5,407,309 | |
| Grupo Mexico SAB de CV | 52,451 | 196,334 | 147,104 | |
| IPL Plastics Inc. | 103,617 | 1,280,394 | 1,036,170 | |
| Linde PLC | 5,750 | 998,573 | 1,243,852 | |
| Nutrien Ltd. | 134,681 | 8,350,933 | 8,635,745 | |
| Sika AG | 2,069 | 299,034 | 357,174 | |
| Symrise AG | 4,752 | 457,448 | 478,554 | |
| Teck Resources Ltd., Class B | 107,515 | 3,636,703 | 3,159,866 | |
| The Sherwin-Williams Company | 1,313 | 588,462 | 705,592 | |
| Vulcan Materials Co. | 3,428 | 516,903 | 462,579 | |
| | 39,011,313 | 38,254,785 | 10.23 | |
| Industrials | | | | |
| 5ijob Inc. | 1,996 | 180,852 | 170,220 | |
| Adani Ports & Special Economic Zone Ltd. | 17,444 | 132,543 | 132,307 | |
| AMETEK Inc. | 3,739 | 308,589 | 345,726 | |
| Boyd Group Income Fund | 24,073 | 2,320,210 | 2,719,045 | |
| Brambles Ltd. | 57,388 | 564,889 | 560,079 | |
| Brenntag AG | 6,826 | 486,744 | 401,793 | |
| Canadian National Railway Co. | 136,342 | 13,181,748 | 13,786,959 | |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------------|-------------------|-------------------|-----------------|-----------------------|
| Canadian Pacific Railway Ltd. | 43,310 | 9,665,104 | 10,491,978 | |
| CoStar Group, Inc. | 90 | 48,995 | 41,467 | |
| Experian PLC | 24,897 | 695,674 | 825,021 | |
| Fortive Corp. | 3,068 | 257,253 | 283,515 | |
| GEA Group AG | 13,851 | 680,140 | 486,584 | |
| Intertek Group PLC | 3,844 | 299,500 | 320,957 | |
| Legrand SA | 3,494 | 305,082 | 268,945 | |
| Prysmian SpA | 14,451 | 479,412 | 380,634 | |
| Ritchie Bros. Auctioneers Inc. | 74,742 | 3,132,217 | 3,337,978 | |
| Rolls-Royce Holdings PLC | 60,860 | 934,641 | 878,684 | |
| Rolls-Royce Holdings PLC, C Shares | 2,453,088 | 4,115 | 4,267 | |
| Roper Industries Inc. | 1,518 | 460,257 | 552,573 | |
| Schneider Electric SE | 11,478 | 1,147,276 | 1,070,238 | |
| SNC-Lavalin Group Inc. | 73,733 | 4,002,742 | 3,385,819 | |
| Thomson Reuters Corp. | 79,152 | 4,342,370 | 5,218,491 | |
| TOTO Ltd. | 8,800 | 466,732 | 417,378 | |
| TransUnion | 2,956 | 269,620 | 229,319 | |
| Union Pacific Corp. | 2,639 | 402,002 | 498,230 | |
| Verisk Analytics Inc. | 4,677 | 605,303 | 696,532 | |
| Waste Connections Inc. | 63,471 | 5,292,646 | 6,431,517 | |
| | 50,666,656 | 53,936,256 | 14.43 | |
| Consumer Discretionary | | | | |
| Alibaba Group Holding Ltd. | 2,723 | 542,697 | 509,775 | |
| Amazon.com, Inc. | 1,286 | 1,904,960 | 2,638,095 | |
| Bandai Namco Holdings Inc. | 5,600 | 263,585 | 343,334 | |
| Booking Holdings Inc. | 175 | 392,586 | 411,685 | |
| Burberry Group PLC | 13,357 | 410,712 | 403,233 | |
| Chipotle Mexican Grill Inc. | 222 | 137,597 | 130,922 | |
| Compass Group PLC | 19,269 | 504,600 | 553,052 | |
| Dollar General Corp. | 308 | 43,391 | 45,466 | |
| Dollar Tree Inc. | 1,949 | 225,452 | 240,427 | |
| Dollarama Inc. | 82,143 | 3,251,005 | 2,667,184 | |
| Great Canadian Gaming Corp. | 26,161 | 1,019,858 | 1,252,327 | |
| Hilton Worldwide Holdings Inc. | 1,953 | 201,472 | 191,520 | |
| Just Eat PLC | 9,532 | 92,484 | 97,296 | |
| Kering | 1,139 | 577,553 | 731,970 | |
| Lululemon Athletica Inc. | 754 | 89,574 | 125,236 | |
| LVMH Moët Hennessy Louis Vuitton SA | 3,780 | 1,309,745 | 1,523,851 | |
| Marriott International Inc. | 2,417 | 326,225 | 358,372 | |
| Netflix Inc. | 2,285 | 655,582 | 835,329 | |
| NIKE Inc. | 5,702 | 468,888 | 577,388 | |
| Paddy Power Betfair PLC | 3,419 | 479,517 | 380,631 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|---------------------|----------------------|--------------------|--------------------------|
| Restaurant Brands International Inc. | 24,375 | 1,761,730 | 1,738,426 | |
| Ross Stores Inc. | 4,026 | 423,897 | 457,494 | |
| Starbucks Corp. | 2,554 | 178,447 | 224,644 | |
| Uni-Select Inc. | 68,767 | 1,814,458 | 1,334,767 | |
| Yum China Holdings Inc. | 11,440 | 549,051 | 523,899 | |
| | 17,625,066 | 18,296,323 | | 4.89 |
| Consumer Staples | | | | |
| Alimentation Couche- Tard Inc., Class B | 104,700 | 5,956,085 | 7,110,178 | |
| Ambev SA, ADR | 52,028 | 357,741 | 278,555 | |
| China Resources Beer Holdings Co., Ltd. | 92,000 | 404,064 | 438,942 | |
| Colgate-Palmolive Co. | 3,741 | 324,557 | 304,116 | |
| Constellation Brands Inc. | 1,603 | 380,425 | 352,096 | |
| Costco Wholesale Corp. | 1,103 | 288,660 | 306,885 | |
| Danone SA | 14,331 | 1,385,822 | 1,376,311 | |
| Diageo PLC | 25,725 | 1,084,141 | 1,250,720 | |
| ITC Ltd. | 105,468 | 583,685 | 581,125 | |
| Jamieson Wellness Inc. | 60,155 | 1,317,992 | 1,283,106 | |
| Japan Tobacco Inc. | 19,000 | 746,035 | 618,866 | |
| Kao Corp. | 6,000 | 513,257 | 609,037 | |
| Loblaw Companies Ltd. | 70,160 | 3,819,911 | 4,287,479 | |
| L'Oreal SA | 4,878 | 1,332,588 | 1,532,372 | |
| Maple Leaf Foods Inc. | 58,201 | 1,916,363 | 1,590,633 | |
| Mav Beauty Brands Inc. | 48,783 | 667,111 | 521,002 | |
| Monster Beverage Corp. | 1,187 | 82,852 | 79,796 | |
| Nestle SA | 24,016 | 2,481,626 | 2,655,246 | |
| Pernod Ricard SA | 6,843 | 1,227,149 | 1,531,042 | |
| Philip Morris International Inc. | 2,102 | 279,192 | 191,662 | |
| Premium Brands Holdings Corp. | 24,613 | 2,204,254 | 1,842,529 | |
| Reckitt Benckiser Group PLC | 12,062 | 1,364,917 | 1,261,634 | |
| Sundrug Co., Ltd. | 12,800 | 618,565 | 521,847 | |
| The Estee Lauder Companies Inc. | 1,706 | 246,097 | 303,141 | |
| | 29,583,089 | 30,828,320 | | 8.25 |
| Health Care | | | | |
| Abbott Laboratories | 5,583 | 412,200 | 551,536 | |
| Bayer AG | 10,756 | 1,509,451 | 1,017,024 | |
| Biogen Inc. | 774 | 306,475 | 318,112 | |
| BioMarin Pharmaceutical Inc. | 845 | 101,293 | 98,272 | |
| Boston Scientific Corp. | 7,657 | 367,851 | 369,584 | |
| Bristol-Myers Squibb Co. | 3,888 | 286,581 | 276,026 | |
| Cie Generale d'Optique Essilor International SA | 6,719 | 1,141,283 | 1,158,683 | |
| Danaher Corp. | 6,164 | 668,002 | 868,148 | |
| Edwards Lifesciences Corp. | 1,465 | 242,802 | 306,478 | |
| Elanco Animal Health Inc. | 524 | 22,331 | 22,565 | |
| Eli Lilly & Co. | 1,608 | 189,846 | 254,146 | |
| Fresenius Medical Care AG & Co., KGaA | 7,264 | 831,364 | 642,382 | |
| llumina Inc. | 421 | 181,700 | 172,461 | |
| Medtronic PLC | 6,356 | 707,041 | 789,628 | |
| Mettler-Toledo International Inc. | 436 | 291,759 | 336,797 | |
| Novartis AG | 11,588 | 1,250,268 | 1,349,260 | |
| Novo Nordisk A/S | 7,874 | 469,622 | 490,769 | |
| QIAGEN NV | 12,949 | 543,368 | 600,060 | |
| Regeneron Pharmaceuticals Inc. | 270 | 142,141 | 137,734 | |
| Roche Holding AG | 7,026 | 2,212,411 | 2,369,355 | |
| Stryker Corp. | 1,737 | 342,492 | 371,874 | |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------|---------------------|----------------------|--------------------|--------------------------|
| Terumo Corp. | 9,200 | 534,766 | 712,819 | |
| Thermo Fisher Scientific Inc. | 3,739 | 849,144 | 1,142,837 | |
| Vertex Pharmaceuticals Inc. | 2,255 | 480,858 | 510,368 | |
| Zoetis Inc. | 6,115 | 573,550 | 714,420 | |
| | 14,658,599 | 15,581,338 | | 4.17 |

Financials

| | | | | |
|---|-------------------|-------------------|------------|--------------|
| AEON Financial Service Co., Ltd. | 19,500 | 522,602 | 474,331 | |
| AIA Group Ltd. | 172,000 | 1,669,289 | 1,950,311 | |
| Aon PLC | 3,374 | 602,751 | 669,851 | |
| Bank of Montreal | 106,979 | 10,278,185 | 9,541,457 | |
| Credicorp Ltd. | 1,386 | 350,146 | 419,622 | |
| DBS Group Holdings Ltd. | 36,000 | 768,691 | 854,592 | |
| Element Fleet Management Corp. | 257,986 | 1,822,631 | 1,782,683 | |
| Grupo Financiero Banorte SAB de CV | 76,286 | 592,077 | 506,733 | |
| Grupo Financiero Inbursa SAB de CV | 63,164 | 131,260 | 123,926 | |
| HDFC Bank Ltd., ADR | 8,934 | 1,015,883 | 1,264,014 | |
| Intact Financial Corp. | 46,002 | 4,375,110 | 4,562,938 | |
| Intercontinental Exchange Group Inc. | 6,191 | 538,492 | 636,967 | |
| Julius Baer Group Ltd. | 5,726 | 411,632 | 277,744 | |
| Komercni Banka AS | 3,287 | 176,090 | 168,895 | |
| Manulife Financial Corp. | 438,435 | 10,132,852 | 8,492,486 | |
| MSCI Inc. | 1,531 | 327,535 | 308,283 | |
| Royal Bank of Canada | 230,919 | 21,041,850 | 21,577,070 | |
| The Bank of Nova Scotia | 199,803 | 14,485,158 | 13,596,594 | |
| The Charles Schwab Corporation | 3,978 | 229,885 | 225,639 | |
| The Toronto-Dominion Bank | 310,760 | 20,421,157 | 21,088,174 | |
| TMX Group Ltd. | 35,793 | 2,840,574 | 2,531,639 | |
| UBS Group AG | 45,708 | 962,552 | 774,814 | |
| | 93,696,402 | 91,828,763 | | 24.56 |

Information Technology

| | | | | |
|--|---------|-----------|-----------|--|
| Accenture PLC | 4,237 | 736,138 | 816,012 | |
| Adobe Systems Inc. | 5,912 | 1,274,528 | 1,826,804 | |
| Amadeus IT Holding SA | 6,235 | 521,762 | 592,270 | |
| Amphenol Corp., Class A | 3,145 | 322,609 | 348,017 | |
| Analog Devices Inc. | 1,316 | 146,678 | 154,271 | |
| Apple Inc. | 2,827 | 567,113 | 609,054 | |
| CGI Group Inc. | 100,605 | 7,135,973 | 8,400,517 | |
| Cognizant Technology Solutions Corp. | 747 | 66,088 | 64,766 | |
| Constellation Software Inc. | 7,316 | 5,669,498 | 6,393,159 | |
| Fidelity National Information Services Inc. | 3,446 | 415,473 | 482,657 | |
| Fiserv Inc. | 9,633 | 816,008 | 966,892 | |
| FleetCor Technologies Inc. | 1,294 | 298,714 | 328,232 | |
| FLIR Systems Inc. | 1,940 | 130,262 | 115,366 | |
| Global Payments Inc. | 3,559 | 486,067 | 501,304 | |
| Hitachi Ltd. | 19,100 | 877,010 | 697,971 | |
| Infosys Ltd., ADR | 35,526 | 463,638 | 461,925 | |
| Intuit Inc. | 2,740 | 549,841 | 736,672 | |
| Kinaxis Inc. | 30,220 | 2,169,167 | 1,991,498 | |
| Luxoft Holding Inc. | 4,166 | 209,462 | 173,088 | |
| MasterCard Inc., Class A | 6,193 | 1,146,047 | 1,595,681 | |
| MediaTek Inc. | 24,000 | 325,745 | 244,749 | |
| Mellanox Technologies Ltd. | 3,128 | 286,591 | 394,669 | |
| Microsoft Corp. | 20,921 | 2,229,322 | 2,902,258 | |
| Nice Systems Ltd., ADR | 3,032 | 309,504 | 448,110 | |
| NVIDIA Corp. | 505 | 101,577 | 92,079 | |
| OBIC Co., Ltd. | 3,600 | 298,321 | 380,480 | |
| PayPal Holdings Inc. | 4,975 | 480,328 | 571,381 | |
| PTC Inc. | 945 | 87,681 | 106,998 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|--------------------|--------------------|-----------------------|
| Salesforce.com Inc. | 6,204 | 828,029 | 1,160,607 | |
| SAP AG | 13,044 | 1,759,186 | 1,770,414 | |
| Square Inc., Class A | 1,452 | 139,042 | 111,235 | |
| Taiwan Semiconductor Manufacturing Co., Ltd., ADR | 37,951 | 1,704,893 | 1,913,178 | |
| Total System Services Inc. | 767 | 91,700 | 85,157 | |
| Visa Inc., Class A | 11,331 | 1,521,070 | 2,041,892 | |
| Worldpay Inc. | 2,619 | 275,593 | 273,393 | |
| | | 34,440,658 | 39,752,756 | 10.63 |
| Real Estate | | | | |
| American Tower Corp. | 3,388 | 563,415 | 731,999 | |
| Boardwalk Real Estate Investment Trust | 57,952 | 2,642,695 | 2,191,165 | |
| | | 3,206,110 | 2,923,164 | 0.78 |
| Communication Services | | | | |
| Activision Blizzard Inc. | 9,105 | 718,725 | 579,128 | |
| Alphabet Inc., Class A | 1,276 | 1,564,737 | 1,821,119 | |
| Alphabet Inc., Class C | 747 | 851,083 | 1,056,586 | |
| Baidu Inc. | 5,283 | 1,543,415 | 1,144,384 | |
| Comcast Corporation, Class A | 6,730 | 306,139 | 312,983 | |
| Electronic Arts Inc. | 5,678 | 810,799 | 611,949 | |
| Facebook Inc. | 7,311 | 1,450,128 | 1,308,984 | |
| NHN Corp. | 2,956 | 501,523 | 441,434 | |
| Publicis Groupe SA | 5,123 | 465,882 | 400,574 | |
| Quebecor Inc., Class B | 126,372 | 2,929,915 | 3,631,931 | |
| Rogers Communications Inc., Class B | 81,290 | 5,505,051 | 5,687,049 | |
| SoftBank Corp. | 1,600 | 155,863 | 145,500 | |
| Spotify Technology SA | 495 | 117,000 | 76,734 | |
| TELUS Corp. | 150,305 | 6,792,054 | 6,801,302 | |
| WPP PLC | 29,968 | 706,531 | 441,325 | |
| | | 24,418,845 | 24,460,982 | 6.54 |
| Utilities | | | | |
| China Resources Gas Group Ltd. | 50,000 | 225,601 | 270,392 | |
| | | 225,601 | 270,392 | 0.07 |
| Total Equities | | 369,357,769 | 366,931,356 | 98.14 |
| Transaction Costs | | (141,425) | | |
| Total Investments | | 376,594,702 | 374,309,714 | 100.11 |
| Other Assets less Liabilities | | | (397,319) | (0.11) |
| Total Net Assets | | | 373,912,395 | 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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 1.20 | 1.52 |
| AA/Aa | 0.77 | 0.22 |
| Total | 1.97 | 1.74 |

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 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 Growth Fund (continued)

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2018 and December 31, 2017. 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, 2018 | | December 31, 2017 | |
| United States | | | | |
| Dollar | 52,699,515 | 14.09 | 40,930,669 | 13.87 |
| Euro | 18,909,923 | 5.06 | 15,775,206 | 5.35 |
| Swiss Franc | 7,783,591 | 2.08 | 5,514,866 | 1.87 |
| British Pound | 7,060,987 | 1.89 | 6,325,064 | 2.14 |
| Japanese Yen | 4,940,372 | 1.32 | 3,603,680 | 1.22 |
| Hong Kong Dollar | 2,537,795 | 0.68 | 1,615,306 | 0.55 |
| Australian Dollar | 1,255,384 | 0.34 | 855,891 | 0.29 |
| Singapore Dollar | 823,557 | 0.22 | 519,559 | 0.18 |
| Mexican Peso | 751,506 | 0.20 | 366,784 | 0.12 |
| Danish Krone | 486,896 | 0.13 | 403,063 | 0.14 |
| Korean Won | 441,434 | 0.12 | 216,879 | 0.07 |
| New Taiwan Dollar | 247,193 | 0.07 | 160,921 | 0.05 |
| Czech Koruna | 168,895 | 0.05 | - | - |
| Swedish Krona | - | - | 311,038 | 0.11 |
| Indian Rupee | (2,796) | - | - | - |
| Total | 98,104,252 | 26.24 | 76,598,926 | 25.96 |

As at December 31, 2018, 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 \$4,905,213 (\$3,829,946 as at December 31, 2017). 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, 2018 | 7,378,358 | - | - | 7,378,358 |
| December 31, 2017 | 5,144,585 | - | - | 5,144,585 |

As at December 31, 2018, 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 \$4,036 (\$4,888 as at December 31, 2017). 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, 2018, 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 \$18,346,568 (\$14,475,765 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 0.5 | 1.5 |
| Term Deposit Receipts | - | 0.2 |
| Promissory Note | 1.5 | - |
| Equities | | |
| Energy | 13.6 | 15.5 |
| Materials | 10.2 | 9.7 |
| Industrials | 14.4 | 14.0 |
| Consumer Discretionary | 4.9 | 8.8 |
| Consumer Staples | 8.2 | 7.1 |
| Health Care | 4.2 | 4.0 |
| Financials | 24.6 | 24.2 |
| Information Technology | 10.6 | 12.3 |
| Real Estate | 0.8 | 0.8 |
| Telecommunication Services | - | 1.8 |
| Communication Services | 6.5 | - |
| Utilities | 0.1 | - |
| 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 Canadian Equity 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities | 366,927,089 | - | 4,267 | 366,931,356 |
| Short-Term Investments | - | 7,378,358 | - | 7,378,358 |

| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

The following is a reconciliation of Level 3 fair value assets as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|---------------------------|------------------------|------------------------|
| Opening Balance | 2,182 | 1,070 |
| Net purchases and (sales) | 1,951 | 1,124 |
| Net transfers in (out) | - | - |
| Gains (Losses) | | |
| Realized | (10) | 6 |
| Unrealized | 144 | (18) |
| Closing Balance | 4,267 | 2,182 |

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, 2018 were \$109,923 (\$108,317 for the period ended December 31, 2017).

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, 2018 was \$312 (\$55,381 for the period ended December 31, 2017).

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$nil (\$23,190 as at December 31, 2017). 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).

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 |

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

Sun Life MFS Canadian Equity Growth Fund (continued)

Fund Merger

As of close of business on June 15, 2018, all assets of the Sun Life MFS Canadian Equity Value Fund and Sun Life MFS Canadian Equity Fund (the "Terminating Funds") were reclassified into the Sun Life MFS Canadian Equity Growth Fund (the "Continuing Fund").

| Terminating Funds | Continuing Fund | Net Assets Acquired by Continuing Fund | Units Issued by Continuing Fund |
|--|---|--|---------------------------------|
| Sun Life MFS Canadian Equity Value Fund | Sun Life MFS Canadian Equity Growth Fund | | |
| Series A | Series A | 3,907,900 | 73,447 |
| Series D | Series D | 10,052,231 | 180,277 |
| Series F | Series F | 1,437,111 | 26,186 |
| Series I | Series I | 2,860,314 | 51,543 |
| Series O | Series O | 914,804 | 70,090 |
| Sun Life MFS Canadian Equity Fund | Sun Life MFS Canadian Equity Growth Fund | | |
| Series A | Series A | 4,148,555 | 77,970 |
| Series D | Series D | 2,357,756 | 42,284 |
| Series F | Series F | 1,521,068 | 27,716 |
| Series I | Series I | 793,602 | 14,301 |
| Series O | Series O | 482,773 | 36,989 |

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 MFS Dividend Income Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 42,822,388 | 38,620,295 |
| Short-term investments | 599,248 | - |
| Cash | 92,194 | 404,567 |
| 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 | 384 | - |
| Dividends receivable | 183,443 | 140,139 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 4,429 | 120,102 |
| | 43,702,086 | 39,285,103 |
| 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 | 1,657 | 1,523 |
| Redemptions payable | - | 500 |
| Distributions payable | - | - |
| Due to investment dealers | - | 6,555 |
| Management fees payable | 8,988 | 8,602 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 10,645 | 17,180 |
| Net Assets Attributable to Holders of Redeemable Units | 43,691,441 | 39,267,923 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 14,985,486 | 16,583,343 |
| Series D | 1,612,773 | 1,975,614 |
| Series F | 1,332,688 | 1,369,789 |
| Series I | 23,382,897 | 16,663,476 |
| Series O | 2,377,597 | 2,675,701 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 11.92 | 13.30 |
| Series D | 12.10 | 13.50 |
| Series F | 12.12 | 13.51 |
| Series I | 12.15 | 13.57 |
| Series O | 9.97 | 11.14 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|--------------|
| Investment Income | | |
| Dividend income | 1,636,346 | 1,207,663 |
| Interest income for distribution purposes | 10,029 | 19,826 |
| 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 | 604,762 | 1,283,544 |
| 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 | (4,942,845) | 555,392 |
| 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 | (2,691,708) | 3,066,425 |
| Net gain (loss) on foreign exchange | 1,734 | 606 |
| Other income | 102 | - |
| Total income (loss) | (2,689,872) | 3,067,031 |
| Expenses (note 6) | | |
| Management fees | 340,675 | 333,703 |
| Administration fees | 59,238 | 54,754 |
| Independent review committee fees | 418 | 444 |
| Withholding tax | 76,653 | 47,609 |
| Transaction costs (note 3) | 14,097 | 21,418 |
| Total operating expenses | 491,081 | 457,928 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (3,180,953) | 2,609,103 |
| Finance Cost | | |
| Interest expense | (10) | (18) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (3,180,963) | 2,609,085 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (1,293,167) | 967,872 |
| Series D | (132,513) | 133,242 |
| Series F | (69,673) | 95,175 |
| Series I | (1,513,583) | 1,216,483 |
| Series O | (172,027) | 196,313 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 1,242,747 | 1,191,878 |
| Series D | 137,015 | 150,797 |
| Series F | 121,373 | 107,738 |
| Series I | 1,598,438 | 1,077,306 |
| Series O | 247,224 | 221,979 |

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

Sun Life MFS Dividend Income Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (1.04) | 0.81 |
| Series D | (0.97) | 0.88 |
| Series F | (0.57) | 0.88 |
| Series I | (0.95) | 1.13 |
| Series O | (0.70) | 0.88 |

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

For the periods ended December 31

| | Series A | | Series D | | Series F | |
|---|----------------------|-------------------|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 16,583,343 | 14,075,861 | 1,975,614 | 2,040,155 | 1,369,789 | 1,299,007 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,293,167) | 967,872 | (132,513) | 133,242 | (69,673) | 95,175 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 4,275,141 | 4,189,841 | 118,713 | 227,033 | 861,389 | 357,364 |
| Redemption of redeemable units | \$ (4,576,023) | (2,648,556) | (346,525) | (423,166) | (817,097) | (371,892) |
| Reinvestment of distributions to holders of redeemable units | \$ 393,107 | 177,919 | 49,253 | 30,509 | 45,291 | 22,016 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 92,225 | 1,719,204 | (178,559) | (165,624) | 89,583 | 7,488 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ (209,141) | (28,296) | (22,521) | (3,387) | (18,662) | (2,350) |
| From net investment income | \$ (187,774) | (151,298) | (29,248) | (28,772) | (38,349) | (29,531) |
| Return of capital | \$ - | - | - | - | - | - |
| | \$ (396,915) | (179,594) | (51,769) | (32,159) | (57,011) | (31,881) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (1,597,857) | 2,507,482 | (362,841) | (64,541) | (37,101) | 70,782 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 14,985,486 | 16,583,343 | 1,612,773 | 1,975,614 | 1,332,688 | 1,369,789 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 1,246,927 | 1,114,024 | 146,300 | 159,088 | 101,380 | 101,331 |
| Units issued | 328,987 | 325,973 | 8,827 | 17,540 | 65,880 | 27,377 |
| Units issued on reinvestment of distributions | 32,334 | 13,899 | 3,964 | 2,342 | 3,596 | 1,694 |
| Units redeemed | (351,293) | (206,969) | (25,830) | (32,670) | (60,897) | (29,022) |
| Balance - end of period | 1,256,955 | 1,246,927 | 133,261 | 146,300 | 109,959 | 101,380 |

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 (continued)

For the periods ended December 31

| | Series I | | Series O | | Total | |
|---|----------------------|-------------------|------------------|------------------|--------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 16,663,476 | 10,800,877 | 2,675,701 | 1,973,409 | 39,267,923 | 30,189,309 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,513,583) | 1,216,483 | (172,027) | 196,313 | (3,180,963) | 2,609,085 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 10,718,836 | 7,026,155 | 1,137,437 | 718,566 | 17,111,516 | 12,518,959 |
| Redemption of redeemable units | \$ (2,485,832) | (2,380,039) | (1,263,514) | (212,484) | (9,488,991) | (6,036,137) |
| Reinvestment of distributions to holders of redeemable units | \$ 1,050,949 | 478,592 | 118,716 | 75,503 | 1,657,316 | 784,539 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 9,283,953 | 5,124,708 | (7,361) | 581,585 | 9,279,841 | 7,267,361 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ (325,983) | (27,750) | (33,234) | (4,600) | (609,541) | (66,383) |
| From net investment income | \$ (724,966) | (450,842) | (85,482) | (71,006) | (1,065,819) | (731,449) |
| Return of capital | \$ - | - | - | - | - | - |
| | \$ (1,050,949) | (478,592) | (118,716) | (75,606) | (1,675,360) | (797,832) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 6,719,421 | 5,862,599 | (298,104) | 702,292 | 4,423,518 | 9,078,614 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 23,382,897 | 16,663,476 | 2,377,597 | 2,675,701 | 43,691,441 | 39,267,923 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 1,227,780 | 837,699 | 240,282 | 186,539 | 2,962,669 | 2,398,681 |
| Units issued | 799,677 | 534,532 | 102,967 | 66,581 | 1,306,338 | 972,003 |
| Units issued on reinvestment of distributions | 83,601 | 36,442 | 11,442 | 7,008 | 134,937 | 61,385 |
| Units redeemed | (187,106) | (180,893) | (116,275) | (19,846) | (741,401) | (469,400) |
| Balance - end of period | 1,923,952 | 1,227,780 | 238,416 | 240,282 | 3,662,543 | 2,962,669 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 | 2017 | | 2018 | 2017 |
|---|---------------------|--------------|--|--------------------|--------------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Cash Flows from Operating Activities | | | Net Cash Provided by (Used in) Operating Activities | (8,032,027) | (6,470,454) |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (3,180,963) | 2,609,085 | Cash Flows from Financing Activities | | |
| Adjustments for: | | | Distributions paid to holders of redeemable units, net of reinvested distributions | (18,044) | (13,293) |
| Net realized (gain) loss on sale of investments | (604,762) | (1,283,544) | Proceeds from redeemable units issued | 17,227,189 | 12,569,724 |
| Change in unrealized (appreciation) depreciation in value of investments | 4,942,845 | (555,392) | Redemption of redeemable units | (9,489,491) | (6,035,637) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - | Net Cash Provided by (Used in) Financing Activities | 7,719,654 | 6,520,794 |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | - | Net increase (decrease) in cash | (312,373) | 50,340 |
| Change in unrealized (appreciation) depreciation in option contracts | - | - | Cash (bank indebtedness) at beginning of period | 404,567 | 354,227 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - | Cash (bank indebtedness) at end of period | 92,194 | 404,567 |
| Non-cash income distributions from underlying funds | - | - | Dividends received, net of withholding taxes | 1,516,389 | 1,135,524 |
| Change in margin | - | - | Interest received, net of withholding taxes | 9,645 | 19,826 |
| Purchases of investments | (19,203,607) | (22,525,175) | Interest paid | (10) | (18) |
| Proceeds from sale of investments | 10,642,779 | 15,311,431 | | | |
| Purchases of short-term investments | (14,594,237) | (1,100,000) | | | |
| Proceeds from sale of short-term investments | 13,994,989 | 1,100,000 | | | |
| Change in dividends and interest receivable | (43,688) | (24,530) | | | |
| Change in distributions receivable from underlying funds | - | - | | | |
| Change in management fees payable | 386 | (20,752) | | | |
| Change in other payables and accrued expenses | 14,231 | 18,423 | | | |

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

Sun Life MFS Dividend Income Fund (continued)

Schedule of Investments

As at December 31, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------|--------|---------------|-----------|-------------------|-----------------|-----------------------|
| SHORT-TERM NOTES | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.710% | 3-Jan-2019 | 400,000 | 399,588 | 399,588 | |
| Canadian Treasury Bill | 1.640% | 7-Feb-2019 | 200,000 | 199,660 | 199,660 | |
| Total Short-Term Notes | | | | 599,248 | 599,248 | 1.37 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|-------------------|------------------|-----------------------|
| EQUITIES | | | | |
| Energy | | | | |
| Canadian Natural Resources Ltd. | 23,495 | 904,241 | 773,925 | |
| Crescent Point Energy Corp. | 27,836 | 479,766 | 115,241 | |
| Enbridge Inc. | 48,888 | 2,392,849 | 2,073,341 | |
| ENI SpA | 33,091 | 712,585 | 710,303 | |
| Enterprise Products Partners LP | 16,028 | 548,758 | 538,302 | |
| Gibson Energy Inc. | 22,236 | 449,855 | 415,368 | |
| Pembina Pipeline Corp. | 5,803 | 233,648 | 235,080 | |
| Suncor Energy Inc. | 45,223 | 1,838,106 | 1,724,353 | |
| TORC Oil & Gas Ltd. | 42,541 | 331,753 | 185,904 | |
| TransCanada Corporation | 28,356 | 1,542,466 | 1,382,355 | |
| | | 9,434,027 | 8,154,172 | 18.66 |
| Materials | | | | |
| Agnico Eagle Mines Ltd. | 12,170 | 638,325 | 670,567 | |
| Franco-Nevada Corp. | 5,986 | 489,036 | 573,040 | |
| Goldcorp Inc. | 29,050 | 553,689 | 388,399 | |
| Methanex Corp. | 8,246 | 612,863 | 541,432 | |
| Norbord Inc. | 3,618 | 195,822 | 131,333 | |
| Nutrien Ltd. | 20,229 | 1,178,528 | 1,297,084 | |
| Stella-Jones Inc. | 10,464 | 464,174 | 414,479 | |
| Western Forest Products Inc. | 153,551 | 383,028 | 290,211 | |
| | | 4,515,465 | 4,306,545 | 9.86 |
| Industrials | | | | |
| Canadian Pacific Railway Ltd. | 7,973 | 1,642,056 | 1,931,380 | |
| Kansas City Southern | 4,537 | 610,718 | 591,470 | |
| SNC-Lavalin Group Inc. | 8,478 | 479,831 | 389,310 | |
| Thomson Reuters Corp. | 16,624 | 960,526 | 1,096,020 | |
| Transcontinental Inc., Class A | 27,401 | 609,883 | 528,839 | |
| WestJet Airlines Ltd. | 15,746 | 331,932 | 283,428 | |
| | | 4,634,946 | 4,820,447 | 11.03 |
| Consumer Discretionary | | | | |
| Gildan Activewear Inc. | 17,770 | 695,931 | 736,389 | |
| Greggs PLC | 37,666 | 694,802 | 829,480 | |
| Magna International Inc. | 12,525 | 680,957 | 776,174 | |
| | | 2,071,690 | 2,342,043 | 5.36 |
| Consumer Staples | | | | |
| Alimentation Couche-Tard Inc., Class B | 9,502 | 586,284 | 645,281 | |
| Altria Group Inc. | 5,689 | 422,749 | 383,763 | |
| Archer-Daniels-Midland Co. | 8,385 | 476,747 | 469,199 | |
| AVI Ltd. | 26,167 | 250,368 | 252,595 | |
| Molson Coors Brewing Co. | 2,980 | 238,984 | 228,576 | |
| Philip Morris International Inc. | 3,369 | 373,098 | 307,189 | |
| | | 2,348,230 | 2,286,603 | 5.23 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|-------------------|-------------------|-----------------------|
| Financials | | | | |
| The Bank of Nova Scotia | 17,031 | 1,176,703 | 1,158,960 | |
| IG Group Holdings PLC | 17,922 | 193,182 | 177,699 | |
| Intesa Sanpaolo SpA | 290,218 | 1,085,618 | 878,973 | |
| Manulife Financial Corp. | 44,593 | 1,045,429 | 863,766 | |
| National Bank of Canada | 7,075 | 355,986 | 396,554 | |
| Power Financial Corp. | 27,345 | 895,483 | 706,321 | |
| Royal Bank of Canada | 34,750 | 2,932,853 | 3,247,040 | |
| The Toronto-Dominion Bank | 54,224 | 3,351,158 | 3,679,640 | |
| Wells Fargo & Co. | 13,909 | 939,178 | 875,380 | |
| Zurich Insurance Group AG | 2,476 | 859,231 | 1,005,467 | |
| | | 12,834,821 | 12,989,800 | 29.73 |
| Real Estate | | | | |
| Atrium European Real Estate Ltd. | 39,009 | 179,030 | 196,789 | |
| Choice Properties Real Estate Investment Trust | 10,361 | 113,336 | 119,359 | |
| Medical Properties Trust Inc. | 55,661 | 970,749 | 1,222,433 | |
| STORE Capital Corp. | 5,837 | 188,910 | 225,693 | |
| | | 1,452,025 | 1,764,274 | 4.04 |
| Information Technology | | | | |
| Open Text Corp. | 15,806 | 713,973 | 703,367 | |
| | | 713,973 | 703,367 | 1.61 |
| Communication Services | | | | |
| BCE Inc. | 9,100 | 533,680 | 490,763 | |
| TELUS Corp. | 42,373 | 1,920,134 | 1,917,378 | |
| | | 2,453,814 | 2,408,141 | 5.51 |
| Utilities | | | | |
| Canadian Utilities Ltd., Class A | 16,831 | 616,247 | 527,147 | |
| Emera Inc. | 14,274 | 641,630 | 623,917 | |
| Engie | 16,642 | 326,517 | 325,445 | |
| Engie SA | 32,680 | 731,896 | 639,165 | |
| Superior Plus Corp. | 56,340 | 654,866 | 545,371 | |
| TransAlta Renewables Inc. | 37,218 | 438,336 | 385,951 | |
| | | 3,409,492 | 3,046,996 | 6.98 |
| Total Equities | | 43,868,483 | 42,822,388 | 98.01 |
| Transaction Costs | | (23,990) | | |
| Total Investments | | 44,443,741 | 43,421,636 | 99.38 |
| Other Assets less Liabilities | | | 269,805 | 0.62 |
| Total Net Assets | | | 43,691,441 | 100.00 |

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

Sun Life MFS Dividend Income Fund (continued)

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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 1.37 | - |
| Total | 1.37 | - |

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, 2018 and December 31, 2017. 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, 2018 | Percentage of Net Assets (%) | December 31, 2017 | Percentage of Net Assets (%) |
| United States | | | | |
| Dollar | 5,523,100 | 12.64 | 3,270,185 | 8.33 |
| Euro | 2,111,511 | 4.83 | 1,447,220 | 3.69 |
| British Pound | 1,007,179 | 2.31 | 918,740 | 2.34 |
| Swiss Franc | 1,005,467 | 2.30 | 766,124 | 1.95 |
| South African Rand | 252,595 | 0.58 | 344,290 | 0.88 |
| Japanese Yen | - | - | 824,667 | 2.10 |
| Australian Dollar | - | - | 437,279 | 1.11 |
| Danish Krone | - | - | 3,747 | 0.01 |
| Total | 9,899,852 | 22.66 | 8,012,252 | 20.40 |

As at December 31, 2018, 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 \$494,993 (\$400,613 as at December 31, 2017). 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, 2018 | 599,248 | - | - | 599,248 |
| December 31, 2017 | - | - | - | - |

As at December 31, 2018, 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 \$208 (\$nil as at December 31, 2017). 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.

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

Sun Life MFS Dividend Income Fund (continued)

As at December 31, 2018, 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 \$2,141,119 (\$1,931,015 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 1.4 | - |
| Equities | | |
| Energy | 18.7 | 17.0 |
| Materials | 9.9 | 8.7 |
| Industrials | 11.0 | 11.4 |
| Consumer Discretionary | 5.4 | 3.3 |
| Consumer Staples | 5.2 | 4.5 |
| Health Care | - | 0.7 |
| Financials | 29.7 | 37.3 |
| Real Estate | 4.0 | 3.5 |
| Information Technology | 1.6 | 2.1 |
| Telecommunication Services | - | 4.9 |
| Communication Services | 5.5 | - |
| Utilities | 7.0 | 5.0 |
| Other Assets less Liabilities | 0.6 | 1.6 |
| Total | 100.0 | 100.0 |

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities | 42,183,223 | 639,165 | - | 42,822,388 |
| Short-Term Investments | - | 599,248 | - | 599,248 |
| | December 31, 2017 | | | |
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities | 38,053,311 | 566,984 | - | 38,620,295 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$14,097 (\$21,418 for the period ended December 31, 2017).

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, 2018 was \$1,721 (\$11,014 for the period ended December 31, 2017).

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).

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 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 192,269,301 | 115,954,169 |
| Short-term investments | 1,598,671 | 1,299,090 |
| Cash | 207,656 | 12,825 |
| 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 | 2,533 | 1,622 |
| Dividends receivable | 291,406 | 139,264 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 1,249,778 | 236,511 |
| | 195,619,345 | 117,643,481 |
| 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 | 6,163 | 3,553 |
| Redemptions payable | 168,705 | 290,821 |
| Distributions payable | - | - |
| Due to investment dealers | - | - |
| Management fees payable | 32,105 | 17,591 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 206,973 | 311,965 |
| Net Assets Attributable to Holders of Redeemable Units | 195,412,372 | 117,331,516 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 44,872,945 | 27,034,554 |
| Series T5 | 558,734 | 294,063 |
| Series T8 | 3,508,346 | 1,264,458 |
| Series D | 2,083,070 | 2,418,629 |
| Series F | 11,529,095 | 7,340,148 |
| Series F5 | 100,768 | - |
| Series F8 | 758,542 | - |
| Series I | 124,458,619 | 73,398,328 |
| Series O | 7,542,253 | 5,581,336 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 18.39 | 18.44 |
| Series T5 | 20.33 | 21.30 |
| Series T8 | 16.49 | 17.78 |
| Series D | 18.17 | 18.08 |
| Series F | 19.88 | 19.75 |
| Series F5 | 14.77 | - |
| Series F8 | 14.42 | - |

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|----------|---------------------------|---------------------------|
| Series I | 21.00 | 20.79 |
| Series O | 14.82 | 14.68 |

Approved on behalf of Trustee

| | |
|------------------------|--------------------------|
| "signed" Rick Headrick | "signed" Kari Holdsworth |
| President | Chief Financial Officer |

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

Sun Life MFS Global Growth Fund (continued)

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|--------------|
| Investment Income | | |
| Dividend income | 2,693,409 | 1,558,237 |
| Interest income for distribution purposes | 48,078 | 9,174 |
| 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 | 6,784,370 | 3,943,211 |
| 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 | (5,191,906) | 14,301,569 |
| 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 | 4,333,951 | 19,812,191 |
| Net gain (loss) on foreign exchange | (173,316) | (102,295) |
| Other income | 6,602 | - |
| Total income (loss) | 4,167,237 | 19,709,896 |
| Expenses (note 6) | | |
| Management fees | 967,409 | 603,846 |
| Administration fees | 202,027 | 126,889 |
| Independent review committee fees | 1,139 | 784 |
| Withholding tax | 292,523 | 162,288 |
| Transaction costs (note 3) | 118,638 | 58,262 |
| Total operating expenses | 1,581,736 | 952,069 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | 2,585,501 | 18,757,827 |
| Finance Cost | | |
| Interest expense | (16) | (18) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | 2,585,485 | 18,757,809 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (31,345) | 3,902,773 |
| Series T5 | (11,378) | 49,184 |
| Series T8 | (155,544) | 310,760 |
| Series D | 101,033 | 485,711 |
| Series F | 93,422 | 1,166,807 |
| Series F5 | (5,528) | - |
| Series F8 | (19,276) | - |
| Series I | 2,398,278 | 11,828,501 |
| Series O | 215,823 | 1,014,073 |

| | 2018 (\$) | 2017 (\$) |
|---|------------------|--------------|
| Weighted Average Number of Units Outstanding | | |
| Series A | 1,941,983 | 1,236,887 |
| Series T5 | 20,395 | 13,095 |
| Series T8 | 157,170 | 82,095 |
| Series D | 127,014 | 145,173 |
| Series F | 483,629 | 332,835 |
| Series F5 | 3,136 | - |
| Series F8 | 38,236 | - |
| Series I | 4,855,200 | 2,941,556 |
| Series O | 454,905 | 359,674 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.02) | 3.16 |
| Series T5 | (0.56) | 3.76 |
| Series T8 | (0.99) | 3.79 |
| Series D | 0.80 | 3.35 |
| Series F | 0.19 | 3.51 |
| Series F5 | (1.76) | - |
| Series F8 | (0.50) | - |
| Series I | 0.49 | 4.02 |
| Series O | 0.47 | 2.82 |

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

For the periods ended December 31

| | Series A | | Series T5 | | Series T8 | | Series D | |
|---|-----------------|-------------|-----------|----------|-------------|-------------|--------------|-------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 27,034,554 | 16,775,843 | 294,063 | 223,706 | 1,264,458 | 1,934,010 | 2,418,629 | 2,239,947 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (31,345) | 3,902,773 | (11,378) | 49,184 | (155,544) | 310,760 | 101,033 | 485,711 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 28,973,492 | 11,034,860 | 399,953 | 81,105 | 4,266,396 | 196,405 | 555,408 | 180,599 |
| Redemption of redeemable units | \$ (11,050,714) | (4,672,157) | (108,738) | (57,441) | (1,590,450) | (1,071,763) | (992,000) | (485,465) |
| Reinvestment of distributions to holders of redeemable units | \$ 1,010,711 | 296,026 | 18,409 | 11,825 | 16,839 | 3,493 | 49,415 | 25,215 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| Distributions to Holders of Redeemable Units | \$ 18,933,489 | 6,658,729 | 309,624 | 35,489 | 2,692,785 | (871,865) | (387,177) | (279,651) |
| From capital gains | \$ (1,056,575) | (298,712) | (13,526) | (3,298) | (85,029) | (14,321) | (49,415) | (27,378) |
| From net investment income | \$ (6,291) | (4,079) | - | - | - | - | - | - |
| Return of capital | \$ (887) | - | (20,049) | (11,018) | (208,324) | (94,126) | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 17,838,391 | 10,258,711 | 264,671 | 70,357 | 2,243,888 | (669,552) | (335,559) | 178,682 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 44,872,945 | 27,034,554 | 558,734 | 294,063 | 3,508,346 | 1,264,458 | 2,083,070 | 2,418,629 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 1,466,287 | 1,089,975 | 13,808 | 12,076 | 71,128 | 121,765 | 133,795 | 149,636 |
| Units issued | 1,485,485 | 629,019 | 17,851 | 3,995 | 229,205 | 11,560 | 27,698 | 10,205 |
| Units issued on reinvestment of distributions | 56,902 | 15,856 | 871 | 573 | 972 | 202 | 2,817 | 1,377 |
| Units redeemed | (568,027) | (268,563) | (5,046) | (2,836) | (88,611) | (62,399) | (49,697) | (27,423) |
| Balance - end of period | 2,440,647 | 1,466,287 | 27,484 | 13,808 | 212,694 | 71,128 | 114,613 | 133,795 |
| | | | | | | | | |
| | Series F | | Series F5 | | Series F8 | | Series I | |
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 7,340,148 | 4,669,649 | - | - | - | - | 73,398,328 | 44,262,636 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 93,422 | 1,166,807 | (5,528) | - | (19,276) | - | 2,398,278 | 11,828,501 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 7,510,336 | 2,326,863 | 110,000 | - | 913,282 | - | 59,715,089 | 25,567,690 |
| Redemption of redeemable units | \$ (3,301,871) | (776,533) | - | - | (79,885) | - | (11,053,076) | (8,260,499) |
| Reinvestment of distributions to holders of redeemable units | \$ 190,930 | 42,951 | 696 | - | 649 | - | 4,038,333 | 1,439,491 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| Distributions to Holders of Redeemable Units | \$ 4,399,395 | 1,593,281 | 110,696 | - | 834,046 | - | 52,700,346 | 18,746,682 |
| From capital gains | \$ (270,634) | (77,699) | (2,426) | - | (18,356) | - | (2,938,608) | (833,063) |
| From net investment income | \$ (33,236) | (11,890) | (1,974) | - | (37,872) | - | (1,099,725) | (598,064) |
| Return of capital | \$ - | - | - | - | - | - | - | (8,364) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 4,188,947 | 2,670,499 | 100,768 | - | 758,542 | - | 51,060,291 | 29,135,692 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 11,529,095 | 7,340,148 | 100,768 | - | 758,542 | - | 124,458,619 | 73,398,328 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 371,678 | 286,212 | - | - | - | - | 3,529,709 | 2,589,078 |
| Units issued | 356,460 | 125,646 | 6,776 | - | 57,706 | - | 2,700,277 | 1,297,963 |
| Units issued on reinvestment of distributions | 9,919 | 2,166 | 45 | - | 42 | - | 199,305 | 68,381 |
| Units redeemed | (158,186) | (42,346) | - | - | (5,142) | - | (502,504) | (425,713) |
| Balance - end of period | 579,871 | 371,678 | 6,821 | - | 52,606 | - | 5,926,787 | 3,529,709 |

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 O | | Total | |
|---|---------------------|------------------|--------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 5,581,336 | 4,166,654 | 117,331,516 | 74,272,445 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 215,823 | 1,014,073 | 2,585,485 | 18,757,809 |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | \$ 3,149,497 | 1,065,029 | 105,593,453 | 40,452,551 |
| Redemption of redeemable units | \$ (1,303,192) | (608,330) | (29,479,926) | (15,932,188) |
| Reinvestment of distributions to holders of redeemable units | \$ 141,448 | 47,584 | 5,467,430 | 1,866,585 |
| Capitalized distributions | \$ - | - | - | - |
| | \$ 1,987,753 | 504,283 | 81,580,957 | 26,386,948 |
| Distributions to Holders of Redeemable Units | | | | |
| From capital gains | \$ (181,473) | (63,791) | (4,616,042) | (1,318,262) |
| From net investment income | \$ (61,186) | (39,883) | (1,240,284) | (653,916) |
| Return of capital | \$ - | - | (229,260) | (113,508) |
| | \$ (242,659) | (103,674) | (6,085,586) | (2,085,686) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 1,960,917 | 1,414,682 | 78,080,856 | 43,059,071 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 7,542,253 | 5,581,336 | 195,412,372 | 117,331,516 |
| Redeemable Unit Transactions | | | | |
| Balance - beginning of period | 380,322 | 345,148 | 5,966,727 | 4,593,890 |
| Units issued | 201,051 | 77,933 | 5,082,509 | 2,156,321 |
| Units issued on reinvestment of distributions | 9,894 | 3,225 | 280,767 | 91,780 |
| Units redeemed | (82,218) | (45,984) | (1,459,431) | (875,264) |
| Balance - end of period | 509,049 | 380,322 | 9,870,572 | 5,966,727 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 | 2017 | | 2018 | 2017 |
|---|----------------------|--------------|--|---------------------|--------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Cash Flows from Operating Activities | | | Net Cash Provided by (Used in) Operating Activities | (74,165,157) | (23,741,890) |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 2,585,485 | 18,757,809 | Cash Flows from Financing Activities | | |
| Adjustments for: | | | Distributions paid to holders of redeemable units, net of reinvested distributions | (618,156) | (219,101) |
| Net realized (gain) loss on sale of investments | (6,784,370) | (3,943,211) | Proceeds from redeemable units issued | 104,580,186 | 40,310,664 |
| Change in unrealized (appreciation) depreciation in value of investments | 5,191,906 | (14,301,569) | Redemption of redeemable units | (29,602,042) | (16,675,449) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - | Net Cash Provided by (Used in) Financing Activities | 74,359,988 | 23,416,114 |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | - | Net increase (decrease) in cash | 194,831 | (325,776) |
| Change in unrealized (appreciation) depreciation in option contracts | - | - | Cash (bank indebtedness) at beginning of period | 12,825 | 338,601 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - | Cash (bank indebtedness) at end of period | 207,656 | 12,825 |
| Non-cash income distributions from underlying funds | - | - | Dividends received, net of withholding taxes | 2,248,744 | 1,355,040 |
| Change in margin | - | - | Interest received, net of withholding taxes | 47,167 | 7,552 |
| Purchases of investments | (111,730,213) | (44,587,553) | Interest paid | (16) | (18) |
| Proceeds from sale of investments | 36,888,907 | 21,650,557 | | | |
| Purchases of short-term investments | (217,726,091) | (25,594,344) | | | |
| Proceeds from sale of short-term investments | 217,426,510 | 24,295,254 | | | |
| Change in dividends and interest receivable | (153,053) | (42,531) | | | |
| Change in distributions receivable from underlying funds | - | - | | | |
| Change in management fees payable | 14,514 | (29,543) | | | |
| Change in other payables and accrued expenses | 121,248 | 53,241 | | | |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------|--------|---------------|-----------|-------------------|------------------|-----------------------|
| SHORT-TERM NOTES | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.710% | 3-Jan-2019 | 500,000 | 499,485 | 499,485 | |
| Canadian Treasury Bill | 1.690% | 4-Jan-2019 | 1,100,000 | 1,099,186 | 1,099,186 | |
| Total Short-Term Notes | | | | 1,598,671 | 1,598,671 | 0.82 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|-------------------|-------------------|-----------------------|
| EQUITIES | | | | |
| Energy | | | | |
| Schlumberger Ltd. | 15,911 | 1,426,416 | 784,065 | |
| | | 1,426,416 | 784,065 | 0.40 |
| Materials | | | | |
| Chr. Hansen Holding A/S | 1,181 | 56,453 | 142,474 | |
| Croda International PLC | 24,239 | 1,576,348 | 1,975,364 | |
| Ecolab Inc. | 11,302 | 1,834,620 | 2,274,540 | |
| Kansai Paint Co., Ltd. | 101,600 | 2,335,475 | 2,673,750 | |
| PPG Industries Inc. | 19,849 | 2,799,081 | 2,771,437 | |
| Sika AG | 8,972 | 1,259,967 | 1,548,847 | |
| Symrise AG | 7,858 | 657,462 | 791,346 | |
| The Sherwin-Williams Company | 4,325 | 1,931,129 | 2,324,207 | |
| | | 12,450,535 | 14,501,965 | 7.42 |
| Industrials | | | | |
| Adani Ports & Special Economic Zone Ltd. | 72,596 | 486,626 | 550,615 | |
| Aena SA | 9,923 | 2,220,936 | 2,103,184 | |
| Brenntag AG | 14,500 | 1,051,905 | 853,501 | |
| Daikin Industries Ltd. | 16,500 | 2,402,902 | 2,402,184 | |
| Experian PLC | 114,901 | 3,051,938 | 3,807,514 | |
| Fortive Corp. | 17,064 | 1,489,460 | 1,576,842 | |
| Intertek Group PLC | 11,984 | 838,735 | 1,000,612 | |
| Nordson Corp. | 19,757 | 3,366,973 | 3,220,560 | |
| Rolls-Royce Holdings PLC | 98,374 | 1,505,153 | 1,420,304 | |
| Rolls-Royce Holdings PLC, C Shares | 4,372,438 | 7,335 | 7,606 | |
| Schindler Holding AG | 1,698 | 293,533 | 458,041 | |
| Union Pacific Corp. | 15,857 | 2,376,272 | 2,993,722 | |
| United Technologies Corp. | 17,801 | 2,765,318 | 2,588,812 | |
| Verisk Analytics Inc. | 18,168 | 2,212,962 | 2,705,709 | |
| | | 24,070,048 | 25,689,206 | 13.15 |
| Consumer Discretionary | | | | |
| Adidas AG | 10,003 | 2,941,820 | 2,848,718 | |
| Alibaba Group Holding Ltd. | 14,166 | 2,588,256 | 2,652,026 | |
| Burberry Group PLC | 34,943 | 1,041,633 | 1,054,891 | |
| Compagnie Financière Richemont SA | 6,567 | 663,461 | 573,203 | |
| Compass Group PLC | 42,561 | 1,037,623 | 1,221,571 | |
| Dollarama Inc. | 80,574 | 2,984,857 | 2,616,238 | |
| Lojas Renner SA | 82,697 | 877,849 | 1,235,620 | |
| LVMH Moët Hennessy Louis Vuitton SA | 8,711 | 2,702,263 | 3,511,710 | |
| NIKE Inc. | 27,340 | 2,135,004 | 2,768,466 | |
| Paddy Power Betfair PLC | 23,062 | 3,163,809 | 2,567,437 | |
| Starbucks Corp. | 36,138 | 2,660,761 | 3,178,616 | |
| The TJX Companies Inc. | 45,295 | 2,322,683 | 2,767,798 | |
| VF Corp. | 15,493 | 1,373,822 | 1,509,582 | |
| | | 26,493,841 | 28,505,876 | 14.59 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|-------------------|-------------------|-----------------------|
| Consumer Staples | | | | |
| Ambev SA, ADR | 333,342 | 2,285,428 | 1,784,696 | |
| Colgate-Palmolive Co. | 23,374 | 1,951,281 | 1,900,133 | |
| Danone SA | 16,946 | 1,537,464 | 1,627,449 | |
| Diageo PLC | 36,210 | 1,405,919 | 1,760,488 | |
| KOSÉ Corporation | 1,900 | 277,232 | 408,241 | |
| L'Oreal SA | 6,947 | 1,755,025 | 2,182,326 | |
| Nestle SA | 36,693 | 3,544,140 | 4,056,834 | |
| PepsiCo, Inc. | 8,126 | 1,147,925 | 1,226,164 | |
| Pernod Ricard SA | 11,188 | 1,877,349 | 2,503,186 | |
| Reckitt Benckiser Group PLC | 31,599 | 3,489,947 | 3,305,121 | |
| Sundrug Co., Ltd. | 63,300 | 3,040,675 | 2,580,697 | |
| The Estee Lauder Companies Inc. | 13,835 | 1,977,749 | 2,458,355 | |
| | | 24,290,134 | 25,793,690 | 13.20 |
| Health Care | | | | |
| Abbott Laboratories | 28,420 | 1,845,344 | 2,807,570 | |
| Bayer AG | 38,096 | 5,266,236 | 3,602,131 | |
| Danaher Corp. | 12,186 | 1,189,110 | 1,716,296 | |
| Elanco Animal Health Inc. | 1,648 | 51,957 | 70,969 | |
| Mettler-Toledo International Inc. | 2,722 | 1,724,380 | 2,102,666 | |
| Roche Holding AG | 7,348 | 2,415,551 | 2,477,941 | |
| The Cooper Companies Inc. | 1,921 | 486,540 | 667,734 | |
| Thermo Fisher Scientific Inc. | 10,285 | 2,161,013 | 3,143,642 | |
| Waters Corp. | 10,418 | 2,387,914 | 2,684,289 | |
| Zoetis Inc. | 8,109 | 674,350 | 947,381 | |
| | | 18,202,395 | 20,220,619 | 10.35 |
| Financials | | | | |
| Aon PLC | 19,856 | 3,346,789 | 3,942,074 | |
| Credicorp Ltd. | 6,133 | 1,346,993 | 1,856,812 | |
| HDFC Bank Ltd., ADR | 20,165 | 1,874,105 | 2,853,015 | |
| Julius Baer Group Ltd. | 22,397 | 1,390,790 | 1,086,383 | |
| Moody's Corp. | 14,608 | 2,520,932 | 2,794,029 | |
| The Blackstone Group LP | 74,916 | 2,965,945 | 3,050,174 | |
| The Charles Schwab Corporation | 23,029 | 1,230,647 | 1,306,246 | |
| | | 14,676,201 | 16,888,733 | 8.64 |
| Information Technology | | | | |
| Accenture PLC | 20,972 | 3,241,484 | 4,039,037 | |
| Amphenol Corp., Class A | 19,413 | 1,684,285 | 2,148,191 | |
| Analog Devices Inc. | 28,115 | 3,250,158 | 3,295,834 | |
| Apple Inc. | 11,243 | 2,061,173 | 2,422,212 | |
| Cognizant Technology Solutions Corp. | 33,267 | 2,759,826 | 2,884,288 | |
| Dassault Systèmes | 4,333 | 526,320 | 701,586 | |
| Fidelity National Information Services Inc. | 22,488 | 2,356,609 | 3,149,739 | |
| Fiserv Inc. | 30,815 | 2,506,049 | 3,092,990 | |
| MasterCard Inc., Class A | 8,350 | 1,333,325 | 2,151,450 | |
| Microsoft Corp. | 41,767 | 4,470,000 | 5,794,111 | |
| Samsung Electronics Co., Ltd. | 31,616 | 1,590,017 | 1,497,682 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------------|----------------------|--------------------|--------------------------|
| Taiwan Semiconductor Manufacturing Co., Ltd., ADR | 81,617 | 3,351,593 | 4,114,459 | |
| Texas Instruments Inc. | 24,918 | 2,632,490 | 3,216,126 | |
| Visa Inc., Class A | 18,942 | 2,193,095 | 3,413,425 | |
| | 33,956,424 | 41,921,130 | | 21.45 |
| Communication Services | | | | |
| Alphabet Inc., Class A | 5,283 | 5,818,896 | 7,539,947 | |
| Baidu Inc. | 8,720 | 2,539,422 | 1,888,895 | |
| Comcast Corporation, Class A | 74,491 | 3,499,832 | 3,464,248 | |
| Electronic Arts Inc. | 25,307 | 3,470,019 | 2,727,475 | |
| NHN Corp. | 13,022 | 1,962,958 | 1,944,640 | |
| The Walt Disney Co. | 2,663 | 253,279 | 398,812 | |
| | 17,544,406 | 17,964,017 | | 9.19 |
| Total Equities | 173,110,400 | 192,269,301 | | 98.39 |
| Transaction Costs | | (160,920) | | |
| Total Investments | 174,548,151 | 193,867,972 | | 99.21 |
| Other Assets less Liabilities | | 1,544,400 | | 0.79 |
| Total Net Assets | | 195,412,372 | | 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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|----------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 0.82 | 1.11 |
| Total | 0.82 | 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, 2018 and December 31, 2017. 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, 2018 | Percentage of Net Assets (%) | December 31, 2017 | Percentage of Net Assets (%) |
| United States | | | | |
| Dollar | 127,290,018 | 65.14 | 75,070,927 | 63.98 |
| Euro | 20,725,139 | 10.61 | 10,514,824 | 8.96 |
| British Pound | 18,127,594 | 9.28 | 14,160,137 | 12.07 |
| Swiss Franc | 10,201,250 | 5.22 | 7,900,680 | 6.73 |
| Japanese Yen | 8,064,872 | 4.13 | 4,315,039 | 3.68 |
| Korean Won | 3,442,322 | 1.76 | 1,952,861 | 1.66 |
| Brazilian Real | 1,247,033 | 0.64 | 342,871 | 0.29 |
| Indian Rupee | 550,615 | 0.28 | 470,309 | 0.40 |
| Danish Krone | 142,474 | 0.06 | 650,805 | 0.55 |
| Total | 189,791,317 | 97.12 | 115,378,453 | 98.32 |

As at December 31, 2018, 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 \$9,489,566 (\$5,768,923 as at December 31, 2017). 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, 2018 | 1,598,671 | - | - | 1,598,671 |
| December 31, 2017 | 1,299,090 | - | - | 1,299,090 |

As at December 31, 2018, 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 \$162 (\$285 as at December 31, 2017). 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, 2018, 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 \$9,613,465 (\$5,797,708 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 0.8 | 1.1 |
| Equities | | |
| Energy | 0.4 | 0.7 |
| Materials | 7.4 | 7.2 |
| Industrials | 13.2 | 11.2 |
| Consumer Discretionary | 14.6 | 17.2 |
| Consumer Staples | 13.2 | 18.6 |
| Health Care | 10.4 | 10.2 |
| Financials | 8.6 | 7.5 |
| Information Technology | 21.4 | 26.2 |
| Communication Services | 9.2 | - |
| Other Assets less Liabilities | 0.8 | 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities | 192,261,695 | - | 7,606 | 192,269,301 |
| Short-Term Investments | - | 1,598,671 | - | 1,598,671 |

| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 and December 31, 2017.

| | December 31, 2018 | December 31, 2017 |
|---------------------------|-------------------|-------------------|
| | (\$) | (\$) |
| Opening Balance | 4,462 | 4,849 |
| Net purchases and (sales) | 2,909 | (314) |
| Net transfers in (out) | - | - |
| Gains (Losses) | | |
| Realized | (21) | 27 |
| Unrealized | 256 | (100) |
| Closing Balance | 7,606 | 4,462 |

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, 2018 were \$118,638 (\$58,262 for the period ended December 31, 2017).

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, 2018 was \$12,119 (\$18,963 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | 712 | 10,516 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | - | - |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F | - | - | - |
| Series F5 | 10,017 | - | 672 |
| Series F8 | 10,001 | 11,260 | 269 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F | 15 | 12,032 | - |
| Series F5 | - | - | - |
| Series F8 | - | - | - |

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| 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 Total Return Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 610,472,429 | 531,931,998 |
| Short-term investments | 29,235,175 | 62,930,920 |
| Cash | 203,969 | 3,005,716 |
| Margin | 3,188,122 | - |
| Option contracts, at fair value - long | - | - |
| Credit default swaps, sell protection | - | - |
| Unrealized appreciation on futures contracts | - | - |
| Unrealized appreciation on currency forward contracts | 806,755 | 302,214 |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | 49,033 | 229,478 |
| Accrued interest | 1,745,783 | 1,656,958 |
| Dividends receivable | 1,199,234 | 662,750 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 228,484 | 1,215,331 |
| | 647,128,984 | 601,935,365 |
| 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 | 10,344,646 | 1,134,408 |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 32,137 | 28,817 |
| Redemptions payable | 235,586 | 72,281 |
| Distributions payable | - | - |
| Due to investment dealers | 25,334 | 3,687,435 |
| Management fees payable | 218,528 | 200,386 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 10,856,231 | 5,123,327 |
| Net Assets Attributable to Holders of Redeemable Units | 636,272,753 | 596,812,038 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 326,500,070 | 325,777,287 |
| Series T5 | 9,105,124 | 8,881,679 |
| Series F | 98,906,404 | 85,240,161 |
| Series F5 | 238,833 | - |
| Series I | 155,278,231 | 127,525,798 |
| Series O | 46,244,091 | 49,387,113 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 15.86 | 16.44 |
| Series T5 | 16.90 | 18.38 |
| Series F | 16.55 | 17.19 |
| Series F5 | 14.21 | - |
| Series I | 17.47 | 18.14 |
| Series O | 12.25 | 12.72 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Investment Income | | |
| Dividend income | 11,588,849 | 8,565,308 |
| Interest income for distribution purposes | 6,551,748 | 4,977,322 |
| 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 | 8,311,867 | 8,552,526 |
| Net realized gain (loss) on futures contracts | 5,799 | 360 |
| Net realized gain (loss) on currency forward contracts | (4,689,358) | 4,557,881 |
| Net realized gain (loss) on option contracts | - | - |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | (16,938,033) | 21,603,348 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (8,705,697) | (660,381) |
| Change in unrealized appreciation (depreciation) in option contracts | - | - |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | (3,874,825) | 47,596,364 |
| Net gain (loss) on foreign exchange | (935,158) | (529,362) |
| Other income | 1,132 | - |
| Total income (loss) | (4,808,851) | 47,067,002 |
| Expenses (note 6) | | |
| Management fees | 7,801,774 | 7,579,833 |
| Administration fees | 1,112,878 | 998,975 |
| Independent review committee fees | 9,243 | 8,994 |
| Withholding tax | 1,259,577 | 1,003,319 |
| Transaction costs (note 3) | 142,854 | 174,545 |
| Total operating expenses | 10,326,326 | 9,765,666 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (15,135,177) | 37,301,336 |
| Finance Cost | | |
| Interest expense | (5,809) | (825) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | (15,140,986) | 37,300,511 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (10,562,610) | 19,564,468 |
| Series T5 | (295,138) | 515,212 |
| Series F | (2,024,031) | 5,025,047 |
| Series F5 | (3,379) | - |
| Series I | (1,738,896) | 8,373,347 |
| Series O | (516,932) | 3,822,437 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 20,683,718 | 18,586,160 |
| Series T5 | 519,215 | 428,265 |
| Series F | 5,567,389 | 4,119,620 |
| Series F5 | 5,083 | - |
| Series I | 8,087,702 | 5,530,435 |
| Series O | 3,872,357 | 3,539,673 |

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

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.51) | 1.05 |
| Series T5 | (0.57) | 1.20 |
| Series F | (0.36) | 1.22 |
| Series F5 | (0.66) | - |
| Series I | (0.22) | 1.51 |
| Series O | (0.13) | 1.08 |

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

For the periods ended December 31

| | Series A | | Series T5 | | Series F | | Series F5 | |
|---|-----------------|--------------|-------------|-------------|--------------|--------------|-----------|------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 325,777,287 | 275,418,337 | 8,881,679 | 7,415,645 | 85,240,161 | 55,765,343 | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (10,562,610) | 19,564,468 | (295,138) | 515,212 | (2,024,031) | 5,025,047 | (3,379) | - |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 109,054,323 | 114,554,540 | 2,882,994 | 4,393,094 | 43,326,403 | 43,120,071 | 245,802 | - |
| Redemption of redeemable units | \$ (97,747,678) | (83,705,346) | (1,994,333) | (3,117,682) | (27,317,381) | (18,363,402) | - | - |
| Reinvestment of distributions to holders of redeemable units | \$ 1,369,453 | 3,556,523 | 109,933 | 130,445 | 1,406,503 | 1,464,588 | 2,552 | - |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 12,676,098 | 34,405,717 | 998,594 | 1,405,857 | 17,415,525 | 26,221,257 | 248,354 | - |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | (3,553,834) | - | (98,212) | - | (919,562) | - | - |
| From net investment income | \$ (1,390,705) | (57,401) | (38,868) | (821) | (1,725,251) | (851,924) | (6,142) | - |
| Return of capital | \$ - | - | (441,143) | (356,002) | - | - | - | - |
| | \$ (1,390,705) | (3,611,235) | (480,011) | (455,035) | (1,725,251) | (1,771,486) | (6,142) | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 722,783 | 50,358,950 | 223,445 | 1,466,034 | 13,666,243 | 29,474,818 | 238,833 | - |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 326,500,070 | 325,777,287 | 9,105,124 | 8,881,679 | 98,906,404 | 85,240,161 | 238,833 | - |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 19,813,971 | 17,701,558 | 483,142 | 407,311 | 4,959,416 | 3,432,027 | - | - |
| Units issued | 6,650,751 | 7,071,821 | 160,706 | 237,394 | 2,517,224 | 2,529,336 | 16,628 | - |
| Units issued on reinvestment of distributions | 87,600 | 214,897 | 6,182 | 7,050 | 86,329 | 84,666 | 176 | - |
| Units redeemed | (5,966,945) | (5,174,305) | (111,420) | (168,613) | (1,587,844) | (1,086,613) | - | - |
| Balance - end of period | 20,585,377 | 19,813,971 | 538,610 | 483,142 | 5,975,125 | 4,959,416 | 16,804 | - |

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 I | | Series O | | Total | |
|---|-----------------------|--------------------|-------------------|-------------------|---------------------|---------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 127,525,798 | 78,345,182 | 49,387,113 | 38,984,005 | 596,812,038 | 455,928,512 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,738,896) | 8,373,347 | (516,932) | 3,822,437 | (15,140,986) | 37,300,511 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 38,071,498 | 46,510,852 | 9,805,416 | 17,163,505 | 203,386,436 | 225,742,062 |
| Redemption of redeemable units | \$ (8,580,169) | (5,703,582) | (12,422,765) | (10,567,421) | (148,062,326) | (121,457,433) |
| Reinvestment of distributions to holders of redeemable units | \$ 4,148,039 | 3,873,668 | 1,173,000 | 1,425,553 | 8,209,480 | 10,450,777 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 33,639,368 | 44,680,938 | (1,444,349) | 8,021,637 | 63,533,590 | 114,735,406 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ - | (1,384,946) | - | (541,087) | - | (6,497,641) |
| From net investment income | \$ (4,148,039) | (2,488,723) | (1,181,741) | (899,879) | (8,490,746) | (4,298,748) |
| Return of capital | \$ - | - | - | - | (441,143) | (356,002) |
| | \$ (4,148,039) | (3,873,669) | (1,181,741) | (1,440,966) | (8,931,889) | (11,152,391) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 27,752,433 | 49,180,616 | (3,143,022) | 10,403,108 | 39,460,715 | 140,883,526 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 155,278,231 | 127,525,798 | 46,244,091 | 49,387,113 | 636,272,753 | 596,812,038 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 7,029,718 | 4,568,847 | 3,883,446 | 3,251,280 | 36,169,693 | 29,361,023 |
| Units issued | 2,085,978 | 2,568,963 | 767,244 | 1,362,565 | 12,198,531 | 13,770,079 |
| Units issued on reinvestment of distributions | 241,607 | 212,184 | 97,441 | 111,383 | 519,335 | 630,180 |
| Units redeemed | (469,817) | (320,276) | (973,062) | (841,782) | (9,109,088) | (7,591,589) |
| Balance - end of period | 8,887,486 | 7,029,718 | 3,775,069 | 3,883,446 | 39,778,471 | 36,169,693 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 | 2017 | | 2018 | 2017 |
|---|----------------------|-----------------|--|----------------------|----------------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Cash Flows from Operating Activities | | | Net Cash Provided by (Used in) Operating Activities | (58,553,600) | (102,476,741) |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (15,140,986) | 37,300,511 | Cash Flows from Financing Activities | | |
| Adjustments for: | | | Distributions paid to holders of redeemable units, net of reinvested distributions | (722,409) | (701,614) |
| Net realized (gain) loss on sale of investments | (8,311,867) | (8,552,526) | Proceeds from redeemable units issued | 204,373,283 | 225,872,201 |
| Change in unrealized (appreciation) depreciation in value of investments | 16,938,033 | (21,603,348) | Redemption of redeemable units | (147,899,021) | (121,539,594) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - | Net Cash Provided by (Used in) Financing Activities | 55,751,853 | 103,630,993 |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 8,705,697 | 660,381 | Net increase (decrease) in cash | (2,801,747) | 1,154,252 |
| Change in unrealized (appreciation) depreciation in option contracts | - | - | Cash (bank indebtedness) at beginning of period | 3,005,716 | 1,851,464 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - | Cash (bank indebtedness) at end of period | 203,969 | 3,005,716 |
| Non-cash income distributions from underlying funds | - | - | Dividends received, net of withholding taxes | 9,792,788 | 7,428,491 |
| Change in margin | (3,188,122) | - | Interest received, net of withholding taxes | 6,462,923 | 4,747,272 |
| Purchases of investments | (472,100,756) | (249,762,686) | Interest paid | (5,809) | (825) |
| Proceeds from sale of investments | 381,309,649 | 161,111,497 | | | |
| Purchases of short-term investments | (942,252,934) | (2,384,708,262) | | | |
| Proceeds from sale of short-term investments | 975,948,679 | 2,363,770,419 | | | |
| Change in dividends and interest receivable | (625,309) | (363,548) | | | |
| Change in distributions receivable from underlying funds | - | - | | | |
| Change in management fees payable | 18,142 | (449,900) | | | |
| Change in other payables and accrued expenses | 146,174 | 120,721 | | | |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|--------|---------------|----------------|-------------------|-------------------|-----------------------|
| SHORT-TERM NOTES | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.711% | 3-Jan-2019 | 1,700,000 | 1,698,249 | 1,698,249 | |
| Canadian Treasury Bill | 1.722% | 4-Jan-2019 | 2,600,000 | 2,597,426 | 2,597,426 | |
| Canadian Treasury Bill | 1.642% | 10-Jan-2019 | 2,000,000 | 1,994,260 | 1,994,260 | |
| Canadian Treasury Bill | 1.636% | 7-Feb-2019 | 5,400,000 | 5,389,962 | 5,389,962 | |
| | | | | 11,679,897 | 11,679,897 | 1.84 |
| Promissory Note | | | | | | |
| Province of Alberta | 1.901% | 29-Jan-2019 | 3,000,000 | 2,989,260 | 2,989,260 | |
| Province of Manitoba | 1.846% | 12-Feb-2019 | 7,100,000 | 7,084,593 | 7,084,593 | |
| Province of Quebec | 1.843% | 3-Jan-2019 | 2,500,000 | 2,492,825 | 2,492,825 | |
| Province of Quebec | 1.854% | 3-Jan-2019 | 5,000,000 | 4,988,600 | 4,988,600 | |
| | | | | 17,555,278 | 17,555,278 | 2.76 |
| Total Short-Term Notes | | | | 29,235,175 | 29,235,175 | 4.60 |
| BONDS | | | | | | |
| Federal Bonds | | | | | | |
| Australia Government Bond | 2.750% | 21-Nov-2028 | 2,200,000 | 2,126,319 | 2,195,585 | |
| Bundesrepublik Deutschland | 2.500% | 4-Jul-2044 | 300,000 | 589,640 | 650,652 | |
| Bundesrepublik Deutschland | 2.500% | 15-Aug-2046 | 156,371 | 319,487 | 344,020 | |
| Canadian Government Bond | 1.500% | 1-Jun-2026 | 7,038,000 | 6,565,130 | 6,828,978 | |
| Canadian Government Bond | 5.750% | 1-Jun-2033 | 2,596,000 | 3,670,814 | 3,780,700 | |
| Canadian Government Bond | 1.500% | 1-Jun-2023 | 6,466,000 | 6,252,074 | 6,361,698 | |
| Commonwealth of Puerto Rico | 6.000% | 1-Jul-2027 | 20,000 | 25,854 | 28,239 | |
| European Stability Mechanism | 0.750% | 15-Mar-2027 | 1,660,000 | 2,540,015 | 2,633,822 | |
| Hungary Government International Bond | 5.375% | 21-Feb-2023 | 566,000 | 862,179 | 820,393 | |
| Indonesia Government International Bond | 2.875% | 8-Jul-2021 | 100,000 | 151,068 | 164,444 | |
| Indonesia Treasury Bond | 8.250% | 15-May-2029 | 20,646,000,000 | 1,890,909 | 2,011,059 | |
| International Bank for Reconstruction & Development | 2.800% | 13-Jan-2021 | 155,000 | 153,765 | 150,750 | |
| International Bank for Reconstruction & Development | 4.250% | 24-Jun-2025 | 30,000 | 32,696 | 31,681 | |
| International Finance Corp. | 3.250% | 22-Jul-2019 | 45,000 | 45,543 | 43,514 | |
| Italy Buoni Poliennali Del Tesoro | 2.000% | 1-Feb-2028 | 1,690,000 | 2,312,027 | 2,527,285 | |
| Italy Buoni Poliennali Del Tesoro | 1.650% | 1-Mar-2032 | 997,000 | 1,310,409 | 1,350,316 | |
| Italy Buoni Poliennali Del Tesoro | 5.500% | 1-Sep-2022 | 681,000 | 1,276,696 | 1,219,038 | |
| Italy Buoni Poliennali Del Tesoro | 5.500% | 1-Sep-2022 | 956,000 | 1,808,244 | 1,711,307 | |
| Italy Buoni Poliennali Del Tesoro | 2.500% | 1-Dec-2024 | 4,127,000 | 6,343,243 | 6,613,407 | |
| Italy Buoni Poliennali Del Tesoro | 2.050% | 1-Aug-2027 | 260,000 | 402,293 | 391,172 | |
| Japan Government Thirty Year Bond | 2.400% | 20-Mar-2037 | 209,600,000 | 3,197,016 | 3,502,038 | |
| Japan Government Twenty Year Bond | 0.500% | 20-Jun-2038 | 880,500,000 | 9,951,770 | 10,971,731 | |
| Japan Government Twenty Year Bond | 1.700% | 20-Sep-2032 | 327,650,000 | 4,720,077 | 4,900,701 | |
| Mexico Government International Bond | 4.600% | 10-Feb-2048 | 371,000 | 452,806 | 451,291 | |
| Nordic Investment Bank | 4.750% | 28-Feb-2024 | 80,000 | 88,242 | 85,218 | |
| Norway Government Bond | 2.000% | 26-Apr-2028 | 18,425,000 | 2,911,135 | 2,968,066 | |
| Oklahoma Development Finance Authority | 4.650% | 15-Aug-2030 | 221,000 | 286,604 | 322,416 | |
| Portugal Obrigacoes do Tesouro OT | 2.880% | 15-Oct-2025 | 1,637,000 | 2,730,603 | 2,847,112 | |
| Portugal Obrigacoes do Tesouro OT | 4.100% | 15-Apr-2037 | 340,000 | 613,866 | 646,684 | |
| Portugal Obrigacoes do Tesouro OT | 2.130% | 17-Oct-2028 | 3,993,000 | 6,250,482 | 6,465,115 | |
| Puerto Rico Electric Power Authority | 5.000% | 1-Jul-2022 | 95,000 | 122,095 | 130,577 | |
| Spain Government Bond | 2.750% | 31-Oct-2024 | 500,000 | 838,965 | 874,719 | |
| Spain Government Bond | 5.150% | 31-Oct-2028 | 2,260,000 | 4,697,252 | 4,734,941 | |
| United Kingdom Gilt | 4.250% | 7-Mar-2036 | 603,000 | 1,399,432 | 1,448,705 | |
| United Kingdom Gilt | 3.250% | 22-Jan-2044 | 1,368,000 | 2,956,093 | 3,043,733 | |
| United Kingdom Gilt | 3.750% | 22-Jul-2052 | 403,000 | 1,010,190 | 1,051,040 | |
| United Kingdom Gilt | 4.000% | 22-Jan-2060 | 155,000 | 416,733 | 449,195 | |
| United States Treasury Inflation Indexed Bonds | 0.267% | 15-Jan-2025 | 1,900,000 | 2,576,606 | 2,653,800 | |
| United States Treasury Note | 3.500% | 15-Feb-2039 | 525,000 | 717,570 | 784,676 | |
| United States Treasury Note | 2.130% | 30-Sep-2024 | 3,986,000 | 5,030,723 | 5,321,386 | |
| United States Treasury Note | 2.880% | 15-May-2028 | 6,055,400 | 7,693,698 | 8,399,225 | |
| United States Treasury Note | 2.000% | 15-Nov-2026 | 2,145,000 | 2,643,261 | 2,797,470 | |
| United States Treasury Note | 2.750% | 30-Sep-2020 | 854,000 | 1,107,775 | 1,170,975 | |
| United States Treasury Note | 1.375% | 30-Apr-2020 | 4,500,000 | 5,852,328 | 6,052,241 | |
| United States Treasury Note | 2.625% | 15-Aug-2020 | 2,858,000 | 3,807,915 | 3,909,869 | |
| United States Treasury Note | 2.375% | 15-Mar-2021 | 9,001,000 | 11,922,059 | 12,263,580 | |
| United States Treasury Note | 2.750% | 15-Feb-2028 | 5,344,000 | 6,907,248 | 7,338,339 | |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|--------|---------------|-----------|--------------------|--------------------|-----------------------|
| United States Treasury Note | 3.625% | 15-Feb-2044 | 4,594,000 | 6,685,967 | 6,952,562 | |
| United States Treasury Note | 3.000% | 15-May-2047 | 3,018,000 | 3,831,269 | 4,105,570 | |
| | | | | 140,098,185 | 146,501,035 | 23.03 |
| Provincial Bonds | | | | | | |
| Province of Alberta | 4.500% | 1-Dec-2040 | 75,000 | 87,614 | 89,372 | |
| Province of British Columbia | 2.300% | 18-Jun-2026 | 110,000 | 107,449 | 107,668 | |
| | | | | 195,063 | 197,040 | 0.03 |
| Canadian Corporate Bonds | | | | | | |
| Cameco Corp. | 5.670% | 2-Sep-2019 | 76,000 | 85,482 | 77,379 | |
| Loblaw Companies Limited | 4.860% | 12-Sep-2023 | 76,000 | 84,444 | 80,281 | |
| Schlumberger Finance Canada Ltd. | 2.650% | 20-Nov-2022 | 310,000 | 395,424 | 411,132 | |
| Shaw Communications Inc. | 5.650% | 1-Oct-2019 | 76,000 | 86,382 | 77,631 | |
| TELUS Corp. | 5.050% | 23-Jul-2020 | 77,000 | 86,531 | 79,643 | |
| | | | | 738,263 | 726,066 | 0.11 |
| Foreign Corporate Bonds | | | | | | |
| Abbott Ireland Financing DAC | 1.500% | 27-Sep-2026 | 200,000 | 297,171 | 312,588 | |
| Abbott Laboratories | 4.900% | 30-Nov-2046 | 300,000 | 429,975 | 431,765 | |
| ABN AMRO Bank NV | 2.875% | 18-Jan-2028 | 100,000 | 153,048 | 163,110 | |
| AerCap Ireland Capital DAC / AerCap Global Aviation Trust | 3.650% | 21-Jul-2027 | 306,000 | 385,055 | 363,917 | |
| Aetna Inc. | 2.800% | 15-Jun-2023 | 183,000 | 239,537 | 237,942 | |
| Air Liquide Finance SA | 2.250% | 27-Sep-2023 | 400,000 | 519,573 | 522,258 | |
| Allergan Funding SCS | 2.630% | 15-Nov-2028 | 170,000 | 254,132 | 269,196 | |
| American International Group Inc. | 1.875% | 21-Jun-2027 | 200,000 | 303,809 | 297,689 | |
| American Tower Corp. | 4.700% | 15-Mar-2022 | 200,000 | 268,860 | 280,755 | |
| American Tower Corp. | 4.000% | 1-Jun-2025 | 475,000 | 605,327 | 637,352 | |
| Amphenol Technologies Holding GmbH | 2.000% | 8-Oct-2028 | 100,000 | 147,825 | 155,710 | |
| Anheuser-Busch InBev Finance Inc. | 3.300% | 1-Feb-2023 | 1,221,000 | 1,665,074 | 1,623,063 | |
| Anheuser-Busch InBev SA/NV | 2.750% | 17-Mar-2036 | 74,000 | 107,985 | 116,803 | |
| Anheuser-Busch InBev Worldwide Inc. | 4.380% | 15-Apr-2038 | 99,000 | 120,930 | 121,016 | |
| Apple Inc. | 2.700% | 13-May-2022 | 156,000 | 186,317 | 210,792 | |
| Apple Inc. | 4.500% | 23-Feb-2036 | 374,000 | 534,707 | 538,122 | |
| Apple Inc. | 3.600% | 31-Jul-2042 | 100,000 | 201,377 | 197,961 | |
| Apple Inc. | 4.250% | 9-Feb-2047 | 61,000 | 79,204 | 83,227 | |
| APT Pipelines Ltd. | 5.000% | 23-Mar-2035 | 198,000 | 270,892 | 272,966 | |
| ASML Holding NV | 1.375% | 7-Jul-2026 | 300,000 | 473,303 | 473,101 | |
| AT&T Inc. | 2.450% | 30-Jun-2020 | 570,000 | 721,242 | 768,655 | |
| AT&T Inc. | 3.450% | 19-Sep-2023 | 250,000 | 233,406 | 240,297 | |
| AT&T Inc. | 4.750% | 15-May-2046 | 261,000 | 321,777 | 317,658 | |
| AT&T Inc. | 5.650% | 15-Feb-2047 | 183,000 | 256,923 | 250,477 | |
| Atlantia SpA | 6.250% | 9-Jun-2022 | 130,000 | 236,884 | 237,761 | |
| Bank of America Corp. | 2.625% | 19-Apr-2021 | 882,000 | 1,151,405 | 1,188,648 | |
| Bank of America Corp. | 4.100% | 24-Jul-2023 | 489,000 | 686,199 | 677,357 | |
| Bank of America Corp. | 3.500% | 19-Apr-2026 | 400,000 | 499,153 | 526,246 | |
| Bank of America Corp. | 3.248% | 21-Oct-2027 | 450,000 | 590,527 | 569,554 | |
| Bank of New York Mellon Corp. | 2.950% | 29-Jan-2023 | 476,000 | 602,727 | 640,255 | |
| Barclays Bank PLC | 6.000% | 14-Jan-2021 | 220,000 | 379,701 | 370,142 | |
| Barclays PLC | 3.125% | 17-Jan-2024 | 200,000 | 320,242 | 344,027 | |
| BAT International Finance PLC | 0.875% | 13-Oct-2023 | 100,000 | 134,049 | 151,956 | |
| Bayer Capital Corp BV | 1.500% | 26-Jun-2026 | 300,000 | 458,534 | 456,184 | |
| Becton Dickinson and Co. | 1.401% | 24-May-2023 | 300,000 | 452,632 | 472,084 | |
| Becton Dickinson and Co. | 3.734% | 15-Dec-2024 | 29,000 | 37,634 | 38,312 | |
| Becton Dickinson and Co. | 4.685% | 15-Dec-2044 | 194,000 | 275,267 | 248,901 | |
| Belfius Bank SA/NV | 3.125% | 11-May-2026 | 100,000 | 141,189 | 160,195 | |
| Berkshire Hathaway Inc. | 2.750% | 15-Mar-2023 | 95,000 | 127,020 | 127,449 | |
| Berkshire Hathaway Inc. | 4.500% | 11-Feb-2043 | 175,000 | 253,660 | 250,113 | |
| Best Buy Co., Inc. | 5.500% | 15-Mar-2021 | 332,000 | 453,634 | 467,776 | |
| Boston Gas Co. | 3.150% | 1-Aug-2027 | 239,000 | 298,600 | 311,742 | |
| Boston Properties LP | 3.125% | 1-Sep-2023 | 50,000 | 63,777 | 66,046 | |
| BPCE SA | 0.630% | 26-Sep-2023 | 100,000 | 151,467 | 155,694 | |
| BPCE SA | 4.500% | 15-Mar-2025 | 200,000 | 254,341 | 264,704 | |
| BPCE SA | 5.250% | 16-Apr-2029 | 100,000 | 201,612 | 196,497 | |
| British Telecommunications PLC | 0.880% | 26-Sep-2023 | 280,000 | 424,273 | 429,113 | |
| British Telecommunications PLC | 3.125% | 21-Nov-2031 | 200,000 | 344,264 | 334,682 | |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|--------|---------------|-----------|-------------------|-----------------|-----------------------|
| Broadcom Corp / Broadcom Cayman Finance Ltd. | 3.875% | 15-Jan-2027 | 228,000 | 300,991 | 279,831 | |
| Celgene Corp. | 2.875% | 15-Aug-2020 | 264,000 | 350,530 | 358,193 | |
| Charles Schwab Corp. | 3.850% | 21-May-2025 | 278,000 | 355,461 | 387,615 | |
| Charter Communications Operating LLC | 6.384% | 23-Oct-2035 | 211,000 | 298,013 | 296,557 | |
| Chubb INA Holdings Inc. | 2.300% | 3-Nov-2020 | 235,000 | 310,352 | 316,458 | |
| Chubb INA Holdings Inc. | 2.500% | 15-Mar-2038 | 127,000 | 198,684 | 195,911 | |
| Cie Financiere et Industrielle des Autoroutes SA | 0.750% | 9-Sep-2028 | 200,000 | 289,353 | 292,721 | |
| Cisco Systems Inc. | 2.200% | 28-Feb-2021 | 151,000 | 206,254 | 203,567 | |
| Citizens Bank NA/Providence RI | 2.550% | 13-May-2021 | 250,000 | 323,336 | 334,159 | |
| CNA Financial Corp. | 5.875% | 15-Aug-2020 | 60,000 | 78,376 | 85,045 | |
| CNH Industrial Finance Europe SA | 1.880% | 19-Jan-2026 | 300,000 | 448,929 | 459,085 | |
| CNPC General Capital Ltd. | 3.400% | 16-Apr-2023 | 628,000 | 873,893 | 850,117 | |
| Coach Inc. | 4.125% | 15-Jul-2027 | 150,000 | 202,052 | 192,034 | |
| Constellation Brands Inc. | 4.400% | 15-Nov-2025 | 283,000 | 369,974 | 387,844 | |
| Corp Financiera de Desarrollo SA | 4.750% | 15-Jul-2025 | 555,000 | 781,201 | 755,178 | |
| Credit Agricole SA/London | 0.750% | 5-Dec-2023 | 300,000 | 449,596 | 469,186 | |
| Credit Suisse AG | 6.500% | 8-Aug-2023 | 200,000 | 283,817 | 285,626 | |
| Credit Suisse Group AG | 1.250% | 17-Jul-2025 | 135,000 | 196,696 | 206,262 | |
| Credit Suisse Group AG | 3.869% | 12-Jan-2029 | 500,000 | 628,548 | 636,497 | |
| CRH America Finance Inc. | 4.500% | 4-Apr-2048 | 223,000 | 283,313 | 271,769 | |
| Crown Castle International Corp. | 2.250% | 1-Sep-2021 | 244,000 | 315,064 | 322,404 | |
| Crown Castle International Corp. | 4.450% | 15-Feb-2026 | 350,000 | 467,481 | 476,648 | |
| Danone SA | 2.077% | 2-Nov-2021 | 200,000 | 266,681 | 264,068 | |
| Danone SA | 2.589% | 2-Nov-2023 | 373,000 | 497,360 | 484,867 | |
| Demeter Investments BV for Zurich Insurance Co Ltd. | 3.500% | 1-Oct-2046 | 250,000 | 410,717 | 403,558 | |
| Deutsche Bank AG | 1.875% | 28-Feb-2020 | 200,000 | 327,710 | 343,500 | |
| Deutsche Telekom International Finance BV | 1.375% | 30-Jan-2027 | 120,000 | 170,166 | 187,144 | |
| Diageo Finance PLC | 1.000% | 22-Apr-2025 | 300,000 | 447,757 | 469,397 | |
| Dominion Gas Holdings LLC | 2.800% | 15-Nov-2020 | 247,000 | 325,876 | 332,496 | |
| Duke Energy Corp. | 2.650% | 1-Sep-2026 | 227,000 | 296,874 | 282,346 | |
| Duke Energy Florida LLC | 3.200% | 15-Jan-2027 | 450,000 | 603,203 | 595,310 | |
| E*TRADE Financial Corp. | 2.950% | 24-Aug-2022 | 194,000 | 247,244 | 257,277 | |
| Emera US Finance LP | 2.700% | 15-Jun-2021 | 91,000 | 115,667 | 121,152 | |
| Emera US Finance LP | 3.550% | 15-Jun-2026 | 104,000 | 131,955 | 134,915 | |
| Empresa Nacional de Telecomunicaciones SA | 4.750% | 1-Aug-2026 | 572,000 | 766,431 | 736,745 | |
| Empresa Nacional del Petroleo | 4.375% | 30-Oct-2024 | 562,000 | 772,453 | 756,068 | |
| Enel Finance International NV | 1.125% | 16-Sep-2026 | 300,000 | 442,305 | 443,626 | |
| Enel Finance International NV | 4.750% | 25-May-2047 | 200,000 | 258,417 | 232,765 | |
| Enersis Americas SA | 4.000% | 25-Oct-2026 | 638,000 | 873,947 | 815,396 | |
| Eni SpA | 4.000% | 12-Sep-2023 | 200,000 | 262,314 | 269,267 | |
| ERAC USA Finance LLC | 7.000% | 15-Oct-2037 | 200,000 | 330,810 | 340,575 | |
| Esselunga SpA | 0.875% | 25-Oct-2023 | 150,000 | 218,835 | 230,689 | |
| Euroclear Bank SA/NV | 0.500% | 10-Jul-2023 | 250,000 | 383,676 | 389,915 | |
| Euroclear Investments SA | 2.625% | 11-Apr-2048 | 100,000 | 158,559 | 152,776 | |
| Eutelsat SA | 2.000% | 2-Oct-2025 | 200,000 | 303,386 | 299,087 | |
| Exelon Corp. | 3.497% | 1-Jun-2022 | 111,000 | 148,985 | 148,371 | |
| EXOR NV | 1.750% | 18-Jan-2028 | 200,000 | 297,572 | 296,448 | |
| FCA Bank SpA/Ireland | 1.000% | 21-Feb-2022 | 100,000 | 151,277 | 154,174 | |
| Ferrari NV | 1.500% | 16-Mar-2023 | 550,000 | 817,053 | 860,369 | |
| Fidelity National Information Services Inc. | 3.875% | 5-Jun-2024 | 37,000 | 44,097 | 50,540 | |
| Fidelity National Information Services Inc. | 5.000% | 15-Oct-2025 | 26,000 | 33,641 | 36,991 | |
| Fidelity National Information Services Inc. | 3.000% | 15-Aug-2026 | 476,000 | 585,185 | 599,091 | |
| G4S International Finance PLC | 1.500% | 9-Jan-2023 | 200,000 | 294,003 | 311,845 | |
| General Motors Co. | 6.750% | 1-Apr-2046 | 250,000 | 363,048 | 331,568 | |
| General Motors Financial Co., Inc. | 4.350% | 17-Jan-2027 | 123,000 | 158,507 | 154,884 | |
| Givaudan SA | 2.000% | 17-Sep-2030 | 100,000 | 152,611 | 159,485 | |
| Glencore Funding LLC | 3.000% | 27-Oct-2022 | 505,000 | 633,809 | 658,458 | |
| Grainger PLC | 3.375% | 24-Apr-2028 | 200,000 | 355,097 | 343,163 | |
| Grand City Properties SA | 1.375% | 3-Aug-2026 | 300,000 | 424,451 | 434,881 | |
| Halfmoon Parent Inc. | 4.130% | 15-Nov-2025 | 80,000 | 105,613 | 109,272 | |
| Halfmoon Parent Inc. | 4.130% | 15-Nov-2025 | 160,000 | 210,329 | 218,545 | |
| Heathrow Funding Ltd. | 1.875% | 12-Jul-2032 | 100,000 | 148,227 | 149,245 | |
| Heathrow Funding Ltd. | 4.625% | 31-Oct-2046 | 100,000 | 238,818 | 207,123 | |
| Hiscox Ltd. | 6.125% | 24-Nov-2045 | 200,000 | 394,128 | 358,510 | |
| Home Depot Inc. | 2.625% | 1-Jun-2022 | 150,000 | 186,833 | 202,821 | |
| Home Depot Inc. | 4.875% | 15-Feb-2044 | 200,000 | 290,001 | 292,190 | |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|--------|---------------|-----------|-------------------|-----------------|-----------------------|
| HSBC Holdings PLC | 4.375% | 23-Nov-2026 | 200,000 | 268,518 | 264,887 | |
| Huntington Ingalls Industries Inc. | 3.483% | 1-Dec-2027 | 140,000 | 178,296 | 178,579 | |
| Imperial Brands Finance PLC | 1.375% | 27-Jan-2025 | 200,000 | 280,683 | 299,336 | |
| Indonesia Asahan Aluminium Tbk PT | 6.530% | 15-Nov-2028 | 200,000 | 255,733 | 287,195 | |
| innogy Finance BV | 1.625% | 30-May-2026 | 232,000 | 350,634 | 369,711 | |
| Intercontinental Exchange Inc. | 2.750% | 1-Dec-2020 | 68,000 | 90,122 | 92,472 | |
| Intercontinental Exchange Inc. | 4.000% | 15-Oct-2023 | 350,000 | 466,631 | 490,187 | |
| Intercontinental Exchange Inc. | 3.750% | 1-Dec-2025 | 112,000 | 148,577 | 154,456 | |
| InterContinental Hotels Group PLC | 3.750% | 14-Aug-2025 | 200,000 | 386,788 | 362,276 | |
| International Flavors & Fragrances Inc. | 1.800% | 25-Sep-2026 | 150,000 | 227,322 | 234,033 | |
| Intesa Sanpaolo SpA | 5.250% | 28-Jan-2022 | 50,000 | 108,637 | 91,211 | |
| Intesa Sanpaolo SpA | 2.130% | 30-Aug-2023 | 300,000 | 452,223 | 470,938 | |
| Investor AB | 1.500% | 12-Sep-2030 | 200,000 | 303,963 | 316,352 | |
| Islandsbanki HF | 1.750% | 7-Sep-2020 | 170,000 | 252,229 | 270,161 | |
| Islandsbanki HF | 1.125% | 19-Jan-2024 | 150,000 | 238,319 | 228,858 | |
| JAB Holdings BV | 2.500% | 25-Jun-2029 | 300,000 | 465,811 | 475,316 | |
| JPMorgan Chase & Co. | 3.250% | 23-Sep-2022 | 482,000 | 639,827 | 653,430 | |
| JPMorgan Chase & Co. | 2.950% | 1-Oct-2026 | 708,000 | 875,951 | 893,954 | |
| JPMorgan Chase & Co. | 3.540% | 1-May-2028 | 223,000 | 298,140 | 290,686 | |
| JPMorgan Chase & Co. | 4.260% | 22-Feb-2048 | 230,000 | 301,323 | 292,867 | |
| KBC Group NV | 0.875% | 27-Jun-2023 | 100,000 | 153,125 | 156,003 | |
| Kraft Heinz Foods Co. | 5.200% | 15-Jul-2045 | 56,000 | 77,476 | 70,131 | |
| Kraft Heinz Foods Co. | 4.375% | 1-Jun-2046 | 250,000 | 306,784 | 282,327 | |
| L3 Technologies Inc. | 3.850% | 15-Jun-2023 | 271,000 | 348,336 | 371,077 | |
| Laboratory Corporation of America Holdings | 3.200% | 1-Feb-2022 | 279,000 | 356,912 | 378,450 | |
| Laboratory Corporation of America Holdings | 4.700% | 1-Feb-2045 | 200,000 | 255,941 | 255,222 | |
| Lear Corp. | 3.800% | 15-Sep-2027 | 157,000 | 193,126 | 196,229 | |
| Liberty Mutual Group Inc. | 4.250% | 15-Jun-2023 | 129,000 | 178,925 | 177,815 | |
| Life Technologies Corp. | 5.000% | 15-Jan-2021 | 68,000 | 94,776 | 95,198 | |
| Lockheed Martin Corp. | 3.550% | 15-Jan-2026 | 100,000 | 132,658 | 135,737 | |
| LyondellBasell Industries NV | 5.000% | 15-Apr-2019 | 128,000 | 177,499 | 175,016 | |
| Macquarie Group Ltd. | 1.250% | 5-Mar-2025 | 200,000 | 294,182 | 302,310 | |
| ManpowerGroup Inc. | 1.750% | 22-Jun-2026 | 250,000 | 381,670 | 391,419 | |
| Marathon Petroleum Corp. | 3.400% | 15-Dec-2020 | 73,000 | 93,605 | 99,720 | |
| Marathon Petroleum Corp. | 3.625% | 15-Sep-2024 | 142,000 | 163,150 | 188,956 | |
| Marsh & McLennan Cos Inc. | 3.500% | 3-Jun-2024 | 50,000 | 56,399 | 67,350 | |
| Marsh & McLennan Cos Inc. | 4.350% | 30-Jan-2047 | 293,000 | 384,816 | 374,655 | |
| Martin Marietta Materials Inc. | 4.250% | 2-Jul-2024 | 35,000 | 45,348 | 48,437 | |
| Martin Marietta Materials Inc. | 3.450% | 1-Jun-2027 | 101,000 | 137,067 | 127,643 | |
| Martin Marietta Materials Inc. | 3.500% | 15-Dec-2027 | 172,000 | 219,026 | 214,584 | |
| Merlin Properties Socimi SA | 2.225% | 25-Apr-2023 | 100,000 | 144,594 | 160,877 | |
| Merlin Properties Socimi SA | 1.875% | 2-Nov-2026 | 110,000 | 157,778 | 164,201 | |
| Microsoft Corp. | 4.100% | 6-Feb-2037 | 425,000 | 596,874 | 596,773 | |
| Morgan Stanley | 2.500% | 21-Apr-2021 | 239,000 | 305,989 | 319,611 | |
| Morgan Stanley | 5.500% | 28-Jul-2021 | 50,000 | 63,894 | 71,610 | |
| Morgan Stanley | 3.125% | 27-Jul-2026 | 603,000 | 743,125 | 762,266 | |
| MPLX LP | 4.500% | 15-Apr-2038 | 184,000 | 226,721 | 220,153 | |
| Nationwide Building Society | 1.500% | 8-Mar-2026 | 100,000 | 143,042 | 148,496 | |
| Neste Oyj | 1.500% | 7-Jun-2024 | 200,000 | 309,098 | 316,404 | |
| NextEra Energy Capital Holdings Inc. | 3.550% | 1-May-2027 | 283,000 | 383,841 | 369,493 | |
| NN Group NV | 4.625% | 8-Apr-2044 | 250,000 | 420,374 | 411,106 | |
| Northwell Healthcare Inc. | 4.260% | 1-Nov-2047 | 279,000 | 342,836 | 362,737 | |
| OMV AG | 0.750% | 4-Dec-2023 | 250,000 | 373,623 | 392,199 | |
| ONEOK Inc. | 4.950% | 13-Jul-2047 | 430,000 | 541,895 | 544,535 | |
| PepsiCo Inc. | 3.100% | 17-Jul-2022 | 164,000 | 208,798 | 224,196 | |
| Pertamina Persero PT | 6.000% | 3-May-2042 | 599,000 | 881,438 | 818,257 | |
| Perusahaan Listrik Negara PT | 2.880% | 25-Oct-2025 | 250,000 | 368,645 | 388,254 | |
| Petroleos Mexicanos | 1.875% | 21-Apr-2022 | 200,000 | 294,536 | 295,578 | |
| Phillips 66 | 4.875% | 15-Nov-2044 | 238,000 | 341,539 | 318,351 | |
| PPL Capital Funding Inc. | 5.000% | 15-Mar-2044 | 20,000 | 24,171 | 27,943 | |
| PPL WEM Ltd. | 5.375% | 1-May-2021 | 200,000 | 287,019 | 282,194 | |
| Priceline Group Inc. | 3.550% | 15-Mar-2028 | 138,000 | 175,186 | 177,897 | |
| QBE Insurance Group Ltd. | 6.115% | 24-May-2042 | 115,000 | 221,708 | 211,997 | |
| Reckitt Benckiser Treasury Services PLC | 3.625% | 21-Sep-2023 | 400,000 | 516,644 | 550,177 | |
| Reckitt Benckiser Treasury Services PLC | 3.000% | 26-Jun-2027 | 211,000 | 279,535 | 268,079 | |
| RELX Finance BV | 1.000% | 22-Mar-2024 | 110,000 | 157,115 | 170,437 | |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|--------|---------------|-----------|-------------------|-------------------|-----------------------|
| Republic Services Inc. | 3.950% | 15-May-2028 | 271,000 | 344,664 | 371,092 | |
| Richemont International Holding SA | 1.500% | 26-Mar-2030 | 100,000 | 151,578 | 155,742 | |
| Rolls-Royce PLC | 0.875% | 9-May-2024 | 200,000 | 305,123 | 302,378 | |
| Roper Technologies Inc. | 4.200% | 15-Sep-2028 | 181,000 | 236,575 | 245,231 | |
| RWE Finance BV | 4.750% | 31-Jan-2034 | 100,000 | 206,553 | 199,778 | |
| Sabine Pass Liquefaction LLC | 4.200% | 15-Mar-2028 | 250,000 | 330,791 | 327,218 | |
| SAP SE | 1.250% | 10-Mar-2028 | 100,000 | 148,376 | 156,823 | |
| SAP SE | 1.625% | 10-Mar-2031 | 100,000 | 147,681 | 156,885 | |
| SASOL Financing USA LLC | 5.880% | 27-Mar-2024 | 336,000 | 433,052 | 458,452 | |
| SES SA | 1.625% | 22-Mar-2026 | 250,000 | 399,521 | 377,420 | |
| Sky PLC | 2.500% | 15-Sep-2026 | 200,000 | 310,345 | 332,500 | |
| Smiths Group PLC | 2.000% | 23-Feb-2027 | 200,000 | 305,796 | 308,939 | |
| Sumitomo Mitsui Financial Group Inc. | 3.544% | 17-Jan-2028 | 456,000 | 568,175 | 605,640 | |
| Svenska Handelsbanken AB | 5.250% | 31-Dec-2049 | 297,000 | 389,958 | 390,935 | |
| Takeda Pharmaceutical Co Ltd. | 2.250% | 21-Nov-2026 | 200,000 | 299,042 | 319,369 | |
| TD Ameritrade Holding Corp. | 2.950% | 1-Apr-2022 | 29,000 | 36,039 | 39,201 | |
| Tele2 AB | 1.130% | 15-May-2024 | 300,000 | 445,029 | 465,138 | |
| Tengizchevroil Finance Co International Ltd. | 4.000% | 15-Aug-2026 | 650,000 | 862,487 | 821,740 | |
| The Goldman Sachs Group Inc. | 2.625% | 25-Apr-2021 | 422,000 | 544,575 | 561,669 | |
| The Goldman Sachs Group Inc. | 5.750% | 24-Jan-2022 | 80,000 | 103,214 | 114,451 | |
| The Home Depot Inc. | 3.000% | 1-Apr-2026 | 124,000 | 170,623 | 164,207 | |
| The Priceline Group Inc. | 1.800% | 3-Mar-2027 | 300,000 | 401,777 | 471,040 | |
| Thermo Fisher Scientific Inc. | 3.000% | 15-Apr-2023 | 114,000 | 148,130 | 151,631 | |
| Thermo Fisher Scientific Inc. | 2.950% | 19-Sep-2026 | 97,000 | 127,901 | 122,469 | |
| Thermo Fisher Scientific Inc. | 3.200% | 15-Aug-2027 | 600,000 | 756,683 | 763,006 | |
| Transurban Finance Co. Pty Ltd. | 1.750% | 29-Mar-2028 | 300,000 | 454,340 | 458,856 | |
| Ubisoft Entertainment SA | 1.289% | 30-Jan-2023 | 200,000 | 313,280 | 310,447 | |
| UBS Group Funding Jersey Ltd. | 1.500% | 30-Nov-2024 | 200,000 | 283,674 | 314,410 | |
| UBS Group Funding Switzerland AG | 2.859% | 15-Aug-2023 | 417,000 | 529,027 | 548,054 | |
| UniCredit Spa | 1.000% | 18-Jan-2023 | 250,000 | 376,235 | 365,668 | |
| United Technologies Corp. | 4.630% | 16-Nov-2048 | 230,000 | 299,097 | 304,562 | |
| UnitedHealth Group Inc. | 2.700% | 15-Jul-2020 | 164,000 | 212,613 | 223,241 | |
| UnitedHealth Group Inc. | 4.625% | 15-Jul-2035 | 505,000 | 728,476 | 732,389 | |
| Unum Group | 4.000% | 15-Mar-2024 | 60,000 | 69,853 | 81,433 | |
| Verizon Communications Inc. | 3.500% | 1-Nov-2024 | 207,000 | 270,517 | 279,206 | |
| Virginia Electric & Power Co. | 3.500% | 15-Mar-2027 | 350,000 | 470,370 | 471,609 | |
| Visa Inc. | 4.150% | 14-Dec-2035 | 208,000 | 286,179 | 294,332 | |
| Visa Inc. | 4.300% | 14-Dec-2045 | 200,000 | 280,731 | 282,981 | |
| Volkswagen Bank GmbH | 0.750% | 15-Jun-2023 | 150,000 | 226,140 | 226,037 | |
| Volkswagen Financial Services AG | 0.875% | 12-Apr-2023 | 300,000 | 466,977 | 455,899 | |
| Volkswagen Financial Services AG | 1.380% | 16-Oct-2023 | 200,000 | 297,217 | 309,202 | |
| Volkswagen International Finance NV | 3.375% | 31-Dec-2049 | 200,000 | 307,834 | 293,022 | |
| Volkswagen International Finance NV | 2.700% | 31-Dec-2049 | 100,000 | 143,610 | 147,790 | |
| Wabtec Corp. | 4.700% | 15-Sep-2028 | 168,000 | 218,325 | 215,607 | |
| WM. Wrigley Jr. Co. | 3.375% | 21-Oct-2020 | 100,000 | 126,819 | 136,997 | |
| WPP Finance 2013 | 2.880% | 14-Sep-2046 | 160,000 | 221,670 | 210,770 | |
| WPP Finance 2016 | 1.375% | 20-Mar-2025 | 150,000 | 230,829 | 227,413 | |
| XLIT Ltd. | 3.250% | 29-Jun-2047 | 200,000 | 293,059 | 303,190 | |
| | | | | 74,404,908 | 75,230,552 | 11.82 |
| Mortgage-Backed Securities | | | | | | |
| A Voce CLO Ltd. | 3.508% | 15-Jul-2026 | 573,000 | 735,667 | 752,887 | |
| Chesapeake Funding II LLC | 3.223% | 15-Mar-2028 | 200,000 | 65,468 | 67,514 | |
| Comm Mortgage Trust 2015-LC19 | 3.183% | 10-Feb-2048 | 200,000 | 260,554 | 269,836 | |
| Comm Mortgage Trust 2015-LC21 A4 | 3.708% | 10-Jul-2048 | 205,721 | 260,638 | 284,654 | |
| CPS Auto Trust | 2.110% | 15-Mar-2021 | 246,000 | 318,469 | 317,498 | |
| Dryden 55 CLO Ltd. | 0.000% | 15-Apr-2031 | 331,317 | 426,224 | 445,476 | |
| Fannie Mae Pool | 4.260% | 1-Dec-2019 | 50,000 | 59,270 | 58,809 | |
| Fannie Mae Pool | 2.770% | 1-Mar-2022 | 50,000 | 56,419 | 59,173 | |
| Fannie Mae Pool | 4.500% | 1-Jan-2040 | 423,000 | 69,207 | 71,274 | |
| Fannie Mae Pool | 4.500% | 1-May-2040 | 569,000 | 558,323 | 556,107 | |
| Fannie Mae Pool | 5.000% | 1-Aug-2040 | 738,000 | 175,106 | 173,746 | |
| Fannie Mae Pool | 4.000% | 1-Sep-2040 | 108,000 | 20,461 | 21,221 | |
| Fannie Mae Pool | 4.000% | 1-Sep-2040 | 193,000 | 33,813 | 33,691 | |
| Fannie Mae Pool | 4.000% | 1-Nov-2040 | 1,425,000 | 353,244 | 360,950 | |
| Fannie Mae Pool | 4.000% | 1-Dec-2040 | 1,400,000 | 448,119 | 457,264 | |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|--------|---------------|-----------|--------------------|--------------------|-----------------------|
| Fannie Mae Pool | 4.500% | 1-Feb-2041 | 700,000 | 178,782 | 180,859 | |
| Fannie Mae Pool | 4.500% | 1-Feb-2041 | 63,453 | 14,265 | 13,999 | |
| Fannie Mae Pool | 4.000% | 1-Feb-2041 | 1,200,000 | 403,569 | 412,373 | |
| Fannie Mae Pool | 4.500% | 1-Apr-2041 | 282,064 | 75,090 | 76,662 | |
| Fannie Mae Pool | 4.000% | 1-Jun-2041 | 41,000 | 32,903 | 32,364 | |
| Fannie Mae Pool | 4.000% | 1-Nov-2041 | 32,573 | 13,229 | 12,584 | |
| Fannie Mae Pool | 4.000% | 1-Jan-2042 | 144,656 | 48,115 | 47,389 | |
| Fannie Mae Pool | 4.000% | 1-Jan-2042 | 73,000 | 25,243 | 25,422 | |
| Fannie Mae Pool | 5.000% | 1-Mar-2042 | 583,000 | 219,046 | 221,695 | |
| Fannie Mae Pool | 4.000% | 1-Dec-2042 | 21,000 | 11,030 | 10,906 | |
| Fannie Mae Pool | 4.500% | 1-Jan-2043 | 500,000 | 267,985 | 270,876 | |
| Fannie Mae Pool | 4.500% | 1-Jan-2043 | 371,000 | 297,432 | 290,705 | |
| Fannie Mae Pool | 4.000% | 1-Jan-2043 | 31,000 | 30,903 | 30,819 | |
| Fannie Mae Pool | 4.000% | 1-Jan-2043 | 45,000 | 36,221 | 36,711 | |
| Fannie Mae Pool | 4.000% | 1-Jun-2043 | 28,821 | 22,960 | 23,304 | |
| Fannie Mae Pool | 4.000% | 1-Jul-2043 | 27,142 | 12,810 | 13,268 | |
| Fannie Mae Pool | 4.500% | 1-Sep-2043 | 550,000 | 286,305 | 279,917 | |
| Fannie Mae Pool | 4.000% | 1-Jan-2044 | 25,000 | 24,981 | 24,926 | |
| Fannie Mae Pool | 4.500% | 1-Apr-2044 | 400,000 | 247,703 | 252,420 | |
| Fannie Mae Pool | 4.000% | 1-Apr-2044 | 20,000 | 18,831 | 19,078 | |
| Fannie Mae Pool | 4.500% | 1-Jun-2044 | 1,000,000 | 702,533 | 715,100 | |
| Fannie Mae Pool | 4.000% | 1-Nov-2044 | 55,020 | 30,075 | 29,666 | |
| Fannie Mae Pool | 4.000% | 1-Feb-2045 | 95,406 | 51,811 | 55,601 | |
| Fannie Mae Pool | 3.500% | 1-Mar-2045 | 57,472 | 43,904 | 43,801 | |
| Fannie Mae Pool | 3.500% | 1-Jul-2046 | 239,000 | 258,870 | 260,576 | |
| Fannie Mae Pool | 3.500% | 1-Dec-2046 | 128,000 | 147,539 | 147,776 | |
| Fannie Mae Pool | 3.500% | 1-Jan-2047 | 35,533 | 40,235 | 40,235 | |
| Fannie Mae Pool | 3.500% | 1-Jan-2047 | 67,981 | 78,219 | 78,313 | |
| FHLMC Multifamily Structured Pass Through Certificates | 1.883% | 25-May-2019 | 125,000 | 144,406 | 155,964 | |
| FHLMC Multifamily Structured Pass Through Certificates | 2.637% | 25-Jan-2023 | 150,000 | 189,295 | 202,815 | |
| FHLMC Multifamily Structured Pass Through Certificates | 3.300% | 25-Apr-2023 | 249,675 | 331,812 | 346,395 | |
| FHLMC Multifamily Structured Pass Through Certificates | 3.458% | 25-Aug-2023 | 249,675 | 334,880 | 348,217 | |
| Flatiron CLO 2013-1 Ltd. | 4.003% | 17-Jan-2026 | 549,897 | 733,118 | 749,741 | |
| FORT CRE 2018-1 LLC | 0.000% | 21-Oct-2023 | 282,500 | 375,276 | 383,717 | |
| Freddie Mac Gold Pool | 4.500% | 1-Dec-2039 | 1,085,000 | 138,688 | 141,325 | |
| Freddie Mac Gold Pool | 4.500% | 1-Jul-2040 | 155,789 | 31,967 | 31,766 | |
| Freddie Mac Gold Pool | 4.000% | 1-Jan-2041 | 35,000 | 19,886 | 20,299 | |
| Freddie Mac Gold Pool | 5.000% | 1-Jul-2041 | 1,100,000 | 427,915 | 435,374 | |
| Freddie Mac Gold Pool | 4.500% | 1-May-2042 | 450,000 | 329,749 | 332,185 | |
| Freddie Mac Gold Pool | 4.000% | 1-Apr-2044 | 41,200 | 22,335 | 23,084 | |
| Freddie Mac Gold Pool | 3.500% | 1-Sep-2045 | 244,760 | 206,150 | 202,713 | |
| Freddie Mac Multifamily Structured Pass Through Certificates | 3.064% | 25-Aug-2024 | 792,666 | 1,052,451 | 1,086,917 | |
| Freddie Mac Multifamily Structured Pass Through Certificates | 3.244% | 25-Aug-2027 | 46,000 | 59,119 | 62,704 | |
| GS Mortgage Securities Corp. II | 3.382% | 10-May-2050 | 230,127 | 284,611 | 312,476 | |
| JPMBB Commercial Mortgage Securities Trust 2014-C26 | 3.494% | 15-Jan-2048 | 261,848 | 341,986 | 358,523 | |
| Magnetite VII Ltd. | 3.236% | 15-Jan-2028 | 670,000 | 874,089 | 901,047 | |
| Morgan Stanley Bank of America Merrill Lynch Trust 2015-C21 | 3.338% | 15-Mar-2048 | 15,893 | 20,381 | 21,528 | |
| Morgan Stanley Capital I Trust 2017-H1 | 3.530% | 15-Jun-2050 | 142,705 | 197,573 | 193,215 | |
| Octagon Investment Partners XVII Ltd. | 3.384% | 25-Jan-2031 | 907,000 | 1,137,333 | 1,195,778 | |
| Small Business Administration Participation Certificates | 2.220% | 1-Mar-2033 | 25,000 | 14,377 | 18,583 | |
| Wells Fargo & Co. | 3.148% | 15-May-2048 | 71,128 | 89,345 | 95,538 | |
| Wells Fargo Commercial Mortgage Trust | 3.540% | 15-May-2048 | 230,334 | 284,135 | 315,398 | |
| | | | | 15,102,448 | 15,512,747 | 2.44 |
| Total Bonds | | | | 230,538,867 | 238,167,440 | 37.43 |

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

Sun Life MFS Global Total Return Fund (continued)

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|---------------------|----------------------|--------------------|--------------------------|
| EQUITIES | | | | |
| Energy | | | | |
| BP PLC | 125,089 | 888,459 | 1,079,145 | |
| Enterprise Products Partners LP | 41,651 | 1,425,383 | 1,398,853 | |
| Lukoil PJSC | 10,893 | 711,831 | 1,063,457 | |
| Schlumberger Ltd. | 37,632 | 3,362,961 | 1,854,436 | |
| Chevron Corp. | 9,017 | 1,187,864 | 1,339,797 | |
| China Petroleum & Chemical Corporation, H Shares | 894,000 | 854,537 | 871,789 | |
| Exxon Mobil Corp. | 30,716 | 3,311,454 | 2,860,707 | |
| Galp Energia SGPS SA | 61,528 | 1,204,714 | 1,325,223 | |
| Lukoil PJSC | 5,105 | 252,548 | 497,413 | |
| Marathon Petroleum Corporation | 39,666 | 3,566,973 | 3,196,923 | |
| Occidental Petroleum Corp. | 12,932 | 1,205,212 | 1,084,128 | |
| Phillips 66 | 14,022 | 1,630,384 | 1,649,884 | |
| Suncor Energy Inc. | 33,801 | 1,294,230 | 1,288,832 | |
| | | 20,896,550 | 19,510,587 | 3.07 |
| Materials | | | | |
| Akzo Nobel NV | 20,889 | 2,405,908 | 2,296,068 | |
| Arcor Ltd. | 79,502 | 1,096,853 | 1,012,876 | |
| CF Industries Holdings Inc. | 9,014 | 443,252 | 535,667 | |
| Givaudan SA | 995 | 2,440,462 | 3,137,592 | |
| LyondellBasell Industries NV | 3,991 | 477,002 | 453,299 | |
| PPG Industries Inc. | 28,292 | 3,756,846 | 3,950,300 | |
| PTT Global Chemical PCL | 687,400 | 1,812,103 | 2,054,461 | |
| The Sherwin-Williams Company | 4,135 | 1,592,439 | 2,222,103 | |
| | | 14,024,865 | 15,662,366 | 2.46 |
| Industrials | | | | |
| 3M Co. | 12,806 | 2,655,814 | 3,332,635 | |
| Aena SA | 3,428 | 833,520 | 726,566 | |
| Air Canada | 82,987 | 1,412,188 | 2,154,343 | |
| Boeing Co. | 4,822 | 1,653,133 | 2,123,953 | |
| Bunzl PLC | 37,505 | 1,288,895 | 1,545,529 | |
| Canadian National Railway Co. | 7,473 | 617,452 | 756,415 | |
| Eaton Corporation PLC | 30,336 | 3,117,524 | 2,844,790 | |
| Equifax Inc. | 11,933 | 1,683,310 | 1,517,845 | |
| Experian PLC | 54,081 | 1,478,325 | 1,792,101 | |
| Honeywell International Inc. | 24,614 | 3,323,023 | 4,441,593 | |
| Illinois Tool Works Inc. | 16,672 | 2,663,835 | 2,884,816 | |
| Johnson Controls International PLC | 59,026 | 2,979,311 | 2,390,320 | |
| Legrand SA | 19,736 | 1,514,856 | 1,519,149 | |
| Lockheed Martin Corp. | 10,362 | 3,363,667 | 3,705,677 | |
| Northrop Grumman Corp. | 1,918 | 658,611 | 641,543 | |
| RELX PLC | 70,033 | 1,764,351 | 1,964,922 | |
| Schneider Electric SE | 68,887 | 6,948,812 | 6,423,200 | |
| Secom Co., Ltd. | 26,300 | 2,633,803 | 2,983,918 | |
| SGS SA | 332 | 902,382 | 1,016,557 | |
| Stanley Black & Decker Inc. | 13,926 | 2,253,468 | 2,277,476 | |
| Thomson Reuters Corp. | 25,894 | 1,442,216 | 1,708,536 | |
| Union Pacific Corp. | 5,267 | 665,370 | 994,383 | |
| United Parcel Service Inc., Class B | 9,117 | 1,215,680 | 1,214,446 | |
| United Technologies Corp. | 11,600 | 1,563,118 | 1,686,996 | |
| | | 48,632,664 | 52,647,709 | 8.28 |
| Consumer Discretionary | | | | |
| Aptiv PLC | 15,570 | 1,335,043 | 1,309,320 | |
| Compagnie Financière Richemont SA | 16,815 | 1,444,104 | 1,467,704 | |
| Compass Group PLC | 136,484 | 3,231,504 | 3,917,315 | |
| Duffry AG | 6,349 | 1,239,379 | 819,124 | |
| Greggs PLC | 28,160 | 580,935 | 620,139 | |
| Magna International Inc. | 38,755 | 2,502,630 | 2,401,647 | |
| Persimmon PLC | 22,143 | 956,766 | 743,390 | |
| Starbucks Corp. | 18,503 | 1,584,481 | 1,627,482 | |
| USS Co., Ltd. | 45,500 | 1,033,985 | 1,047,298 | |
| | | 13,908,827 | 13,953,419 | 2.19 |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------------|---------------------|----------------------|--------------------|--------------------------|
| Consumer Staples | | | | |
| Altria Group Inc. | 46,172 | 3,740,629 | 3,114,625 | |
| British American Tobacco PLC | 14,272 | 1,050,788 | 620,651 | |
| Colgate-Palmolive Co. | 16,548 | 1,419,863 | 1,345,230 | |
| Danone SA | 25,425 | 2,379,002 | 2,441,750 | |
| General Mills Inc. | 42,812 | 2,825,888 | 2,276,929 | |
| Heineken NV | 26,543 | 2,844,937 | 3,199,350 | |
| Henkel AG & Co., KGaA | 21,678 | 3,232,522 | 3,228,955 | |
| Imperial Tobacco Group PLC | 37,488 | 1,613,076 | 1,550,045 | |
| Japan Tobacco Inc. | 125,300 | 5,391,557 | 4,081,256 | |
| Kao Corp. | 27,100 | 1,767,906 | 2,750,819 | |
| Kimberly-Clark Corp. | 25,536 | 3,549,402 | 3,973,902 | |
| Marine Harvest ASA | 62,304 | 1,287,556 | 1,795,425 | |
| Molson Coors Brewing Co. | 11,497 | 1,024,261 | 881,860 | |
| Nestle SA | 58,660 | 5,639,646 | 6,485,540 | |
| Pernod Ricard SA | 17,371 | 2,666,791 | 3,886,561 | |
| Philip Morris International Inc. | 82,650 | 10,066,621 | 7,536,111 | |
| Reckitt Benckiser Group PLC | 32,908 | 3,736,513 | 3,442,037 | |
| The J.M. Smucker Company | 5,976 | 1,031,042 | 763,069 | |
| Tyson Foods Inc. | 15,817 | 1,277,498 | 1,153,595 | |
| Walgreens Boots Alliance Inc. | 5,814 | 533,674 | 542,593 | |
| Wesfarmers Ltd. | 52,104 | 1,630,745 | 1,614,206 | |
| | | 58,709,917 | 56,684,509 | 8.91 |
| Health Care | | | | |
| Abbott Laboratories | 37,843 | 2,119,815 | 3,738,454 | |
| Bayer AG | 42,462 | 5,949,514 | 4,014,956 | |
| Biogen Inc. | 3,580 | 1,412,304 | 1,471,371 | |
| Bristol-Myers Squibb Co. | 41,672 | 3,154,088 | 2,958,480 | |
| CIGNA Corp. | 9,455 | 1,942,266 | 2,452,564 | |
| Danaher Corp. | 17,267 | 1,589,384 | 2,431,912 | |
| Eli Lilly & Co. | 8,131 | 844,932 | 1,285,110 | |
| HCA Holdings Inc. | 15,969 | 2,852,880 | 2,714,318 | |
| Hoya Corp. | 17,100 | 1,105,136 | 1,408,147 | |
| Johnson & Johnson | 39,002 | 5,503,763 | 6,874,371 | |
| McKesson Corp. | 3,848 | 753,760 | 580,587 | |
| Medtronic PLC | 33,654 | 3,250,742 | 4,180,952 | |
| Novartis AG | 46,329 | 5,006,321 | 5,394,363 | |
| Pfizer Inc. | 117,947 | 4,986,231 | 7,031,682 | |
| Roche Holding AG | 22,064 | 6,997,970 | 7,440,567 | |
| Santen Pharmaceutical Co., Ltd. | 87,600 | 1,508,827 | 1,729,535 | |
| Sonic Healthcare Ltd. | 47,539 | 1,112,911 | 1,010,651 | |
| Thermo Fisher Scientific Inc. | 4,686 | 996,699 | 1,432,290 | |
| | | 51,087,543 | 58,150,310 | 9.14 |
| Financials | | | | |
| Absa Group Ltd. | 58,913 | 855,411 | 905,152 | |
| Agricultural Bank of China Ltd. | 668,000 | 385,158 | 399,699 | |
| American Express Co. | 9,052 | 882,476 | 1,178,465 | |
| Aon PLC | 27,472 | 4,030,436 | 5,454,102 | |
| ASX Ltd. | 5,447 | 315,898 | 313,933 | |
| AXA SA | 40,984 | 1,406,026 | 1,206,714 | |
| BlackRock Inc. | 4,530 | 2,178,731 | 2,430,412 | |
| China Construction Bank Corporation | 2,209,000 | 2,351,787 | 2,489,374 | |
| Chubb Ltd. | 17,927 | 2,940,366 | 3,162,940 | |
| Citigroup Inc. | 31,001 | 2,824,175 | 2,204,286 | |
| DBS Group Holdings Ltd. | 20,900 | 372,927 | 496,138 | |
| Hiscox Ltd. | 27,755 | 535,094 | 782,613 | |
| ING Groep NV | 74,709 | 1,328,123 | 1,097,633 | |
| JPMorgan Chase & Co. | 49,049 | 4,390,591 | 6,539,688 | |
| KBC Group NV | 16,468 | 1,848,664 | 1,457,354 | |
| Komercni Banka AS | 3,518 | 181,542 | 180,764 | |
| MetLife Inc. | 49,072 | 2,733,684 | 2,751,951 | |
| Moodys Corp. | 11,365 | 1,613,893 | 2,173,750 | |
| ORIX Corp. | 24,800 | 462,176 | 495,660 | |
| Prudential Financial Inc. | 10,415 | 1,129,175 | 1,160,036 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|-------------------|-------------------|-----------------------|
| Royal Bank of Canada | 16,667 | 1,575,958 | 1,559,778 | |
| Samsung Fire & Marine Insurance Co Ltd. | 578 | 196,008 | 190,319 | |
| Sberbank of Russia, ADR | 24,560 | 365,198 | 367,644 | |
| State Street Corp. | 27,511 | 2,607,616 | 2,369,830 | |
| Svenska Handelsbanken AB | 23,294 | 400,291 | 352,749 | |
| The Bank of New York Mellon Corp. | 41,237 | 2,198,152 | 2,651,059 | |
| The Goldman Sachs Group Inc. | 6,589 | 1,625,075 | 1,503,329 | |
| The PNC Financial Services Group Inc. | 9,428 | 1,415,630 | 1,505,426 | |
| The Travelers Companies Inc. | 21,795 | 3,045,285 | 3,564,679 | |
| TMX Group Ltd. | 11,691 | 855,341 | 826,904 | |
| U.S. Bancorp | 47,870 | 2,725,799 | 2,987,911 | |
| UBS Group AG | 201,430 | 4,257,723 | 3,414,517 | |
| Wells Fargo & Co. | 71,974 | 4,702,983 | 4,529,770 | |
| Zurich Insurance Group AG | 9,816 | 3,341,806 | 3,986,131 | |
| | | 62,079,198 | 66,690,710 | 10.48 |
| Real Estate | | | | |
| CK Asset Holdings Ltd. | 96,500 | 1,027,804 | 964,593 | |
| Deutsche Wohnen AG | 51,369 | 1,969,851 | 3,208,157 | |
| Grand City Properties SA | 27,073 | 792,172 | 801,014 | |
| Medical Properties Trust Inc. | 77,825 | 1,278,426 | 1,709,201 | |
| Public Storage | 2,311 | 639,838 | 638,881 | |
| STORE Capital Corp. | 13,022 | 497,309 | 503,507 | |
| Unibail-Rodamco-Westfield | 4,274 | 900,414 | 903,540 | |
| | | 7,105,814 | 8,728,893 | 1.37 |
| Information Technology | | | | |
| Accenture PLC | 28,459 | 3,966,971 | 5,480,971 | |
| Adobe Systems Inc. | 3,092 | 991,949 | 955,426 | |
| Amadeus IT Holding SA | 25,841 | 1,555,223 | 2,454,669 | |
| Analog Devices Inc. | 18,419 | 1,751,901 | 2,159,202 | |
| Cadence Design Systems Inc. | 23,682 | 822,912 | 1,406,358 | |
| CGI Group Inc. | 14,166 | 1,007,207 | 1,182,861 | |
| Cisco Systems Inc. | 24,716 | 983,324 | 1,462,699 | |
| Cognizant Technology Solutions Corp. | 19,986 | 1,916,492 | 1,732,810 | |
| DXC Technology Co. | 23,701 | 2,193,159 | 1,721,161 | |
| Fidelity National Information Services Inc. | 11,911 | 1,189,590 | 1,668,292 | |
| Fiserv Inc. | 16,179 | 1,321,655 | 1,623,933 | |
| Halma PLC | 60,258 | 1,052,827 | 1,429,723 | |
| Hitachi Ltd. | 29,500 | 1,376,043 | 1,078,018 | |
| Kyocera Corp. | 17,600 | 1,306,822 | 1,206,782 | |
| Nomura Research Institute Ltd. | 30,400 | 1,281,619 | 1,542,138 | |
| Omron Corp. | 29,000 | 1,492,774 | 1,444,043 | |
| Samsung Electronics Co., Ltd. | 26,565 | 1,045,877 | 1,258,411 | |
| Spectris PLC | 19,472 | 800,111 | 771,930 | |
| Taiwan Semiconductor Manufacturing Co., Ltd., ADR | 179,676 | 6,453,797 | 9,057,788 | |
| Texas Instruments Inc. | 36,114 | 2,997,544 | 4,661,176 | |
| | | 35,507,797 | 44,298,391 | 6.96 |
| Communication Services | | | | |
| Comcast Corporation, Class A | 109,160 | 4,432,464 | 5,076,551 | |
| Omnicom Group Inc. | 31,594 | 3,009,715 | 3,160,392 | |
| Publicis Groupe SA | 16,320 | 1,456,206 | 1,276,083 | |
| KDDI Corp. | 223,900 | 7,138,020 | 7,313,748 | |
| SK Telecom Co., Ltd. | 2,748 | 838,165 | 906,520 | |
| TELUS Corp. | 37,071 | 1,748,114 | 1,677,586 | |
| Verizon Communications Inc. | 14,103 | 871,740 | 1,082,905 | |
| Vodafone Group PLC | 811,795 | 3,066,775 | 2,159,119 | |
| | | 22,561,199 | 22,652,904 | 3.56 |
| Utilities | | | | |
| CenterPoint Energy Inc. | 7,684 | 515,372 | 528,625 | |
| Duke Energy Corporation | 27,155 | 2,891,126 | 3,200,727 | |
| E.ON SE | 44,498 | 609,601 | 599,370 | |
| Engie | 60,568 | 1,326,027 | 1,184,446 | |
| Exelon Corp. | 55,821 | 2,491,329 | 3,438,446 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|--------------------|--------------------|-----------------------|
| NextEra Energy Inc., 6.123%, Preferred | 3,034 | 216,854 | 238,851 | |
| SSE PLC | 161,515 | 3,956,368 | 3,038,521 | |
| Xcel Energy Inc. | 16,290 | 901,244 | 1,096,205 | |
| | | 12,907,921 | 13,325,191 | 2.09 |
| Total Equities | | 347,422,295 | 372,304,989 | 58.51 |
| Transaction Costs | | (266,689) | | |
| Total Investments | | 606,929,648 | 639,707,604 | 100.54 |
| Currency Forward Contracts ⁽¹⁾ | | | (9,537,891) | (1.50) |
| Other Assets less Liabilities | | | 6,103,040 | 0.96 |
| Total Net Assets | | | 636,272,753 | 100.00 |

⁽¹⁾ Currency Forward Contracts

| Counterparty | Credit Rating for Counterparty | Settlement Date | Purchased Currency | Par Value | Sold Currency | Par Value | Unrealized Gain/(Loss) (\$) |
|------------------------------|--------------------------------|-----------------|--------------------|-------------|---------------|-----------------|-----------------------------|
| Goldman Sachs & Co. | A-2 | 11-Jan-2019 | JPY | 216,767,000 | CAD | (2,529,019) | 170,938 |
| Goldman Sachs & Co. | A-2 | 11-Jan-2019 | USD | 1,904,000 | CAD | (2,503,835) | 95,807 |
| Goldman Sachs & Co. | A-2 | 11-Jan-2019 | SEK | 8,803,000 | CAD | (1,267,804) | 89,133 |
| Goldman Sachs & Co. | A-2 | 11-Jan-2019 | AUD | 1,350,000 | CAD | (1,257,943) | 40,016 |
| Goldman Sachs & Co. | A-2 | 11-Jan-2019 | EUR | 1,345,000 | CAD | (2,063,058) | 38,308 |
| Goldman Sachs & Co. | A-2 | 11-Jan-2019 | GBP | 451,000 | CAD | (765,580) | 19,133 |
| Goldman Sachs & Co. | A-2 | 11-Jan-2019 | AUD | 1,463,000 | CAD | (1,395,102) | 11,520 |
| Goldman Sachs & Co. | A-2 | 11-Jan-2019 | GBP | 149,000 | CAD | (253,003) | 6,248 |
| Goldman Sachs & Co. | A-2 | 11-Jan-2019 | USD | 42,000 | CAD | (54,457) | 2,887 |
| Goldman Sachs & Co. | A-2 | 11-Jan-2019 | DKK | 29,000 | CAD | (5,910) | 162 |
| HSBC Bank USA | A-2 | 11-Jan-2019 | GBP | 105,000 | CAD | (179,778) | 2,916 |
| JP Morgan | A-2 | 11-Jan-2019 | USD | 2,418,000 | CAD | (3,121,742) | 179,658 |
| JP Morgan | A-2 | 11-Jan-2019 | SEK | 46,000 | CAD | (6,718) | 373 |
| State Street Bank & Trust | A-1 | 11-Jan-2019 | EUR | 528,000 | CAD | (791,614) | 33,298 |
| State Street Bank & Trust | A-1 | 11-Jan-2019 | USD | 471,000 | CAD | (615,694) | 27,388 |
| State Street Bank & Trust | A-1 | 11-Jan-2019 | EUR | 296,000 | CAD | (446,155) | 16,297 |
| State Street Bank & Trust | A-1 | 11-Jan-2019 | GBP | 741,000 | CAD | (1,279,740) | 9,569 |
| UBS AG Warburg | A-1 | 11-Jan-2019 | EUR | 678,000 | CAD | (1,016,542) | 42,719 |
| UBS AG Warburg | A-1 | 11-Jan-2019 | GBP | 741,000 | CAD | (1,268,917) | 20,385 |
| | | | | | | | 806,755 |
| BNP Paribas | A-1 | 11-Jan-2019 | CAD | 56,091,761 | EUR | (37,019,895) | (1,746,000) |
| Brown Brothers Harriman & Co | NR | 11-Jan-2019 | CAD | 187,524 | USD | (142,000) | (6,358) |
| Brown Brothers Harriman & Co | NR | 11-Jan-2019 | CAD | 1,271,565 | EUR | (841,000) | (42,363) |
| Brown Brothers Harriman & Co | NR | 11-Jan-2019 | CAD | 13,223,879 | GBP | (7,692,264) | (160,301) |
| Goldman Sachs & Co. | A-2 | 11-Jan-2019 | CAD | 2,520,869 | NOK | (16,144,000) | (26,094) |
| Goldman Sachs & Co. | A-2 | 11-Jan-2019 | CAD | 2,029,584 | USD | (1,524,000) | (51,237) |
| Goldman Sachs & Co. | A-2 | 11-Jan-2019 | CAD | 1,275,170 | SEK | (8,711,000) | (67,598) |
| HSBC Bank USA | A-2 | 11-Jan-2019 | CAD | 1,274,270 | USD | (959,000) | (35,117) |
| JP Morgan | A-2 | 11-Jan-2019 | CAD | 80,913 | NZD | (95,000) | (6,080) |
| JP Morgan | A-2 | 11-Jan-2019 | NOK | 14,643,000 | CAD | (2,342,291) | (32,100) |
| JP Morgan | A-2 | 19-Feb-2019 | CAD | 651,504 | IDR | (7,320,275,000) | (39,166) |
| JP Morgan | A-2 | 11-Jan-2019 | CAD | 8,286,686 | AUD | (8,928,319) | (297,435) |
| JP Morgan | A-2 | 11-Jan-2019 | CAD | 18,897,594 | USD | (14,466,000) | (853,601) |
| JP Morgan | A-2 | 11-Jan-2019 | CAD | 20,040,713 | JPY | (1,712,985,965) | (1,295,541) |
| Merrill Lynch | NR | 11-Jan-2019 | CAD | 112,469,883 | USD | (86,452,118) | (5,567,476) |
| State Street Bank & Trust | A-1 | 11-Jan-2019 | CAD | 231,338 | GBP | (137,000) | (7,033) |
| State Street Bank & Trust | A-1 | 11-Jan-2019 | CAD | 764,321 | EUR | (507,000) | (27,785) |
| State Street Bank & Trust | A-1 | 11-Jan-2019 | CAD | 2,016,337 | USD | (1,501,000) | (33,092) |
| UBS AG Warburg | A-1 | 11-Jan-2019 | AUD | 2,887,000 | CAD | (2,800,029) | (24,252) |
| UBS AG Warburg | A-1 | 11-Jan-2019 | CAD | 686,408 | EUR | (456,000) | (26,017) |
| | | | | | | | (10,344,646) |
| | | | | | | | (9,537,891) |

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

Sun Life MFS Global Total Return Fund (continued)

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and 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 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 16.49 | 17.91 |
| AA/Aa | 4.30 | 2.48 |
| A/A | 6.76 | 7.07 |
| BBB/Baa | 10.67 | 11.07 |
| BB/Ba | 1.54 | 0.05 |
| Not rated | 3.02 | 3.10 |
| Total | 42.78 | 41.68 |

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, 2018 and 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, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| United States Dollar | 213,113,164 | 203,342,897 | 33.49 | 34.07 |
| Euro | 45,677,683 | 38,323,072 | 7.18 | 6.42 |
| Swiss Franc | 33,162,094 | 27,389,565 | 5.21 | 4.59 |
| Japanese Yen | 27,985,147 | 26,713,866 | 4.40 | 4.48 |
| British Pound | 23,463,201 | 26,098,637 | 3.69 | 4.37 |
| Hong Kong Dollar | 4,725,455 | 6,066,173 | 0.74 | 1.02 |
| Norwegian Krone | 4,566,391 | 1,904,159 | 0.72 | 0.32 |
| Australian Dollar | 3,649,448 | 2,923,246 | 0.57 | 0.49 |
| Korean Won | 2,355,249 | 3,202,723 | 0.37 | 0.54 |
| Thai Baht | 2,054,461 | 1,948,638 | 0.32 | 0.33 |
| Indonesian Rupiah | 1,336,174 | - | 0.21 | - |
| South African Rand | 905,152 | 658,353 | 0.14 | 0.11 |
| New Taiwan Dollar | 704,020 | 995,656 | 0.11 | 0.17 |
| Singapore Dollar | 496,138 | 684,965 | 0.08 | 0.11 |
| Swedish Krona | 374,008 | 4,044,237 | 0.06 | 0.68 |
| Czech Koruna | 180,764 | - | 0.03 | - |
| Danish Krone | 6,067 | 823,141 | - | 0.14 |
| New Zealand Dollar | (87,005) | - | (0.01) | - |
| Total | 364,667,611 | 345,119,328 | 57.31 | 57.84 |

As at December 31, 2018, 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 \$18,233,381 (\$17,255,966 as at December 31, 2017). 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 Global Total Return 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, 2018 | 29,823,490 | 62,391,409 | 175,187,716 | 267,402,615 |
| December 31, 2017 | 67,205,667 | 36,070,718 | 141,775,980 | 245,052,365 |

As at December 31, 2018, 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 \$25,562,550 (\$20,615,122 as at December 31, 2017). 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, 2018, 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 \$18,615,249 (\$17,490,528 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 1.8 | 10.5 |
| Promissory Note | 2.8 | - |
| Bonds | | |
| Federal Bonds | 23.1 | 15.0 |
| Corporate Bonds | 11.9 | 12.0 |
| Mortgage-Backed Securities | 2.4 | 3.5 |
| Equities | | |
| Energy | 3.1 | 3.1 |
| Materials | 2.4 | 3.0 |
| Industrials | 8.3 | 7.2 |
| Consumer Discretionary | 2.2 | 4.8 |
| Consumer Staples | 8.9 | 10.2 |
| Health Care | 9.1 | 7.0 |
| Financials | 10.5 | 11.2 |
| Real Estate | 1.4 | 1.2 |
| Information Technology | 7.0 | 7.6 |
| Telecommunication Services | - | 1.4 |
| Communication Services | 3.5 | - |
| Utilities | 2.1 | 1.9 |
| Derivative Assets (Liabilities) | (1.5) | (0.1) |
| Other Assets less Liabilities | 1.0 | 0.5 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Equities | 371,807,576 | 497,413 | - | 372,304,989 |
| Bonds | - | 222,654,693 | - | 222,654,693 |
| Mortgage-Backed Securities | - | 15,129,030 | 383,717 | 15,512,747 |
| Short-Term Investments | - | 29,235,175 | - | 29,235,175 |
| Currency Forward Contracts | - | 806,755 | - | 806,755 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 10,344,646 | - | 10,344,646 |
| | | | | |
| | 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 Securities | - | 16,835,125 | 4,229,370 | 21,064,495 |
| Short-Term Investments | - | 62,930,920 | - | 62,930,920 |
| Currency Forward Contracts | - | 302,214 | - | 302,214 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 1,134,408 | - | 1,134,408 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

The following is a reconciliation of Level 3 fair value assets as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | December 31, 2017 |
|---------------------------|-------------------|-------------------|
| | (\$) | (\$) |
| Opening Balance | 4,229,370 | - |
| Net purchases and (sales) | (1,651,173) | 3,429,375 |
| Net transfers in (out) | (2,306,190) | 1,044,757 |
| Gains (Losses) | | |
| Realized | (13,237) | - |
| Unrealized | 124,947 | (244,762) |
| Closing Balance | 383,717 | 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, 2018 were \$142,854 (\$174,545 for the period ended December 31, 2017).

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, 2018 was \$nil (\$68,204 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | 705 | 10,026 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | - | - |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F | - | - | - |
| Series F5 | 10,016 | - | 554 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F | 15 | 11,193 | - |
| Series F5 | - | - | - |

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, 2018 | | | | |
| Derivative assets - Forward Contracts | 806,755 | (446,055) | - | 360,700 |
| Total | 806,755 | (446,055) | - | 360,700 |
| Derivative liabilities - Forward Contracts | (10,344,646) | 446,055 | - | (9,898,591) |
| Total | (10,344,646) | 446,055 | - | (9,898,591) |
| 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) |

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 F5 Units | February 09, 2018 | February 09, 2018 |
| 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

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 396,689,998 | 424,666,510 |
| Short-term investments | 4,890,730 | 8,943,855 |
| Cash | 642,108 | 343,670 |
| 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 | 11,359 | 399,920 |
| Accrued interest | 2,425 | 3,255 |
| Dividends receivable | 1,035,022 | 669,297 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 281,526 | 410,964 |
| | 403,553,168 | 435,437,471 |
| 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 | 17,206 | 17,869 |
| Redemptions payable | 367,203 | 4,229,277 |
| Distributions payable | - | - |
| Due to investment dealers | - | 119,209 |
| Management fees payable | 123,596 | 114,135 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 508,005 | 4,480,490 |
| Net Assets Attributable to Holders of Redeemable Units | 403,045,163 | 430,956,981 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 152,173,072 | 165,545,843 |
| Series T5 | 1,040,505 | 1,510,685 |
| Series T8 | 2,341,385 | 3,873,398 |
| Series F | 75,204,394 | 81,297,927 |
| Series F5 | 9,926 | - |
| Series F8 | 649,302 | - |
| Series I | 158,584,426 | 165,125,377 |
| Series O | 13,042,153 | 13,603,751 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 22.16 | 23.22 |
| Series T5 | 23.54 | 25.97 |
| Series T8 | 19.02 | 21.65 |
| Series F | 23.47 | 24.58 |
| Series F5 | 14.20 | - |
| Series F8 | 13.81 | - |
| Series I | 24.61 | 25.81 |
| Series O | 14.32 | 15.01 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

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

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Investment Income | | |
| Dividend income | 11,542,969 | 9,510,770 |
| Interest income for distribution purposes | 109,675 | 55,846 |
| 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 | 8,819,513 | 9,184,361 |
| 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 | (28,206,999) | 33,401,708 |
| 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 | (7,734,842) | 52,152,685 |
| Net gain (loss) on foreign exchange | (153,781) | (240,261) |
| Other income | 937 | - |
| Total income (loss) | (7,887,686) | 51,912,424 |
| Expenses (note 6) | | |
| Management fees | 4,791,740 | 4,204,720 |
| Administration fees | 656,291 | 613,758 |
| Independent review committee fees | 5,105 | 5,066 |
| Withholding tax | 1,290,043 | 1,123,174 |
| Transaction costs (note 3) | 84,101 | 165,869 |
| Total operating expenses | 6,827,280 | 6,112,587 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (14,714,966) | 45,799,837 |
| Finance Cost | | |
| Interest expense | (93) | (142) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (14,715,059) | 45,799,695 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (7,230,829) | 15,459,161 |
| Series T5 | (42,121) | 126,465 |
| Series T8 | (72,705) | 337,856 |
| Series F | (2,668,753) | 7,750,975 |
| Series F5 | (76) | - |
| Series F8 | (41,496) | - |
| Series I | (4,354,061) | 20,629,577 |
| Series O | (305,018) | 1,495,661 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 7,200,396 | 6,770,865 |
| Series T5 | 52,270 | 48,075 |
| Series T8 | 159,717 | 151,923 |
| Series F | 3,414,030 | 2,947,113 |
| Series F5 | 681 | - |
| Series F8 | 37,595 | - |
| Series I | 6,883,357 | 6,097,038 |
| Series O | 926,351 | 845,378 |

Sun Life MFS Global Value Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (1.00) | 2.28 |
| Series T5 | (0.81) | 2.63 |
| Series T8 | (0.46) | 2.22 |
| Series F | (0.78) | 2.63 |
| Series F5 | (0.11) | - |
| Series F8 | (1.10) | - |
| Series I | (0.63) | 3.38 |
| Series O | (0.33) | 1.77 |

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 | |
|---|-----------------|--------------|-----------|-----------|-------------|-------------|--------------|--------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 165,545,843 | 131,687,076 | 1,510,685 | 1,110,626 | 3,873,398 | 3,447,781 | 81,297,927 | 54,304,150 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (7,230,829) | 15,459,161 | (42,121) | 126,465 | (72,705) | 337,856 | (2,668,753) | 7,750,975 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 52,277,670 | 60,450,073 | 263,774 | 836,387 | 1,943,076 | 1,919,042 | 25,343,817 | 41,450,268 |
| Redemption of redeemable units | \$ (58,419,728) | (42,051,066) | (646,855) | (523,894) | (3,170,074) | (1,624,537) | (28,637,117) | (22,107,555) |
| Reinvestment of distributions to holders of redeemable units | \$ 23,161 | 17,983 | 22,260 | 20,572 | 41,836 | 50,334 | 711,699 | 575,655 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ (6,118,897) | 18,416,990 | (360,821) | 333,065 | (1,185,162) | 344,839 | (2,581,601) | 19,918,368 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | - | - | - | - | - | - |
| From net investment income | \$ (22,760) | (17,384) | - | - | - | - | (832,741) | (675,566) |
| Return of capital | \$ (285) | - | (67,238) | (59,471) | (274,146) | (257,078) | (10,438) | - |
| | \$ (23,045) | (17,384) | (67,238) | (59,471) | (274,146) | (257,078) | (843,179) | (675,566) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (13,372,771) | 33,858,767 | (470,180) | 400,059 | (1,532,013) | 425,617 | (6,093,533) | 26,993,777 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 152,173,072 | 165,545,843 | 1,040,505 | 1,510,685 | 2,341,385 | 3,873,398 | 75,204,394 | 81,297,927 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 7,129,783 | 6,299,200 | 58,173 | 45,271 | 178,888 | 163,640 | 3,307,409 | 2,461,245 |
| Units issued | 2,238,271 | 2,715,441 | 10,254 | 32,635 | 91,271 | 88,477 | 1,019,219 | 1,743,409 |
| Units issued on reinvestment of distributions | 994 | 802 | 880 | 803 | 2,009 | 2,325 | 31,121 | 23,158 |
| Units redeemed | (2,501,406) | (1,885,660) | (25,102) | (20,536) | (149,040) | (75,554) | (1,153,530) | (920,403) |
| Balance - end of period | 6,867,642 | 7,129,783 | 44,205 | 58,173 | 123,128 | 178,888 | 3,204,219 | 3,307,409 |

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 F5 | | Series F8 | | Series I | | Series O | |
|---|------------------|---------------|-----------|------|--------------|--------------|-------------|-------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - | 165,125,377 | 57,519,441 | 13,603,751 | 10,321,446 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (76) | - | (41,496) | - | (4,354,061) | 20,629,577 | (305,018) | 1,495,661 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 10,000 | - | 998,130 | - | 50,291,141 | 118,768,158 | 2,303,122 | 4,073,191 |
| Redemption of redeemable units | \$ - | - | (266,222) | - | (52,478,031) | (31,791,800) | (2,559,702) | (2,286,547) |
| Reinvestment of distributions to holders of redeemable units | \$ 486 | - | 1,783 | - | 3,786,789 | 2,988,676 | 296,914 | 221,510 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 10,486 | - | 733,691 | - | 1,599,899 | 89,965,034 | 40,334 | 2,008,154 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | - | - | - | - | - | - |
| From net investment income | \$ (478) | - | (42,362) | - | (3,739,911) | (2,988,675) | (293,238) | (193,622) |
| Return of capital | \$ (6) | - | (531) | - | (46,878) | - | (3,676) | (27,888) |
| | \$ (484) | - | (42,893) | - | (3,786,789) | (2,988,675) | (296,914) | (221,510) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 9,926 | - | 649,302 | - | (6,540,951) | 107,605,936 | (561,598) | 3,282,305 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 9,926 | - | 649,302 | - | 158,584,426 | 165,125,377 | 13,042,153 | 13,603,751 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | - | - | - | - | 6,397,607 | 2,490,956 | 906,019 | 768,115 |
| Units issued | 667 | - | 64,935 | - | 1,929,975 | 5,069,797 | 151,872 | 283,201 |
| Units issued on reinvestment of distributions | 32 | - | 122 | - | 158,434 | 114,308 | 21,353 | 14,563 |
| Units redeemed | - | - | (18,035) | - | (2,043,255) | (1,277,454) | (168,432) | (159,860) |
| Balance - end of period | 699 | - | 47,022 | - | 6,442,761 | 6,397,607 | 910,812 | 906,019 |
| | | | | | | | | |
| | Total | | | | | | | |
| | 2018 | 2017 | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 430,956,981 | 258,390,520 | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (14,715,059) | 45,799,695 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 133,430,730 | 227,497,119 | | | | | | |
| Redemption of redeemable units | \$ (146,177,729) | (100,385,399) | | | | | | |
| Reinvestment of distributions to holders of redeemable units | \$ 4,884,928 | 3,874,730 | | | | | | |
| Capitalized distributions | \$ - | - | | | | | | |
| | \$ (7,862,071) | 130,986,450 | | | | | | |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | | | | | | |
| From net investment income | \$ (4,931,490) | (3,875,247) | | | | | | |
| Return of capital | \$ (403,198) | (344,437) | | | | | | |
| | \$ (5,334,688) | (4,219,684) | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (27,911,818) | 172,566,461 | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 403,045,163 | 430,956,981 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 17,977,879 | 12,228,427 | | | | | | |
| Units issued | 5,506,464 | 9,932,960 | | | | | | |
| Units issued on reinvestment of distributions | 214,945 | 155,959 | | | | | | |
| Units redeemed | (6,058,800) | (4,339,467) | | | | | | |
| Balance - end of period | 17,640,488 | 17,977,879 | | | | | | |

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

| | 2018 (\$) | 2017 (\$) |
|---|----------------------|---------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (14,715,059) | 45,799,695 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (8,819,513) | (9,184,361) |
| Change in unrealized (appreciation) depreciation in value of investments | 28,206,999 | (33,401,708) |
| 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 | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | - | - |
| Purchases of investments | (92,404,798) | (184,547,228) |
| Proceeds from sale of investments | 101,179,075 | 53,171,801 |
| Purchases of short-term investments | (464,890,123) | (704,602,518) |
| Proceeds from sale of short-term investments | 468,943,248 | 702,052,913 |
| Change in dividends and interest receivable | (364,895) | (284,829) |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | 9,461 | (227,346) |
| Change in other payables and accrued expenses | 83,438 | 138,929 |
| Net Cash Provided by (Used in) Operating Activities | 17,227,833 | (131,084,652) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (449,760) | (344,954) |
| Proceeds from redeemable units issued | 133,560,168 | 227,603,010 |
| Redemption of redeemable units | (150,039,803) | (96,421,905) |
| Net Cash Provided by (Used in) Financing Activities | (16,929,395) | 130,836,151 |
| Net increase (decrease) in cash | 298,438 | (248,501) |
| Cash (bank indebtedness) at beginning of period | 343,670 | 592,171 |
| Cash (bank indebtedness) at end of period | 642,108 | 343,670 |
| Dividends received, net of withholding taxes | 9,887,201 | 8,104,454 |
| Interest received, net of withholding taxes | 110,505 | 54,159 |
| Interest paid | (93) | (142) |

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, 2018

| | Yield | Maturity Date | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------|--------|---------------|------------------|-------------------|------------------|-----------------------|
| SHORT-TERM NOTES | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.640% | 7-Feb-2019 | 2,900,000 | 2,895,070 | 2,895,070 | |
| | | | | 2,895,070 | 2,895,070 | 0.72 |
| Promissory Note | | | | | | |
| Province of Manitoba | 1.850% | 12-Feb-2019 | 2,000,000 | 1,995,660 | 1,995,660 | |
| | | | | 1,995,660 | 1,995,660 | 0.49 |
| Total Short-Term Notes | | | | 4,890,730 | 4,890,730 | 1.21 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------------|------------------|-------------------|-------------------|-----------------------|
| EQUITIES | | | | |
| Energy | | | | |
| Chevron Corp. | 13,219 | 1,764,545 | 1,964,155 | |
| Exxon Mobil Corp. | 28,975 | 3,079,176 | 2,698,561 | |
| Occidental Petroleum Corp. | 21,646 | 2,003,875 | 1,814,649 | |
| Schlumberger Ltd. | 60,121 | 5,475,220 | 2,962,653 | |
| Suncor Energy Inc. | 54,042 | 2,084,005 | 2,060,621 | |
| | | 14,406,821 | 11,500,639 | 2.85 |
| Materials | | | | |
| Akzo Nobel NV | 33,176 | 3,824,831 | 3,646,625 | |
| Amcor Ltd. | 127,200 | 1,753,101 | 1,620,561 | |
| Givaudan SA | 1,568 | 3,732,396 | 4,944,467 | |
| PPG Industries Inc. | 44,654 | 5,834,561 | 6,234,861 | |
| The Sherwin-Williams Company | 6,642 | 2,498,436 | 3,569,337 | |
| | | 17,643,325 | 20,015,851 | 4.97 |
| Industrials | | | | |
| 3M Co. | 21,629 | 4,481,525 | 5,628,734 | |
| Bunzl PLC | 48,391 | 1,598,564 | 1,994,125 | |
| Canadian National Railway Co. | 12,430 | 1,006,647 | 1,258,160 | |
| Eaton Corporation PLC | 19,952 | 2,147,484 | 1,871,019 | |
| Equifax Inc. | 20,331 | 2,856,991 | 2,586,047 | |
| Experian PLC | 86,438 | 2,361,275 | 2,864,326 | |
| Honeywell International Inc. | 40,702 | 5,407,890 | 7,344,673 | |
| Illinois Tool Works Inc. | 28,404 | 4,534,766 | 4,914,846 | |
| Johnson Controls International PLC | 95,569 | 4,929,398 | 3,870,168 | |
| Legrand SA | 31,538 | 2,370,785 | 2,427,591 | |
| Lockheed Martin Corp. | 16,595 | 4,455,283 | 5,934,735 | |
| Northrop Grumman Corp. | 3,022 | 1,037,717 | 1,010,814 | |
| RELX PLC | 111,456 | 2,751,427 | 3,127,130 | |
| Schneider Electric SE | 53,210 | 5,209,520 | 4,961,437 | |
| Secom Co., Ltd. | 42,100 | 4,197,790 | 4,776,537 | |
| SGS SA | 567 | 1,516,857 | 1,736,107 | |
| Stanley Black & Decker Inc. | 23,726 | 3,808,996 | 3,880,180 | |
| Thomson Reuters Corp. | 41,209 | 2,306,960 | 2,719,050 | |
| Union Pacific Corp. | 8,689 | 1,126,302 | 1,640,439 | |
| United Parcel Service Inc., Class B | 14,397 | 1,937,670 | 1,917,778 | |
| United Technologies Corp. | 16,884 | 2,256,774 | 2,455,452 | |
| | | 62,300,621 | 68,919,348 | 17.10 |
| Consumer Discretionary | | | | |
| Aptiv PLC | 24,837 | 2,075,919 | 2,088,605 | |
| Compagnie Financière Richemont SA | 26,979 | 2,355,414 | 2,354,873 | |
| Compass Group PLC | 212,942 | 4,967,878 | 6,111,786 | |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-----------------------------------|------------------|-------------------|-------------------|-----------------------|
| Dufry AG | 10,098 | 1,970,854 | 1,302,805 | |
| USS Co., Ltd. | 71,600 | 1,593,375 | 1,648,056 | |
| | | 12,963,440 | 13,506,125 | 3.35 |
| Consumer Staples | | | | |
| Altria Group Inc. | 24,322 | 2,077,178 | 1,640,689 | |
| British American Tobacco PLC | 22,867 | 1,677,865 | 994,425 | |
| Colgate-Palmolive Co. | 26,310 | 2,256,840 | 2,138,808 | |
| Danone SA | 40,402 | 3,651,171 | 3,880,101 | |
| General Mills Inc. | 44,893 | 3,068,713 | 2,387,606 | |
| Heineken NV | 45,419 | 4,604,614 | 5,474,561 | |
| Henkel AG & Co., KGaA | 37,148 | 5,519,718 | 5,533,224 | |
| Japan Tobacco Inc. | 73,100 | 3,100,145 | 2,381,004 | |
| Kao Corp. | 42,800 | 2,612,768 | 4,344,467 | |
| Nestle SA | 93,667 | 8,878,519 | 10,355,968 | |
| Pernod Ricard SA | 28,782 | 4,349,840 | 6,439,640 | |
| Philip Morris International Inc. | 67,566 | 8,011,557 | 6,160,736 | |
| Reckitt Benckiser Group PLC | 52,239 | 5,797,046 | 5,463,977 | |
| The J.M. Smucker Company | 9,425 | 1,649,777 | 1,203,468 | |
| | | 57,255,751 | 58,398,674 | 14.49 |
| Health Care | | | | |
| Abbott Laboratories | 60,278 | 3,253,469 | 5,954,775 | |
| Bayer AG | 33,181 | 4,673,579 | 3,137,399 | |
| CIGNA Corp. | 15,240 | 3,119,785 | 3,953,154 | |
| Danaher Corp. | 27,625 | 2,536,258 | 3,890,749 | |
| Hoya Corp. | 27,500 | 1,775,267 | 2,264,564 | |
| Johnson & Johnson | 62,556 | 8,494,068 | 11,025,926 | |
| Medtronic PLC | 53,523 | 5,053,642 | 6,649,347 | |
| Pfizer Inc. | 117,231 | 4,740,990 | 6,988,996 | |
| Roche Holding AG | 14,452 | 4,580,168 | 4,873,598 | |
| Santen Pharmaceutical Co., Ltd. | 122,300 | 1,986,287 | 2,414,636 | |
| Sonic Healthcare Ltd. | 76,123 | 1,779,611 | 1,618,330 | |
| Thermo Fisher Scientific Inc. | 7,547 | 1,551,542 | 2,306,764 | |
| | | 43,544,666 | 55,078,238 | 13.66 |
| Financials | | | | |
| Chubb Ltd. | 28,655 | 4,708,396 | 5,055,729 | |
| American Express Co. | 14,476 | 1,427,303 | 1,884,606 | |
| Aon PLC | 43,842 | 6,381,188 | 8,704,089 | |
| The Bank of New York Mellon Corp. | 63,080 | 3,258,100 | 4,055,309 | |
| BlackRock Inc. | 7,201 | 3,404,795 | 3,863,443 | |
| Citigroup Inc. | 49,471 | 4,501,219 | 3,517,571 | |
| Hiscox Ltd. | 34,913 | 575,894 | 984,448 | |
| ING Groep NV | 119,181 | 2,106,842 | 1,751,020 | |
| JPMorgan Chase & Co. | 80,744 | 7,376,016 | 10,765,573 | |
| KBC Group NV | 26,280 | 2,946,969 | 2,325,678 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|--------------------|--------------------|-----------------|-----------------------|
| MetLife Inc. | 34,127 | 1,898,934 | 1,913,838 | |
| Moodys Corp. | 18,092 | 2,492,183 | 3,460,404 | |
| State Street Corp. | 46,872 | 4,217,610 | 4,037,610 | |
| Svenska Handelsbanken AB | 37,160 | 658,792 | 562,726 | |
| The Goldman Sachs Group Inc. | 10,536 | 2,690,578 | 2,403,866 | |
| The PNC Financial Services Group Inc. | 14,958 | 2,268,824 | 2,388,434 | |
| The Travelers Companies Inc. | 36,982 | 5,119,900 | 6,048,588 | |
| TMX Group Ltd. | 18,974 | 1,383,723 | 1,342,031 | |
| U.S. Bancorp | 79,086 | 4,649,419 | 4,936,327 | |
| UBS Group AG | 321,962 | 6,830,659 | 5,457,701 | |
| Wells Fargo & Co. | 116,779 | 7,685,485 | 7,349,627 | |
| | 76,582,829 | 82,808,618 | | 20.55 |
| Real Estate | | | | |
| Deutsche Wohnen AG | 82,753 | 3,084,028 | 5,168,186 | |
| Grand City Properties SA | 43,110 | 1,258,532 | 1,275,504 | |
| Public Storage | 3,629 | 1,011,484 | 1,003,245 | |
| | 5,354,044 | 7,446,935 | | 1.85 |
| Utilities | | | | |
| Duke Energy Corporation | 43,096 | 4,602,046 | 5,079,674 | |
| | 4,602,046 | 5,079,674 | | 1.26 |
| Information Technology | | | | |
| Accenture PLC | 47,218 | 6,473,403 | 9,093,803 | |
| Amadeus IT Holding SA | 41,402 | 2,395,786 | 3,932,828 | |
| Analog Devices Inc. | 29,440 | 2,830,653 | 3,451,159 | |
| Cadence Design Systems Inc. | 37,219 | 1,237,926 | 2,210,255 | |
| CGI Group Inc. | 22,674 | 1,609,360 | 1,893,279 | |
| Cognizant Technology Solutions Corp. | 32,475 | 3,112,127 | 2,815,621 | |
| Fidelity National Information Services Inc. | 18,990 | 1,898,005 | 2,659,798 | |
| Fiserv Inc. | 25,804 | 2,105,376 | 2,590,021 | |
| Halma PLC | 70,606 | 1,017,496 | 1,675,247 | |
| Kyocera Corp. | 28,300 | 2,098,233 | 1,940,450 | |
| Nomura Research Institute Ltd. | 49,000 | 1,975,783 | 2,485,683 | |
| Omron Corp. | 47,200 | 2,431,282 | 2,350,304 | |
| Samsung Electronics Co., Ltd. | 12,485 | 630,255 | 591,427 | |
| Spectris PLC | 25,714 | 1,039,846 | 1,019,382 | |
| Taiwan Semiconductor Manufacturing Co., Ltd., ADR | 132,091 | 4,484,829 | 6,658,944 | |
| Texas Instruments Inc. | 57,533 | 4,818,578 | 7,425,691 | |
| | 40,158,938 | 52,793,892 | | 13.10 |
| Communication Services | | | | |
| Comcast Corporation, Class A | 174,418 | 7,176,872 | 8,111,413 | |
| KDDI Corp. | 190,300 | 5,674,448 | 6,216,196 | |
| Omnicom Group Inc. | 50,753 | 4,916,695 | 5,076,894 | |
| Verizon Communications Inc. | 22,628 | 1,389,857 | 1,737,501 | |
| | 19,157,872 | 21,142,004 | | 5.25 |
| Total Equities | 353,970,353 | 396,689,998 | | 98.43 |
| Transaction Costs | | (216,839) | | |
| Total Investments | 358,644,244 | 401,580,728 | | 99.64 |
| Other Assets less Liabilities | | 1,464,435 | | 0.36 |
| Total Net Assets | | 403,045,163 | | 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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 0.72 | 1.97 |
| AA/Aa | 0.49 | 0.10 |
| Not rated | 1.37 | - |
| Total | 2.58 | 2.07 |

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 Value Fund (continued)

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2018 and December 31, 2017. 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, 2018 | Percentage of Net Assets (%) | December 31, 2017 | Percentage of Net Assets (%) |
| United States | | | | |
| Dollar | 251,412,205 | 62.38 | 255,419,916 | 59.27 |
| Euro | 53,080,926 | 13.17 | 52,579,639 | 12.20 |
| Swiss Franc | 31,025,520 | 7.70 | 31,830,572 | 7.39 |
| Japanese Yen | 30,907,084 | 7.67 | 38,406,476 | 8.91 |
| British Pound | 21,148,519 | 5.25 | 31,155,206 | 7.23 |
| Australian Dollar | 3,238,891 | 0.80 | 3,617,985 | 0.84 |
| Korean Won | 591,427 | 0.15 | - | - |
| Swedish Krona | 562,726 | 0.14 | 5,047,086 | 1.17 |
| Danish Krone | - | - | 1,145 | - |
| Total | 391,967,298 | 97.26 | 418,058,025 | 97.01 |

As at December 31, 2018, 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 \$19,598,365 (\$20,902,901 as at December 31, 2017). 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, 2018 | 4,890,730 | - | - | 4,890,730 |
| December 31, 2017 | 8,943,855 | - | - | 8,943,855 |

As at December 31, 2018, 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 \$5,365 (\$2,734 as at December 31, 2017). 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, 2018, 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 \$19,834,500 (\$21,233,326 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 0.7 | 2.0 |
| Term Deposit Receipts | - | 0.1 |
| Promissory Note | 0.5 | - |
| Equities | | |
| Energy | 2.8 | 3.3 |
| Materials | 5.0 | 4.9 |
| Industrials | 17.1 | 14.0 |
| Consumer Discretionary | 3.3 | 8.8 |
| Consumer Staples | 14.5 | 17.2 |
| Health Care | 13.7 | 10.7 |
| Financials | 20.6 | 22.1 |
| Real Estate | 1.8 | 1.9 |
| Utilities | 1.3 | 0.8 |
| Information Technology | 13.1 | 12.9 |
| Telecommunication Services | - | 1.9 |
| Communication Services | 5.2 | - |
| Other Assets less Liabilities | 0.4 | (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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities | 396,689,998 | - | - | 396,689,998 |
| Short-Term Investments | - | 4,890,730 | - | 4,890,730 |
| | | | | |
| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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

Sun Life MFS Global Value Fund (continued)

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, 2018 were \$84,101 (\$165,869 for the period ended December 31, 2017).

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, 2018 was \$6,339 (\$75,988 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | 699 | 9,926 |
| Series F8 | 719 | 9,927 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | - | - |
| Series F8 | - | - |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F5 | 10,016 | - | 468 |
| Series F8 | 10,016 | - | 758 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F5 | - | - | - |
| Series F8 | - | - | - |

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| 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 Growth Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 531,026,571 | 592,936,231 |
| Short-term investments | 6,782,467 | 7,243,210 |
| Cash | 694,452 | 515,415 |
| 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 | 8,645 | 3,167 |
| Dividends receivable | 2,203,415 | 1,126,472 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 631,817 | 858,327 |
| | 541,347,367 | 602,682,822 |
| 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 | 9,832 | 9,071 |
| Redemptions payable | 59,677 | 97,124 |
| Distributions payable | - | - |
| Due to investment dealers | 59,789 | 481,859 |
| Management fees payable | 14,138 | 7,976 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 143,436 | 596,030 |
| Net Assets Attributable to Holders of Redeemable Units | 541,203,931 | 602,086,792 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 19,296,332 | 10,714,336 |
| Series T5 | 143,689 | 128,786 |
| Series T8 | 200,759 | 312,834 |
| Series D | 3,250,051 | 3,464,343 |
| Series F | 6,314,042 | 3,764,859 |
| Series F5 | 20,576 | - |
| Series F8 | 10,104 | - |
| Series I | 510,274,622 | 582,081,443 |
| Series O | 1,693,756 | 1,620,191 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 14.08 | 16.38 |
| Series T5 | 16.42 | 19.80 |
| Series T8 | 13.64 | 16.46 |
| Series D | 14.52 | 16.73 |
| Series F | 14.92 | 17.43 |
| Series F5 | 12.96 | - |
| Series F8 | 13.82 | - |

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|----------|---------------------------|---------------------------|
| Series I | 15.77 | 18.08 |
| Series O | 11.48 | 13.28 |

Approved on behalf of Trustee

| | |
|------------------------|--------------------------|
| "signed" Rick Headrick | "signed" Kari Holdsworth |
| President | Chief Financial Officer |

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

Sun Life MFS International Growth Fund (continued)

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|-------------------|--------------------|
| Investment Income | | |
| Dividend income | 14,887,512 | 10,879,917 |
| Interest income for distribution purposes | 106,031 | 39,335 |
| 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 | 67,880,971 | 23,935,375 |
| 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 | (68,795,642) | 73,629,414 |
| 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 | 14,078,872 | 108,484,041 |
| Net gain (loss) on foreign exchange | (985,316) | (769,513) |
| Other income | 832 | - |
| Total income (loss) | 13,094,388 | 107,714,528 |
| Expenses (note 6) | | |
| Management fees | 444,760 | 245,376 |
| Administration fees | 430,424 | 337,030 |
| Independent review committee fees | 504 | 325 |
| Withholding tax | 1,888,658 | 1,068,022 |
| Transaction costs (note 3) | 653,550 | 727,546 |
| Total operating expenses | 3,417,896 | 2,378,299 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | 9,676,492 | 105,336,229 |
| Finance Cost | | |
| Interest expense | (395) | (307) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | 9,676,097 | 105,335,922 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (756,163) | 1,454,559 |
| Series T5 | (4,503) | 10,981 |
| Series T8 | 4,854 | 4,515 |
| Series D | (52,482) | 662,018 |
| Series F | (164,085) | 593,741 |
| Series F5 | (906) | - |
| Series F8 | 1,969 | - |
| Series I | 10,649,744 | 102,373,876 |
| Series O | (2,331) | 236,232 |

| | 2018 (\$) | 2017 (\$) |
|---|--------------|--------------|
| Weighted Average Number of Units Outstanding | | |
| Series A | 1,015,025 | 502,377 |
| Series T5 | 7,502 | 3,025 |
| Series T8 | 24,115 | 3,258 |
| Series D | 206,771 | 208,143 |
| Series F | 278,486 | 177,993 |
| Series F5 | 1,117 | - |
| Series F8 | 3,969 | - |
| Series I | 33,292,486 | 29,015,734 |
| Series O | 128,792 | 87,432 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.74) | 2.90 |
| Series T5 | (0.60) | 3.63 |
| Series T8 | 0.20 | 1.39 |
| Series D | (0.25) | 3.18 |
| Series F | (0.59) | 3.34 |
| Series F5 | (0.81) | - |
| Series F8 | 0.50 | - |
| Series I | 0.32 | 3.53 |
| Series O | (0.02) | 2.70 |

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

For the periods ended December 31

| | Series A | | Series T5 | | Series T8 | | Series D | |
|---|----------------------|-------------------|----------------|----------------|----------------|----------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 10,714,336 | 6,155,784 | 128,786 | 42,031 | 312,834 | 25,696 | 3,464,343 | 2,865,022 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (756,163) | 1,454,559 | (4,503) | 10,981 | 4,854 | 4,515 | (52,482) | 662,018 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 13,641,550 | 4,801,937 | 37,604 | 80,765 | 743,346 | 294,651 | 129,164 | 88,768 |
| Redemption of redeemable units | \$ (4,273,735) | (1,695,989) | (2,704) | (4,025) | (812,021) | (7,167) | (286,058) | (150,972) |
| Reinvestment of distributions to holders of redeemable units | \$ 2,242,166 | 79,437 | 8,248 | 2,269 | 6,211 | 1,897 | 390,399 | 30,779 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 11,609,981 | 3,185,385 | 43,148 | 79,009 | (62,464) | 289,381 | 233,505 | (31,425) |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (2,129,981) | (80,647) | (16,913) | (958) | (23,418) | (2,362) | (361,653) | (26,577) |
| From net investment income | \$ (138,627) | (745) | - | (1,146) | - | (2,213) | (33,662) | (4,695) |
| Return of capital | \$ (3,214) | - | (6,829) | (1,131) | (31,047) | (2,183) | - | - |
| | \$ (2,271,822) | (81,392) | (23,742) | (3,235) | (54,465) | (6,758) | (395,315) | (31,272) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 8,581,996 | 4,558,552 | 14,903 | 86,755 | (112,075) | 287,138 | (214,292) | 599,321 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 19,296,332 | 10,714,336 | 143,689 | 128,786 | 200,759 | 312,834 | 3,250,051 | 3,464,343 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 654,027 | 455,716 | 6,504 | 2,472 | 19,009 | 1,764 | 207,036 | 209,076 |
| Units issued | 820,329 | 306,337 | 1,914 | 4,136 | 45,435 | 17,599 | 7,664 | 5,470 |
| Units issued on reinvestment of distributions | 155,915 | 4,827 | 470 | 119 | 415 | 119 | 26,137 | 1,830 |
| Units redeemed | (259,500) | (112,853) | (135) | (223) | (50,145) | (473) | (16,973) | (9,340) |
| Balance - end of period | 1,370,771 | 654,027 | 8,753 | 6,504 | 14,714 | 19,009 | 223,864 | 207,036 |

| | Series F | | Series F5 | | Series F8 | | Series I | |
|---|---------------------|------------------|---------------|----------|---------------|----------|--------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 3,764,859 | 2,469,302 | - | - | - | - | 582,081,443 | 287,094,499 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (164,085) | 593,741 | (906) | - | 1,969 | - | 10,649,744 | 102,373,876 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 4,263,212 | 1,206,807 | 21,496 | - | 101,791 | - | 257,790,590 | 333,144,963 |
| Redemption of redeemable units | \$ (1,520,828) | (503,973) | (14) | - | (88,514) | - | (340,247,155) | (140,531,895) |
| Reinvestment of distributions to holders of redeemable units | \$ 785,289 | 52,754 | 2,977 | - | 1,006 | - | 69,190,451 | 13,512,334 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 3,527,673 | 755,588 | 24,459 | - | 14,283 | - | (13,266,114) | 206,125,402 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (688,155) | (27,200) | (2,262) | - | (1,842) | - | (56,292,238) | (4,434,648) |
| From net investment income | \$ (126,250) | (26,572) | (715) | - | (4,306) | - | (12,898,213) | (9,077,686) |
| Return of capital | \$ - | - | - | - | - | - | - | - |
| | \$ (814,405) | (53,772) | (2,977) | - | (6,148) | - | (69,190,451) | (13,512,334) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 2,549,183 | 1,295,557 | 20,576 | - | 10,104 | - | (71,806,821) | 294,986,944 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 6,314,042 | 3,764,859 | 20,576 | - | 10,104 | - | 510,274,622 | 582,081,443 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 215,966 | 172,615 | - | - | - | - | 32,196,941 | 19,386,197 |
| Units issued | 242,496 | 71,228 | 1,370 | - | 6,496 | - | 14,065,646 | 20,209,318 |
| Units issued on reinvestment of distributions | 51,617 | 3,019 | 218 | - | 66 | - | 4,202,867 | 752,800 |
| Units redeemed | (86,868) | (30,896) | - | - | (5,831) | - | (18,103,434) | (8,151,374) |
| Balance - end of period | 423,211 | 215,966 | 1,588 | - | 731 | - | 32,362,020 | 32,196,941 |

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 O | | Total | |
|---|---------------------|------------------|---------------------|---------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 1,620,191 | 873,863 | 602,086,792 | 299,526,197 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (2,331) | 236,232 | 9,676,097 | 105,335,922 |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | \$ 1,024,343 | 657,510 | 277,753,096 | 340,275,401 |
| Redemption of redeemable units | \$ (948,023) | (142,715) | (348,179,052) | (143,036,736) |
| Reinvestment of distributions to holders of redeemable units | \$ 228,279 | 31,565 | 72,855,026 | 13,711,035 |
| Capitalized distributions | \$ - | - | - | - |
| | \$ 304,599 | 546,360 | 2,429,070 | 210,949,700 |
| Distributions to Holders of Redeemable Units | | | | |
| From capital gains | \$ (187,602) | (12,448) | (59,704,064) | (4,584,840) |
| From net investment income | \$ (41,101) | (23,816) | (13,242,874) | (9,136,873) |
| Return of capital | \$ - | - | (41,090) | (3,314) |
| | \$ (228,703) | (36,264) | (72,988,028) | (13,725,027) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 73,565 | 746,328 | (60,882,861) | 302,560,595 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 1,693,756 | 1,620,191 | 541,203,931 | 602,086,792 |
| Redeemable Unit Transactions | | | | |
| Balance - beginning of period | 122,039 | 80,303 | 33,421,522 | 20,308,143 |
| Units issued | 75,510 | 51,182 | 15,266,860 | 20,665,270 |
| Units issued on reinvestment of distributions | 19,230 | 2,389 | 4,456,935 | 765,103 |
| Units redeemed | (69,249) | (11,835) | (18,592,135) | (8,316,994) |
| Balance - end of period | 147,530 | 122,039 | 34,553,182 | 33,421,522 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 | 2017 | | 2018 | 2017 |
|---|----------------------|---------------|--|----------------------|---------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Cash Flows from Operating Activities | | | Net Cash Provided by (Used in) Operating Activities | 70,548,932 | (196,936,325) |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 9,676,097 | 105,335,922 | Cash Flows from Financing Activities | | |
| Adjustments for: | | | Distributions paid to holders of redeemable units, net of reinvested distributions | (133,002) | (14,302) |
| Net realized (gain) loss on sale of investments | (67,880,971) | (23,935,375) | Proceeds from redeemable units issued | 277,979,606 | 340,266,138 |
| Change in unrealized (appreciation) depreciation in value of investments | 68,795,642 | (73,629,414) | Redemption of redeemable units | (348,216,499) | (143,047,505) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - | Net Cash Provided by (Used in) Financing Activities | (70,369,895) | 197,204,331 |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | - | Net increase (decrease) in cash | 179,037 | 268,006 |
| Change in unrealized (appreciation) depreciation in option contracts | - | - | Cash (bank indebtedness) at beginning of period | 515,415 | 247,409 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - | Cash (bank indebtedness) at end of period | 694,452 | 515,415 |
| Non-cash income distributions from underlying funds | - | - | Dividends received, net of withholding taxes | 11,921,911 | 9,258,126 |
| Change in margin | - | - | Interest received, net of withholding taxes | 100,553 | 36,203 |
| Purchases of investments | (337,807,284) | (362,416,475) | Interest paid | (395) | (307) |
| Proceeds from sale of investments | 397,726,653 | 161,999,975 | | | |
| Purchases of short-term investments | (623,395,952) | (857,912,577) | | | |
| Proceeds from sale of short-term investments | 623,856,695 | 853,469,367 | | | |
| Change in dividends and interest receivable | (1,082,421) | (556,901) | | | |
| Change in distributions receivable from underlying funds | - | - | | | |
| Change in management fees payable | 6,162 | (11,042) | | | |
| Change in other payables and accrued expenses | 654,311 | 720,195 | | | |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------|--------|---------------|-----------|-------------------|------------------|-----------------------|
| SHORT-TERM NOTES | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.710% | 3-Jan-2019 | 1,200,000 | 1,198,764 | 1,198,764 | |
| Canadian Treasury Bill | 1.690% | 4-Jan-2019 | 500,000 | 499,630 | 499,630 | |
| Province of Ontario | 1.900% | 20-Feb-2019 | 2,000,000 | 1,991,500 | 1,991,500 | |
| | | | | 3,689,894 | 3,689,894 | 0.68 |
| Promissory Notes | | | | | | |
| Province of Manitoba | 1.850% | 12-Feb-2019 | 2,100,000 | 2,095,443 | 2,095,443 | |
| Province of Quebec | 1.843% | 3-Jan-2019 | 1,000,000 | 997,130 | 997,130 | |
| | | | | 3,092,573 | 3,092,573 | 0.57 |
| Total Short-Term Notes | | | | 6,782,467 | 6,782,467 | 1.25 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|-------------------|-------------------|-----------------------|
| EQUITIES | | | | |
| Energy | | | | |
| Caltex Australia Ltd. | 83,626 | 2,699,750 | 2,048,817 | |
| Oil Search Ltd. | 671,902 | 4,938,036 | 4,625,743 | |
| Suncor Energy Inc. | 78,295 | 3,259,214 | 2,985,388 | |
| | | 10,897,000 | 9,659,948 | 1.79 |
| Materials | | | | |
| Air Liquide SA | 52,855 | 7,714,077 | 8,949,733 | |
| Akzo Nobel NV | 88,335 | 9,524,826 | 9,709,568 | |
| Croda International PLC | 65,594 | 4,306,901 | 5,345,601 | |
| Grupo Mexico SAB de CV | 524,095 | 1,984,930 | 1,469,877 | |
| Linde PLC | 56,149 | 9,148,567 | 12,146,270 | |
| Sika AG | 20,335 | 2,837,661 | 3,510,455 | |
| Symrise AG | 46,205 | 4,185,804 | 4,653,108 | |
| | | 39,702,766 | 45,784,612 | 8.46 |
| Industrials | | | | |
| 5ljob Inc. | 18,246 | 1,658,530 | 1,556,032 | |
| Adani Ports & Special Economic Zone Ltd. | 154,042 | 1,081,085 | 1,168,354 | |
| Brambles Ltd. | 551,251 | 5,512,959 | 5,379,946 | |
| Brenntag AG | 60,415 | 4,404,565 | 3,556,154 | |
| Experian PLC | 235,947 | 6,370,828 | 7,818,658 | |
| GEA Group AG | 132,028 | 6,769,064 | 4,638,131 | |
| Intertek Group PLC | 38,802 | 2,707,500 | 3,239,800 | |
| Legrand SA | 33,518 | 2,835,046 | 2,579,998 | |
| Prysman SpA | 147,624 | 4,770,179 | 3,888,360 | |
| Rolls-Royce Holdings PLC | 585,200 | 8,783,550 | 8,448,998 | |
| Rolls-Royce Holdings PLC, C Shares | 26,586,068 | 44,598 | 46,246 | |
| Schneider Electric SE | 107,691 | 10,579,309 | 10,041,386 | |
| TOTO Ltd. | 86,200 | 4,553,048 | 4,088,409 | |
| | | 60,070,261 | 56,450,472 | 10.43 |
| Consumer Discretionary | | | | |
| Alibaba Group Holding Ltd. | 18,424 | 3,005,423 | 3,449,168 | |
| Bandai Namco Holdings Inc. | 58,600 | 2,681,842 | 3,592,741 | |
| Burberry Group PLC | 127,549 | 3,673,826 | 3,850,565 | |
| Compass Group PLC | 188,173 | 4,754,761 | 5,400,874 | |
| Just Eat PLC | 86,351 | 835,052 | 881,415 | |
| Kering | 10,892 | 4,380,265 | 6,999,668 | |
| LVMH Moët Hennessy Louis Vuitton SA | 35,994 | 11,283,305 | 14,510,447 | |
| Paddy Power Betfair PLC | 34,712 | 4,756,915 | 3,864,403 | |
| Yum China Holdings Inc. | 106,124 | 5,043,207 | 4,859,988 | |
| | | 40,414,596 | 47,409,269 | 8.76 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|--------------------|--------------------|-----------------------|
| Consumer Staples | | | | |
| Ambev SA, ADR | 515,560 | 3,657,061 | 2,760,281 | |
| China Resources Beer Holdings Co., Ltd. | 902,000 | 3,730,203 | 4,303,540 | |
| Danone SA | 136,866 | 12,927,571 | 13,144,248 | |
| Diageo PLC | 242,519 | 9,637,406 | 11,790,993 | |
| ITC Ltd. | 950,924 | 4,942,575 | 5,239,561 | |
| Japan Tobacco Inc. | 182,400 | 7,297,850 | 5,941,111 | |
| Kao Corp. | 60,000 | 5,051,124 | 6,090,375 | |
| L'Oreal SA | 46,460 | 12,152,618 | 14,594,916 | |
| Nestle SA | 226,624 | 22,901,216 | 25,055,898 | |
| Pernod Ricard SA | 62,542 | 10,680,278 | 13,993,050 | |
| Reckitt Benckiser Group PLC | 113,252 | 12,914,533 | 11,845,677 | |
| Sundrug Co., Ltd. | 122,900 | 5,630,537 | 5,010,548 | |
| | | 111,522,972 | 119,770,198 | 22.13 |
| Health Care | | | | |
| Bayer AG | 107,186 | 15,032,458 | 10,134,874 | |
| Cie Generale d'Optique Essilor International SA | 63,225 | 10,539,954 | 10,903,075 | |
| Fresenius Medical Care AG & Co., KGaA | 71,382 | 8,069,244 | 6,312,573 | |
| Mettler-Toledo International Inc. | 4,169 | 2,360,170 | 3,220,431 | |
| Novartis AG | 114,175 | 12,506,480 | 13,294,078 | |
| Novo Nordisk A/S | 77,110 | 4,505,049 | 4,806,095 | |
| QIAGEN NV | 125,136 | 5,027,483 | 5,798,833 | |
| Roche Holding AG | 69,405 | 22,438,155 | 23,405,209 | |
| Terumo Corp. | 91,800 | 5,036,522 | 7,112,697 | |
| | | 85,515,515 | 84,987,865 | 15.70 |
| Financials | | | | |
| AEON Financial Service Co., Ltd. | 186,000 | 5,073,743 | 4,524,385 | |
| AIA Group Ltd. | 1,635,600 | 14,675,133 | 18,546,094 | |
| Credicorp Ltd. | 12,961 | 2,908,490 | 3,924,041 | |
| DBS Group Holdings Ltd. | 324,400 | 6,650,817 | 7,700,823 | |
| Grupo Financiero Banorte SAB de CV | 720,891 | 5,438,627 | 4,788,552 | |
| Grupo Financiero Inbursa SAB de CV | 576,557 | 1,235,725 | 1,131,188 | |
| HDFC Bank Ltd., ADR | 88,704 | 9,044,112 | 12,550,156 | |
| Julius Baer Group Ltd. | 53,378 | 3,682,494 | 2,589,140 | |
| Komerčni Banka AS | 31,532 | 1,672,439 | 1,620,199 | |
| UBS Group AG | 440,622 | 9,495,608 | 7,469,152 | |
| | | 59,877,188 | 64,843,730 | 11.98 |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------------|----------------------|--------------------|--------------------------|
| Information Technology | | | | |
| Accenture PLC | 39,901 | 6,483,980 | 7,684,609 | |
| Amadeus IT Holding SA | 57,720 | 4,392,883 | 5,482,895 | |
| Hitachi Ltd. | 192,400 | 8,851,840 | 7,030,873 | |
| Infosys Ltd., ADR | 324,692 | 4,239,519 | 4,221,790 | |
| Luxoft Holding Inc. | 47,339 | 2,407,936 | 1,966,828 | |
| MediaTek Inc. | 186,000 | 2,172,074 | 1,896,803 | |
| Mellanox Technologies Ltd. | 28,606 | 2,477,265 | 3,609,302 | |
| Nice Systems Ltd., ADR | 28,468 | 2,714,389 | 4,207,387 | |
| OBIC Co., Ltd. | 37,700 | 2,877,304 | 3,984,475 | |
| SAP AG | 127,493 | 16,374,700 | 17,304,156 | |
| Taiwan Semiconductor Manufacturing Co., Ltd., ADR | 359,776 | 15,341,214 | 18,136,951 | |
| | 68,333,104 | 75,526,069 | 75,526,069 | 13.96 |
| Communication Services | | | | |
| Baidu Inc. | 50,128 | 13,991,482 | 10,858,545 | |
| NHN Corp. | 27,280 | 4,655,407 | 4,073,858 | |
| Publicis Groupe SA | 47,895 | 4,366,407 | 3,744,975 | |
| SoftBank Corp. | 15,100 | 1,449,944 | 1,373,154 | |
| WPP PLC | 278,377 | 6,885,729 | 4,099,533 | |
| | 31,348,969 | 24,150,065 | 24,150,065 | 4.46 |
| Utilities | | | | |
| China Resources Gas Group Ltd. | 452,000 | 1,934,866 | 2,444,343 | |
| | 1,934,866 | 2,444,343 | 2,444,343 | 0.45 |
| Total Equities | 509,617,237 | 531,026,571 | 531,026,571 | 98.12 |
| Transaction Costs | (760,210) | | | |
| Total Investments | 515,639,494 | 537,809,038 | 537,809,038 | 99.37 |
| Other Assets less Liabilities | | 3,394,893 | | 0.63 |
| Total Net Assets | | 541,203,931 | 541,203,931 | 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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|----------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 0.31 | 1.08 |
| AA/Aa | 0.94 | 0.12 |
| Total | 1.25 | 1.20 |

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

Sun Life MFS International 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, 2018 and December 31, 2017. 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, 2018 | Percentage of Net Assets (%) | December 31, 2017 | Percentage of Net Assets (%) |
| Euro | 183,023,133 | 33.82 | 209,582,225 | 34.81 |
| United States Dollar | 83,314,020 | 15.39 | 100,609,235 | 16.71 |
| Swiss Franc | 75,323,932 | 13.92 | 73,187,969 | 12.16 |
| British Pound | 66,657,168 | 12.32 | 84,768,062 | 14.08 |
| Japanese Yen | 48,931,614 | 9.04 | 53,187,338 | 8.83 |
| Hong Kong Dollar | 25,293,977 | 4.67 | 22,282,861 | 3.70 |
| Australian Dollar | 12,054,506 | 2.23 | 11,209,257 | 1.86 |
| Singapore Dollar | 7,700,823 | 1.42 | 6,849,778 | 1.14 |
| Mexican Peso | 7,389,617 | 1.37 | 4,778,996 | 0.79 |
| Indian Rupee | 6,408,111 | 1.18 | 6,518,455 | 1.08 |
| Danish Krone | 4,806,095 | 0.89 | 5,540,474 | 0.92 |
| Korean Won | 4,073,859 | 0.75 | 2,810,271 | 0.47 |
| New Taiwan Dollar | 1,921,742 | 0.36 | 2,426,187 | 0.40 |
| Czech Koruna | 1,620,199 | 0.30 | - | - |
| Brazilian Real | 6 | - | 6 | - |
| Swedish Krona | - | - | 4,178,334 | 0.69 |
| Total | 528,518,802 | 97.66 | 587,929,448 | 97.64 |

As at December 31, 2018, 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 \$26,425,940 (\$29,396,472 as at December 31, 2017). 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, 2018 | 6,782,467 | - | - | 6,782,467 |
| December 31, 2017 | 7,243,210 | - | - | 7,243,210 |

As at December 31, 2018, 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 \$5,405 (\$3,926 as at December 31, 2017). 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, 2018, 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 \$26,551,329 (\$29,646,812 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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.

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

Sun Life MFS International 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 0.7 | 1.1 |
| Promissory Notes | 0.6 | - |
| Term Deposit Receipts | - | 0.1 |
| Equities | | |
| Energy | 1.8 | 2.0 |
| Materials | 8.5 | 7.6 |
| Industrials | 10.4 | 10.6 |
| Consumer Discretionary | 8.8 | 10.4 |
| Consumer Staples | 22.1 | 20.3 |
| Health Care | 15.7 | 14.9 |
| Financials | 12.0 | 11.6 |
| Information Technology | 14.0 | 20.0 |
| Telecommunication Services | - | 1.1 |
| Communication Services | 4.4 | - |
| Utilities | 0.4 | - |
| Other Assets less Liabilities | 0.6 | 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities | 530,980,325 | - | 46,246 | 531,026,571 |
| Short-Term Investments | - | 6,782,467 | - | 6,782,467 |

| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

The following is a reconciliation of Level 3 fair value assets as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | December 31, 2017 |
|---------------------------|-------------------|-------------------|
| | (\$) | (\$) |
| Opening Balance | 31,561 | 18,488 |
| Net purchases and (sales) | 13,292 | 13,298 |
| Net transfers in (out) | - | - |
| Gains (Losses) | | |
| Realized | (146) | 105 |
| Unrealized | 1,539 | (330) |
| Closing Balance | 46,246 | 31,561 |

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, 2018 were \$653,550 (\$727,546 for the period ended December 31, 2017).

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, 2018 was \$nil (\$209,840 for the period ended December 31, 2017).

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

Sun Life MFS International Growth 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series T5 | 1,108 | 18,190 |
| Series T8 | - | - |
| Series F5 | 780 | 10,107 |
| Series F8 | 731 | 10,104 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series T5 | 940 | 18,611 |
| Series T8 | 1,130 | 18,597 |
| Series F5 | - | - |
| Series F8 | - | - |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series T5 | 47 | - | 2,901 |
| Series T8 | 19 | 20,076 | 628 |
| Series F | - | - | - |
| Series F5 | 10,017 | - | 1,539 |
| Series F8 | 10,017 | - | 960 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series T5 | 43 | - | 849 |
| Series T8 | 44 | - | 1,352 |
| Series F | 14 | 11,676 | - |
| Series F5 | - | - | - |
| Series F8 | - | - | - |

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| 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

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 1,431,301,201 | 1,418,462,566 |
| Short-term investments | 40,868,840 | 48,340,091 |
| Cash | 179,106 | 781,701 |
| Margin | - | - |
| Option contracts, at fair value - long | - | - |
| Credit default swaps, sell protection | - | - |
| Unrealized appreciation on futures contracts | - | - |
| Unrealized appreciation on currency forward contracts | 3,045,606 | 1,977,803 |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | 1,150 | 989,571 |
| Accrued interest | 67,780 | 9,980 |
| Dividends receivable | 4,385,088 | 3,043,476 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 2,162,143 | 2,584,670 |
| | 1,482,010,914 | 1,476,189,858 |
| 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 | 2,792,393 | 103,941 |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 48,272 | 39,802 |
| Redemptions payable | 767,525 | 472,483 |
| Distributions payable | - | - |
| Due to investment dealers | - | - |
| Management fees payable | 330,334 | 217,915 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 3,938,524 | 834,141 |
| Net Assets Attributable to Holders of Redeemable Units | 1,478,072,390 | 1,475,355,717 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 311,520,055 | 254,844,245 |
| Series T5 | 5,550,884 | 3,966,767 |
| Series T8 | 2,157,504 | 2,123,662 |
| Series F | 385,750,609 | 286,885,159 |
| Series F5 | 1,367,008 | - |
| Series F8 | 179,310 | - |
| Series I | 757,532,874 | 912,821,542 |
| Series O | 14,014,146 | 14,714,342 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 20.00 | 21.14 |
| Series T5 | 21.79 | 24.08 |
| Series T8 | 17.72 | 20.15 |
| Series F | 20.98 | 22.07 |
| Series F5 | 14.15 | - |
| Series F8 | 13.80 | - |
| Series I | 22.34 | 23.38 |
| Series O | 13.75 | 14.41 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

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

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------------|
| Investment Income | | |
| Dividend income | 34,603,225 | 28,374,590 |
| Interest income for distribution purposes | 715,321 | 271,701 |
| 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 | 68,964,065 | 47,368,161 |
| Net realized gain (loss) on futures contracts | - | - |
| Net realized gain (loss) on currency forward contracts | 2,347,686 | 3,728,732 |
| Net realized gain (loss) on option contracts | - | - |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | (107,255,061) | 145,647,698 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (1,620,649) | (2,992,701) |
| Change in unrealized appreciation (depreciation) in option contracts | - | - |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | (2,245,413) | 222,398,181 |
| Net gain (loss) on foreign exchange | (1,288,009) | (1,184,983) |
| Other income | 9,585 | - |
| Total income (loss) | (3,523,837) | 221,213,198 |
| Expenses (note 6) | | |
| Management fees | 10,869,236 | 7,167,642 |
| Administration fees | 1,627,287 | 1,272,652 |
| Independent review committee fees | 12,772 | 9,592 |
| Withholding tax | 3,587,612 | 3,063,067 |
| Transaction costs (note 3) | 981,447 | 1,054,405 |
| Total operating expenses | 17,078,354 | 12,567,358 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (20,602,191) | 208,645,840 |
| Finance Cost | | |
| Interest expense | (909) | (1,228) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (20,603,100) | 208,644,612 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (11,739,032) | 31,134,662 |
| Series T5 | (216,789) | 476,069 |
| Series T8 | (64,666) | 226,221 |
| Series F | (10,635,657) | 32,378,277 |
| Series F5 | (54,409) | - |
| Series F8 | 641 | - |
| Series I | 2,236,426 | 142,165,682 |
| Series O | (129,614) | 2,263,701 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 14,090,434 | 10,662,613 |
| Series T5 | 213,963 | 150,422 |
| Series T8 | 119,112 | 72,888 |
| Series F | 16,310,806 | 10,294,193 |
| Series F5 | 64,234 | - |
| Series F8 | 9,022 | - |
| Series I | 37,626,399 | 37,687,546 |
| Series O | 1,036,673 | 962,439 |

Sun Life MFS International Value Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.83) | 2.92 |
| Series T5 | (1.01) | 3.16 |
| Series T8 | (0.54) | 3.10 |
| Series F | (0.65) | 3.15 |
| Series F5 | (0.85) | - |
| Series F8 | 0.07 | - |
| Series I | 0.06 | 3.77 |
| Series O | (0.13) | 2.35 |

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 | |
|---|-----------------|--------------|-------------|-------------|-------------|-----------|---------------|--------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 254,844,245 | 178,948,419 | 3,966,767 | 2,940,207 | 2,123,662 | 1,404,002 | 286,885,159 | 147,040,594 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (11,739,032) | 31,134,662 | (216,789) | 476,069 | (64,666) | 226,221 | (10,635,657) | 32,378,277 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 157,766,772 | 106,820,777 | 3,778,287 | 1,914,928 | 1,446,271 | 1,568,224 | 216,540,149 | 181,515,358 |
| Redemption of redeemable units | \$ (89,046,485) | (62,018,644) | (1,722,891) | (1,266,999) | (1,213,975) | (996,033) | (105,162,857) | (73,689,065) |
| Reinvestment of distributions to holders of redeemable units | \$ 6,097,315 | 781,068 | 87,770 | 67,122 | 82,562 | 32,269 | 8,794,814 | 2,647,358 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 74,817,602 | 45,583,201 | 2,143,166 | 715,051 | 314,858 | 604,460 | 120,172,106 | 110,473,651 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (5,862,843) | (805,489) | (105,907) | - | (39,438) | - | (7,247,950) | (879,263) |
| From net investment income | \$ (539,917) | (16,505) | (199,126) | - | (149,047) | - | (3,423,049) | (2,122,573) |
| Return of capital | \$ - | (43) | (37,227) | (164,560) | (27,865) | (111,021) | - | (5,527) |
| | \$ (6,402,760) | (822,037) | (342,260) | (164,560) | (216,350) | (111,021) | (10,670,999) | (3,007,363) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 56,675,810 | 75,895,826 | 1,584,117 | 1,026,560 | 33,842 | 719,660 | 98,865,450 | 139,844,565 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 311,520,055 | 254,844,245 | 5,550,884 | 3,966,767 | 2,157,504 | 2,123,662 | 385,750,609 | 286,885,159 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 12,054,856 | 9,820,563 | 164,767 | 135,663 | 105,387 | 75,183 | 13,001,037 | 7,761,073 |
| Units issued | 7,394,807 | 5,313,334 | 159,257 | 80,622 | 73,625 | 79,926 | 9,698,929 | 8,611,482 |
| Units issued on reinvestment of distributions | 307,123 | 36,764 | 3,806 | 2,883 | 4,318 | 1,637 | 413,057 | 119,407 |
| Units redeemed | (4,184,087) | (3,115,805) | (73,061) | (54,401) | (61,578) | (51,359) | (4,723,510) | (3,490,925) |
| Balance - end of period | 15,572,699 | 12,054,856 | 254,769 | 164,767 | 121,752 | 105,387 | 18,389,513 | 13,001,037 |

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 F5 | | Series F8 | | Series I | | Series O | |
|---|------------------------|----------------------|----------------|------|--------------------|--------------------|-------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - | 912,821,542 | 669,928,030 | 14,714,342 | 12,259,877 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (54,409) | - | 641 | - | 2,236,426 | 142,165,682 | (129,614) | 2,263,701 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 1,539,913 | - | 289,948 | - | 258,488,494 | 293,090,075 | 3,529,024 | 3,480,859 |
| Redemption of redeemable units | \$ (87,221) | - | (101,355) | - | (416,013,588) | (192,362,245) | (4,099,774) | (3,291,227) |
| Reinvestment of distributions to holders of redeemable units | \$ 34,630 | - | 921 | - | 28,823,846 | 17,667,788 | 513,596 | 264,271 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 1,487,322 | - | 189,514 | - | (128,701,248) | 118,395,618 | (57,154) | 453,903 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (26,147) | - | (1,651) | - | (14,295,703) | (2,926,615) | (268,149) | (47,496) |
| From net investment income | \$ (39,758) | - | (9,194) | - | (14,528,143) | (14,702,889) | (245,279) | (215,083) |
| Return of capital | \$ - | - | - | - | - | (38,284) | - | (560) |
| | \$ (65,905) | - | (10,845) | - | (28,823,846) | (17,667,788) | (513,428) | (263,139) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 1,367,008 | - | 179,310 | - | (155,288,668) | 242,893,512 | (700,196) | 2,454,465 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 1,367,008 | - | 179,310 | - | 757,532,874 | 912,821,542 | 14,014,146 | 14,714,342 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | - | - | - | - | 39,040,905 | 33,497,564 | 1,021,129 | 994,272 |
| Units issued | 99,880 | - | 19,518 | - | 10,905,966 | 13,423,839 | 241,013 | 255,311 |
| Units issued on reinvestment of distributions | 2,352 | - | 62 | - | 1,251,304 | 751,446 | 36,410 | 18,251 |
| Units redeemed | (5,625) | - | (6,588) | - | (17,289,794) | (8,631,944) | (279,295) | (246,705) |
| Balance - end of period | 96,607 | - | 12,992 | - | 33,908,381 | 39,040,905 | 1,019,257 | 1,021,129 |
| | | | | | | | | |
| | Total | | | | | | | |
| | 2018 | 2017 | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$1,475,355,717 | 1,012,521,129 | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (20,603,100) | 208,644,612 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 643,378,858 | 588,390,221 | | | | | | |
| Redemption of redeemable units | \$ (617,448,146) | (333,624,213) | | | | | | |
| Reinvestment of distributions to holders of redeemable units | \$ 44,435,454 | 21,459,876 | | | | | | |
| Capitalized distributions | \$ - | - | | | | | | |
| | \$ 70,366,166 | 276,225,884 | | | | | | |
| Distributions to Holders of Redeemable Units | \$ - | - | | | | | | |
| From capital gains | \$ (27,847,788) | (4,658,863) | | | | | | |
| From net investment income | \$ (19,133,513) | (17,057,050) | | | | | | |
| Return of capital | \$ (65,092) | (319,995) | | | | | | |
| | \$ (47,046,393) | (22,035,908) | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 2,716,673 | 462,834,588 | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$1,478,072,390 | 1,475,355,717 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 65,388,081 | 52,284,318 | | | | | | |
| Units issued | 28,592,995 | 27,764,514 | | | | | | |
| Units issued on reinvestment of distributions | 2,018,432 | 930,388 | | | | | | |
| Units redeemed | (26,623,538) | (15,591,139) | | | | | | |
| Balance - end of period | 69,375,970 | 65,388,081 | | | | | | |

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

| | 2018 (\$) | 2017 (\$) |
|---|------------------------|-----------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (20,603,100) | 208,644,612 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (68,964,065) | (47,368,161) |
| Change in unrealized (appreciation) depreciation in value of investments | 107,255,061 | (145,647,698) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 1,620,649 | 2,992,701 |
| Change in unrealized (appreciation) depreciation in option contracts | - | - |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | - | - |
| Purchases of investments | (500,526,807) | (532,667,878) |
| Proceeds from sale of investments | 449,404,150 | 278,719,269 |
| Purchases of short-term investments | (1,387,501,153) | (2,333,731,461) |
| Proceeds from sale of short-term investments | 1,394,972,404 | 2,315,179,705 |
| Change in dividends and interest receivable | (1,399,412) | (1,218,476) |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | 112,419 | (311,899) |
| Change in other payables and accrued expenses | 989,917 | 1,005,280 |
| Net Cash Provided by (Used in) Operating Activities | (24,639,937) | (254,404,006) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (2,610,939) | (576,032) |
| Proceeds from redeemable units issued | 643,801,385 | 588,620,146 |
| Redemption of redeemable units | (617,153,104) | (334,279,511) |
| Net Cash Provided by (Used in) Financing Activities | 24,037,342 | 253,764,603 |
| Net increase (decrease) in cash | (602,595) | (639,403) |
| Cash (bank indebtedness) at beginning of period | 781,701 | 1,421,104 |
| Cash (bank indebtedness) at end of period | 179,106 | 781,701 |
| Dividends received, net of withholding taxes | 29,674,001 | 24,099,806 |
| Interest received, net of withholding taxes | 657,521 | 264,942 |
| Interest paid | (909) | (1,228) |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---------------------------------------|--------|---------------|-------------------------|--------------------------|------------------------|------------------------------|
| SHORT-TERM INVESTMENTS | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.705% | 4-Jan-2019 | 1,600,000 | 1,598,629 | 1,598,629 | |
| Canadian Treasury Bill | 1.642% | 10-Jan-2019 | 4,000,000 | 3,988,520 | 3,988,520 | |
| Canadian Treasury Bill | 1.620% | 7-Feb-2019 | 14,300,000 | 14,263,776 | 14,263,776 | |
| Province of Ontario | 1.900% | 20-Feb-2019 | 15,600,000 | 15,533,700 | 15,533,700 | |
| | | | | 35,384,625 | 35,384,625 | 2.39 |
| Promissory Note | | | | | | |
| Province of Quebec | 1.843% | 3-Jan-2019 | 5,500,000 | 5,484,215 | 5,484,215 | |
| | | | | 5,484,215 | 5,484,215 | 0.37 |
| Total Short-Term Investments | | | | 40,868,840 | 40,868,840 | 2.77 |
| | | | | | | |
| | | | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
| EQUITIES | | | | | | |
| Energy | | | | | | |
| Core Laboratories NV | | | 49,633 | 7,086,346 | 4,044,286 | |
| | | | | 7,086,346 | 4,044,286 | 0.27 |
| Materials | | | | | | |
| Croda International PLC | | | 47,232 | 3,547,238 | 3,849,185 | |
| Givaudan SA | | | 15,544 | 39,131,994 | 49,015,813 | |
| Kansai Paint Co., Ltd. | | | 243,200 | 6,214,099 | 6,400,157 | |
| Sika AG | | | 31,470 | 4,834,481 | 5,432,703 | |
| Symrise AG | | | 203,366 | 16,639,013 | 20,480,120 | |
| | | | | 70,366,825 | 85,177,978 | 5.76 |
| Industrials | | | | | | |
| Brambles Ltd. | | | 1,237,600 | 12,603,128 | 12,078,384 | |
| Brenntag AG | | | 144,175 | 10,130,349 | 8,486,444 | |
| Bunzl PLC | | | 88,598 | 2,957,327 | 3,651,000 | |
| Experian PLC | | | 418,439 | 11,252,564 | 13,865,960 | |
| GEA Group AG | | | 289,316 | 15,544,512 | 10,163,643 | |
| Geberit AG | | | 11,619 | 5,627,103 | 6,154,237 | |
| IMI PLC | | | 861,269 | 16,998,632 | 14,142,742 | |
| Intertek Group PLC | | | 178,986 | 12,649,008 | 14,944,559 | |
| Legrand SA | | | 290,815 | 23,962,909 | 22,385,054 | |
| MISUMI Group Inc. | | | 204,000 | 5,351,335 | 5,889,155 | |
| Nordson Corp. | | | 69,259 | 8,907,338 | 11,289,812 | |
| RELX PLC | | | 358,036 | 8,810,253 | 10,045,445 | |
| Rentokil Initial PLC | | | 592,002 | 2,511,810 | 3,472,430 | |
| Ryanair Holdings PLC, ADR | | | 81,834 | 11,159,359 | 7,973,609 | |
| Schindler Holding AG | | | 22,611 | 5,181,992 | 6,099,397 | |
| Schneider Electric SE | | | 281,242 | 27,364,913 | 26,223,726 | |
| Secom Co., Ltd. | | | 177,900 | 17,078,229 | 20,183,991 | |
| SGS SA | | | 6,744 | 19,202,210 | 20,649,570 | |
| SMC Corp. | | | 23,300 | 11,245,191 | 9,641,376 | |
| Sohgo Security Services Co., Ltd. | | | 121,200 | 7,338,949 | 7,755,107 | |
| Spirax-Sarco Engineering PLC | | | 151,277 | 11,690,038 | 16,420,270 | |
| Wartsila OYJ Abp | | | 133,368 | 2,925,380 | 2,893,374 | |
| | | | | 250,492,529 | 254,409,285 | 17.21 |
| Consumer Discretionary | | | | | | |
| Compagnie Financière Richemont SA | | | 104,760 | 9,595,723 | 9,144,021 | |
| Compass Group PLC | | | 1,061,326 | 24,690,465 | 30,461,799 | |
| Esprit Holdings Ltd. | | | 1,935,008 | 2,537,163 | 526,586 | |
| LVMH Moët Hennessy Louis Vuitton SA | | | 10,935 | 4,424,602 | 4,408,283 | |
| USS Co., Ltd. | | | 175,800 | 3,803,859 | 4,046,484 | |
| | | | | 45,051,812 | 48,587,173 | 3.29 |
| Consumer Staples | | | | | | |
| British American Tobacco PLC | | | 84,461 | 6,122,112 | 3,672,984 | |
| Chocoladefabriken Lindt & Sprungli AG | | | 150 | 1,202,973 | 1,267,717 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|--------------------|--------------------|-----------------------|
| Colgate-Palmolive Co. | 313,976 | 27,739,869 | 25,523,924 | |
| Danone SA | 325,260 | 29,137,496 | 31,237,107 | |
| Diageo PLC | 768,147 | 34,276,795 | 37,346,418 | |
| Ezaki Glico Co., Ltd. | 22,600 | 1,488,934 | 1,569,874 | |
| Heineken NV | 203,124 | 21,665,840 | 24,483,470 | |
| Henkel AG & Co., KGaA | 292,511 | 44,531,081 | 43,569,743 | |
| Ito En Ltd. | 319,800 | 13,569,203 | 19,606,802 | |
| Japan Tobacco Inc. | 186,000 | 7,759,201 | 6,058,369 | |
| Kao Corp. | 359,100 | 23,623,386 | 36,450,894 | |
| Kerry Group PLC | 134,034 | 15,160,369 | 18,100,248 | |
| Kobayashi Pharmaceutical Co., Ltd. | 200,100 | 12,749,845 | 18,607,574 | |
| KOSÉ Corporation | 23,200 | 3,154,656 | 4,984,836 | |
| L'Oreal SA | 87,117 | 24,630,525 | 27,366,882 | |
| Nestle SA | 639,125 | 61,854,731 | 70,662,642 | |
| Nissin Foods Holdings Co., Ltd. | 49,700 | 4,237,872 | 4,269,014 | |
| Pernod Ricard SA | 191,676 | 30,688,881 | 42,885,290 | |
| Reckitt Benckiser Group PLC | 353,103 | 38,722,156 | 36,933,070 | |
| Toyo Suisan Kaisha Ltd. | 352,200 | 16,600,218 | 16,814,223 | |
| | | 418,916,143 | 471,411,081 | 31.90 |
| Health Care | | | | |
| Bayer AG | 66,539 | 9,698,450 | 6,291,534 | |
| DENTSPLY SIRONA Inc. | 116,070 | 8,849,945 | 5,898,855 | |
| Nihon Kohden Corp. | 370,900 | 10,704,165 | 16,483,412 | |
| Roche Holding AG | 10,700 | 3,270,106 | 3,608,324 | |
| Rohto Pharmaceutical Co., Ltd. | 250,600 | 6,498,110 | 9,358,891 | |
| Santen Pharmaceutical Co., Ltd. | 867,400 | 14,874,867 | 17,125,557 | |
| Terumo Corp. | 195,400 | 8,692,262 | 15,139,663 | |
| | | 62,587,905 | 73,906,236 | 5.00 |
| Financials | | | | |
| Daiwa Securities Group Inc. | 446,500 | 3,614,066 | 3,093,761 | |
| DNB ASA | 255,120 | 5,199,650 | 5,559,147 | |
| Fairfax Financial Holdings Ltd. | 14,277 | 8,728,054 | 8,580,191 | |
| Hiscox Ltd. | 371,030 | 7,475,539 | 10,462,003 | |
| IG Group Holdings PLC | 282,948 | 3,247,618 | 2,805,461 | |
| Jardine Lloyd Thompson Group PLC | 194,350 | 3,928,902 | 6,396,295 | |
| Julius Baer Group Ltd. | 70,296 | 4,723,804 | 3,409,761 | |
| Jyske Bank A/S | 62,922 | 3,887,324 | 3,096,357 | |
| Mebuki Financial Group Inc. | 834,600 | 4,082,398 | 3,033,775 | |
| North Pacific Bank Ltd. | 742,900 | 3,297,055 | 2,718,941 | |
| Svenska Handelsbanken AB | 1,004,532 | 17,925,469 | 15,211,951 | |
| Sydbank A/S | 83,431 | 3,296,482 | 2,707,388 | |
| The Chiba Bank Ltd. | 505,200 | 4,292,316 | 3,861,480 | |
| The Hachijuni Bank Ltd. | 495,600 | 3,540,309 | 2,782,466 | |
| UBS Group AG | 772,067 | 17,039,104 | 13,087,604 | |
| | | 94,278,090 | 86,806,581 | 5.87 |
| Real Estate | | | | |
| Deutsche Wohnen AG | 556,149 | 24,699,065 | 34,733,263 | |
| LEG Immobilien AG | 75,504 | 8,485,680 | 10,741,826 | |
| TAG Immobilien AG | 288,825 | 5,769,633 | 8,978,431 | |
| Vonovia SE | 458,787 | 21,763,970 | 28,359,008 | |
| | | 60,718,348 | 82,812,528 | 5.60 |
| Information Technology | | | | |
| Amadeus IT Holding SA | 363,119 | 23,454,329 | 34,493,130 | |
| Analog Devices Inc. | 177,595 | 19,832,718 | 20,818,907 | |
| ANSYS Inc. | 85,248 | 13,120,933 | 16,642,787 | |
| Cadence Design Systems Inc. | 513,293 | 19,414,810 | 30,481,964 | |
| Check Point Software Technologies Ltd. | 63,407 | 7,652,074 | 8,889,641 | |
| Dassault Systèmes | 132,174 | 15,895,063 | 21,400,268 | |
| Disco Corp. | 14,500 | 3,075,227 | 2,319,494 | |
| Halma PLC | 589,705 | 9,909,540 | 13,991,748 | |
| Hirose Electric Co., Ltd. | 98,522 | 15,417,856 | 13,209,032 | |
| Infineon Technologies AG | 675,765 | 14,702,667 | 18,321,664 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|----------------------|----------------------|-----------------------|
| Nomura Research Institute Ltd. | 280,800 | 11,731,163 | 14,244,486 | |
| NVIDIA Corp. | 4,185 | 1,335,969 | 763,071 | |
| OBIC Co., Ltd. | 141,400 | 10,043,963 | 14,944,424 | |
| Omron Corp. | 252,600 | 13,418,881 | 12,578,111 | |
| Samsung Electronics Co., Ltd. | 141,040 | 8,405,633 | 6,681,208 | |
| SAP AG | 73,832 | 11,125,804 | 10,020,946 | |
| Spectris PLC | 225,183 | 9,197,038 | 8,926,942 | |
| Taiwan Semiconductor Manufacturing Co., Ltd., ADR | 715,097 | 26,131,856 | 36,049,319 | |
| Texas Instruments Inc. | 87,410 | 8,339,916 | 11,281,867 | |
| Wisotech Global Ltd. | 97,968 | 1,511,105 | 1,591,965 | |
| Yokogawa Electric Corp. | 246,100 | 4,753,364 | 5,823,925 | |
| | | 248,469,909 | 303,474,899 | 20.53 |
| Communication Services | | | | |
| KDDI Corp. | 632,818 | 18,960,980 | 20,671,154 | |
| | | 18,960,980 | 20,671,154 | 1.40 |
| Total Equities | | 1,276,928,887 | 1,431,301,201 | 96.83 |
| Transaction Costs | | (1,854,662) | | |
| Total Investments | | 1,315,943,065 | 1,472,170,041 | 99.60 |
| Currency Forward Contracts⁽¹⁾ | | | 253,213 | 0.02 |
| Other Assets less Liabilities | | | 5,649,136 | 0.38 |
| Total Net Assets | | | 1,478,072,390 | 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 | 22-Feb-2019 | USD | 51,067,000 | CAD | (66,602,603) | 3,045,606 |
| | | | | | | | 3,045,606 |
| JP Morgan | A-2 | 22-Feb-2019 | CAD | 64,758,006 | JPY | (5,411,503,000) | (2,792,393) |
| | | | | | | | (2,792,393) |
| | | | | | | | 253,213 |

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and 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 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 1.34 | 3.28 |
| AA/Aa | 1.63 | 0.13 |
| Not Rated | 2.95 | - |
| Total | 5.92 | 3.41 |

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, 2018 and December 31, 2017. 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, 2018 | Percentage of Net Assets (%) | December 31, 2017 | Percentage of Net Assets (%) |
| Euro | 466,068,913 | 31.53 | 443,480,968 | 30.06 |
| Japanese Yen | 252,802,612 | 17.10 | 289,168,883 | 19.60 |
| United States Dollar | 249,449,036 | 16.88 | 207,290,097 | 14.05 |
| British Pound | 221,500,326 | 14.99 | 228,006,277 | 15.45 |
| Swiss Franc | 188,531,789 | 12.76 | 180,205,649 | 12.21 |
| Swedish Krona | 15,211,952 | 1.03 | 16,044,321 | 1.09 |
| Australian Dollar | 13,670,349 | 0.92 | 26,124,104 | 1.77 |
| Korean Won | 6,681,208 | 0.45 | 2,883,704 | 0.20 |
| Danish Krone | 5,803,744 | 0.39 | 8,161,009 | 0.55 |
| Norwegian Krone | 5,559,147 | 0.38 | 7,617,954 | 0.52 |
| Hong Kong Dollar | 527,736 | 0.03 | 1,203,222 | 0.08 |
| Total | 1,425,806,812 | 96.46 | 1,410,186,188 | 95.58 |

As at December 31, 2018, 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 \$71,290,341 (\$70,509,309 as at December 31, 2017). 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, 2018 | 40,868,840 | - | - | 40,868,840 |
| December 31, 2017 | 48,340,091 | - | - | 48,340,091 |

As at December 31, 2018, 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 \$38,273 (\$49,572 as at December 31, 2017). 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, 2018, 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 \$71,565,060 (\$70,923,128 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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.

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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 2.4 | 3.3 |
| Promissory Note | 0.4 | - |
| Equities | | |
| Energy | 0.3 | 0.9 |
| Materials | 5.7 | 4.7 |
| Industrials | 17.2 | 17.2 |
| Consumer Discretionary | 3.3 | 4.1 |
| Consumer Staples | 31.9 | 29.5 |
| Health Care | 5.0 | 5.6 |
| Financials | 5.9 | 8.8 |
| Real Estate | 5.6 | 4.8 |
| Information Technology | 20.5 | 19.1 |
| Telecommunication Services | - | 1.4 |
| Communication Services | 1.4 | - |
| Derivative Assets (Liabilities) | - | 0.1 |
| Other Assets less Liabilities | 0.4 | 0.5 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|---------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Equities | 1,431,301,201 | - | - | 1,431,301,201 |
| Short-Term Investments | - | 40,868,840 | - | 40,868,840 |
| Currency Forward Contracts | - | 3,045,606 | - | 3,045,606 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 2,792,393 | - | 2,792,393 |

| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$981,447 (\$1,054,405 for the period ended December 31, 2017).

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, 2018 was \$nil (\$311,212 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F8 | 727 | 10,033 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F8 | - | - |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F | - | - | - |
| Series F5 | 10,001 | 10,887 | 168 |
| Series F8 | 10,016 | - | 872 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F | 15 | 11,853 | - |
| Series F5 | - | - | - |
| Series F8 | - | - | - |

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, 2018 | | | | |
| Derivative assets - | | | | |
| Currency | | | | |
| Forward Contracts | 3,045,606 | (2,792,393) | - | 253,213 |
| Total | 3,045,606 | (2,792,393) | - | 253,213 |
| Derivative liabilities - | | | | |
| Currency | | | | |
| Forward Contracts | (2,792,393) | 2,792,393 | - | - |
| Total | (2,792,393) | 2,792,393 | - | - |
| 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 | - | - |

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| 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 Low Volatility Global Equity Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 16,053,141 | 6,041,344 |
| Short-term investments | 99,909 | - |
| Cash | 180,640 | 81,702 |
| 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 | 83,510 | - |
| Accrued interest | 68 | - |
| Dividends receivable | 32,994 | 9,132 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 4,736 | 20,703 |
| | 16,454,998 | 6,152,881 |
| 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 | 475 | 195 |
| Redemptions payable | 205,065 | 500 |
| Distributions payable | - | - |
| Due to investment dealers | 66,053 | 49,400 |
| Management fees payable | 1,961 | 1,040 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 273,554 | 51,135 |
| Net Assets Attributable to Holders of Redeemable Units | 16,181,444 | 6,101,746 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 2,760,160 | 1,943,687 |
| Series T5 | 26,360 | 23,873 |
| Series T8 | 13,083 | 11,552 |
| Series F | 1,906,092 | 215,623 |
| Series F5 | 11,021 | - |
| Series F8 | 11,021 | - |
| Series I | 10,966,407 | 3,535,473 |
| Series O | 487,300 | 371,538 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 11.70 | 11.38 |
| Series T5 | 15.43 | 15.70 |
| Series T8 | 14.16 | 14.81 |
| Series F | 11.85 | 11.54 |
| Series F5 | 15.60 | - |
| Series F8 | 15.22 | - |
| Series I | 11.98 | 11.57 |
| Series O | 11.94 | 11.52 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

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

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|-----------------|--------------|
| Investment Income | | |
| Dividend income | 241,667 | 142,256 |
| Interest income for distribution purposes | 1,774 | 237 |
| 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 | 312,189 | 16,140 |
| 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 | (35,749) | 421,196 |
| 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 | 519,881 | 579,829 |
| Net gain (loss) on foreign exchange | (6,995) | (4,516) |
| Other income | - | - |
| Total income (loss) | 512,886 | 575,313 |
| Expenses (note 6) | | |
| Management fees | 45,806 | 39,485 |
| Administration fees | 9,054 | 6,553 |
| Independent review committee fees | 53 | 45 |
| Withholding tax | 28,153 | 16,282 |
| Transaction costs (note 3) | 8,732 | 1,785 |
| Total operating expenses | 91,798 | 64,150 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | 421,088 | 511,163 |
| Finance Cost | | |
| Interest expense | (2) | (1) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | 421,086 | 511,162 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | 94,214 | 139,084 |
| Series T5 | 1,186 | 2,037 |
| Series T8 | 560 | 958 |
| Series F | 3,599 | 19,965 |
| Series F5 | 1,019 | - |
| Series F8 | 1,019 | - |
| Series I | 292,078 | 324,090 |
| Series O | 27,411 | 25,028 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 185,171 | 154,609 |
| Series T5 | 1,616 | 1,517 |
| Series T8 | 827 | 747 |
| Series F | 29,996 | 20,629 |
| Series F5 | 681 | - |
| Series F8 | 690 | - |
| Series I | 418,170 | 265,092 |
| Series O | 35,167 | 22,588 |

Sun Life MFS Low Volatility Global Equity Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | 0.51 | 0.90 |
| Series T5 | 0.73 | 1.34 |
| Series T8 | 0.68 | 1.28 |
| Series F | 0.12 | 0.97 |
| Series F5 | 1.50 | - |
| Series F8 | 1.48 | - |
| Series I | 0.70 | 1.22 |
| Series O | 0.78 | 1.11 |

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 | |
|--|---------------------|------------------|---------------|---------------|---------------|---------------|------------------|----------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 1,943,687 | 1,183,943 | 23,873 | 31,430 | 11,552 | 10,594 | 215,623 | 217,417 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 94,214 | 139,084 | 1,186 | 2,037 | 560 | 958 | 3,599 | 19,965 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 1,118,583 | 758,111 | 1,300 | - | 1,000 | - | 1,797,536 | 173,416 |
| Redemption of redeemable units | \$ (394,006) | (137,488) | - | (9,594) | - | - | (105,883) | (195,173) |
| Reinvestment of distributions to holders of redeemable units | \$ 46,290 | 1,441 | 1,646 | 1,159 | 1,107 | 911 | 46,926 | 1,426 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 770,867 | 622,064 | 2,946 | (8,435) | 2,107 | 911 | 1,738,579 | (20,331) |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (47,495) | - | (444) | - | (213) | - | (30,815) | - |
| From net investment income | \$ (1,103) | (1,404) | - | - | - | - | (20,699) | (1,428) |
| Return of capital | \$ (10) | - | (1,201) | (1,159) | (923) | (911) | (195) | - |
| | \$ (48,608) | (1,404) | (1,645) | (1,159) | (1,136) | (911) | (51,709) | (1,428) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 816,473 | 759,744 | 2,487 | (7,557) | 1,531 | 958 | 1,690,469 | (1,794) |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 2,760,160 | 1,943,687 | 26,360 | 23,873 | 13,083 | 11,552 | 1,906,092 | 215,623 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 170,811 | 113,223 | 1,520 | 2,074 | 780 | 719 | 18,688 | 20,596 |
| Units issued | 94,433 | 70,114 | 83 | - | 68 | - | 146,870 | 15,172 |
| Units issued on reinvestment of distributions | 4,037 | 128 | 105 | 74 | 76 | 61 | 4,047 | 123 |
| Units redeemed | (33,439) | (12,654) | - | (628) | - | - | (8,717) | (17,203) |
| Balance - end of period | 235,842 | 170,811 | 1,708 | 1,520 | 924 | 780 | 160,888 | 18,688 |

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 periods ended December 31

| | Series F5 | | Series F8 | | Series I | | Series O | |
|---|----------------|-----------|-----------|------|------------|-----------|-----------|----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - | 3,535,473 | 2,667,088 | 371,538 | 154,824 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 1,019 | - | 1,019 | - | 292,078 | 324,090 | 27,411 | 25,028 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 10,000 | - | 10,000 | - | 7,951,135 | 611,869 | 209,409 | 206,988 |
| Redemption of redeemable units | \$ - | - | - | - | (812,279) | (67,574) | (121,058) | (15,302) |
| Reinvestment of distributions to holders of redeemable units | \$ 629 | - | 891 | - | 347,461 | 70,552 | 14,653 | 7,183 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 10,629 | - | 10,891 | - | 7,486,317 | 614,847 | 103,004 | 198,869 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (186) | - | (186) | - | (198,250) | - | (8,693) | - |
| From net investment income | \$ (437) | - | (696) | - | (147,819) | (70,552) | (5,904) | (6,986) |
| Return of capital | \$ (4) | - | (7) | - | (1,392) | - | (56) | (197) |
| | \$ (627) | - | (889) | - | (347,461) | (70,552) | (14,653) | (7,183) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 11,021 | - | 11,021 | - | 7,430,934 | 868,385 | 115,762 | 216,714 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 11,021 | - | 11,021 | - | 10,966,407 | 3,535,473 | 487,300 | 371,538 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | - | - | - | - | 305,614 | 251,689 | 32,245 | 14,659 |
| Units issued | 667 | - | 667 | - | 645,550 | 53,878 | 17,637 | 18,288 |
| Units issued on reinvestment of distributions | 40 | - | 57 | - | 29,638 | 6,055 | 1,255 | 619 |
| Units redeemed | - | - | - | - | (65,542) | (6,008) | (10,308) | (1,321) |
| Balance - end of period | 707 | - | 724 | - | 915,260 | 305,614 | 40,829 | 32,245 |
| | | | | | | | | |
| | Total | | | | | | | |
| | 2018 | 2017 | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 6,101,746 | 4,265,296 | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 421,086 | 511,162 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 11,098,963 | 1,750,384 | | | | | | |
| Redemption of redeemable units | \$ (1,433,226) | (425,131) | | | | | | |
| Reinvestment of distributions to holders of redeemable units | \$ 459,603 | 82,672 | | | | | | |
| Capitalized distributions | \$ - | - | | | | | | |
| | \$ 10,125,340 | 1,407,925 | | | | | | |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (286,282) | - | | | | | | |
| From net investment income | \$ (176,658) | (80,370) | | | | | | |
| Return of capital | \$ (3,788) | (2,267) | | | | | | |
| | \$ (466,728) | (82,637) | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 10,079,698 | 1,836,450 | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 16,181,444 | 6,101,746 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 529,658 | 402,960 | | | | | | |
| Units issued | 905,975 | 157,452 | | | | | | |
| Units issued on reinvestment of distributions | 39,255 | 7,060 | | | | | | |
| Units redeemed | (118,006) | (37,814) | | | | | | |
| Balance - end of period | 1,356,882 | 529,658 | | | | | | |

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

Sun Life MFS Low Volatility Global Equity Fund (continued)

Statements of Cash Flows

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 421,086 | 511,162 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (312,189) | (16,140) |
| Change in unrealized (appreciation) depreciation in value of investments | 35,749 | (421,196) |
| 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 | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | - | - |
| Purchases of investments | (12,541,912) | (2,506,601) |
| Proceeds from sale of investments | 2,730,966 | 1,118,938 |
| Purchases of short-term investments | (7,448,821) | (100,000) |
| Proceeds from sale of short-term investments | 7,348,912 | 100,000 |
| Change in dividends and interest receivable | (23,930) | (3,431) |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | 921 | (1,756) |
| Change in other payables and accrued expenses | 9,012 | 1,511 |
| Net Cash Provided by (Used in) Operating Activities | (9,780,206) | (1,317,513) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (7,125) | (191) |
| Proceeds from redeemable units issued | 11,114,930 | 1,794,026 |
| Redemption of redeemable units | (1,228,661) | (425,631) |
| Net Cash Provided by (Used in) Financing Activities | 9,879,144 | 1,368,204 |
| Net increase (decrease) in cash | 98,938 | 50,691 |
| Cash (bank indebtedness) at beginning of period | 81,702 | 31,011 |
| Cash (bank indebtedness) at end of period | 180,640 | 81,702 |
| Dividends received, net of withholding taxes | 189,652 | 122,510 |
| Interest received, net of withholding taxes | 1,706 | 270 |
| Interest paid | (2) | (1) |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------|--------|---------------|-----------|-------------------|-----------------|-----------------------|
| SHORT-TERM NOTES | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.710% | 4-Jan-2019 | 100,000 | 99,909 | 99,909 | |
| Total Short-Term Notes | | | | 99,909 | 99,909 | 0.62 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|-------------------|------------------|-----------------------|
| EQUITIES | | | | |
| Energy | | | | |
| Enbridge Inc. | 3,416 | 154,217 | 145,007 | |
| Exxon Mobil Corp. | 1,234 | 130,167 | 114,927 | |
| Occidental Petroleum Corp. | 1,400 | 129,445 | 117,366 | |
| Royal Dutch Shell PLC, Class B | 3,535 | 137,464 | 143,889 | |
| | | 551,293 | 521,189 | 3.22 |
| Materials | | | | |
| Franco-Nevada Corp. | 2,020 | 192,589 | 193,375 | |
| Symrise AG | 1,501 | 150,997 | 151,159 | |
| | | 343,586 | 344,534 | 2.13 |
| Industrials | | | | |
| Boeing Co. | 586 | 256,132 | 258,117 | |
| Canadian National Railway Co. | 1,180 | 117,616 | 119,439 | |
| Forrester Research Inc. | 3,060 | 164,537 | 186,817 | |
| Lockheed Martin Corp. | 705 | 261,898 | 252,123 | |
| Malaysia Airports Holdings Bhd | 32,900 | 92,062 | 91,120 | |
| Owens Corning | 1,307 | 90,830 | 78,509 | |
| Schindler Holding AG | 386 | 102,790 | 104,125 | |
| Waste Connections Inc. | 2,540 | 248,479 | 257,584 | |
| | | 1,334,344 | 1,347,834 | 8.33 |
| Consumer Discretionary | | | | |
| ABC-Mart Inc. | 4,400 | 332,657 | 333,025 | |
| Crown Resorts Ltd. | 14,011 | 163,014 | 159,778 | |
| Genting BHD | 94,900 | 205,788 | 191,325 | |
| Gildan Activewear Inc. | 1,893 | 75,213 | 78,495 | |
| Home Depot Inc. | 293 | 62,194 | 68,759 | |
| McDonald's Corp. | 1,033 | 218,294 | 250,529 | |
| USS Co., Ltd. | 6,200 | 140,878 | 142,709 | |
| | | 1,198,038 | 1,224,620 | 7.57 |
| Consumer Staples | | | | |
| Altria Group Inc. | 2,306 | 188,052 | 155,556 | |
| Archer-Daniels-Midland Co. | 1,320 | 80,921 | 73,863 | |
| Dairy Farm International Holdings Ltd. | 13,900 | 150,787 | 171,811 | |
| General Mills Inc. | 2,842 | 187,295 | 151,150 | |
| Japan Tobacco Inc. | 3,000 | 103,230 | 97,716 | |
| Kimberly-Clark Corp. | 954 | 147,265 | 148,461 | |
| Lawson Inc. | 2,100 | 187,462 | 181,688 | |
| L'Oreal SA | 227 | 67,654 | 71,310 | |
| Marine Harvest ASA | 5,569 | 152,916 | 160,483 | |
| Mondelez International Inc. | 1,667 | 93,971 | 91,140 | |
| Nestle SA | 2,493 | 264,074 | 275,630 | |
| PepsiCo, Inc. | 2,011 | 297,575 | 303,447 | |
| Philip Morris International Inc. | 607 | 65,825 | 55,347 | |
| Sligro Food Group NV | 1,404 | 77,614 | 76,285 | |
| Tesco PLC | 16,863 | 62,528 | 55,762 | |
| The Procter & Gamble Co. | 1,536 | 179,585 | 192,837 | |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|-------------------|------------------|-----------------------|
| Toyo Suisan Kaisha Ltd. | 3,800 | 179,911 | 181,414 | |
| Wesfarmers Ltd. | 4,038 | 126,970 | 125,099 | |
| | | 2,613,635 | 2,568,999 | 15.88 |
| Health Care | | | | |
| Cie Generale d'Optique Essilor International SA | 470 | 85,593 | 81,051 | |
| CIGNA Corp. | 655 | 166,281 | 169,903 | |
| Eli Lilly & Co. | 1,045 | 135,458 | 165,163 | |
| Humana Inc. | 444 | 177,762 | 173,726 | |
| Johnson & Johnson | 2,520 | 434,317 | 444,167 | |
| Merck & Co., Inc. | 2,379 | 208,539 | 248,275 | |
| Novartis AG | 866 | 94,170 | 100,834 | |
| Pfizer Inc. | 6,372 | 331,192 | 379,881 | |
| Roche Holding AG | 1,211 | 393,396 | 408,381 | |
| Terumo Corp. | 6,200 | 396,782 | 480,379 | |
| | | 2,423,490 | 2,651,760 | 16.39 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---------------------------------------|------------------|-------------------|------------------|-----------------------|
| Financials | | | | |
| Bangkok Bank PCL | 7,800 | 65,463 | 67,728 | |
| Beazley PLC | 13,688 | 111,865 | 119,884 | |
| Credicorp Ltd. | 550 | 139,707 | 166,517 | |
| Discover Financial Services | 893 | 75,398 | 71,936 | |
| Everest Re Group Ltd. | 790 | 226,771 | 234,959 | |
| Komercni Banka AS | 2,202 | 114,790 | 113,145 | |
| Royal Bank of Canada | 1,499 | 136,896 | 140,284 | |
| Swiss Life Holding AG | 265 | 117,835 | 139,004 | |
| The Bank of Nova Scotia | 1,096 | 76,395 | 74,651 | |
| The PNC Financial Services Group Inc. | 510 | 91,520 | 81,435 | |
| The Travelers Companies Inc. | 400 | 64,054 | 65,422 | |
| U.S. Bancorp | 2,598 | 177,720 | 162,160 | |
| Zurich Insurance Group AG | 281 | 105,764 | 114,110 | |
| | | 1,504,178 | 1,551,235 | 9.59 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|----------------------------|------------------|-------------------|------------------|-----------------------|
| Real Estate | | | | |
| AvalonBay Communities Inc. | 940 | 221,700 | 223,455 | |
| Grand City Properties SA | 9,017 | 265,970 | 266,788 | |
| Life Storage Inc. | 937 | 117,336 | 119,005 | |
| Public Storage | 390 | 111,843 | 107,816 | |
| STORE Capital Corp. | 8,374 | 301,732 | 323,788 | |
| Sun Communities Inc. | 1,611 | 202,206 | 223,793 | |
| | | 1,220,787 | 1,264,645 | 7.81 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|-------------------|------------------|-----------------------|
| Information Technology | | | | |
| Adobe Systems Inc. | 1,089 | 276,187 | 336,500 | |
| Infosys Ltd., ADR | 18,158 | 225,331 | 236,098 | |
| Kyocera Corp. | 3,300 | 227,293 | 226,272 | |
| Nice Systems Ltd., ADR | 2,359 | 289,221 | 348,645 | |
| Taiwan Semiconductor Manufacturing Co., Ltd., ADR | 9,081 | 411,644 | 457,789 | |
| VTech Holdings Ltd. | 10,900 | 162,037 | 123,215 | |
| | | 1,591,713 | 1,728,519 | 10.68 |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--------------------------------------|------------------|-------------------|-------------------|-----------------------|
| Communication Services | | | | |
| Advanced Info Service PCL | 13,600 | 101,147 | 98,409 | |
| Alphabet Inc., Class A | 86 | 108,806 | 122,740 | |
| Comcast Corporation, Class A | 1,196 | 59,335 | 55,621 | |
| HKT Trust & HKT Ltd. | 116,000 | 206,503 | 228,260 | |
| KDDI Corp. | 7,700 | 247,767 | 251,522 | |
| Publicis Groupe SA | 1,761 | 137,446 | 137,695 | |
| TELUS Corp. | 5,786 | 261,076 | 261,890 | |
| Verizon Communications Inc. | 2,496 | 178,715 | 191,656 | |
| Vodafone Group PLC | 65,059 | 200,622 | 173,036 | |
| | | 1,501,417 | 1,520,829 | 9.40 |
| Utilities | | | | |
| American Electric Power Co., Inc. | 1,586 | 150,469 | 161,899 | |
| Avangrid Inc. | 1,789 | 116,733 | 122,391 | |
| CEZ AS | 1,973 | 64,642 | 64,035 | |
| CLP Holdings Ltd. | 20,000 | 282,991 | 308,770 | |
| Duke Energy Corporation | 603 | 66,309 | 71,075 | |
| Eergy Inc. | 2,208 | 167,436 | 171,201 | |
| Tokyo Gas Co., Ltd. | 2,300 | 75,268 | 79,754 | |
| WEC Energy Group Inc. | 1,804 | 156,517 | 170,650 | |
| Xcel Energy Inc. | 2,663 | 166,506 | 179,202 | |
| | | 1,246,871 | 1,328,977 | 8.21 |
| Total Equities | | 15,529,352 | 16,053,141 | 99.21 |
| Transaction Costs | | (9,056) | | |
| Total Investments | | 15,620,205 | 16,153,050 | 99.83 |
| Other Assets less Liabilities | | | 28,394 | 0.17 |
| Total Net Assets | | | 16,181,444 | 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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 0.62 | - |
| Total | 0.62 | - |

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 Low Volatility Global Equity 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, 2018 and December 31, 2017. 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, 2018 | Percentage of Net Assets (%) | December 31, 2017 | Percentage of Net Assets (%) |
| United States Dollar | 9,835,265 | 60.79 | 3,675,558 | 60.24 |
| Japanese Yen | 1,938,269 | 11.98 | 682,933 | 11.19 |
| Swiss Franc | 1,142,085 | 7.06 | 406,467 | 6.66 |
| Euro | 788,506 | 4.87 | 270,957 | 4.44 |
| Hong Kong Dollar | 660,245 | 4.08 | 180,895 | 2.96 |
| British Pound | 493,745 | 3.05 | 168,011 | 2.75 |
| Australian Dollar | 284,877 | 1.76 | - | - |
| Malaysian Ringgit | 276,466 | 1.71 | 60,695 | 0.99 |
| Czech Koruna | 177,179 | 1.09 | - | - |
| Thai Baht | 162,191 | 1.00 | 82,676 | 1.35 |
| Norwegian Krone | 160,483 | 0.99 | 46,395 | 0.76 |
| New Zealand Dollar | - | - | 122,866 | 2.01 |
| Danish Krone | - | - | 80,267 | 1.32 |
| Korean Won | - | - | 72,299 | 1.18 |
| Philippine Peso | - | - | 34,346 | 0.56 |
| Total | 15,919,311 | 98.38 | 5,884,365 | 96.41 |

As at December 31, 2018, 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 \$795,966 (\$294,218 as at December 31, 2017). 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, 2018 | 99,909 | - | - | 99,909 |
| December 31, 2017 | - | - | - | - |

As at December 31, 2018, 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 (\$nil as at December 31, 2017). 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, 2018, 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 \$802,657 (\$302,067 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 0.6 | - |
| Equities | | |
| Energy | 3.2 | 4.0 |
| Materials | 2.1 | 4.5 |
| Industrials | 8.3 | 4.6 |
| Consumer Discretionary | 7.6 | 10.9 |
| Consumer Staples | 15.9 | 15.7 |
| Health Care | 16.4 | 15.7 |
| Financials | 9.6 | 13.0 |
| Real Estate | 7.8 | 3.3 |
| Information Technology | 10.7 | 12.7 |
| Telecommunication Services | - | 8.2 |
| Communication Services | 9.4 | - |
| Utilities | 8.2 | 6.4 |
| Other Assets less Liabilities | 0.2 | 1.0 |
| Total | 100.0 | 100.0 |

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

Sun Life MFS Low Volatility Global Equity 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities | 16,053,141 | - | - | 16,053,141 |
| Short-Term Investments | - | 99,909 | - | 99,909 |

| | December 31, 2017 | | | Total (\$) |
|----------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities | 5,968,728 | 72,616 | - | 6,041,344 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$8,732 (\$1,785 for the period ended December 31, 2017).

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, 2018 was \$827 (\$872 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series T5 | 786 | 12,126 |
| Series T8 | 856 | 12,123 |
| Series F5 | 707 | 11,021 |
| Series F8 | 724 | 11,021 |
| Series I | - | - |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series T5 | 736 | 11,557 |
| Series T8 | 780 | 11,552 |
| Series F5 | - | - |
| Series F8 | - | - |
| Series I | 10,400 | 120,313 |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | - | - | - |
| Series T5 | 29 | - | 746 |
| Series T8 | 29 | - | 1,074 |
| Series F | - | - | - |
| Series F5 | 10,017 | - | 610 |
| Series F8 | 10,017 | - | 872 |
| Series I | - | 130,932 | - |
| Series O | - | - | - |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 15 | 11,600 | - |
| Series T5 | 28 | - | 543 |
| Series T8 | 29 | - | 880 |
| Series F | 15 | 11,773 | - |
| Series F5 | - | - | - |
| Series F8 | - | - | - |
| Series I | - | - | 2,445 |
| Series O | - | 11,786 | - |

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

Sun Life MFS Low Volatility Global Equity Fund (continued)

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, 2018 and December 31, 2017, SLA held the following position in the Fund:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | 220,234 | 2,638,795 |

| | December 31, 2017 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | 213,202 | 2,466,407 |

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | - | 82,434 |

| | December 31, 2017 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | - | 50,130 |

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| 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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 4,540,150 | 2,803,039 |
| Short-term investments | - | - |
| Cash | 81,510 | 13,202 |
| 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 | 15,960 | - |
| Accrued interest | - | - |
| Dividends receivable | 112,140 | 108,588 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 3,473 | 80,318 |
| | 4,753,233 | 3,005,147 |
| 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 | 144 | 81 |
| Redemptions payable | - | - |
| Distributions payable | - | - |
| Due to investment dealers | 5,460 | 33,210 |
| Management fees payable | 594 | 342 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 6,198 | 33,633 |
| Net Assets Attributable to Holders of Redeemable Units | 4,747,035 | 2,971,514 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 920,365 | 571,833 |
| Series T5 | 10,837 | 11,001 |
| Series T8 | 36,693 | 16,324 |
| Series F | 141,351 | 106,858 |
| Series F5 | 12,518 | - |
| Series F8 | 10,100 | - |
| Series I | 3,177,047 | 2,003,600 |
| Series O | 438,124 | 261,898 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 8.33 | 8.58 |
| Series T5 | 11.78 | 12.61 |
| Series T8 | 11.07 | 12.22 |
| Series F | 8.40 | 8.65 |
| Series F5 | 14.46 | - |
| Series F8 | 14.06 | - |
| Series I | 9.46 | 9.73 |
| Series O | 8.40 | 8.64 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

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

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|-----------------|------------------|
| Investment Income | | |
| Dividend income | 148,606 | 1,095,434 |
| Interest income for distribution purposes | 506 | 190 |
| 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 | 92,240 | 3,506,748 |
| 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 | (233,595) | 323,961 |
| 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 | 7,757 | 4,926,333 |
| Net gain (loss) on foreign exchange | 2,656 | (162,615) |
| Other income | - | - |
| Total income (loss) | 10,413 | 4,763,718 |
| Expenses (note 6) | | |
| Management fees | 18,148 | 11,470 |
| Administration fees | 4,353 | 17,562 |
| Independent review committee fees | 25 | 13 |
| Withholding tax | 20,105 | 164,443 |
| Transaction costs (note 3) | 8,191 | 65,505 |
| Total operating expenses | 50,822 | 258,993 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (40,409) | 4,504,725 |
| Finance Cost | | |
| Interest expense | (1) | (64) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (40,410) | 4,504,661 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (22,317) | 50,126 |
| Series T5 | (164) | 1,171 |
| Series T8 | (1,001) | 1,734 |
| Series F | (1,203) | 9,834 |
| Series F5 | 107 | - |
| Series F8 | 98 | - |
| Series I | (10,185) | 4,414,199 |
| Series O | (5,745) | 27,597 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 94,315 | 47,354 |
| Series T5 | 894 | 739 |
| Series T8 | 1,980 | 1,138 |
| Series F | 12,801 | 8,398 |
| Series F5 | 706 | - |
| Series F8 | 690 | - |
| Series I | 288,322 | 2,794,767 |
| Series O | 40,873 | 22,122 |

Sun Life MFS Low Volatility International Equity Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.24) | 1.06 |
| Series T5 | (0.18) | 1.58 |
| Series T8 | (0.51) | 1.52 |
| Series F | (0.09) | 1.17 |
| Series F5 | 0.15 | - |
| Series F8 | 0.14 | - |
| Series I | (0.04) | 1.58 |
| Series O | (0.14) | 1.25 |

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 | |
|---|-------------|-----------|-----------|---------|-----------|---------|----------|----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 571,833 | 290,275 | 11,001 | 9,829 | 16,324 | 14,590 | 106,858 | 77,417 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (22,317) | 50,126 | (164) | 1,171 | (1,001) | 1,734 | (1,203) | 9,834 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 458,042 | 279,221 | - | - | 24,884 | - | 48,941 | 28,500 |
| Redemption of redeemable units | \$ (87,193) | (47,791) | - | - | (2,884) | - | (13,245) | (8,893) |
| Reinvestment of distributions to holders of redeemable units | \$ 10,913 | 105,920 | 594 | 2,249 | 1,387 | 3,403 | 3,307 | 18,466 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 381,762 | 337,350 | 594 | 2,249 | 23,387 | 3,403 | 39,003 | 38,073 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | - | - | - | - | - | - |
| From net investment income | \$ (10,913) | (59,777) | - | (1,250) | (137) | (1,915) | (3,307) | (11,029) |
| Return of capital | \$ - | (46,141) | (594) | (998) | (1,880) | (1,488) | - | (7,437) |
| | \$ (10,913) | (105,918) | (594) | (2,248) | (2,017) | (3,403) | (3,307) | (18,466) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 348,532 | 281,558 | (164) | 1,172 | 20,369 | 1,734 | 34,493 | 29,441 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 920,365 | 571,833 | 10,837 | 11,001 | 36,693 | 16,324 | 141,351 | 106,858 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 66,639 | 30,353 | 872 | 701 | 1,335 | 1,071 | 12,350 | 8,051 |
| Units issued | 52,392 | 29,007 | - | - | 2,120 | - | 5,638 | 3,099 |
| Units issued on reinvestment of distributions | 1,329 | 12,219 | 48 | 171 | 117 | 264 | 399 | 2,112 |
| Units redeemed | (9,881) | (4,940) | - | - | (257) | - | (1,556) | (912) |
| Balance - end of period | 110,479 | 66,639 | 920 | 872 | 3,315 | 1,335 | 16,831 | 12,350 |

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 periods ended December 31

| | Series F5 | | Series F8 | | Series I | | Series O | |
|---|----------------|--------------|-----------|------|-------------|--------------|-----------|----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - | 2,003,600 | 61,396,825 | 261,898 | 216,452 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 107 | - | 98 | - | (10,185) | 4,414,199 | (5,745) | 27,597 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 12,411 | - | 10,000 | - | 2,977,166 | 6,691,005 | 377,100 | 82,382 |
| Redemption of redeemable units | \$ - | - | - | - | (1,793,534) | (70,498,428) | (195,129) | (64,533) |
| Reinvestment of distributions to holders of redeemable units | \$ 505 | - | 776 | - | 96,670 | 2,339,444 | 13,339 | 55,675 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 12,916 | - | 10,776 | - | 1,280,302 | (61,467,979) | 195,310 | 73,524 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | - | - | - | - | - | - |
| From net investment income | \$ (505) | - | (774) | - | (96,670) | (1,067,837) | (13,339) | (32,483) |
| Return of capital | \$ - | - | - | - | - | (1,271,608) | - | (23,192) |
| | \$ (505) | - | (774) | - | (96,670) | (2,339,445) | (13,339) | (55,675) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 12,518 | - | 10,100 | - | 1,173,447 | (59,393,225) | 176,226 | 45,446 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 12,518 | - | 10,100 | - | 3,177,047 | 2,003,600 | 438,124 | 261,898 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | - | - | - | - | 205,924 | 6,255,173 | 30,303 | 22,519 |
| Units issued | 833 | - | 666 | - | 298,009 | 667,198 | 41,862 | 7,994 |
| Units issued on reinvestment of distributions | 33 | - | 52 | - | 10,376 | 245,964 | 1,612 | 6,394 |
| Units redeemed | - | - | - | - | (178,539) | (6,962,411) | (21,636) | (6,604) |
| Balance - end of period | 866 | - | 718 | - | 335,770 | 205,924 | 52,141 | 30,303 |
| | | | | | | | | |
| | Total | | | | | | | |
| | 2018 | 2017 | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 2,971,514 | 62,005,388 | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (40,410) | 4,504,661 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 3,908,544 | 7,081,108 | | | | | | |
| Redemption of redeemable units | \$ (2,091,985) | (70,619,645) | | | | | | |
| Reinvestment of distributions to holders of redeemable units | \$ 127,491 | 2,525,157 | | | | | | |
| Capitalized distributions | \$ - | - | | | | | | |
| | \$ 1,944,050 | (61,013,380) | | | | | | |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | | | | | | |
| From net investment income | \$ (125,645) | (1,174,291) | | | | | | |
| Return of capital | \$ (2,474) | (1,350,864) | | | | | | |
| | \$ (128,119) | (2,525,155) | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 1,775,521 | (59,033,874) | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 4,747,035 | 2,971,514 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 317,423 | 6,317,868 | | | | | | |
| Units issued | 401,520 | 707,298 | | | | | | |
| Units issued on reinvestment of distributions | 13,966 | 267,124 | | | | | | |
| Units redeemed | (211,869) | (6,974,867) | | | | | | |
| Balance - end of period | 521,040 | 317,423 | | | | | | |

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

Sun Life MFS Low Volatility International Equity Fund (continued)

Statements of Cash Flows

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|--------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (40,410) | 4,504,661 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (92,240) | (3,506,748) |
| Change in unrealized (appreciation) depreciation in value of investments | 233,595 | (323,961) |
| 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 | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | - | - |
| Purchases of investments | (4,444,182) | (15,435,020) |
| Proceeds from sale of investments | 2,513,815 | 77,651,576 |
| Purchases of short-term investments | - | (4,200,000) |
| Proceeds from sale of short-term investments | - | 4,200,000 |
| Change in dividends and interest receivable | (3,552) | 142,998 |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | 252 | (369) |
| Change in other payables and accrued expenses | 8,254 | 61,597 |
| Net Cash Provided by (Used in) Operating Activities | (1,824,468) | 63,094,734 |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (628) | 2 |
| Proceeds from redeemable units issued | 3,985,389 | 7,000,790 |
| Redemption of redeemable units | (2,091,985) | (70,620,119) |
| Net Cash Provided by (Used in) Financing Activities | 1,892,776 | (63,619,327) |
| Net increase (decrease) in cash | 68,308 | (524,593) |
| Cash (bank indebtedness) at beginning of period | 13,202 | 537,795 |
| Cash (bank indebtedness) at end of period | 81,510 | 13,202 |
| Dividends received, net of withholding taxes | 124,949 | 1,073,989 |
| Interest received, net of withholding taxes | 506 | 190 |
| Interest paid | (1) | (64) |

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------------|----------------------|--------------------|--------------------------|
| EQUITIES | | | | |
| Energy | | | | |
| BP PLC | 10,389 | 89,284 | 89,627 | |
| Caltex Australia Ltd. | 2,200 | 69,714 | 53,899 | |
| Galp Energia SGPS SA | 1,794 | 45,935 | 38,640 | |
| | | 204,933 | 182,166 | 3.84 |
| Materials | | | | |
| Air Liquide SA | 206 | 31,716 | 34,881 | |
| Croda International PLC | 490 | 35,988 | 39,933 | |
| Symrise AG | 345 | 34,613 | 34,743 | |
| Toray Industries Inc. | 1,900 | 23,172 | 18,260 | |
| | | 125,489 | 127,817 | 2.69 |
| Industrials | | | | |
| Atlas Copco AB, A Shares | 672 | 26,812 | 21,792 | |
| Daikin Industries Ltd. | 200 | 25,002 | 29,117 | |
| Dassault Aviation SA | 10 | 23,734 | 18,892 | |
| East Japan Railway Co. | 400 | 47,200 | 48,356 | |
| Experian PLC | 1,537 | 44,853 | 50,932 | |
| Glory Ltd. | 1,000 | 44,441 | 30,798 | |
| Legrand SA | 226 | 20,187 | 17,396 | |
| RELX PLC | 3,189 | 84,089 | 89,581 | |
| Schneider Electric SE | 619 | 65,862 | 57,717 | |
| Singapore Technologies Engineering Ltd. | 10,300 | 33,507 | 36,021 | |
| Yamato Holdings Co., Ltd. | 500 | 13,820 | 18,822 | |
| | | 429,507 | 419,424 | 8.84 |
| Consumer Discretionary | | | | |
| ABC-Mart Inc. | 1,500 | 115,079 | 113,532 | |
| Bridgestone Corp. | 400 | 20,963 | 21,093 | |
| LVMH Moet Hennessy Louis Vuitton SA | 151 | 60,967 | 60,873 | |
| Paddy Power Betfair PLC | 309 | 43,326 | 34,400 | |
| Rinnai Corp. | 200 | 22,833 | 18,026 | |
| Toyota Motor Corp. | 1,000 | 80,439 | 79,746 | |
| | | 343,607 | 327,670 | 6.90 |
| Consumer Staples | | | | |
| Diageo PLC | 548 | 24,551 | 26,643 | |
| Heineken Holding NV | 194 | 23,033 | 22,339 | |
| Japan Tobacco Inc. | 4,200 | 155,839 | 136,802 | |
| Kao Corp. | 500 | 37,387 | 50,753 | |
| Lawson Inc. | 500 | 47,896 | 43,259 | |
| L'Oreal SA | 152 | 46,178 | 47,749 | |
| Marine Harvest ASA | 2,078 | 51,351 | 59,882 | |
| Nestle SA | 1,354 | 138,549 | 149,700 | |
| Pernod Ricard SA | 119 | 22,621 | 26,625 | |
| Reckitt Benckiser Group PLC | 1,066 | 120,321 | 111,499 | |
| Seven & I Holdings Co., Ltd. | 500 | 27,519 | 29,771 | |
| Tesco PLC | 20,962 | 81,061 | 69,317 | |
| Toyo Suisan Kaisha Ltd. | 500 | 24,485 | 23,870 | |
| Wesfarmers Ltd. | 1,759 | 53,462 | 54,495 | |
| | | 854,253 | 852,704 | 17.96 |
| Health Care | | | | |
| Astellas Pharma Inc. | 2,500 | 52,100 | 43,617 | |
| Cie Generale d'Optique Essilor International SA | 191 | 32,335 | 32,938 | |
| Cochlear Ltd. | 257 | 43,709 | 42,891 | |
| Novartis AG | 1,403 | 145,408 | 163,360 | |
| Novo Nordisk A/S | 332 | 19,852 | 20,693 | |
| Roche Holding AG | 509 | 156,443 | 171,647 | |
| Shionogi & Co., Ltd. | 300 | 19,318 | 23,420 | |

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

Sun Life MFS Low Volatility International Equity Fund (continued)

Schedule of Investments (continued)

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--------------------------------------|------------------|-------------------|------------------|-----------------------|
| Takeda Pharmaceutical Co., Ltd. | 400 | 24,570 | 18,449 | |
| Terumo Corp. | 1,600 | 96,876 | 123,969 | |
| | | 590,611 | 640,984 | 13.50 |
| Financials | | | | |
| AIA Group Ltd. | 3,600 | 35,966 | 40,820 | |
| Beazley PLC | 2,388 | 20,749 | 20,915 | |
| BNP Paribas SA | 546 | 40,564 | 33,652 | |
| DBS Group Holdings Ltd. | 3,500 | 78,494 | 83,085 | |
| Hannover Rueck SE | 137 | 22,586 | 25,176 | |
| Hiscox Ltd. | 1,557 | 39,840 | 43,903 | |
| Insurance Australia Group Ltd. | 5,770 | 38,780 | 38,836 | |
| Jyske Bank A/S | 1,404 | 94,203 | 69,090 | |
| KBC Group NV | 189 | 18,701 | 16,726 | |
| National Australia Bank Ltd. | 963 | 27,389 | 22,288 | |
| Swiss Re AG | 388 | 47,071 | 48,446 | |
| Sydbank A/S | 1,176 | 54,602 | 38,162 | |
| Tokio Marine Holdings Inc. | 300 | 17,254 | 19,554 | |
| Westpac Banking Corp. | 2,968 | 84,294 | 71,460 | |
| Zurich Insurance Group AG | 218 | 83,963 | 88,527 | |
| | | 704,456 | 660,640 | 13.92 |
| Real Estate | | | | |
| CK Asset Holdings Ltd. | 2,000 | 21,764 | 19,992 | |
| Grand City Properties SA | 3,382 | 100,605 | 100,064 | |
| Japan Retail Fund Investment Corp. | 21 | 55,201 | 57,382 | |
| LEG Immobilien AG | 193 | 25,914 | 27,458 | |
| Shaftesbury PLC | 5,575 | 94,725 | 80,539 | |
| Vicinity Centres | 22,442 | 59,308 | 56,104 | |
| | | 357,517 | 341,539 | 7.19 |
| Information Technology | | | | |
| Amadeus IT Holding SA | 1,009 | 89,129 | 95,846 | |
| Kyocera Corp. | 400 | 27,330 | 27,427 | |
| VTech Holdings Ltd. | 1,700 | 28,744 | 19,217 | |
| | | 145,203 | 142,490 | 3.00 |
| Communication Services | | | | |
| Deutsche Telekom AG | 3,023 | 69,305 | 69,949 | |
| HKT Trust & HKT Ltd. | 28,000 | 50,218 | 55,097 | |
| KDDI Corp. | 3,400 | 117,186 | 111,061 | |
| Lagardere SCA | 1,341 | 50,298 | 46,104 | |
| Proximus | 1,665 | 58,615 | 61,403 | |
| Tele2 AB | 2,248 | 34,446 | 39,116 | |
| Vodafone Group PLC | 29,400 | 107,107 | 78,195 | |
| | | 487,175 | 460,925 | 9.71 |
| Utilities | | | | |
| APA Group | 4,824 | 40,294 | 39,427 | |
| CLP Holdings Ltd. | 8,500 | 113,223 | 131,226 | |
| Enel SpA | 9,515 | 66,845 | 74,934 | |
| SSE PLC | 2,001 | 45,545 | 37,644 | |
| Tokyo Gas Co., Ltd. | 2,900 | 93,219 | 100,560 | |
| | | 359,126 | 383,791 | 8.09 |
| Total Equities | | 4,601,877 | 4,540,150 | 95.64 |
| Transaction Costs | | (6,927) | | |
| Total Investments | | 4,594,950 | 4,540,150 | 95.64 |
| Other Assets less Liabilities | | | 206,885 | 4.36 |
| Total Net Assets | | | 4,747,035 | 100.00 |

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and December 31, 2017, 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 Low Volatility International Equity Fund (continued)

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2018 and December 31, 2017. 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, 2018 | | December 31, 2017 | |
| Japanese Yen | 1,199,789 | 25.27 | 721,121 | 24.27 |
| Euro | 987,241 | 20.80 | 549,447 | 18.49 |
| British Pound | 732,220 | 15.42 | 478,794 | 16.11 |
| Swiss Franc | 621,681 | 13.10 | 370,504 | 12.47 |
| Australian Dollar | 387,833 | 8.17 | 220,969 | 7.44 |
| Hong Kong Dollar | 266,353 | 5.61 | 134,441 | 4.52 |
| Danish Krone | 127,945 | 2.70 | 173,238 | 5.83 |
| Singapore Dollar | 122,155 | 2.57 | 63,216 | 2.13 |
| Swedish Krona | 60,907 | 1.28 | 30,282 | 1.02 |
| Norwegian Krone | 59,882 | 1.26 | 63,334 | 2.13 |
| New Zealand Dollar | - | - | 59,627 | 2.01 |
| United States Dollar | - | - | 13,444 | 0.45 |
| Total | 4,566,006 | 96.18 | 2,878,417 | 96.87 |

As at December 31, 2018, 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 \$228,300 (\$143,921 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at December 31, 2018 and December 31, 2017, 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, 2018, 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 \$227,008 (\$140,152 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Equities | | |
| Energy | 3.8 | 2.5 |
| Materials | 2.7 | 3.5 |
| Industrials | 8.8 | 9.3 |
| Consumer Discretionary | 6.9 | 11.4 |
| Consumer Staples | 18.0 | 18.1 |
| Health Care | 13.5 | 14.2 |
| Financials | 13.9 | 16.3 |
| Real Estate | 7.2 | 3.7 |
| Information Technology | 3.0 | 3.2 |
| Telecommunication Services | - | 5.1 |
| Communication Services | 9.7 | - |
| Utilities | 8.1 | 7.0 |
| Other Assets less Liabilities | 4.4 | 5.7 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|-------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities | 4,540,150 | - | - | 4,540,150 |
| December 31, 2017 | | | | |
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Equities | 2,803,039 | - | - | 2,803,039 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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 Low Volatility International Equity Fund (continued)

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended December 31, 2018 were \$8,191 (\$65,505 for the period ended December 31, 2017).

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, 2018 was \$280 (\$35,092 for the period ended December 31, 2017).

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$1,594,027 (\$1,317,614 as at December 31, 2017). 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series T5 | 920 | 10,837 |
| Series T8 | 980 | 10,849 |
| Series F | 1,334 | 11,203 |
| Series F5 | 699 | 10,100 |
| Series F8 | 718 | 10,100 |
| | December 31, 2017 | |
| | Units | Market Value (\$) |
| Series T5 | 872 | 11,001 |
| Series T8 | 901 | 11,009 |
| Series F | 1,299 | 11,239 |
| Series F5 | - | - |
| Series F8 | - | - |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | - | - | - |
| Series T5 | 28 | - | 563 |
| Series T8 | 28 | - | 915 |
| Series F | 28 | - | 260 |
| Series F5 | 10,016 | - | 468 |
| Series F8 | 10,016 | - | 758 |
| Series I | - | - | - |
| Series O | - | - | - |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 14 | 11,066 | 36 |
| Series T5 | 27 | - | 2,220 |
| Series T8 | 27 | - | 2,275 |
| Series F | 28 | - | 2,303 |
| Series F5 | - | - | - |
| Series F8 | - | - | - |
| Series I | - | 113,845 | 941 |
| Series O | - | 11,237 | 87 |

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, 2018 and December 31, 2017, SLA held the following position in the Fund:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | - | - |
| | December 31, 2017 | |
| | Units | Market Value (\$) |
| Series I | 17,706 | 172,275 |

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | 177,618 | - |
| | December 31, 2017 | | |
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | 645 | 12,501 |

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

Sun Life MFS Low Volatility International Equity 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 | 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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| 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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 20,844,366 | 22,206,970 |
| Short-term investments | 399,462 | 550,000 |
| Cash | 273,791 | 137,194 |
| 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 |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | - | - |
| Accrued interest | 95,473 | 92,766 |
| Dividends receivable | 42,752 | 42,196 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 8,709 | 7,183 |
| | 21,664,553 | 23,046,588 |
| 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 | 460,472 | 35,535 |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 989 | 1,031 |
| Redemptions payable | 342 | 342 |
| Distributions payable | - | - |
| Due to investment dealers | - | 1,130 |
| Management fees payable | 4,675 | 4,577 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 466,478 | 42,615 |
| Net Assets Attributable to Holders of Redeemable Units | 21,198,075 | 23,003,973 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 11,031,148 | 13,253,172 |
| Series T5 | 273,445 | 339,174 |
| Series F | 520,802 | 523,996 |
| Series F5 | 10,018 | - |
| Series I | 7,772,316 | 6,705,950 |
| Series O | 1,590,346 | 2,181,681 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 10.20 | 11.09 |
| Series T5 | 13.54 | 15.00 |
| Series F | 10.67 | 11.51 |
| Series F5 | 14.33 | - |
| Series I | 11.58 | 12.35 |
| Series O | 9.70 | 10.42 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|------------------|--------------|
| Investment Income | | |
| Dividend income | 413,465 | 383,158 |
| Interest income for distribution purposes | 377,716 | 353,533 |
| 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 | 314,729 | 821,232 |
| Net realized gain (loss) on futures contracts | - | - |
| Net realized gain (loss) on currency forward contracts | (428,000) | 590,531 |
| Net realized gain (loss) on option contracts | - | - |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | (945,286) | (717,370) |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (435,216) | 61,657 |
| Change in unrealized appreciation (depreciation) in option contracts | - | - |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | (702,592) | 1,492,741 |
| Net gain (loss) on foreign exchange | 9,446 | (16,680) |
| Other income | - | - |
| Total income (loss) | (693,146) | 1,476,061 |
| Expenses (note 6) | | |
| Management fees | 179,270 | 191,755 |
| Administration fees | 36,157 | 39,371 |
| Independent review committee fees | 277 | 338 |
| Withholding tax | 19,043 | 15,434 |
| Transaction costs (note 3) | 3,395 | 6,182 |
| Total operating expenses | 238,142 | 253,080 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (931,288) | 1,222,981 |
| Finance Cost | | |
| Interest expense | (3) | (4) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (931,291) | 1,222,977 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (603,187) | 658,132 |
| Series T5 | (15,366) | 19,506 |
| Series F | (24,699) | 31,907 |
| Series F5 | 16 | - |
| Series I | (220,816) | 382,425 |
| Series O | (67,239) | 131,007 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 1,153,131 | 1,165,615 |
| Series T5 | 21,671 | 24,455 |
| Series F | 47,863 | 50,054 |
| Series F5 | 681 | - |
| Series I | 585,618 | 461,891 |
| Series O | 178,654 | 194,522 |

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

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.52) | 0.56 |
| Series T5 | (0.71) | 0.80 |
| Series F | (0.52) | 0.64 |
| Series F5 | 0.02 | - |
| Series I | (0.38) | 0.83 |
| Series O | (0.38) | 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 F | | Series F5 | |
|---|----------------|-------------|-----------|-----------|-----------|-----------|-----------|------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 13,253,172 | 13,100,103 | 339,174 | 440,359 | 523,996 | 660,182 | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (603,187) | 658,132 | (15,366) | 19,506 | (24,699) | 31,907 | 16 | - |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 2,706,428 | 3,297,301 | 32,817 | 12,447 | 126,575 | 52,048 | 10,000 | - |
| Redemption of redeemable units | \$ (4,324,357) | (3,798,204) | (71,239) | (117,316) | (105,066) | (220,137) | - | - |
| Reinvestment of distributions to holders of redeemable units | \$ 414,510 | 793,666 | 4,268 | 12,144 | 17,620 | 33,090 | 486 | - |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ (1,203,419) | 292,763 | (34,154) | (92,725) | 39,129 | (134,999) | 10,486 | - |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | (411,545) | - | (10,770) | - | (16,305) | - | - |
| From net investment income | \$ (315,894) | (386,281) | - | (16,576) | (13,402) | (16,789) | (368) | - |
| Return of capital | \$ (99,524) | - | (16,209) | (620) | (4,222) | - | (116) | - |
| | \$ (415,418) | (797,826) | (16,209) | (27,966) | (17,624) | (33,094) | (484) | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (2,222,024) | 153,069 | (65,729) | (101,185) | (3,194) | (136,186) | 10,018 | - |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 11,031,148 | 13,253,172 | 273,445 | 339,174 | 520,802 | 523,996 | 10,018 | - |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 1,194,849 | 1,168,310 | 22,611 | 28,554 | 45,533 | 57,106 | - | - |
| Units issued | 254,580 | 291,894 | 2,241 | 805 | 11,186 | 4,438 | 666 | - |
| Units issued on reinvestment of distributions | 39,071 | 71,026 | 299 | 797 | 1,595 | 2,858 | 33 | - |
| Units redeemed | (407,219) | (336,381) | (4,948) | (7,545) | (9,497) | (18,869) | - | - |
| Balance - end of period | 1,081,281 | 1,194,849 | 20,203 | 22,611 | 48,817 | 45,533 | 699 | - |

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 I | | Series O | | Total | |
|---|---------------------|------------------|------------------|------------------|--------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 6,705,950 | 4,355,960 | 2,181,681 | 1,837,720 | 23,003,973 | 20,394,324 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (220,816) | 382,425 | (67,239) | 131,007 | (931,291) | 1,222,977 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 2,181,776 | 2,296,028 | 273,250 | 594,684 | 5,330,846 | 6,252,508 |
| Redemption of redeemable units | \$ (894,594) | (328,463) | (790,571) | (369,252) | (6,185,827) | (4,833,372) |
| Reinvestment of distributions to holders of redeemable units | \$ 212,284 | 361,377 | 56,890 | 120,027 | 706,058 | 1,320,304 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 1,499,466 | 2,328,942 | (460,431) | 345,459 | (148,923) | 2,739,440 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ - | (208,700) | - | (68,121) | - | (715,441) |
| From net investment income | \$ (161,426) | (152,677) | (48,412) | (64,384) | (539,502) | (636,707) |
| Return of capital | \$ (50,858) | - | (15,253) | - | (186,182) | (620) |
| | \$ (212,284) | (361,377) | (63,665) | (132,505) | (725,684) | (1,352,768) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 1,066,366 | 2,349,990 | (591,335) | 343,961 | (1,805,898) | 2,609,649 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 7,772,316 | 6,705,950 | 1,590,346 | 2,181,681 | 21,198,075 | 23,003,973 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 543,204 | 355,517 | 209,390 | 176,562 | 2,015,587 | 1,786,049 |
| Units issued | 184,677 | 184,954 | 27,085 | 56,265 | 480,435 | 538,356 |
| Units issued on reinvestment of distributions | 17,815 | 29,195 | 5,669 | 11,468 | 64,482 | 115,344 |
| Units redeemed | (74,362) | (26,462) | (78,269) | (34,905) | (574,295) | (424,162) |
| Balance - end of period | 671,334 | 543,204 | 163,875 | 209,390 | 1,986,209 | 2,015,587 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 | 2017 | | 2018 | 2017 |
|---|--------------------|--------------|--|--------------------|-------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Cash Flows from Operating Activities | | | Net Cash Provided by (Used in) | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (931,291) | 1,222,977 | Operating Activities | 1,012,730 | (2,085,303) |
| Adjustments for: | | | Cash Flows from Financing Activities | | |
| Net realized (gain) loss on sale of investments | (314,729) | (821,232) | Distributions paid to holders of redeemable units, net of reinvested distributions | (19,626) | (32,464) |
| Change in unrealized (appreciation) depreciation in value of investments | 945,286 | 717,370 | Proceeds from redeemable units issued | 5,329,320 | 6,251,985 |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - | Redemption of redeemable units | (6,185,827) | (4,839,431) |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 435,216 | (61,657) | Net Cash Provided by (Used in) | (876,133) | 1,380,090 |
| Change in unrealized (appreciation) depreciation in option contracts | - | - | Financing Activities | | |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - | Net increase (decrease) in cash | 136,597 | (705,213) |
| Non-cash income distributions from underlying funds | - | - | Cash (bank indebtedness) at beginning of period | 137,194 | 842,407 |
| Change in margin | - | - | Cash (bank indebtedness) at end of period | 273,791 | 137,194 |
| Purchases of investments | (5,657,999) | (10,617,320) | Dividends received, net of withholding taxes | 393,866 | 364,469 |
| Proceeds from sale of investments | 6,385,521 | 8,030,514 | Interest received, net of withholding taxes | 375,009 | 360,775 |
| Purchases of short-term investments | (7,098,796) | (7,000,000) | Interest paid | (3) | (4) |
| Proceeds from sale of short-term investments | 7,249,334 | 6,450,000 | | | |
| Change in dividends and interest receivable | (3,263) | 3,987 | | | |
| Change in distributions receivable from underlying funds | - | - | | | |
| Change in management fees payable | 98 | (13,604) | | | |
| Change in other payables and accrued expenses | 3,353 | 3,662 | | | |

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, 2018

| | Yield | Maturity Date | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------|--------|---------------|------------------|-------------------|-----------------|-----------------------|
| SHORT-TERM NOTES | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.720% | 4-Jan-2019 | 200,000 | 199,802 | 199,802 | |
| Canadian Treasury Bill | 1.640% | 7-Feb-2019 | 200,000 | 199,660 | 199,660 | |
| | | | | 399,462 | 399,462 | 1.88 |
| Total Short-Term Notes | | | | 399,462 | 399,462 | 1.88 |

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-----------------------------|-------------|---------------|-----------|-------------------|------------------|-----------------------|
| BONDS | | | | | | |
| Federal Bonds | | | | | | |
| Canadian Government Bond | 2.750% | 1-Dec-2048 | 100,000 | 106,400 | 112,454 | |
| United States Treasury Note | 1.630% | 30-Nov-2020 | 200,000 | 254,033 | 268,722 | |
| United States Treasury Note | 1.630% | 31-Aug-2022 | 305,000 | 386,912 | 404,170 | |
| United States Treasury Note | 2.000% | 15-Feb-2025 | 775,000 | 1,016,916 | 1,024,261 | |
| United States Treasury Note | 2.380% | 15-May-2027 | 315,000 | 395,873 | 421,346 | |
| United States Treasury Note | 5.000% | 15-May-2037 | 255,000 | 472,286 | 457,301 | |
| United States Treasury Note | 3.000% | 15-May-2042 | 240,000 | 333,034 | 328,305 | |
| United States Treasury Note | 2.500% | 15-Feb-2045 | 605,000 | 713,539 | 749,119 | |
| | | | | 3,678,993 | 3,765,678 | 17.76 |
| Provincial Bonds | | | | | | |
| Province of Ontario | 4.700% | 2-Jun-2037 | 320,000 | 400,723 | 388,902 | |
| | | | | 400,723 | 388,902 | 1.83 |

| | | | | | | |
|---|--------|-------------|---------|---------|---------|--|
| Corporate Bonds | | | | | | |
| Advance Auto Parts Inc. | 4.500% | 15-Jan-2022 | 10,000 | 10,194 | 13,876 | |
| American International Group Inc. | 4.130% | 15-Feb-2024 | 175,000 | 232,041 | 240,269 | |
| Anheuser-Busch Companies, LLC / Anheuser-Busch InBev Worldwide Inc. | 3.650% | 1-Feb-2026 | 95,000 | 127,308 | 122,799 | |
| Apple Inc. | 3.850% | 4-May-2043 | 150,000 | 147,468 | 194,458 | |
| AT&T Inc. | 4.500% | 15-May-2035 | 195,000 | 242,960 | 239,781 | |
| Bank of America Corp. | 3.950% | 21-Apr-2025 | 165,000 | 217,450 | 218,537 | |
| Becton Dickinson and Co. | 3.730% | 15-Dec-2024 | 47,000 | 63,903 | 62,092 | |
| Berkshire Hathaway Inc. | 3.400% | 31-Jan-2022 | 220,000 | 265,474 | 304,581 | |
| BP Capital Markets PLC | 4.740% | 11-Mar-2021 | 120,000 | 139,946 | 169,068 | |
| Bruce Power LP | 3.970% | 23-Jun-2026 | 85,000 | 89,675 | 86,538 | |
| Capital One Financial Corp. | 3.200% | 5-Feb-2025 | 100,000 | 125,565 | 127,677 | |
| Caterpillar Financial Services Corp. | 7.150% | 15-Feb-2019 | 40,000 | 53,397 | 54,886 | |
| Coca-Cola Co. | 3.150% | 1-Nov-2020 | 100,000 | 109,149 | 137,555 | |
| Colgate-Palmolive Co. | 2.100% | 1-May-2023 | 200,000 | 234,533 | 263,363 | |
| CU Inc. | 3.810% | 10-Sep-2042 | 85,000 | 90,313 | 84,744 | |
| Fidelity National Information Services Inc. | 5.000% | 15-Oct-2025 | 28,000 | 37,933 | 39,836 | |
| Forest Laboratories LLC | 4.880% | 15-Feb-2021 | 47,000 | 55,861 | 65,784 | |
| Gilead Sciences Inc. | 4.800% | 1-Apr-2044 | 150,000 | 169,704 | 205,923 | |
| Goldman Sachs Group Inc. | 3.630% | 22-Jan-2023 | 150,000 | 149,211 | 201,835 | |
| Home Depot Inc. | 4.880% | 15-Feb-2044 | 55,000 | 88,371 | 80,352 | |
| IGM Financial Inc. | 4.560% | 25-Jan-2047 | 40,000 | 40,000 | 40,995 | |
| Intercontinental Exchange Inc. | 3.750% | 1-Dec-2025 | 135,000 | 180,934 | 186,175 | |
| JPMorgan Chase & Co. | 5.500% | 28-Jul-2021 | 100,000 | 98,785 | 143,220 | |
| JPMorgan Chase & Co. | 3.200% | 25-Jan-2023 | 150,000 | 146,409 | 202,000 | |
| Kraft Heinz Foods Co. | 5.380% | 10-Feb-2020 | 26,000 | 31,015 | 36,332 | |
| Life Technologies Corp. | 5.000% | 15-Jan-2021 | 200,000 | 236,893 | 279,993 | |
| Medtronic Inc. | 3.500% | 15-Mar-2025 | 150,000 | 207,659 | 204,230 | |
| Medtronic Inc. | 4.630% | 15-Mar-2045 | 50,000 | 68,569 | 71,764 | |
| Morgan Stanley | 3.880% | 29-Apr-2024 | 100,000 | 109,433 | 136,025 | |
| Pembina Pipeline Corp. | 4.810% | 25-Mar-2044 | 190,000 | 196,074 | 183,412 | |
| Rogers Communications Inc. | 3.630% | 15-Dec-2025 | 175,000 | 219,207 | 233,388 | |
| Sabine Pass Liquefaction LLC | 4.200% | 15-Mar-2028 | 58,000 | 76,744 | 75,914 | |
| Sealed Air Corp. | 5.130% | 1-Dec-2024 | 60,000 | 86,121 | 80,821 | |
| SunTrust Bank/Atlanta GA | 3.300% | 15-May-2026 | 250,000 | 326,422 | 323,883 | |
| Sydney Airport Finance Co., Pty Ltd. | 3.380% | 30-Apr-2025 | 125,000 | 150,562 | 164,086 | |
| The Kroger Co. | 3.400% | 15-Apr-2022 | 200,000 | 218,498 | 270,557 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--------------------------------|-------------|---------------|-----------|-------------------|-------------------|-----------------------|
| Total Capital Canada Ltd. | 2.750% | 15-Jul-2023 | 65,000 | 64,010 | 86,877 | |
| Total Capital International SA | 2.880% | 17-Feb-2022 | 100,000 | 100,023 | 135,017 | |
| Toyota Motor Credit Corp. | 3.300% | 12-Jan-2022 | 100,000 | 104,234 | 137,030 | |
| TransCanada Pipelines Ltd. | 4.880% | 15-May-2048 | 150,000 | 196,253 | 198,511 | |
| UnitedHealth Group Inc. | 3.350% | 15-Jul-2022 | 145,000 | 192,882 | 199,048 | |
| Videotron Ltd. | 5.630% | 15-Jun-2025 | 85,000 | 88,188 | 86,381 | |
| Walgreens Boots Alliance Inc. | 3.800% | 18-Nov-2024 | 150,000 | 193,113 | 202,018 | |
| WM Wrigley Jr Co. | 3.380% | 21-Oct-2020 | 150,000 | 162,189 | 205,496 | |
| | | | | 6,144,673 | 6,797,127 | 32.06 |
| Total Bonds | | | | 10,224,389 | 10,951,707 | 51.65 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|-------------------|------------------|-----------------------|
| EQUITIES | | | | |
| Energy | | | | |
| Canadian Natural Resources Ltd. | 5,292 | 196,336 | 174,318 | |
| Crescent Point Energy Corp. | 6,323 | 127,795 | 26,177 | |
| Enbridge Inc. | 11,312 | 546,156 | 479,742 | |
| ENI SpA | 7,587 | 160,669 | 162,856 | |
| Enterprise Products Partners LP | 3,704 | 126,797 | 124,399 | |
| Gibson Energy Inc. | 5,179 | 104,681 | 96,744 | |
| Pembina Pipeline Corp. | 1,319 | 51,593 | 53,433 | |
| Suncor Energy Inc. | 10,269 | 391,128 | 391,557 | |
| TORC Oil & Gas Ltd. | 10,667 | 84,799 | 46,615 | |
| TransCanada Corporation | 6,553 | 346,299 | 319,459 | |
| | | 2,136,253 | 1,875,300 | 8.85 |
| Materials | | | | |
| Agnico Eagle Mines Ltd. | 2,785 | 145,394 | 153,454 | |
| Franco-Nevada Corp. | 1,378 | 109,375 | 131,916 | |
| Goldcorp Inc. | 6,712 | 134,312 | 89,739 | |
| Methanex Corp. | 1,905 | 141,390 | 125,082 | |
| Norbord Inc. | 830 | 44,560 | 30,129 | |
| Nutrien Ltd. | 4,981 | 281,868 | 319,382 | |
| Stella-Jones Inc. | 2,421 | 106,171 | 95,896 | |
| Western Forest Products Inc. | 35,482 | 87,678 | 67,061 | |
| | | 1,050,748 | 1,012,659 | 4.78 |
| Industrials | | | | |
| Canadian Pacific Railway Ltd. | 1,876 | 373,953 | 454,442 | |
| Kansas City Southern | 1,048 | 139,128 | 136,623 | |
| SNC-Lavalin Group Inc. | 1,933 | 109,257 | 88,763 | |
| Transcontinental Inc., Class A | 6,332 | 132,853 | 122,208 | |
| WestJet Airlines Ltd. | 3,603 | 74,534 | 64,854 | |
| | | 829,725 | 866,890 | 4.09 |
| Consumer Discretionary | | | | |
| Gildan Activewear Inc. | 4,037 | 158,437 | 167,293 | |
| Greggs PLC | 8,704 | 159,226 | 191,679 | |
| Magna International Inc. | 2,844 | 123,004 | 176,243 | |
| | | 440,667 | 535,215 | 2.52 |
| Consumer Staples | | | | |
| Alimentation Couche-Tard Inc., Class B | 2,160 | 133,272 | 146,686 | |
| Altria Group Inc. | 1,314 | 97,600 | 88,639 | |
| Archer-Daniels-Midland Co. | 1,918 | 107,983 | 107,325 | |
| AVI Ltd. | 6,046 | 56,032 | 58,363 | |
| Molson Coors Brewing Co. | 695 | 55,719 | 53,309 | |
| Philip Morris International Inc. | 771 | 85,574 | 70,301 | |
| | | 536,180 | 524,623 | 2.47 |
| Financials | | | | |
| IG Group Holdings PLC | 4,142 | 44,509 | 41,068 | |
| Intesa Sanpaolo SpA | 66,536 | 248,187 | 201,515 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|-------------------|-------------------|-----------------------|
| Manulife Financial Corp. | 10,386 | 240,483 | 201,177 | |
| National Bank of Canada | 1,664 | 78,589 | 93,267 | |
| Power Financial Corp. | 6,262 | 195,882 | 161,747 | |
| Royal Bank of Canada | 8,093 | 638,267 | 756,210 | |
| The Bank of Nova Scotia | 3,916 | 255,268 | 266,484 | |
| The Toronto-Dominion Bank | 12,530 | 711,863 | 850,287 | |
| Thomson Reuters Corp. | 3,837 | 224,797 | 252,973 | |
| Wells Fargo & Co. | 3,240 | 218,300 | 203,913 | |
| Zurich Insurance Group AG | 561 | 180,519 | 227,814 | |
| | | 3,036,664 | 3,256,455 | 15.36 |
| Real Estate | | | | |
| Atrium European Real Estate Ltd. | 9,035 | 40,270 | 45,579 | |
| Choice Properties Real Estate Investment Trust | 2,347 | 25,369 | 27,037 | |
| Medical Properties Trust Inc. | 12,861 | 224,391 | 282,455 | |
| STORE Capital Corp. | 1,373 | 44,562 | 53,088 | |
| | | 334,592 | 408,159 | 1.93 |
| Information Technology | | | | |
| Open Text Corp. | 3,615 | 161,923 | 160,868 | |
| | | 161,923 | 160,868 | 0.76 |
| Communication Services | | | | |
| BCE Inc. | 2,103 | 124,306 | 113,415 | |
| TELUS Corp. | 9,715 | 429,803 | 439,604 | |
| | | 554,109 | 553,019 | 2.61 |
| Utilities | | | | |
| Canadian Utilities Ltd., Class A | 3,848 | 142,869 | 120,519 | |
| Emera Inc. | 3,274 | 148,784 | 143,107 | |
| Engie | 3,816 | 74,718 | 74,624 | |
| Engie SA | 7,496 | 171,686 | 146,609 | |
| Superior Plus Corp. | 12,887 | 144,943 | 124,746 | |
| TransAlta Renewables Inc. | 8,666 | 101,884 | 89,866 | |
| | | 784,884 | 699,471 | 3.30 |
| Total Equities | | 9,865,745 | 9,892,659 | 46.67 |
| Transaction Costs | | (5,659) | | |
| Total Investments | | 20,483,937 | 21,243,828 | 100.20 |
| Currency Forward Contracts ⁽¹⁾ | | | (460,472) | (2.17) |
| Other Assets less Liabilities | | | 414,719 | 1.97 |
| Total Net Assets | | | 21,198,075 | 100.00 |

⁽¹⁾ Currency Forward Contracts

| Counterparty | Credit Rating for Counterparty | Settlement Date | Purchased Currency | Par Value | Sold Currency | Par Value | Unrealized Gain/(Loss) (\$) |
|---------------|--------------------------------|-----------------|--------------------|-----------|---------------|-------------|-----------------------------|
| Merrill Lynch | NR | 11-Jan-2019 | CAD | 9,302,095 | USD | (7,150,232) | (460,472) |
| | | | | | | | (460,472) |

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and 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 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, 2018 and December 31, 2017 are noted below:

| Rating | As a % of Net Assets | |
|--------------|----------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 19.65 | 13.76 |
| AA/Aa | 4.24 | 6.67 |
| A/A | 12.15 | 13.35 |
| BBB/Bbb | 16.72 | 13.27 |
| BB/Bb | 0.79 | 0.75 |
| Not Rated | - | 0.04 |
| Total | 53.55 | 47.84 |

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, 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, 2018 and December 31, 2017. 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, 2018 | Percentage of Net Assets (%) | December 31, 2017 | Percentage of Net Assets (%) |
| United States Dollar | 1,796,045 | 8.47 | 1,267,199 | 5.51 |
| Euro | 484,575 | 2.29 | 441,631 | 1.92 |
| British Pound | 232,748 | 1.10 | 278,401 | 1.21 |
| Swiss Franc | 227,814 | 1.07 | 232,027 | 1.01 |
| South African Rand | 58,363 | 0.28 | 107,150 | 0.47 |
| Australian Dollar | - | - | 134,119 | 0.58 |
| Japanese Yen | - | - | 218,296 | 0.95 |
| Danish Krone | - | - | 942 | - |
| Total | 2,799,545 | 13.21 | 2,679,765 | 11.65 |

As at December 31, 2018, 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 \$139,977 (\$133,988 as at December 31, 2017). 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, 2018 | 454,348 | 3,524,525 | 7,372,296 | 11,351,169 |
| December 31, 2017 | 802,489 | 2,961,098 | 7,230,692 | 10,994,279 |

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

Sun Life MFS Monthly Income Fund (continued)

As at December 31, 2018, 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 \$1,149,611 (\$1,059,790 as at December 31, 2017). 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, 2018, 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 \$494,633 (\$588,135 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 1.9 | 2.4 |
| Bonds | | |
| Federal Bonds | 17.8 | 13.7 |
| Provincial Bonds | 1.8 | 1.8 |
| Corporate Bonds | 32.0 | 29.9 |
| Equities | | |
| Energy | 8.9 | 8.9 |
| Materials | 4.8 | 4.5 |
| Industrials | 4.1 | 5.9 |
| Consumer Discretionary | 2.5 | 1.7 |
| Consumer Staples | 2.5 | 2.3 |
| Financials | 15.3 | 19.5 |
| Real Estate | 1.9 | 1.8 |
| Information Technology | 0.8 | 1.0 |
| Telecommunication Services | - | 2.5 |
| Communication Services | 2.6 | - |
| Utilities | 3.3 | 2.6 |
| Health Care | - | 0.4 |
| Derivative Assets (Liabilities) | (2.2) | (0.1) |
| Other Assets less Liabilities | 2.0 | 1.2 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Short-Term Investments | - | 399,462 | - | 399,462 |
| Equities | 9,746,050 | 146,609 | - | 9,892,659 |
| Bonds | - | 10,951,707 | - | 10,951,707 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 460,472 | - | 460,472 |
| | | | | |
| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$3,395 (\$6,182 for the period ended December 31, 2017).

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, 2018 was \$383 (\$3,222 for the period ended December 31, 2017).

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$72,644 (\$nil as at December 31, 2017). 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | 699 | 10,018 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F5 | - | - |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F | - | - | - |
| Series F5 | 10,016 | - | 468 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F | 24 | 11,155 | 279 |
| Series F5 | - | - | - |

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, 2018 and December 31, 2017, SLA held the following position in the Fund:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | 202,092 | 2,339,703 |

| | December 31, 2017 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | 196,090 | 2,420,765 |

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, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| December 31, 2018 | | | |
|-------------------|----------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | - | 71,570 |

| December 31, 2017 | | | |
|-------------------|----------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | - | 137,082 |

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series I Units | August 24, 2011 | September 01, 2011 |
| Series O Units | April 01, 2014 | April 01, 2014 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 504,936,881 | 552,014,328 |
| Short-term investments | 2,248,372 | 4,381,525 |
| Cash | 790,733 | 1,195,710 |
| 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 | 3,317 | 140 |
| Dividends receivable | 727,282 | 570,132 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 565,927 | 705,574 |
| | 509,272,512 | 559,112,230 |
| 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 | 8,137 | 8,044 |
| Redemptions payable | 579,856 | 848,138 |
| Distributions payable | - | - |
| Due to investment dealers | - | - |
| Management fees payable | 22,580 | 20,737 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 610,573 | 876,919 |
| Net Assets Attributable to Holders of Redeemable Units | 508,661,939 | 558,235,311 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 13,026,758 | 11,529,200 |
| Series D | 30,776,958 | 35,021,988 |
| Series F | 13,733,312 | 11,753,272 |
| Series I | 440,336,935 | 489,974,293 |
| Series O | 10,787,976 | 9,956,558 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 69.64 | 73.15 |
| Series D | 73.97 | 77.21 |
| Series F | 73.56 | 76.84 |
| Series I | 74.85 | 78.25 |
| Series O | 15.16 | 15.84 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Investment Income | | |
| Dividend income | 8,893,319 | 9,067,668 |
| Interest income for distribution purposes | 152,170 | 205,354 |
| 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 | 60,725,945 | 73,300,453 |
| 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 | (48,395,115) | 870,844 |
| 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 | 21,376,319 | 83,444,319 |
| Net gain (loss) on foreign exchange | (93,478) | 18,426 |
| Other income | 875 | - |
| Total income (loss) | 21,283,716 | 83,462,745 |
| Expenses (note 6) | | |
| Management fees | 864,187 | 837,555 |
| Administration fees | 302,200 | 307,778 |
| Independent review committee fees | 1,344 | 1,392 |
| Withholding tax | 1,146,647 | 1,133,958 |
| Transaction costs (note 3) | 63,042 | 101,011 |
| Total operating expenses | 2,377,420 | 2,381,694 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | 18,906,296 | 81,081,051 |
| Finance Cost | | |
| Interest expense | (3) | (3) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | 18,906,293 | 81,081,048 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | 106,469 | 1,329,199 |
| Series D | 859,245 | 4,662,051 |
| Series F | 241,367 | 1,465,380 |
| Series I | 17,407,333 | 72,315,325 |
| Series O | 291,879 | 1,309,093 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 168,711 | 156,598 |
| Series D | 424,667 | 479,287 |
| Series F | 167,194 | 152,084 |
| Series I | 5,610,528 | 6,533,970 |
| Series O | 658,955 | 593,715 |

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

Sun Life MFS U.S. Equity Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | 0.63 | 8.49 |
| Series D | 2.02 | 9.73 |
| Series F | 1.44 | 9.64 |
| Series I | 3.10 | 11.07 |
| Series O | 0.44 | 2.20 |

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

For the periods ended December 31

| | Series A | | Series D | | Series F | |
|---|----------------|-------------|-------------|-------------|-------------|-------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 11,529,200 | 9,644,502 | 35,021,988 | 34,200,613 | 11,753,272 | 10,404,386 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 106,469 | 1,329,199 | 859,245 | 4,662,051 | 241,367 | 1,465,380 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 5,227,152 | 4,234,485 | 2,526,840 | 1,484,128 | 3,364,872 | 1,691,398 |
| Redemption of redeemable units | \$ (3,821,611) | (3,676,503) | (7,552,606) | (5,310,396) | (1,496,893) | (1,783,939) |
| Reinvestment of distributions to holders of redeemable units | \$ 738,164 | 112,016 | 1,688,289 | 331,043 | 748,457 | 124,884 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 2,143,705 | 669,998 | (3,337,477) | (3,495,225) | 2,616,436 | 32,343 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ (750,649) | (113,187) | (1,766,636) | (345,313) | (782,445) | (104,706) |
| From net investment income | \$ (1,967) | (113) | (162) | (12) | (95,318) | (32,725) |
| Return of capital | \$ - | (1,199) | - | (126) | - | (11,406) |
| | \$ (752,616) | (114,499) | (1,766,798) | (345,451) | (877,763) | (148,837) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 1,497,558 | 1,884,698 | (4,245,030) | 821,375 | 1,980,040 | 1,348,886 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 13,026,758 | 11,529,200 | 30,776,958 | 35,021,988 | 13,733,312 | 11,753,272 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 157,602 | 147,865 | 453,579 | 500,601 | 152,959 | 153,172 |
| Units issued | 68,317 | 60,291 | 30,908 | 19,736 | 41,295 | 23,057 |
| Units issued on reinvestment of distributions | 11,041 | 1,502 | 23,788 | 4,202 | 10,584 | 1,602 |
| Units redeemed | (49,900) | (52,056) | (92,205) | (70,960) | (18,134) | (24,872) |
| Balance - end of period | 187,060 | 157,602 | 416,070 | 453,579 | 186,704 | 152,959 |

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 (continued)

For the periods ended December 31

| | Series I | | Series O | | Total | |
|---|-----------------------|--------------------|-------------------|------------------|---------------------|----------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 489,974,293 | 546,057,548 | 9,956,558 | 8,089,460 | 558,235,311 | 608,396,509 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 17,407,333 | 72,315,325 | 291,879 | 1,309,093 | 18,906,293 | 81,081,048 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 50,822,623 | 44,069,633 | 3,338,656 | 1,393,129 | 65,280,143 | 52,872,773 |
| Redemption of redeemable units | \$ (117,867,314) | (172,468,213) | (2,380,848) | (707,321) | (133,119,272) | (183,946,372) |
| Reinvestment of distributions to holders of redeemable units | \$ 32,003,955 | 11,619,091 | 383,879 | 94,896 | 35,562,744 | 12,281,930 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ (35,040,736) | (116,779,489) | 1,341,687 | 780,704 | (32,276,385) | (118,791,669) |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ (25,163,498) | (4,851,469) | (642,444) | (99,957) | (29,105,672) | (5,514,632) |
| From net investment income | \$ (6,840,457) | (6,767,622) | (159,704) | (122,742) | (7,097,608) | (6,923,214) |
| Return of capital | \$ - | - | - | - | - | (12,731) |
| | \$ (32,003,955) | (11,619,091) | (802,148) | (222,699) | (36,203,280) | (12,450,577) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (49,637,358) | (56,083,255) | 831,418 | 1,867,098 | (49,573,372) | (50,161,198) |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 440,336,935 | 489,974,293 | 10,787,976 | 9,956,558 | 508,661,939 | 558,235,311 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 6,261,911 | 7,902,849 | 628,420 | 577,980 | 7,654,471 | 9,282,467 |
| Units issued | 612,449 | 584,358 | 197,041 | 90,864 | 950,010 | 778,306 |
| Units issued on reinvestment of distributions | 445,842 | 145,588 | 26,407 | 5,872 | 517,662 | 158,766 |
| Units redeemed | (1,436,978) | (2,370,884) | (140,112) | (46,296) | (1,737,329) | (2,565,068) |
| Balance - end of period | 5,883,224 | 6,261,911 | 711,756 | 628,420 | 7,384,814 | 7,654,471 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 | 2017 | | 2018 | 2017 |
|---|---------------------|---------------|--|----------------------|---------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Cash Flows from Operating Activities | | | Net Cash Provided by (Used in) | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 18,906,293 | 81,081,048 | Operating Activities | 68,203,323 | 121,888,406 |
| Adjustments for: | | | Cash Flows from Financing Activities | | |
| Net realized (gain) loss on sale of investments | (60,725,945) | (73,300,453) | Distributions paid to holders of redeemable units, net of reinvested distributions | (640,536) | (168,647) |
| Change in unrealized (appreciation) depreciation in value of investments | 48,395,115 | (870,844) | Proceeds from redeemable units issued | 65,419,790 | 53,291,967 |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - | Redemption of redeemable units | (133,387,554) | (184,551,433) |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | - | Net Cash Provided by (Used in) | | |
| Change in unrealized (appreciation) depreciation in option contracts | - | - | Financing Activities | (68,608,300) | (131,428,113) |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - | Net increase (decrease) in cash | (404,977) | (9,539,707) |
| Non-cash income distributions from underlying funds | - | - | Cash (bank indebtedness) at beginning of period | 1,195,710 | 10,735,417 |
| Change in margin | - | - | Cash (bank indebtedness) at end of period | 790,733 | 1,195,710 |
| Purchases of investments | (96,725,959) | (111,523,233) | Dividends received, net of withholding taxes | 7,589,522 | 7,946,562 |
| Proceeds from sale of investments | 155,921,643 | 231,058,822 | Interest received, net of withholding taxes | 148,993 | 205,214 |
| Purchases of short-term investments | (83,518,818) | (74,393,110) | Interest paid | (3) | (3) |
| Proceeds from sale of short-term investments | 86,046,343 | 69,797,121 | | | |
| Change in dividends and interest receivable | (160,327) | 12,712 | | | |
| Change in distributions receivable from underlying funds | - | - | | | |
| Change in management fees payable | 1,843 | (53,784) | | | |
| Change in other payables and accrued expenses | 63,135 | 80,127 | | | |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------|--------|---------------|-----------|-------------------|------------------|-----------------------|
| Short-Term Notes | | | | | | |
| Treasury Bills | | | | | | |
| United States Treasury Bill | 2.280% | 8-Jan-2019 | 400,000 | 541,520 | 545,699 | |
| United States Treasury Bill | 2.260% | 15-Jan-2019 | 1,150,000 | 1,531,272 | 1,566,358 | |
| United States Treasury Bill | 2.300% | 29-Jan-2019 | 100,000 | 136,315 | 136,315 | |
| Total Short-Term Notes | | | | 2,209,107 | 2,248,372 | 0.44 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------------|------------------|-------------------|-------------------|-----------------------|
| EQUITIES | | | | |
| Energy | | | | |
| Core Laboratories NV | 18,207 | 1,452,978 | 1,483,576 | |
| Enterprise Products Partners LP | 231,150 | 7,871,718 | 7,763,195 | |
| EOG Resources Inc. | 72,558 | 7,166,239 | 8,642,505 | |
| Schlumberger Ltd. | 123,750 | 11,395,655 | 6,098,197 | |
| | | 27,886,590 | 23,987,473 | 4.72 |
| Materials | | | | |
| Crown Holdings Inc. | 94,537 | 5,553,683 | 5,367,474 | |
| PPG Industries Inc. | 37,371 | 5,041,439 | 5,217,965 | |
| The Sherwin-Williams Company | 13,690 | 3,583,179 | 7,356,853 | |
| | | 14,178,301 | 17,942,292 | 3.53 |
| Industrials | | | | |
| AMETEK Inc. | 57,767 | 4,017,626 | 5,341,418 | |
| Canadian National Railway Co. | 83,603 | 5,721,940 | 8,462,267 | |
| Fluor Corp. | 46,260 | 2,972,192 | 2,034,462 | |
| Fortive Corp. | 40,330 | 3,760,356 | 3,726,905 | |
| Honeywell International Inc. | 51,093 | 4,586,587 | 9,219,726 | |
| United Technologies Corp. | 47,067 | 5,870,750 | 6,844,987 | |
| | | 26,929,451 | 35,629,765 | 7.00 |
| Consumer Discretionary | | | | |
| Aramark | 77,505 | 3,545,349 | 3,066,665 | |
| Dollar Tree Inc. | 27,748 | 3,489,354 | 3,422,975 | |
| LVMH Moët Hennessy Louis Vuitton SA | 13,785 | 2,908,304 | 5,557,218 | |
| Newell Brands Inc. | 189,925 | 8,436,157 | 4,822,249 | |
| NIKE Inc. | 61,544 | 3,973,156 | 6,231,985 | |
| Ross Stores Inc. | 60,122 | 3,412,111 | 6,831,952 | |
| Starbucks Corp. | 108,947 | 8,035,535 | 9,582,728 | |
| Tractor Supply Co. | 64,750 | 5,067,286 | 7,379,078 | |
| | | 38,867,252 | 46,894,850 | 9.22 |
| Consumer Staples | | | | |
| Colgate-Palmolive Co. | 78,317 | 5,512,041 | 6,366,592 | |
| Costco Wholesale Corp. | 21,033 | 4,301,246 | 5,851,964 | |
| Danone SA | 73,352 | 5,819,162 | 7,044,531 | |
| Diageo PLC | 102,286 | 3,173,053 | 4,973,027 | |
| The Estée Lauder Companies Inc. | 17,500 | 2,067,399 | 3,109,592 | |
| Kimberly-Clark Corp. | 28,594 | 4,233,755 | 4,449,787 | |
| Mondelez International Inc. | 173,238 | 7,209,890 | 9,471,458 | |
| Pernod Ricard SA | 33,390 | 4,629,276 | 7,470,627 | |
| | | 36,945,822 | 48,737,578 | 9.58 |
| Health Care | | | | |
| Abbott Laboratories | 56,926 | 2,815,495 | 5,623,636 | |
| Biogen Inc. | 13,553 | 4,959,895 | 5,570,248 | |
| Danaher Corp. | 94,910 | 5,789,434 | 13,367,277 | |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|-------------------|--------------------|-----------------------|
| Elanco Animal Health Inc. | 5,456 | 169,465 | 234,956 | |
| Eli Lilly & Co. | 43,640 | 4,101,406 | 6,897,334 | |
| Johnson & Johnson | 90,841 | 12,474,618 | 16,011,352 | |
| McKesson Corp. | 29,146 | 6,418,577 | 4,397,556 | |
| Medtronic PLC | 106,588 | 10,667,100 | 13,241,794 | |
| Thermo Fisher Scientific Inc. | 40,023 | 4,915,543 | 12,233,152 | |
| Zoetis Inc. | 40,795 | 2,798,183 | 4,766,112 | |
| | | 55,109,716 | 82,343,417 | 16.19 |
| Financials | | | | |
| TD Ameritrade Holding Corp. | 46,782 | 3,414,838 | 3,128,299 | |
| Chubb Ltd. | 34,250 | 3,476,661 | 6,042,879 | |
| Bank of America Corporation | 370,921 | 7,463,662 | 12,482,748 | |
| JPMorgan Chase & Co. | 119,771 | 7,635,138 | 15,969,030 | |
| Morgan Stanley | 111,959 | 4,073,220 | 6,063,038 | |
| The Blackstone Group LP | 105,202 | 4,148,319 | 4,283,256 | |
| The Goldman Sachs Group Inc. | 29,469 | 5,680,083 | 6,723,570 | |
| The NASDAQ OMX Group Inc. | 69,792 | 4,448,258 | 7,775,426 | |
| U.S. Bancorp | 89,228 | 5,160,120 | 5,569,362 | |
| | | 45,500,299 | 68,037,608 | 13.37 |
| Information Technology | | | | |
| Accenture PLC | 46,551 | 4,625,408 | 8,965,345 | |
| Adobe Systems Inc. | 21,173 | 2,601,938 | 6,542,442 | |
| Amdocs Ltd. | 84,967 | 7,244,267 | 6,798,103 | |
| Analog Devices Inc. | 38,514 | 4,604,495 | 4,514,876 | |
| Apple Inc. | 25,474 | 2,398,099 | 5,488,164 | |
| Cisco Systems Inc. | 91,835 | 5,262,683 | 5,434,818 | |
| Cognizant Technology Solutions Corp. | 105,184 | 6,590,133 | 9,119,576 | |
| DXC Technology Co. | 72,626 | 6,373,369 | 5,274,082 | |
| Fidelity National Information Services Inc. | 79,306 | 5,229,817 | 11,107,843 | |
| MasterCard Inc., Class A | 42,071 | 3,618,288 | 10,839,961 | |
| Microsoft Corp. | 55,099 | 7,069,939 | 7,643,587 | |
| Salesforce.com Inc. | 17,646 | 2,752,974 | 3,301,109 | |
| TE Connectivity Ltd. | 44,242 | 5,372,471 | 4,570,008 | |
| Texas Instruments Inc. | 64,193 | 6,024,105 | 8,285,287 | |
| Visa Inc., Class A | 90,774 | 5,780,670 | 16,357,842 | |
| | | 75,548,656 | 114,243,043 | 22.46 |
| Real Estate | | | | |
| American Tower Corp. | 67,953 | 7,068,152 | 14,681,679 | |
| | | 7,068,152 | 14,681,679 | 2.89 |
| Communication Services | | | | |
| Alphabet Inc., Class A | 11,972 | 9,020,736 | 17,086,553 | |
| Alphabet Inc., Class C | 4,708 | 1,319,601 | 6,659,180 | |
| Comcast Corporation, Class A | 235,023 | 6,664,556 | 10,929,884 | |
| Electronic Arts Inc. | 46,670 | 6,900,334 | 5,029,883 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--------------------------------------|--------------------|--------------------|--------------------|-----------------------|
| Facebook Inc. | 38,044 | 7,538,944 | 6,811,516 | |
| The Walt Disney Co. | 21,349 | 1,563,524 | 3,197,233 | |
| | 33,007,695 | 49,714,249 | 49,714,249 | 9.77 |
| Utilities | | | | |
| American Electric Power Co., Inc. | 26,694 | 1,424,101 | 2,724,927 | |
| | 1,424,101 | 2,724,927 | 2,724,927 | 0.54 |
| Total Equities | 362,466,035 | 504,936,881 | 504,936,881 | 99.27 |
| Transaction Costs | (130,054) | | | |
| Total Investments | 364,545,088 | 507,185,253 | 507,185,253 | 99.71 |
| Other Assets less Liabilities | | 1,476,686 | 1,476,686 | 0.29 |
| Total Net Assets | | 508,661,939 | 508,661,939 | 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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 0.44 | 0.78 |
| Total | 0.44 | 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, 2018 and December 31, 2017. 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, 2018 | Percentage of Net Assets (%) | December 31, 2017 | Percentage of Net Assets (%) |
| United States Dollar | 482,737,614 | 94.90 | 527,650,554 | 94.52 |
| Euro | 20,072,416 | 3.95 | 24,771,198 | 4.44 |
| British Pound | 4,973,027 | 0.98 | 5,017,058 | 0.90 |
| Total | 507,783,057 | 99.83 | 557,438,810 | 99.86 |

As at December 31, 2018, 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 \$25,389,153 (\$27,871,941 as at December 31, 2017). 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, 2018 | 2,248,372 | - | - | 2,248,372 |
| December 31, 2017 | 4,381,525 | - | - | 4,381,525 |

As at December 31, 2018, 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 \$872 (\$3,001 as at December 31, 2017). 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, 2018, 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 \$25,246,844 (\$27,600,716 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 0.4 | 0.8 |
| Equities | | |
| Energy | 4.7 | 5.1 |
| Materials | 3.5 | 4.1 |
| Industrials | 7.0 | 6.5 |
| Consumer Discretionary | 9.2 | 12.3 |
| Consumer Staples | 9.6 | 9.6 |
| Health Care | 16.2 | 15.2 |
| Financials | 13.4 | 15.6 |
| Information Technology | 22.5 | 27.3 |
| Real Estate | 2.9 | 2.6 |
| Communication Services | 9.8 | - |
| Utilities | 0.5 | 0.6 |
| Other Assets less Liabilities | 0.3 | 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Equities | 504,936,881 | - | - | 504,936,881 |
| Short-Term Investments | - | 2,248,372 | - | 2,248,372 |
| | | | | |
| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$63,042 (\$101,011 for the period ended December 31, 2017).

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, 2018 was \$13,875 (\$63,975 for the period ended December 31, 2017).

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).

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 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 990,464,045 | 508,683,281 |
| Short-term investments | 23,745,297 | 12,788,600 |
| Cash | 2,112,612 | 1,312,389 |
| Margin | - | - |
| Option contracts, at fair value - long | - | - |
| Credit default swaps, sell protection | - | - |
| Unrealized appreciation on futures contracts | - | - |
| Unrealized appreciation on currency forward contracts | 916 | 28,954 |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | - | - |
| Accrued interest | 24,624 | 4,515 |
| Dividends receivable | 458,377 | 247,977 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 978,949 | 2,191,183 |
| | 1,017,784,820 | 525,256,899 |
| 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 | 25,045 | - |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 22,518 | 10,520 |
| Redemptions payable | 850,713 | 22,266 |
| Distributions payable | - | - |
| Due to investment dealers | 6,598,518 | 3,140,801 |
| Management fees payable | 70,541 | 33,489 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 7,567,335 | 3,207,076 |
| Net Assets Attributable to Holders of Redeemable Units | 1,010,217,485 | 522,049,823 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 110,533,308 | 57,494,250 |
| Series AH | 1,157,412 | 1,085,063 |
| Series T5 | 414,871 | 253,653 |
| Series T8 | 1,791,623 | 453,198 |
| Series F | 17,814,963 | 5,966,864 |
| Series FH | 727,815 | 37,650 |
| Series F5 | 43,110 | - |
| Series F8 | 954,646 | - |
| Series I | 862,291,295 | 446,861,334 |
| Series IH | 183,619 | 180,055 |
| Series O | 14,292,022 | 9,705,116 |
| Series OH | 12,801 | 12,640 |

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|---|---------------------------|---------------------------|
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 29.76 | 27.75 |
| Series AH | 20.87 | 21.28 |
| Series T5 | 31.03 | 30.14 |
| Series T8 | 25.11 | 25.03 |
| Series F | 32.53 | 29.99 |
| Series FH | 12.32 | 12.37 |
| Series F5 | 15.65 | - |
| Series F8 | 15.30 | - |
| Series I | 35.32 | 32.35 |
| Series IH | 12.36 | 12.39 |
| Series O | 18.52 | 16.97 |
| Series OH | 12.44 | 12.49 |

Approved on behalf of Trustee

"signed" Rick Headrick
President

"signed" Kari Holdsworth
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

| | 2018 (\$) | 2017 (\$) |
|---|-------------------|--------------------|
| Investment Income | | |
| Dividend income | 7,015,751 | 5,303,192 |
| Interest income for distribution purposes | 315,852 | 96,046 |
| 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 | 75,879,395 | 120,478,639 |
| Net realized gain (loss) on futures contracts | - | - |
| Net realized gain (loss) on currency forward contracts | (131,573) | 36,508 |
| Net realized gain (loss) on option contracts | - | - |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | 13,942,830 | 9,147,894 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (53,083) | 25,496 |
| Change in unrealized appreciation (depreciation) in option contracts | - | - |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | 96,969,172 | 135,087,775 |
| Net gain (loss) on foreign exchange | (1,515,472) | (1,244,416) |
| Other income | 5,777 | - |
| Total income (loss) | 95,459,477 | 133,843,359 |
| Expenses (note 6) | | |
| Management fees | 2,077,875 | 1,153,080 |
| Administration fees | 733,548 | 437,371 |
| Independent review committee fees | 2,258 | 1,341 |
| Withholding tax | 892,497 | 653,080 |
| Transaction costs (note 3) | 142,338 | 134,643 |
| Total operating expenses | 3,848,516 | 2,379,515 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | 91,610,961 | 131,463,844 |
| Finance Cost | | |
| Interest expense | (2) | (3) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | 91,610,959 | 131,463,841 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | 3,387,558 | 8,310,491 |
| Series AH | (1,699) | 210,853 |
| Series T5 | 19,486 | 50,728 |
| Series T8 | (87,564) | 58,982 |
| Series F | (64,404) | 1,005,750 |
| Series FH | (27,916) | 4,638 |
| Series F5 | (1,890) | - |
| Series F8 | (98,071) | - |
| Series I | 87,510,494 | 120,391,233 |
| Series IH | 4,083 | 20,504 |
| Series O | 970,626 | 1,407,760 |
| Series OH | 256 | 2,902 |

| | 2018 (\$) | 2017 (\$) |
|---|--------------|--------------|
| Weighted Average Number of Units Outstanding | | |
| Series A | 2,946,633 | 1,836,215 |
| Series AH | 54,595 | 46,947 |
| Series T5 | 11,364 | 8,596 |
| Series T8 | 35,432 | 16,300 |
| Series F | 374,132 | 195,468 |
| Series FH | 44,749 | 2,062 |
| Series F5 | 1,876 | - |
| Series F8 | 23,888 | - |
| Series I | 23,100,649 | 18,066,479 |
| Series IH | 14,518 | 9,458 |
| Series O | 657,915 | 464,185 |
| Series OH | 1,009 | 1,006 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | 1.15 | 4.53 |
| Series AH | (0.03) | 4.49 |
| Series T5 | 1.71 | 5.90 |
| Series T8 | (2.47) | 3.62 |
| Series F | (0.17) | 5.15 |
| Series FH | (0.62) | 2.25 |
| Series F5 | (1.01) | - |
| Series F8 | (4.11) | - |
| Series I | 3.79 | 6.66 |
| Series IH | 0.28 | 2.17 |
| Series O | 1.48 | 3.03 |
| Series OH | 0.25 | 2.88 |

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 | |
|---|-----------------------|-------------------|------------------|------------------|----------------|----------------|------------------|----------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 57,494,250 | 39,172,529 | 1,085,063 | 759,449 | 253,653 | 206,476 | 453,198 | 295,058 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 3,387,558 | 8,310,491 | (1,699) | 210,853 | 19,486 | 50,728 | (87,564) | 58,982 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 78,365,614 | 22,090,074 | 362,443 | 298,085 | 262,170 | 259,106 | 1,900,230 | 311,259 |
| Redemption of redeemable units | \$ (28,701,434) | (12,076,426) | (288,395) | (183,330) | (109,809) | (257,428) | (395,190) | (191,337) |
| Reinvestment of distributions to holders of redeemable units | \$ 2,072,681 | 611,470 | 22,177 | 11,980 | 12,983 | 9,238 | 18,063 | 15,156 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 51,736,861 | 10,625,118 | 96,225 | 126,735 | 165,344 | 10,916 | 1,523,103 | 135,078 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (2,067,994) | - | (21,221) | - | (7,681) | - | (34,469) | - |
| From net investment income | \$ (15,204) | (9,487) | (837) | (800) | (13,947) | - | (54,819) | - |
| Return of capital | \$ (2,163) | (604,401) | (119) | (11,174) | (1,984) | (14,467) | (7,826) | (35,920) |
| | \$ (2,085,361) | (613,888) | (22,177) | (11,974) | (23,612) | (14,467) | (97,114) | (35,920) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 53,039,058 | 18,321,721 | 72,349 | 325,614 | 161,218 | 47,177 | 1,338,425 | 158,140 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 110,533,308 | 57,494,250 | 1,157,412 | 1,085,063 | 414,871 | 253,653 | 1,791,623 | 453,198 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 2,071,749 | 1,672,892 | 50,997 | 44,672 | 8,416 | 7,759 | 18,108 | 12,984 |
| Units issued | 2,478,826 | 836,559 | 15,812 | 14,753 | 7,710 | 9,159 | 66,683 | 12,519 |
| Units issued on reinvestment of distributions | 73,708 | 23,462 | 1,110 | 617 | 405 | 315 | 681 | 615 |
| Units redeemed | (909,999) | (461,164) | (12,468) | (9,045) | (3,159) | (8,817) | (14,133) | (8,010) |
| Balance - end of period | 3,714,284 | 2,071,749 | 55,451 | 50,997 | 13,372 | 8,416 | 71,339 | 18,108 |

| | Series F | | Series F5 | | Series F8 | | Series FH | |
|---|----------------------|------------------|---------------|----------|----------------|----------|----------------|---------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 5,966,864 | 7,160,673 | - | - | - | - | 37,650 | 9,820 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (64,404) | 1,005,750 | (1,890) | - | (98,071) | - | (27,916) | 4,638 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 17,745,234 | 3,561,670 | 45,000 | - | 1,170,180 | - | 1,118,671 | 23,201 |
| Redemption of redeemable units | \$ (5,821,345) | (5,745,109) | - | - | (79,190) | - | (400,590) | (18) |
| Reinvestment of distributions to holders of redeemable units | \$ 348,133 | 45,667 | 1,982 | - | 1,319 | - | 13,918 | 472 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 12,272,022 | (2,137,772) | 46,982 | - | 1,092,309 | - | 731,999 | 23,655 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (356,382) | - | (797) | - | (18,231) | - | (13,776) | - |
| From net investment income | \$ (2,746) | (1,210) | (1,037) | - | (18,726) | - | (124) | (93) |
| Return of capital | \$ (391) | (60,577) | (148) | - | (2,635) | - | (18) | (370) |
| | \$ (359,519) | (61,787) | (1,982) | - | (39,592) | - | (13,918) | (463) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 11,848,099 | (1,193,809) | 43,110 | - | 954,646 | - | 690,165 | 27,830 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 17,814,963 | 5,966,864 | 43,110 | - | 954,646 | - | 727,815 | 37,650 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 198,976 | 286,645 | - | - | - | - | 3,043 | 1,003 |
| Units issued | 510,774 | 126,615 | 2,631 | - | 66,831 | - | 83,525 | 2,000 |
| Units issued on reinvestment of distributions | 11,327 | 1,630 | 123 | - | 81 | - | 1,187 | 42 |
| Units redeemed | (173,475) | (215,914) | - | - | (4,512) | - | (28,676) | (2) |
| Balance - end of period | 547,602 | 198,976 | 2,754 | - | 62,400 | - | 59,079 | 3,043 |

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 (continued)

For the periods ended December 31

| | Series I | | Series IH | | Series O | | Series OH | |
|---|------------------|---------------|-----------|---------|-------------|-------------|-----------|--------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 446,861,334 | 659,608,302 | 180,055 | 9,863 | 9,705,116 | 5,756,062 | 12,640 | 9,835 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 87,510,494 | 120,391,233 | 4,083 | 20,504 | 970,626 | 1,407,760 | 256 | 2,902 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 766,469,545 | 221,190,380 | - | 150,000 | 7,183,358 | 3,761,419 | - | - |
| Redemption of redeemable units | \$ (438,550,078) | (554,328,580) | (519) | (312) | (3,567,078) | (1,220,132) | (95) | (97) |
| Reinvestment of distributions to holders of redeemable units | \$ 19,544,375 | 9,699,002 | 4,225 | 3,350 | 316,063 | 149,934 | 284 | 218 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 347,463,842 | (323,439,198) | 3,706 | 153,038 | 3,932,343 | 2,691,221 | 189 | 121 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (16,205,806) | - | (3,510) | - | (270,050) | - | (245) | - |
| From net investment income | \$ (3,338,569) | (3,298,267) | (626) | (1,290) | (40,286) | (56,676) | (34) | (73) |
| Return of capital | \$ - | (6,400,736) | (89) | (2,060) | (5,727) | (93,251) | (5) | (145) |
| | \$ (19,544,375) | (9,699,003) | (4,225) | (3,350) | (316,063) | (149,927) | (284) | (218) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 415,429,961 | (212,746,968) | 3,564 | 170,192 | 4,586,906 | 3,949,054 | 161 | 2,805 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 862,291,295 | 446,861,334 | 183,619 | 180,055 | 14,292,022 | 9,705,116 | 12,801 | 12,640 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 13,811,840 | 24,589,721 | 14,533 | 1,005 | 571,820 | 408,133 | 1,012 | 1,002 |
| Units issued | 21,280,474 | 7,495,724 | - | 13,262 | 365,319 | 230,693 | - | - |
| Units issued on reinvestment of distributions | 586,459 | 319,659 | 359 | 293 | 18,085 | 9,316 | 24 | 18 |
| Units redeemed | (11,267,037) | (18,593,264) | (38) | (27) | (183,651) | (76,322) | (7) | (8) |
| Balance - end of period | 24,411,736 | 13,811,840 | 14,854 | 14,533 | 771,573 | 571,820 | 1,029 | 1,012 |
| | | | | | | | | |
| | Total | | | | | | | |
| | 2018 | 2017 | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 522,049,823 | 712,988,067 | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 91,610,959 | 131,463,841 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 874,622,445 | 251,645,194 | | | | | | |
| Redemption of redeemable units | \$ (477,913,723) | (574,002,769) | | | | | | |
| Reinvestment of distributions to holders of redeemable units | \$ 22,356,203 | 10,546,487 | | | | | | |
| Capitalized distributions | \$ - | - | | | | | | |
| | \$ 419,064,925 | (311,811,088) | | | | | | |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (19,000,162) | - | | | | | | |
| From net investment income | \$ (3,486,955) | (3,367,896) | | | | | | |
| Return of capital | \$ (21,105) | (7,223,101) | | | | | | |
| | \$ (22,508,222) | (10,590,997) | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 488,167,662 | (190,938,244) | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$1,010,217,485 | 522,049,823 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 16,750,494 | 27,025,816 | | | | | | |
| Units issued | 24,878,585 | 8,741,284 | | | | | | |
| Units issued on reinvestment of distributions | 693,549 | 355,967 | | | | | | |
| Units redeemed | (12,597,155) | (19,372,573) | | | | | | |
| Balance - end of period | 29,725,473 | 16,750,494 | | | | | | |

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

| | 2018 (\$) | 2017 (\$) |
|---|----------------------|-----------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 91,610,959 | 131,463,841 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (75,879,395) | (120,478,639) |
| Change in unrealized (appreciation) depreciation in value of investments | (13,942,830) | (9,147,894) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 53,083 | (25,496) |
| Change in unrealized (appreciation) depreciation in option contracts | - | - |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | - | - |
| Purchases of investments | (832,125,857) | (282,061,605) |
| Proceeds from sale of investments | 443,482,696 | 588,067,375 |
| Purchases of short-term investments | (963,098,592) | (1,446,623,762) |
| Proceeds from sale of short-term investments | 952,141,896 | 1,458,016,069 |
| Change in dividends and interest receivable | (230,509) | 99,945 |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | 37,052 | (59,844) |
| Change in other payables and accrued expenses | 154,336 | 101,175 |
| Net Cash Provided by (Used in) Operating Activities | (397,797,161) | 319,351,165 |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (152,019) | (44,510) |
| Proceeds from redeemable units issued | 875,834,679 | 256,491,759 |
| Redemption of redeemable units | (477,085,276) | (574,639,612) |
| Net Cash Provided by (Used in) Financing Activities | 398,597,384 | (318,192,363) |
| Net increase (decrease) in cash | 800,223 | 1,158,802 |
| Cash (bank indebtedness) at beginning of period | 1,312,389 | 153,587 |
| Cash (bank indebtedness) at end of period | 2,112,612 | 1,312,389 |
| Dividends received, net of withholding taxes | 5,912,854 | 4,749,390 |
| Interest received, net of withholding taxes | 295,743 | 96,713 |
| Interest paid | (2) | (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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--------------------------------|--------|---------------|-------------------------|--------------------------|------------------------|------------------------------|
| SHORT-TERM NOTES | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.711% | 3-Jan-2019 | 2,000,000 | 1,997,940 | 1,997,940 | |
| Canadian Treasury Bill | 1.690% | 4-Jan-2019 | 1,400,000 | 1,398,889 | 1,398,889 | |
| Canadian Treasury Bill | 1.642% | 10-Jan-2019 | 700,000 | 697,991 | 697,991 | |
| Canadian Treasury Bill | 1.636% | 7-Feb-2019 | 10,100,000 | 10,076,730 | 10,076,730 | |
| | | | | 14,171,550 | 14,171,550 | 1.40 |
| Promissory Note | | | | | | |
| Province of Alberta | 1.901% | 29-Jan-2019 | 3,100,000 | 3,088,902 | 3,088,902 | |
| Province of Manitoba | 1.846% | 12-Feb-2019 | 5,000,000 | 4,989,150 | 4,989,150 | |
| Province of Quebec | 1.843% | 3-Jan-2019 | 1,500,000 | 1,495,695 | 1,495,695 | |
| | | | | 9,573,747 | 9,573,747 | 0.95 |
| Total Short-Term Notes | | | | 23,745,297 | 23,745,297 | 2.35 |
| | | | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
| EQUITIES | | | | | | |
| Energy | | | | | | |
| Concho Resources Inc. | | | 18,615 | 3,436,735 | 2,613,376 | |
| Pioneer Natural Resources Co. | | | 27,641 | 6,246,709 | 4,965,164 | |
| | | | | 9,683,444 | 7,578,540 | 0.75 |
| Materials | | | | | | |
| The Sherwin-Williams Company | | | 30,153 | 13,440,093 | 16,203,886 | |
| Vulcan Materials Co. | | | 78,447 | 11,594,862 | 10,585,743 | |
| | | | | 25,034,955 | 26,789,629 | 2.65 |
| Industrials | | | | | | |
| AMETEK Inc. | | | 86,678 | 7,371,497 | 8,014,670 | |
| Canadian Pacific Railway Ltd. | | | 36,684 | 8,084,583 | 8,899,316 | |
| CoStar Group, Inc. | | | 1,970 | 1,078,135 | 907,658 | |
| Fortive Corp. | | | 71,178 | 5,958,685 | 6,577,576 | |
| Roper Industries Inc. | | | 34,863 | 10,593,712 | 12,690,614 | |
| TransUnion | | | 67,850 | 6,160,500 | 5,263,641 | |
| Union Pacific Corp. | | | 60,445 | 9,343,080 | 11,411,711 | |
| Verisk Analytics Inc. | | | 107,655 | 14,038,550 | 16,032,754 | |
| | | | | 62,628,742 | 69,797,940 | 6.91 |
| Consumer Discretionary | | | | | | |
| Alibaba Group Holding Ltd. | | | 18,793 | 4,375,579 | 3,518,249 | |
| Amazon.com, Inc. | | | 29,685 | 44,535,309 | 60,895,666 | |
| Booking Holdings Inc. | | | 4,037 | 9,084,781 | 9,496,988 | |
| Chipotle Mexican Grill Inc. | | | 5,179 | 3,231,860 | 3,054,264 | |
| Dollar General Corp. | | | 7,145 | 1,006,432 | 1,054,716 | |
| Dollar Tree Inc. | | | 45,155 | 5,393,467 | 5,570,291 | |
| Hilton Worldwide Holdings Inc. | | | 44,748 | 4,608,375 | 4,388,197 | |
| Lululemon Athletica Inc. | | | 17,199 | 1,915,967 | 2,856,673 | |
| Marriott International Inc. | | | 55,817 | 7,911,523 | 8,276,075 | |
| Netflix Inc. | | | 53,244 | 15,206,648 | 19,464,454 | |
| NIKE Inc. | | | 131,669 | 10,592,828 | 13,332,887 | |
| Ross Stores Inc. | | | 92,407 | 9,791,056 | 10,500,652 | |
| Starbucks Corp. | | | 59,100 | 4,237,653 | 5,198,301 | |
| | | | | 121,891,478 | 147,607,413 | 14.61 |
| Consumer Staples | | | | | | |
| Colgate-Palmolive Co. | | | 86,422 | 7,535,200 | 7,025,469 | |
| Constellation Brands Inc. | | | 36,889 | 8,775,625 | 8,102,611 | |
| Costco Wholesale Corp. | | | 25,459 | 6,689,515 | 7,083,400 | |
| Monster Beverage Corp. | | | 27,261 | 1,928,678 | 1,832,616 | |
| Pernod Ricard SA | | | 12,015 | 2,205,297 | 2,688,217 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------------|----------------------|--------------------|--------------------------|
| Philip Morris International Inc. | 48,319 | 6,600,781 | 4,405,775 | |
| The Estee Lauder Companies Inc. | 39,419 | 5,963,912 | 7,004,400 | |
| | | 39,699,008 | 38,142,488 | 3.78 |
| Communication Services | | | | |
| Activision Blizzard Inc. | 208,922 | 16,500,035 | 13,288,577 | |
| Alphabet Inc., Class A | 29,447 | 35,663,121 | 42,027,039 | |
| Alphabet Inc., Class C | 17,223 | 19,775,868 | 24,360,888 | |
| Comcast Corporation, Class A | 154,545 | 6,809,324 | 7,187,207 | |
| Electronic Arts Inc. | 130,394 | 17,886,680 | 14,053,281 | |
| Facebook Inc. | 168,026 | 31,384,101 | 30,083,899 | |
| Spotify Technology SA | 11,408 | 2,723,664 | 1,768,453 | |
| | | 130,742,793 | 132,769,344 | 13.14 |
| Health Care | | | | |
| Abbott Laboratories | 130,150 | 9,748,309 | 12,857,328 | |
| Biogen Inc. | 17,882 | 6,806,227 | 7,349,456 | |
| BioMarin Pharmaceutical Inc. | 19,495 | 2,276,754 | 2,267,232 | |
| Boston Scientific Corp. | 176,010 | 8,482,122 | 8,495,559 | |
| Bristol-Myers Squibb Co. | 88,989 | 6,750,642 | 6,317,724 | |
| Danaher Corp. | 142,287 | 15,782,400 | 20,039,930 | |
| Edwards Lifesciences Corp. | 34,154 | 5,642,253 | 7,145,018 | |
| Elanco Animal Health Inc. | 12,209 | 522,206 | 525,766 | |
| Eli Lilly & Co. | 37,498 | 4,310,976 | 5,926,586 | |
| Illumina Inc. | 9,748 | 4,225,234 | 3,993,222 | |
| Medtronic PLC | 148,165 | 16,170,600 | 18,407,048 | |
| Regeneron Pharmaceuticals Inc. | 6,264 | 3,062,665 | 3,195,438 | |
| Stryker Corp. | 39,935 | 7,779,609 | 8,549,669 | |
| Thermo Fisher Scientific Inc. | 86,258 | 20,124,664 | 26,365,022 | |
| Vertex Pharmaceuticals Inc. | 51,749 | 11,062,032 | 11,712,207 | |
| Zoetis Inc. | 141,242 | 13,544,381 | 16,501,415 | |
| | | 136,291,074 | 159,648,620 | 15.80 |
| Financials | | | | |
| Aon PLC | 78,148 | 13,935,907 | 15,514,967 | |
| Intercontinental Exchange Group Inc. | 142,308 | 12,268,696 | 14,641,493 | |
| MSCI Inc. | 35,358 | 7,530,214 | 7,119,699 | |
| The Charles Schwab Corporation | 92,162 | 5,507,793 | 5,227,594 | |
| | | 39,242,610 | 42,503,753 | 4.21 |
| Real Estate | | | | |
| American Tower Corp. | 78,171 | 12,574,109 | 16,889,343 | |
| | | 12,574,109 | 16,889,343 | 1.67 |
| Information Technology | | | | |
| Adobe Systems Inc. | 136,493 | 29,400,189 | 42,176,238 | |
| Amphenol Corp., Class A | 72,601 | 7,531,487 | 8,033,835 | |
| Analog Devices Inc. | 30,250 | 3,387,430 | 3,546,113 | |
| Apple Inc. | 65,280 | 12,752,553 | 14,064,039 | |
| Cognizant Technology Solutions Corp. | 17,387 | 1,544,683 | 1,507,473 | |
| Fidelity National Information Services Inc. | 79,572 | 9,437,158 | 11,145,101 | |
| Fiserv Inc. | 224,537 | 18,929,573 | 22,537,422 | |
| FleetCor Technologies Inc. | 29,977 | 7,114,509 | 7,603,874 | |
| FLIR Systems Inc. | 44,571 | 2,974,787 | 2,650,506 | |
| Global Payments Inc. | 81,751 | 11,320,546 | 11,515,059 | |
| Intuit Inc. | 63,246 | 12,329,492 | 17,004,214 | |
| MasterCard Inc., Class A | 142,984 | 26,386,639 | 36,841,077 | |
| Microsoft Corp. | 487,673 | 52,544,216 | 67,652,248 | |
| NVIDIA Corp. | 11,671 | 2,395,944 | 2,128,028 | |
| PayPal Holdings Inc. | 113,828 | 10,975,069 | 13,073,189 | |
| PTC Inc. | 21,885 | 2,010,633 | 2,477,931 | |
| Salesforce.com Inc. | 143,193 | 18,890,623 | 26,787,693 | |
| Square Inc., Class A | 33,548 | 3,224,259 | 2,570,042 | |
| Total System Services Inc. | 17,874 | 2,147,331 | 1,984,480 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|--------------------|----------------------|-----------------------|
| Visa Inc., Class A | 261,614 | 34,357,792 | 47,143,902 | |
| Worldpay Inc. | 60,299 | 6,327,691 | 6,294,511 | |
| | | 275,982,604 | 348,736,975 | 34.53 |
| Total Equities | | 853,770,817 | 990,464,045 | 98.05 |
| Transaction Costs | | (96,384) | | |
| Total Investments | | 877,419,730 | 1,014,209,342 | 100.40 |
| Currency Forward Contracts ⁽¹⁾ | | | (24,129) | - |
| Other Assets less Liabilities | | | (3,967,728) | (0.40) |
| Total Net Assets | | | 1,010,217,485 | 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-2019 | USD | 43,589 | CAD | (59,020) | 463 |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | USD | 40,687 | CAD | (55,235) | 288 |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | USD | 50,961 | CAD | (69,444) | 99 |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | USD | 8,679 | CAD | (11,782) | 62 |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | USD | 606 | CAD | (822) | 4 |
| | | | | | | | 916 |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 64,607 | USD | (47,431) | (119) |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 12,062 | USD | (8,950) | (151) |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 172,914 | USD | (128,296) | (2,161) |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 693,890 | USD | (514,839) | (8,673) |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 1,116,347 | USD | (828,286) | (13,941) |
| | | | | | | | (25,045) |
| | | | | | | | (24,129) |

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and 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 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, 2018 and December 31, 2017 are noted below:

| Rating | As a % of Net Assets | |
|--------------|----------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 1.71 | 2.46 |
| AA/Aa | 0.64 | - |
| Total | 2.35 | 2.46 |

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

Sun Life MFS U.S. 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. 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, 2018 and December 31, 2017. Amounts shown are based on the fair value of monetary and non-monetary assets.

| | December 31, 2018 | | December 31, 2017 | |
|----------------------|---|------------------------------|---|------------------------------|
| | Holdings Exposed to Currency Risk (\$CAD) | Percentage of Net Assets (%) | Holdings Exposed to Currency Risk (\$CAD) | Percentage of Net Assets (%) |
| United States Dollar | 980,196,891 | 97.03 | 502,395,457 | 96.24 |
| Euro | 2,688,218 | 0.27 | 3,317,194 | 0.64 |
| Total | 982,885,109 | 97.30 | 505,712,651 | 96.88 |

As at December 31, 2018, 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 \$49,144,255 (\$25,285,633 as at December 31, 2017). 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, 2018 | 23,745,297 | - | - | 23,745,297 |
| December 31, 2017 | 12,788,600 | - | - | 12,788,600 |

As at December 31, 2018, 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 \$19,454 (\$6,796 as at December 31, 2017). 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, 2018, 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 \$49,523,202 (\$25,434,164 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 1.4 | 2.4 |
| Promissory Note | 1.0 | - |
| Equities | | |
| Energy | 0.8 | 0.6 |
| Materials | 2.7 | 3.4 |
| Industrials | 6.9 | 8.8 |
| Consumer Discretionary | 14.6 | 15.2 |
| Consumer Staples | 3.8 | 5.4 |
| Health Care | 15.7 | 11.0 |
| Financials | 4.2 | 9.0 |
| Real Estate | 1.7 | 2.1 |
| Telecommunication Services | - | 0.1 |
| Communication Services | 13.1 | - |
| Information Technology | 34.5 | 41.9 |
| Other Assets less Liabilities | (0.4) | 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Short-Term Investments | - | 23,745,297 | - | 23,745,297 |
| Equities | 990,464,045 | - | - | 990,464,045 |
| Currency Forward Contracts | - | 916 | - | 916 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 25,045 | - | 25,045 |

| | December 31, 2017 | | | Total (\$) |
|----------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$142,338 (\$134,643 for the period ended December 31, 2017).

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, 2018 was \$33,178 (\$71,133 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series AH | 15,334 | 320,052 |
| Series FH | - | - |
| Series F5 | 707 | 11,065 |
| Series IH | 1,029 | 12,801 |
| Series OH | 1,052 | 13,005 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series AH | 14,997 | 319,096 |
| Series FH | 1,021 | 12,626 |
| Series F5 | - | - |
| Series IH | 1,012 | 12,640 |
| Series OH | 1,027 | 12,719 |

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, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series AH | 856 | - | 5,869 |
| Series F | - | - | - |
| Series FH | 13 | 14,440 | - |
| Series F5 | 10,018 | - | 629 |
| Series F8 | 10,016 | 11,405 | 685 |
| Series IH | - | 95 | 283 |
| Series OH | - | - | 299 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series AH | 740 | - | 3,561 |
| Series F | 16 | 12,143 | - |
| Series FH | 29 | - | 166 |
| Series F5 | - | - | - |
| Series F8 | - | - | - |
| Series IH | - | 52 | 223 |
| Series OH | - | 45 | 244 |

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, 2018 and December 31, 2017, SLA held the following position in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series IH | 13,797 | 170,549 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series IH | 13,506 | 167,332 |

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series IH | - | 474 | 3,926 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series IH | 150,000 | 260 | 10,550 |

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, 2018 | | | | |
| Derivative assets - Forward Contracts | 916 | (916) | - | - |
| Total | 916 | (916) | - | - |
| December 31, 2017 | | | | |
| Derivative assets - Forward Contracts | 28,954 | - | - | 28,954 |
| Total | 28,954 | - | - | 28,954 |
| Derivative liabilities - Forward Contracts | (25,045) | 916 | - | (24,129) |
| Total | (25,045) | 916 | - | (24,129) |
| 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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| 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 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 440,757,778 | 465,803,915 |
| Short-term investments | 5,488,617 | 6,444,830 |
| Cash | 237,525 | 236,948 |
| Margin | - | - |
| Option contracts, at fair value - long | - | - |
| Credit default swaps, sell protection | - | - |
| Unrealized appreciation on futures contracts | - | - |
| Unrealized appreciation on currency forward contracts | 298 | 26,771 |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | 13,253 | 502,367 |
| Accrued interest | 3,030 | 2,805 |
| Dividends receivable | 895,284 | 642,909 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 491,721 | 689,955 |
| | 447,887,506 | 474,350,500 |
| 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 | 11,801 | - |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 9,152 | 8,773 |
| Redemptions payable | 88,981 | 581,661 |
| Distributions payable | - | - |
| Due to investment dealers | - | 228,462 |
| Management fees payable | 20,526 | 21,310 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 130,460 | 840,206 |
| Net Assets Attributable to Holders of Redeemable Units | 447,757,046 | 473,510,294 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 31,271,016 | 35,611,583 |
| Series AH | 762,878 | 1,004,348 |
| Series T5 | 103,169 | 101,334 |
| Series T8 | 187,059 | 480,200 |
| Series F | 6,687,759 | 4,966,611 |
| Series FH | 85,736 | 30,077 |
| Series F5 | 10,053 | - |
| Series F8 | 89,339 | - |
| Series I | 400,875,497 | 423,540,055 |
| Series IH | 157,965 | 175,841 |
| Series O | 7,506,295 | 7,577,444 |
| Series OH | 20,280 | 22,801 |

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|---|---------------------------|---------------------------|
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 23.68 | 24.66 |
| Series AH | 17.26 | 19.61 |
| Series T5 | 25.88 | 28.37 |
| Series T8 | 20.97 | 23.63 |
| Series F | 24.73 | 25.83 |
| Series FH | 10.44 | 11.82 |
| Series F5 | 14.39 | - |
| Series F8 | 13.99 | - |
| Series I | 26.18 | 27.31 |
| Series IH | 10.37 | 11.79 |
| Series O | 14.85 | 15.49 |
| Series OH | 10.44 | 11.88 |

Approved on behalf of Trustee

"signed" Rick Headrick
President

"signed" Kari Holdsworth
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

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Investment Income | | |
| Dividend income | 11,557,537 | 6,712,081 |
| Interest income for distribution purposes | 91,253 | 37,862 |
| 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 | 9,494,030 | 9,815,507 |
| Net realized gain (loss) on futures contracts | - | - |
| Net realized gain (loss) on currency forward contracts | (64,540) | 38,447 |
| Net realized gain (loss) on option contracts | - | - |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | (28,922,020) | 13,662,680 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (38,274) | 23,416 |
| Change in unrealized appreciation (depreciation) in option contracts | - | - |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | (7,882,014) | 30,289,993 |
| Net gain (loss) on foreign exchange | (458,167) | (973,007) |
| Other income | - | - |
| Total income (loss) | (8,340,181) | 29,316,986 |
| Expenses (note 6) | | |
| Management fees | 788,668 | 818,068 |
| Administration fees | 338,641 | 244,779 |
| Independent review committee fees | 932 | 967 |
| Withholding tax | 1,361,120 | 796,824 |
| Transaction costs (note 3) | 56,973 | 132,134 |
| Total operating expenses | 2,546,334 | 1,992,772 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (10,886,515) | 27,324,214 |
| Finance Cost | | |
| Interest expense | (18) | (10) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | (10,886,533) | 27,324,204 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (1,296,093) | 2,449,934 |
| Series AH | (109,948) | 117,576 |
| Series T5 | (2,736) | 11,037 |
| Series T8 | (2,119) | 22,834 |
| Series F | (236,827) | 348,846 |
| Series FH | (8,229) | 2,940 |
| Series F5 | 52 | - |
| Series F8 | (7,656) | - |
| Series I | (9,046,949) | 23,762,179 |
| Series IH | (17,417) | 15,612 |
| Series O | (156,326) | 589,463 |
| Series OH | (2,285) | 3,783 |

| | 2018 (\$) | 2017 (\$) |
|---|--------------|--------------|
| Weighted Average Number of Units Outstanding | | |
| Series A | 1,391,074 | 1,413,561 |
| Series AH | 50,590 | 48,643 |
| Series T5 | 4,094 | 5,740 |
| Series T8 | 11,663 | 18,501 |
| Series F | 220,447 | 185,310 |
| Series FH | 5,584 | 1,876 |
| Series F5 | 681 | - |
| Series F8 | 8,209 | - |
| Series I | 15,151,274 | 9,883,302 |
| Series IH | 14,900 | 9,667 |
| Series O | 505,483 | 399,535 |
| Series OH | 1,912 | 2,252 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.93) | 1.73 |
| Series AH | (2.17) | 2.42 |
| Series T5 | (0.67) | 1.92 |
| Series T8 | (0.18) | 1.23 |
| Series F | (1.07) | 1.88 |
| Series FH | (1.47) | 1.57 |
| Series F5 | 0.08 | - |
| Series F8 | (0.93) | - |
| Series I | (0.60) | 2.40 |
| Series IH | (1.17) | 1.61 |
| Series O | (0.31) | 1.48 |
| Series OH | (1.20) | 1.68 |

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 | |
|---|----------------------|-------------------|----------------|------------------|----------------|----------------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 35,611,583 | 27,946,776 | 1,004,348 | 759,143 | 101,334 | 166,724 | 480,200 | 247,595 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,296,093) | 2,449,934 | (109,948) | 117,576 | (2,736) | 11,037 | (2,119) | 22,834 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 9,688,516 | 14,572,875 | 98,027 | 193,308 | 27,750 | 88,304 | 104,596 | 618,468 |
| Redemption of redeemable units | \$ (12,732,875) | (9,358,229) | (229,545) | (65,684) | (19,852) | (161,792) | (387,353) | (384,474) |
| Reinvestment of distributions to holders of redeemable units | \$ 7,366 | 7,063 | 940 | 860 | 2,495 | 5,002 | 13,264 | 11,068 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ (3,036,993) | 5,221,709 | (130,578) | 128,484 | 10,393 | (68,486) | (269,493) | 245,062 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | - | - | - | - | - | - |
| From net investment income | \$ (7,481) | (6,836) | (944) | (855) | (5,280) | - | (19,525) | (118) |
| Return of capital | \$ - | - | - | - | (542) | (7,941) | (2,004) | (35,173) |
| | \$ (7,481) | (6,836) | (944) | (855) | (5,822) | (7,941) | (21,529) | (35,291) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (4,340,567) | 7,664,807 | (241,470) | 245,205 | 1,835 | (65,390) | (293,141) | 232,605 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 31,271,016 | 35,611,583 | 762,878 | 1,004,348 | 103,169 | 101,334 | 187,059 | 480,200 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 1,444,103 | 1,220,648 | 51,216 | 44,111 | 3,572 | 6,026 | 20,320 | 10,422 |
| Units issued | 388,586 | 616,070 | 5,140 | 10,627 | 1,018 | 3,150 | 4,377 | 25,909 |
| Units issued on reinvestment of distributions | 296 | 295 | 49 | 47 | 90 | 178 | 584 | 466 |
| Units redeemed | (512,401) | (392,910) | (12,201) | (3,569) | (694) | (5,782) | (16,362) | (16,477) |
| Balance - end of period | 1,320,584 | 1,444,103 | 44,204 | 51,216 | 3,986 | 3,572 | 8,919 | 20,320 |

| | Series F | | Series F5 | | Series F8 | | Series FH | |
|---|---------------------|------------------|---------------|----------|---------------|----------|---------------|---------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 4,966,611 | 3,017,509 | - | - | - | - | 30,077 | 10,488 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (236,827) | 348,846 | 52 | - | (7,656) | - | (8,229) | 2,940 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 4,010,258 | 3,820,266 | 10,000 | - | 210,557 | - | 64,937 | 16,649 |
| Redemption of redeemable units | \$ (2,045,840) | (2,219,702) | - | - | (105,380) | - | (1,007) | - |
| Reinvestment of distributions to holders of redeemable units | \$ 87,770 | 4,299 | 485 | - | 845 | - | 1,342 | 141 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 2,052,188 | 1,604,863 | 10,485 | - | 106,022 | - | 65,272 | 16,790 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | - | - | - | - | - | - |
| From net investment income | \$ (94,213) | (4,607) | (484) | - | (9,027) | - | (1,384) | (141) |
| Return of capital | \$ - | - | - | - | - | - | - | - |
| | \$ (94,213) | (4,607) | (484) | - | (9,027) | - | (1,384) | (141) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 1,721,148 | 1,949,102 | 10,053 | - | 89,339 | - | 55,659 | 19,589 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 6,687,759 | 4,966,611 | 10,053 | - | 89,339 | - | 85,736 | 30,077 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 192,266 | 127,106 | - | - | - | - | 2,544 | 1,017 |
| Units issued | 152,541 | 154,913 | 667 | - | 13,313 | - | 5,620 | 1,515 |
| Units issued on reinvestment of distributions | 3,666 | 166 | 32 | - | 56 | - | 132 | 12 |
| Units redeemed | (78,059) | (89,919) | - | - | (6,985) | - | (84) | - |
| Balance - end of period | 270,414 | 192,266 | 699 | - | 6,384 | - | 8,212 | 2,544 |

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 | |
|---|------------------|---------------|-----------|---------|-------------|-------------|-----------|----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 423,540,055 | 90,806,768 | 175,841 | 10,536 | 7,577,444 | 4,488,925 | 22,801 | 29,108 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (9,046,949) | 23,762,179 | (17,417) | 15,612 | (156,326) | 589,463 | (2,285) | 3,783 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 146,540,253 | 424,497,272 | - | 150,000 | 2,456,684 | 3,770,971 | - | - |
| Redemption of redeemable units | \$ (160,157,862) | (115,526,163) | (459) | (307) | (2,371,652) | (1,271,915) | (236) | (10,090) |
| Reinvestment of distributions to holders of redeemable units | \$ 8,912,326 | 4,996,381 | 3,629 | 2,031 | 161,741 | 79,681 | 441 | 218 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ (4,705,283) | 313,967,490 | 3,170 | 151,724 | 246,773 | 2,578,737 | 205 | (9,872) |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | - | - | - | - | - | - |
| From net investment income | \$ (8,912,326) | (4,996,382) | (3,629) | (2,031) | (161,596) | (79,681) | (441) | (218) |
| Return of capital | \$ - | - | - | - | - | - | - | - |
| | \$ (8,912,326) | (4,996,382) | (3,629) | (2,031) | (161,596) | (79,681) | (441) | (218) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (22,664,558) | 332,733,287 | (17,876) | 165,305 | (71,149) | 3,088,519 | (2,521) | (6,307) |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 400,875,497 | 423,540,055 | 157,965 | 175,841 | 7,506,295 | 7,577,444 | 20,280 | 22,801 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 15,510,082 | 3,625,288 | 14,916 | 1,021 | 489,340 | 315,912 | 1,920 | 2,824 |
| Units issued | 5,314,988 | 16,058,383 | - | 13,751 | 154,233 | 253,821 | - | - |
| Units issued on reinvestment of distributions | 352,242 | 179,690 | 359 | 171 | 11,272 | 5,053 | 43 | 18 |
| Units redeemed | (5,866,163) | (4,353,279) | (39) | (27) | (149,283) | (85,446) | (20) | (922) |
| Balance - end of period | 15,311,149 | 15,510,082 | 15,236 | 14,916 | 505,562 | 489,340 | 1,943 | 1,920 |
| | Total | | | | | | | |
| | 2018 | 2017 | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 473,510,294 | 127,483,572 | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (10,886,533) | 27,324,204 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 163,211,578 | 447,728,113 | | | | | | |
| Redemption of redeemable units | \$ (178,052,061) | (128,998,356) | | | | | | |
| Reinvestment of distributions to holders of redeemable units | \$ 9,192,644 | 5,106,744 | | | | | | |
| Capitalized distributions | \$ - | - | | | | | | |
| | \$ (5,647,839) | 323,836,501 | | | | | | |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ - | - | | | | | | |
| From net investment income | \$ (9,216,330) | (5,090,869) | | | | | | |
| Return of capital | \$ (2,546) | (43,114) | | | | | | |
| | \$ (9,218,876) | (5,133,983) | | | | | | |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (25,753,248) | 346,026,722 | | | | | | |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 447,757,046 | 473,510,294 | | | | | | |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 17,730,279 | 5,354,375 | | | | | | |
| Units issued | 6,040,483 | 17,138,139 | | | | | | |
| Units issued on reinvestment of distributions | 368,821 | 186,096 | | | | | | |
| Units redeemed | (6,642,291) | (4,948,331) | | | | | | |
| Balance - end of period | 17,497,292 | 17,730,279 | | | | | | |

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

| | 2018 (\$) | 2017 (\$) |
|---|----------------------|---------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (10,886,533) | 27,324,204 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (9,494,030) | (9,815,507) |
| Change in unrealized (appreciation) depreciation in value of investments | 28,922,020 | (13,662,680) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 38,274 | (23,416) |
| Change in unrealized (appreciation) depreciation in option contracts | - | - |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | - | - |
| Purchases of investments | (131,919,467) | (424,404,149) |
| Proceeds from sale of investments | 137,741,294 | 106,785,097 |
| Purchases of short-term investments | (413,645,471) | (915,483,593) |
| Proceeds from sale of short-term investments | 414,601,683 | 910,938,763 |
| Change in dividends and interest receivable | (252,600) | (460,677) |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | (784) | (41,084) |
| Change in other payables and accrued expenses | 57,352 | 128,968 |
| Net Cash Provided by (Used in) Operating Activities | 15,161,738 | (318,714,074) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (26,232) | (27,246) |
| Proceeds from redeemable units issued | 163,409,812 | 447,465,566 |
| Redemption of redeemable units | (178,544,741) | (128,834,879) |
| Net Cash Provided by (Used in) Financing Activities | (15,161,161) | 318,603,441 |
| Net increase (decrease) in cash | 577 | (110,633) |
| Cash (bank indebtedness) at beginning of period | 236,948 | 347,581 |
| Cash (bank indebtedness) at end of period | 237,525 | 236,948 |
| Dividends received, net of withholding taxes | 9,944,042 | 5,453,836 |
| Interest received, net of withholding taxes | 91,028 | 38,606 |
| Interest paid | (18) | (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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------|--------|---------------|-----------|-------------------|------------------|-----------------------|
| SHORT-TERM NOTES | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.705% | 4-Jan-2019 | 1,200,000 | 1,198,992 | 1,198,992 | |
| Canadian Treasury Bill | 1.620% | 7-Feb-2019 | 1,700,000 | 1,695,267 | 1,695,267 | |
| | | | | 2,894,259 | 2,894,259 | 0.65 |
| Promissory Note | | | | | | |
| Province of Manitoba | 1.846% | 12-Feb-2019 | 2,600,000 | 2,594,358 | 2,594,358 | |
| | | | | 2,594,358 | 2,594,358 | 0.58 |
| Total Short-Term Notes | | | | 5,488,617 | 5,488,617 | 1.23 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------------|------------------|-------------------|-------------------|-----------------------|
| EQUITIES | | | | |
| Energy | | | | |
| Chevron Corp. | 20,441 | 2,713,674 | 3,037,241 | |
| EOG Resources Inc. | 33,355 | 3,893,198 | 3,972,970 | |
| Exxon Mobil Corp. | 28,675 | 2,902,658 | 2,670,621 | |
| Occidental Petroleum Corp. | 34,357 | 2,832,464 | 2,880,250 | |
| Schlumberger Ltd. | 102,818 | 8,622,741 | 5,066,683 | |
| | | 20,964,735 | 17,627,765 | 3.94 |
| Materials | | | | |
| Crown Holdings Inc. | 15,803 | 1,098,581 | 897,238 | |
| DowDuPont Inc. | 20,349 | 1,606,559 | 1,486,355 | |
| PPG Industries Inc. | 63,840 | 8,669,229 | 8,913,727 | |
| The Sherwin-Williams Company | 8,206 | 3,657,005 | 4,409,813 | |
| | | 15,031,374 | 15,707,133 | 3.51 |
| Industrials | | | | |
| 3M Co. | 19,085 | 4,557,153 | 4,966,682 | |
| Canadian National Railway Co. | 25,856 | 2,463,400 | 2,617,136 | |
| Eaton Corporation PLC | 46,367 | 4,417,348 | 4,348,113 | |
| Equifax Inc. | 25,228 | 3,707,038 | 3,208,932 | |
| HD Supply Holdings Inc. | 21,402 | 878,134 | 1,096,744 | |
| Honeywell International Inc. | 46,884 | 7,276,231 | 8,460,213 | |
| Illinois Tool Works Inc. | 36,778 | 6,390,737 | 6,363,829 | |
| Ingersoll-Rand PLC | 32,733 | 3,692,772 | 4,078,604 | |
| Johnson Controls International PLC | 178,267 | 9,242,785 | 7,219,111 | |
| Lockheed Martin Corp. | 7,005 | 2,182,564 | 2,505,141 | |
| Northrop Grumman Corp. | 22,352 | 7,508,394 | 7,476,412 | |
| Stanley Black & Decker Inc. | 25,235 | 4,330,702 | 4,126,964 | |
| Union Pacific Corp. | 28,040 | 4,046,489 | 5,293,810 | |
| United Parcel Service Inc., Class B | 18,696 | 2,525,689 | 2,490,434 | |
| United Technologies Corp. | 33,310 | 4,977,311 | 4,844,297 | |
| | | 68,196,747 | 69,096,422 | 15.43 |
| Consumer Discretionary | | | | |
| Aptiv PLC | 39,208 | 3,576,354 | 3,297,098 | |
| Hanesbrands Inc. | 80,709 | 2,319,601 | 1,381,214 | |
| Harley-Davidson Inc. | 11,736 | 765,154 | 546,912 | |
| Lear Corp. | 5,414 | 953,123 | 908,483 | |
| | | 7,614,232 | 6,133,707 | 1.37 |
| Consumer Staples | | | | |
| Altria Group Inc. | 44,145 | 3,664,066 | 2,977,890 | |
| Archer-Daniels-Midland Co. | 40,849 | 2,195,844 | 2,285,785 | |
| Colgate-Palmolive Co. | 11,229 | 961,132 | 912,835 | |
| Danone SA | 16,549 | 1,545,683 | 1,589,322 | |
| Diageo PLC | 124,821 | 4,804,349 | 6,068,653 | |
| General Mills Inc. | 75,820 | 5,021,904 | 4,032,439 | |
| Kimberly-Clark Corp. | 10,406 | 1,461,106 | 1,619,378 | |
| Nestle SA | 64,346 | 6,619,476 | 7,114,193 | |
| PepsiCo, Inc. | 16,541 | 2,406,069 | 2,495,936 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|--------------------|--------------------|-----------------------|
| Philip Morris International Inc. | 115,227 | 15,386,171 | 10,506,514 | |
| Reckitt Benckiser Group PLC | 21,998 | 2,500,523 | 2,300,897 | |
| The J.M. Smucker Company | 13,485 | 2,071,350 | 1,721,885 | |
| The Procter & Gamble Co. | 10,358 | 1,128,665 | 1,300,391 | |
| | | 49,766,338 | 44,926,118 | 10.03 |
| Real Estate | | | | |
| Public Storage | 6,604 | 1,783,744 | 1,825,690 | |
| | | 1,783,744 | 1,825,690 | 0.41 |
| Health Care | | | | |
| Abbott Laboratories | 62,799 | 3,782,513 | 6,203,821 | |
| CIGNA Corp. | 26,106 | 6,031,027 | 6,771,722 | |
| Danaher Corp. | 49,440 | 5,078,861 | 6,963,209 | |
| Johnson & Johnson | 96,919 | 15,249,898 | 17,082,641 | |
| McKesson Corp. | 20,108 | 4,016,858 | 3,033,900 | |
| Medtronic PLC | 103,688 | 10,925,297 | 12,881,517 | |
| Merck & Co., Inc. | 52,296 | 4,022,194 | 5,457,663 | |
| Novartis AG | 10,521 | 1,092,282 | 1,225,023 | |
| Pfizer Inc. | 212,544 | 8,982,839 | 12,671,300 | |
| Roche Holding AG | 4,298 | 1,379,556 | 1,449,400 | |
| Thermo Fisher Scientific Inc. | 18,309 | 3,907,335 | 5,596,202 | |
| | | 64,468,660 | 79,336,398 | 17.72 |
| Financials | | | | |
| American Express Co. | 32,805 | 3,611,876 | 4,270,829 | |
| Aon PLC | 48,176 | 7,727,260 | 9,564,532 | |
| BlackRock Inc. | 8,356 | 4,391,247 | 4,483,117 | |
| Chubb Ltd. | 52,292 | 9,121,060 | 9,226,109 | |
| Citigroup Inc. | 118,550 | 9,892,550 | 8,429,344 | |
| JPMorgan Chase & Co. | 154,723 | 17,277,922 | 20,629,170 | |
| MetLife Inc. | 77,852 | 4,610,344 | 4,365,930 | |
| Moodys Corp. | 14,410 | 2,228,836 | 2,756,158 | |
| Prudential Financial Inc. | 10,975 | 1,372,668 | 1,222,409 | |
| State Street Corp. | 44,315 | 4,690,476 | 3,817,347 | |
| T Rowe Price Group Inc. | 18,628 | 1,966,497 | 2,348,822 | |
| The Bank of New York Mellon Corp. | 82,539 | 5,053,074 | 5,306,296 | |
| The Goldman Sachs Group Inc. | 32,830 | 8,998,096 | 7,490,407 | |
| The NASDAQ OMX Group Inc. | 45,544 | 3,977,556 | 5,073,991 | |
| The PNC Financial Services Group Inc. | 38,944 | 6,038,133 | 6,218,423 | |
| The Travelers Companies Inc. | 56,087 | 8,544,600 | 9,173,304 | |
| U.S. Bancorp | 156,150 | 10,009,773 | 9,746,446 | |
| Wells Fargo & Co. | 217,797 | 14,703,751 | 13,707,316 | |
| | | 124,215,719 | 127,829,950 | 28.55 |
| Information Technology | | | | |
| Accenture PLC | 67,516 | 10,474,323 | 13,003,034 | |
| Amdocs Ltd. | 14,030 | 1,148,577 | 1,122,523 | |
| Analog Devices Inc. | 21,820 | 2,486,811 | 2,557,890 | |
| Cognizant Technology Solutions Corp. | 25,779 | 2,319,840 | 2,235,070 | |
| DXC Technology Co. | 22,854 | 2,143,944 | 1,659,652 | |
| Fidelity National Information Services Inc. | 40,607 | 4,335,707 | 5,687,542 | |
| Fiserv Inc. | 47,305 | 3,703,871 | 4,748,138 | |
| Texas Instruments Inc. | 56,903 | 5,863,079 | 7,344,378 | |
| | | 32,476,152 | 38,358,227 | 8.57 |
| Communication Services | | | | |
| Comcast Corporation, Class A | 246,073 | 11,024,798 | 11,443,771 | |
| Omnicom Group Inc. | 60,671 | 5,913,758 | 6,069,006 | |
| The Interpublic Group of Companies Inc. | 122,860 | 3,542,648 | 3,461,767 | |
| Verizon Communications Inc. | 40,193 | 2,289,614 | 3,086,237 | |
| | | 22,770,818 | 24,060,781 | 5.37 |
| Utilities | | | | |
| Duke Energy Corporation | 74,179 | 7,689,135 | 8,743,390 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|--------------------|--------------------|-----------------------|
| The Southern Co. | 83,024 | 5,022,593 | 4,980,283 | |
| Xcel Energy Inc. | 31,681 | 1,826,203 | 2,131,914 | |
| | | 14,537,931 | 15,855,587 | 3.54 |
| Total Equities | | 421,826,450 | 440,757,778 | 98.44 |
| Transaction Costs | | (112,959) | | |
| Total Investments | | 427,202,108 | 446,246,395 | 99.67 |
| Currency Forward Contracts ⁽¹⁾ | | | (11,503) | - |
| Other Assets less Liabilities | | | 1,522,154 | 0.33 |
| Total Net Assets | | | 447,757,046 | 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-2019 | USD | 26,313 | CAD | (35,722) | 187 |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | USD | 3,552 | CAD | (4,787) | 60 |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | USD | 5,417 | CAD | (7,354) | 38 |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | USD | 773 | CAD | (1,042) | 13 |
| | | | | | | | 298 |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 19,163 | USD | (14,218) | (240) |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 81,394 | USD | (60,391) | (1,017) |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 144,553 | USD | (107,253) | (1,807) |
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 699,575 | USD | (519,057) | (8,737) |
| | | | | | | | (11,801) |
| | | | | | | | (11,503) |

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and 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 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, 2018 and December 31, 2017 are noted below:

| Rating | As a % of Net Assets | |
|--------------|----------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 0.65 | 1.27 |
| AA/Aa | 0.58 | 0.10 |
| Total | 1.23 | 1.37 |

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. 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. 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, 2018 and December 31, 2017. 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, 2018 | Percentage of Net Assets (%) | December 31, 2017 | Percentage of Net Assets (%) |
| United States Dollar | 421,033,331 | 94.03 | 445,584,415 | 94.10 |
| Swiss Franc | 9,788,623 | 2.19 | 9,986,178 | 2.11 |
| British Pound | 8,369,550 | 1.87 | 8,383,775 | 1.77 |
| Euro | 1,589,322 | 0.35 | 1,712,344 | 0.36 |
| Total | 440,780,826 | 98.44 | 465,666,712 | 98.34 |

As at December 31, 2018, 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 \$22,039,041 (\$23,283,336 as at December 31, 2017). 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, 2018 | 5,488,617 | - | - | 5,488,617 |
| December 31, 2017 | 6,444,830 | - | - | 6,444,830 |

As at December 31, 2018, 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 \$4,953 (\$2,460 as at December 31, 2017). 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, 2018, 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 \$22,037,889 (\$23,290,196 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 0.7 | 1.3 |
| Promissory Note | 0.6 | - |
| Equities | | |
| Energy | 3.9 | 5.0 |
| Materials | 3.5 | 4.1 |
| Industrials | 15.4 | 14.9 |
| Consumer Discretionary | 1.4 | 6.9 |
| Consumer Staples | 10.0 | 11.6 |
| Real Estate | 0.4 | 0.4 |
| Health Care | 17.7 | 13.7 |
| Financials | 28.6 | 31.1 |
| Information Technology | 8.6 | 7.8 |
| Telecommunication Services | - | 0.8 |
| Communication Services | 5.4 | - |
| Utilities | 3.5 | 2.1 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Short-Term Investments | - | 5,488,617 | - | 5,488,617 |
| Equities | 440,757,778 | - | - | 440,757,778 |
| Currency Forward Contracts | - | 298 | - | 298 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 11,801 | - | 11,801 |

| | December 31, 2017 | | | Total (\$) |
|----------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$56,973 (\$132,134 for the period ended December 31, 2017).

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, 2018 was \$10,821 (\$68,844 for the period ended December 31, 2017).

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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series AH | 15,193 | 262,202 |
| Series FH | 1,044 | 10,899 |
| Series F5 | 699 | 10,053 |
| Series F8 | 718 | 10,052 |
| Series IH | 1,034 | 10,794 |
| Series OH | 1,057 | 10,962 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series AH | 15,151 | 297,114 |
| Series FH | 1,024 | 12,106 |
| Series F5 | - | - |
| Series F8 | - | - |
| Series IH | 1,018 | 12,090 |
| Series OH | 1,032 | 12,171 |

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, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series AH | 713 | - | - |
| Series F | - | - | - |
| Series FH | 29 | - | 172 |
| Series F5 | 10,017 | - | 468 |
| Series F8 | 10,017 | - | 758 |
| Series IH | - | 81 | 234 |
| Series OH | - | - | 252 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series AH | 705 | - | - |
| Series F | 16 | 12,048 | - |
| Series FH | 29 | - | 44 |
| Series F5 | - | - | - |
| Series F8 | - | - | - |
| Series IH | - | 50 | 115 |
| Series OH | - | 46 | 141 |

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, 2018 and December 31, 2017, SLA held the following position in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series IH | 14,174 | 146,948 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series IH | 13,883 | 163,667 |

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series IH | - | 419 | 3,378 |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series IH | 150,000 | 256 | 11,158 |

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, 2018 | | | | |
| Derivative assets - Forward Contracts | 298 | (298) | - | - |
| Total | 298 | (298) | - | - |
| December 31, 2017 | | | | |
| Derivative assets - Forward Contracts | 26,771 | - | - | 26,771 |
| Total | 26,771 | - | - | 26,771 |
| 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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| 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 |

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

Sun Life Milestone 2020 Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 88,437,822 | 105,227,311 |
| Short-term investments | - | - |
| Cash | 5,921 | 374,423 |
| 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 | 104,322 | 55,815 |
| Accrued interest | - | - |
| Dividends receivable | - | - |
| Distributions receivable from underlying funds | - | 61 |
| Subscriptions receivable | 5,050 | 2,460 |
| | 88,553,115 | 105,660,070 |
| 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 | 14 | 268 |
| Redemptions payable | 11,743 | 132,515 |
| Distributions payable | - | - |
| Due to investment dealers | 82,858 | - |
| Management fees payable | 27,800 | 27,196 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 122,415 | 159,979 |
| Net Assets Attributable to Holders of Redeemable Units | 88,430,700 | 105,500,091 |
| Net Assets Attributable to Holders of Redeemable Units per Unit - Series A (note 5) | \$ 11.73 | 11.64 |

Approved on behalf of Trustee

| | |
|-------------------------------------|---|
| "signed" Rick Headrick President | "signed" Kari Holdsworth Chief Financial Officer |
|-------------------------------------|---|

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|------------------|--------------|
| Investment Income | | |
| Dividend income | - | - |
| Interest income for distribution purposes | 1,847,800 | 2,019,583 |
| Distributions from underlying funds | - | 386,093 |
| Changes in fair value on financial assets and financial liabilities at fair value through profit or loss | | |
| Net realized gain (loss) on sale of investments | (415,428) | 132,978 |
| 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 | 262,056 | (1,628,710) |
| 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 | 1,694,428 | 909,944 |
| Net gain (loss) on foreign exchange | - | - |
| Other income | - | - |
| Total income (loss) | 1,694,428 | 909,944 |
| Expenses (note 6) | | |
| Management fees | 1,047,531 | 1,344,331 |
| Administration fees | - | - |
| Independent review committee fees | 1,779 | 2,370 |
| Withholding tax | - | - |
| Transaction costs (note 3) | - | - |
| Total operating expenses | 1,049,310 | 1,346,701 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | 645,118 | (436,757) |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) - Series A | | |
| | 645,118 | (436,757) |
| Weighted Average Number of Units Outstanding - Series A | | |
| | 8,211,157 | 9,801,268 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) - Series A | | |
| | 0.08 | (0.04) |

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

| | Total | |
|---|-----------------|--------------|
| | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 105,500,091 | 122,268,466 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 645,118 | (436,757) |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | \$ 19,319,945 | 14,260,053 |
| Redemption of redeemable units | \$ (37,033,564) | (30,591,708) |
| Reinvestment of distributions to holders of redeemable units | \$ 20,116 | 22,925 |
| Capitalized distributions | \$ 745,032 | 1,087,966 |
| | \$ (16,948,471) | (15,220,764) |
| Distributions to Holders of Redeemable Units | | |
| From capital gains | \$ - | (104,034) |
| From net investment income | \$ (766,038) | (1,006,820) |
| Return of capital | \$ - | - |
| | \$ (766,038) | (1,110,854) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (17,069,391) | (16,768,375) |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 88,430,700 | 105,500,091 |
| Redeemable Unit Transactions | | |
| Balance - beginning of period | 9,060,272 | 10,453,973 |
| Units issued | 1,657,347 | 1,219,566 |
| Units issued on reinvestment of distributions | 1,757 | 1,955 |
| Units redeemed | (3,177,317) | (2,615,222) |
| Balance - end of period | 7,542,059 | 9,060,272 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|---------------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 645,118 | (436,757) |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | 415,428 | (132,978) |
| Change in unrealized (appreciation) depreciation in value of investments | (262,056) | 1,628,710 |
| 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 | - | - |
| Non-cash income distributions from underlying funds | - | (386,093) |
| Change in margin | - | - |
| Purchases of investments | (22,118,230) | (16,712,469) |
| Proceeds from sale of investments | 38,788,698 | 32,450,831 |
| 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 | (61) |
| Change in management fees payable | 604 | (139,861) |
| Change in other payables and accrued expenses | (254) | 268 |
| Net Cash Provided by (Used in) Operating Activities | 17,469,369 | 16,271,590 |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (890) | 37 |
| Proceeds from redeemable units issued | 19,317,355 | 14,270,534 |
| Redemption of redeemable units | (37,154,336) | (30,461,999) |
| Net Cash Provided by (Used in) Financing Activities | (17,837,871) | (16,191,428) |
| Net increase (decrease) in cash | (368,502) | 80,162 |
| Cash (bank indebtedness) at beginning of period | 374,423 | 294,261 |
| Cash (bank indebtedness) at end of period | 5,921 | 374,423 |
| Dividends received, net of withholding taxes | - | - |
| Interest received, net of withholding taxes | 1,778 | 985 |
| Interest paid | - | - |

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

Sun Life Milestone 2020 Fund (continued)

Schedule of Investments

As at December 31, 2018

| | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets | |
|---|---------------|------------|------------------------|--------------------------|------------------------|------------------------------|
| BONDS | | | | | | |
| Federal Bonds | | | | | | |
| Government of Canada, Residual Strip | 1-Jun-2020 | 966,756 | 939,481 | 942,285 | | |
| | | | 939,481 | 942,285 | 1.07 | |
| Provincial Bonds | | | | | | |
| Hydro Quebec, Interest Strip | 15-Jan-2020 | 2,220,000 | 2,185,812 | 2,171,675 | | |
| Hydro Quebec, Interest Strip | 15-Feb-2020 | 6,300,000 | 6,129,933 | 6,157,263 | | |
| Newfoundland & Labrador Hydro, Coupon Strip | 14-Jan-2020 | 927,000 | 903,296 | 906,671 | | |
| Newfoundland & Labrador Hydro, Coupon Strip | 27-Feb-2020 | 1,503,000 | 1,460,155 | 1,463,140 | | |
| Ontario Electricity Financial Corp. | 11-Apr-2020 | 1,452,000 | 1,426,782 | 1,412,737 | | |
| Ontario Hydro Corp., Coupon Strip | 15-Apr-2020 | 507,000 | 498,119 | 493,303 | | |
| Ontario Hydro Corp., Coupon Strip | 26-May-2020 | 4,990,000 | 4,819,711 | 4,841,027 | | |
| Ontario Hydro Corp., Coupon Strip | 27-May-2020 | 1,230,000 | 1,203,858 | 1,193,749 | | |
| Prince Edward Island, Generic Strip | 17-Jul-2019 | 320,000 | 316,244 | 316,389 | | |
| Prince Edward Island, Generic Strip | 17-Jan-2020 | 2,308,000 | 2,258,109 | 2,253,832 | | |
| Prince Edward Island, Generic Strip | 29-Jan-2020 | 835,000 | 822,348 | 815,038 | | |
| Province of Alberta, Coupon Strip | 1-Dec-2019 | 374,000 | 368,359 | 366,797 | | |
| Province of Alberta, Coupon Strip | 1-Jun-2020 | 983,000 | 962,343 | 952,940 | | |
| Province of British Columbia, Interest Strip | 8-Mar-2020 | 1,763,269 | 1,714,267 | 1,720,448 | | |
| Province of British Columbia, Interest Strip | 9-Jun-2020 | 4,670,000 | 4,522,476 | 4,533,435 | | |
| Province of British Columbia, Interest Strip | 18-Jun-2020 | 2,991,000 | 2,912,441 | 2,901,537 | | |
| Province of Manitoba, Coupon Strip | 5-Mar-2020 | 2,175,000 | 2,135,234 | 2,122,264 | | |
| Province of New Brunswick, Generic Coupon Strip | 3-Jun-2019 | 1,952,000 | 1,941,448 | 1,935,751 | | |
| Province of New Brunswick, Generic Coupon Strip | 3-Dec-2019 | 2,610,000 | 2,552,123 | 2,558,981 | | |
| Province of New Brunswick, Generic Coupon Strip | 3-Jun-2020 | 2,575,000 | 2,483,938 | 2,493,033 | | |
| Province of Newfoundland, Coupon Strip | 17-Apr-2020 | 6,359,000 | 6,192,241 | 6,181,628 | | |
| Province of Nova Scotia, Generic Strip | 1-Dec-2019 | 100,000 | 98,329 | 98,096 | | |
| Province of Nova Scotia, Generic Strip | 2-Dec-2019 | 2,582,000 | 2,525,851 | 2,534,262 | | |
| Province of Nova Scotia, Generic Strip | 1-Jun-2020 | 540,000 | 529,524 | 524,030 | | |
| Province of Nova Scotia, Generic Strip | 2-Jun-2020 | 747,000 | 732,483 | 724,909 | | |
| Province of Ontario, Generic Coupon Strip | 2-Jun-2020 | 23,219,000 | 22,732,655 | 22,542,191 | | |
| Province of Ontario, Generic Coupon Strip | 20-Jun-2020 | 368,000 | 361,042 | 356,365 | | |
| Province of Quebec, Coupon Strip | 31-Mar-2020 | 874,000 | 852,325 | 852,480 | | |
| Province of Quebec, Coupon Strip | 1-Apr-2020 | 450,000 | 439,030 | 438,318 | | |
| Province of Quebec, Coupon Strip | 1-Jun-2020 | 7,685,000 | 7,450,005 | 7,460,902 | | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2019 | 4,725 | 4,697 | 4,691 | | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2019 | 54,600 | 54,293 | 54,184 | | |
| Province of Saskatchewan, Coupon Strip | 30-Nov-2019 | 316,000 | 311,838 | 309,920 | | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2019 | 204,725 | 201,895 | 201,017 | | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2019 | 54,600 | 53,874 | 53,608 | | |
| Province of Saskatchewan, Coupon Strip | 5-Mar-2020 | 2,447,000 | 2,380,077 | 2,387,384 | | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2020 | 204,725 | 200,062 | 198,717 | | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2020 | 54,600 | 53,401 | 53,011 | | |
| | | | 86,790,618 | 86,585,723 | 97.92 | |
| Total Bonds | | | 87,730,099 | 87,528,008 | 98.99 | |
| | | | | | | |
| | | | Number of Units | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
| MUTUAL FUNDS | | | | | | |
| Sun Life Milestone Global Equity Fund, Series I | | 42,336 | 1,021,918 | 909,814 | | |
| | | | 1,021,918 | 909,814 | 1.03 | |
| Total Investments | | | 88,752,017 | 88,437,822 | 100.02 | |
| Other Assets less Liabilities | | | | (7,122) | (0.02) | |
| Total Net Assets | | | | 88,430,700 | 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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 1.07 | 12.74 |
| AA/Aa | 47.32 | 42.55 |
| A/A | 46.20 | 38.88 |
| Not Rated | 4.40 | 3.61 |
| Total | 98.99 | 97.78 |

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, 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, 2018 | 8,433,696 | 79,094,312 | - | 87,528,008 |
| December 31, 2017 | - | 103,163,470 | - | 103,163,470 |

As at December 31, 2018, 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 \$1,119,385 (\$2,353,883 as at December 31, 2017). 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, 2018 and 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.

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, 2018 | December 31, 2017 |
| Bonds | | |
| Federal Bonds | 1.1 | 12.7 |
| Provincial Bonds | 97.9 | 85.0 |
| Mutual Fund | | |
| Global Equities | 1.0 | 2.0 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|-------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Bonds | - | 87,528,008 | - | 87,528,008 |
| Mutual Fund | 909,814 | - | - | 909,814 |

| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018, the effective guaranteed unit value of the Fund is \$11.72499.

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$248,505 (\$nil as at December 31, 2017). 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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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 |

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

Sun Life Milestone 2025 Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 100,221,168 | 112,373,743 |
| Short-term investments | - | - |
| Cash | 72,241 | - |
| 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 | 275,972 | 82,748 |
| Accrued interest | 5,765 | - |
| Dividends receivable | - | - |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 21,310 | 7,260 |
| | 100,596,456 | 112,463,751 |
| 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 | 3,344 | 3,357 |
| Redemptions payable | 8,909 | 23,708 |
| Distributions payable | - | - |
| Due to investment dealers | 208,187 | - |
| Management fees payable | 60,264 | 55,093 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 280,704 | 142,910 |
| Net Assets Attributable to Holders of Redeemable Units | 100,315,752 | 112,320,841 |
| Net Assets Attributable to Holders of Redeemable Units per Unit - Series A (note 5) | 12.76 | 12.88 |

Approved on behalf of Trustee

| | |
|-------------------------------------|---|
| “signed” Rick Headrick President | “signed” Kari Holdsworth Chief Financial Officer |
|-------------------------------------|---|

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------------|------------------|
| Investment Income | | |
| Dividend income | - | - |
| Interest income for distribution purposes | 2,328,781 | 2,391,337 |
| Distributions from underlying funds | - | 2,866,248 |
| 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 | (992,829) | 246,870 |
| 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 | (112,365) | (1,722,303) |
| 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 | 1,223,587 | 3,782,152 |
| Net gain (loss) on foreign exchange | - | - |
| Other income | - | - |
| Total income (loss) | 1,223,587 | 3,782,152 |
| Expenses (note 6) | | |
| Management fees | 2,136,519 | 2,347,481 |
| Administration fees | 116,503 | 128,000 |
| Independent review committee fees | 1,939 | 2,406 |
| Withholding tax | - | - |
| Transaction costs (note 3) | - | - |
| Total operating expenses | 2,254,961 | 2,477,887 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (1,031,374) | 1,304,265 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) - Series A | | |
| | (1,031,374) | 1,304,265 |
| Weighted Average Number of Units Outstanding - Series A | | |
| | 8,219,490 | 9,003,929 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) - Series A | | |
| | (0.13) | 0.14 |

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

| | Total | |
|---|-----------------|--------------|
| | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 112,320,841 | 113,600,225 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,031,374) | 1,304,265 |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | \$ 19,589,859 | 18,456,068 |
| Redemption of redeemable units | \$ (30,560,981) | (21,039,931) |
| Reinvestment of distributions to holders of redeemable units | \$ 18,449 | 20,737 |
| Capitalized distributions | \$ (2,259) | 2,815,526 |
| | \$ (10,954,932) | 252,400 |
| Distributions to Holders of Redeemable Units | | |
| From capital gains | \$ - | - |
| From net investment income | \$ - | (2,834,553) |
| Return of capital | \$ (18,783) | (1,496) |
| | \$ (18,783) | (2,836,049) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (12,005,089) | (1,279,384) |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 100,315,752 | 112,320,841 |
| Redeemable Unit Transactions | | |
| Balance - beginning of period | 8,721,239 | 8,920,266 |
| Units issued | 1,537,165 | 1,429,473 |
| Units issued on reinvestment of distributions | 1,442 | 1,606 |
| Units redeemed | (2,396,807) | (1,630,106) |
| Balance - end of period | 7,863,039 | 8,721,239 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (1,031,374) | 1,304,265 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | 992,829 | (246,870) |
| Change in unrealized (appreciation) depreciation in value of investments | 112,365 | 1,722,303 |
| 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 | - | - |
| Non-cash income distributions from underlying funds | - | (2,866,248) |
| Change in margin | - | - |
| Purchases of investments | (32,137,443) | (27,191,371) |
| Proceeds from sale of investments | 43,199,787 | 29,845,588 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | (5,765) | - |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | 5,171 | (165,130) |
| Change in other payables and accrued expenses | (13) | (8,323) |
| Net Cash Provided by (Used in) Operating Activities | 11,135,557 | 2,394,214 |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (2,593) | 214 |
| Proceeds from redeemable units issued | 19,575,809 | 18,474,281 |
| Redemption of redeemable units | (30,575,780) | (21,019,675) |
| Net Cash Provided by (Used in) Financing Activities | (11,002,564) | (2,545,180) |
| Net increase (decrease) in cash | 132,993 | (150,966) |
| Cash (bank indebtedness) at beginning of period | (60,752) | 90,214 |
| Cash (bank indebtedness) at end of period | 72,241 | (60,752) |
| Dividends received, net of withholding taxes | - | - |
| Interest received, net of withholding taxes | - | 789 |
| Interest paid | (1,947) | - |

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

Sun Life Milestone 2025 Fund (continued)

Schedule of Investments

As at December 31, 2018

| | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------|------------|-------------------|-------------------|-----------------------|
| BONDS | | | | | |
| Federal Bonds | | | | | |
| Government of Canada, Coupon Strip | 1-Dec-2023 | 1,500,000 | 1,339,414 | 1,356,706 | |
| Government of Canada, Coupon Strip | 1-Dec-2024 | 6,192,000 | 5,719,589 | 5,472,146 | |
| Government of Canada, Coupon Strip | 1-Jun-2025 | 16,177,000 | 14,366,081 | 14,155,553 | |
| Government of Canada, Coupon Strip | 1-Jun-2025 | 3,475,000 | 3,052,125 | 3,105,413 | |
| Government of Canada, Residual Strip | 1-Jun-2025 | 2,315,000 | 2,006,044 | 2,050,236 | |
| | | | 26,483,253 | 26,140,054 | 26.06 |
| Provincial Bonds | | | | | |
| Hydro Quebec, Interest Strip | 15-Feb-2025 | 1,600,000 | 1,351,775 | 1,356,068 | |
| Newfoundland & Labrador Hydro, Coupon Strip | 27-Aug-2024 | 407,000 | 348,707 | 346,022 | |
| Ontario Electricity Financial Corp. | 11-Apr-2025 | 2,150,000 | 1,808,729 | 1,801,005 | |
| Ontario Hydro, Residual Strip | 26-May-2025 | 322,000 | 279,045 | 269,493 | |
| Prince Edward Island, Generic Strip | 17-Jan-2024 | 495,000 | 421,005 | 427,651 | |
| Prince Edward Island, Generic Strip | 17-Jul-2024 | 130,000 | 108,523 | 110,815 | |
| Prince Edward Island, Generic Strip | 17-Jan-2025 | 765,000 | 626,466 | 645,762 | |
| Province of Alberta, Coupon Strip | 1-Jun-2023 | 250,000 | 225,410 | 223,305 | |
| Province of Alberta, Coupon Strip | 1-Dec-2023 | 250,000 | 221,844 | 219,868 | |
| Province of Alberta, Coupon Strip | 1-Jun-2024 | 547,000 | 478,954 | 472,395 | |
| Province of Alberta, Coupon Strip | 1-Dec-2024 | 705,500 | 610,575 | 599,329 | |
| Province of Alberta, Coupon Strip | 1-Jun-2025 | 1,228,000 | 1,057,809 | 1,025,527 | |
| Province of British Columbia, Interest Strip | 18-Jun-2024 | 8,540,000 | 7,452,394 | 7,398,134 | |
| Province of British Columbia, Interest Strip | 18-Dec-2024 | 2,700,000 | 2,252,554 | 2,303,043 | |
| Province of British Columbia, Interest Strip | 18-Jun-2025 | 5,847,500 | 4,839,486 | 4,907,385 | |
| Province of British Columbia, Principal Strip | 23-Aug-2024 | 1,510,000 | 1,271,311 | 1,300,392 | |
| Province of Manitoba, Coupon Strip | 5-Sep-2024 | 158,000 | 138,883 | 135,194 | |
| Province of Manitoba, Coupon Strip | 5-Mar-2025 | 2,044,000 | 1,720,800 | 1,720,512 | |
| Province of New Brunswick, Generic Coupon Strip | 26-Mar-2024 | 169,000 | 147,426 | 146,735 | |
| Province of New Brunswick, Generic Coupon Strip | 3-Jun-2024 | 1,211,000 | 1,071,420 | 1,042,477 | |
| Province of New Brunswick, Generic Coupon Strip | 26-Sep-2024 | 262,000 | 224,428 | 225,035 | |
| Province of New Brunswick, Generic Coupon Strip | 3-Dec-2024 | 390,000 | 321,517 | 329,429 | |
| Province of New Brunswick, Generic Coupon Strip | 26-Mar-2025 | 186,000 | 156,504 | 156,308 | |
| Province of New Brunswick, Generic Coupon Strip | 3-Jun-2025 | 3,763,000 | 2,683,749 | 3,149,512 | |
| Province of Newfoundland, Coupon Strip | 17-Apr-2024 | 3,442,000 | 2,993,907 | 2,966,970 | |
| Province of Newfoundland, Coupon Strip | 17-Oct-2024 | 3,857,000 | 3,312,159 | 3,270,985 | |
| Province of Newfoundland, Coupon Strip | 17-Apr-2025 | 7,117,000 | 5,980,848 | 5,930,143 | |
| Province of Nova Scotia, Generic Strip | 1-Jun-2025 | 657,000 | 568,583 | 549,049 | |
| Province of Ontario, Generic Coupon Strip | 2-Jun-2025 | 8,268,365 | 7,098,856 | 6,927,722 | |
| Province of Quebec, Coupon Strip | 1-Jun-2025 | 5,800,000 | 4,996,419 | 4,869,411 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2020 | 96,187 | 92,744 | 92,267 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2020 | 81,900 | 79,290 | 78,572 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2021 | 96,187 | 91,589 | 91,137 | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2021 | 81,900 | 78,412 | 77,612 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2021 | 96,187 | 90,348 | 89,974 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2021 | 81,900 | 77,435 | 76,553 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2022 | 96,187 | 89,018 | 88,778 | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2022 | 81,900 | 76,399 | 75,423 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2022 | 96,187 | 87,638 | 87,549 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2022 | 81,900 | 75,272 | 74,346 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2023 | 236,587 | 213,640 | 212,247 | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2023 | 81,900 | 74,047 | 73,147 | |
| Province of Saskatchewan, Coupon Strip | 5-Sep-2023 | 303,320 | 271,924 | 268,496 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2023 | 342,237 | 308,672 | 302,452 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2023 | 218,400 | 196,633 | 192,111 | |
| Province of Saskatchewan, Coupon Strip | 5-Mar-2024 | 421,600 | 373,783 | 367,389 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2024 | 342,237 | 304,720 | 294,960 | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2024 | 218,400 | 193,625 | 189,255 | |
| Province of Saskatchewan, Coupon Strip | 5-Sep-2024 | 355,000 | 307,711 | 304,431 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2024 | 342,237 | 300,232 | 292,404 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2024 | 218,400 | 190,608 | 186,223 | |
| Province of Saskatchewan, Coupon Strip | 5-Mar-2025 | 1,177,240 | 1,003,026 | 992,344 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2025 | 342,237 | 295,485 | 284,642 | |

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

Sun Life Milestone 2025 Fund (continued)

Schedule of Investments (continued)

As at December 31, 2018

| | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|---------------|-----------|-------------------|-------------------|-----------------------|
| Province of Saskatchewan, Coupon Strip | 2-Jun-2025 | 218,400 | 187,551 | 182,490 | |
| Province of Saskatchewan, Residual Strip | 30-May-2025 | 4,560,000 | 3,759,337 | 3,823,205 | |
| | | | 63,589,225 | 63,623,683 | 63.42 |
| Total Bonds | | | 90,072,478 | 89,763,737 | 89.48 |

| | Number of Units | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-----------------|--------------------|--------------------|-----------------------|
| MUTUAL FUNDS | | | | |
| Sun Life Milestone Global Equity Fund, Series I | 486,612 | 12,015,029 | 10,457,431 | |
| | | 12,015,029 | 10,457,431 | 10.42 |
| Total Investments | | 102,087,507 | 100,221,168 | 99.90 |
| Other Assets less Liabilities | | | 94,584 | 0.10 |
| Total Net Assets | | | 100,315,752 | 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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 26.06 | 31.23 |
| AA/Aa | 31.80 | 28.32 |
| A/A | 27.91 | 23.63 |
| Not Rated | 3.71 | 3.24 |
| Total | 89.48 | 86.42 |

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, 2018 | - | 3,680,544 | 86,083,193 | 89,763,737 |
| December 31, 2017 | - | 814,609 | 96,248,112 | 97,062,721 |

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

Sun Life Milestone 2025 Fund (continued)

As at December 31, 2018, 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 \$5,449,367 (\$6,889,619 as at December 31, 2017). 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, 2018 and 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, 2018 | December 31, 2017 |
| Bonds | | |
| Federal Bonds | 26.1 | 31.2 |
| Provincial Bonds | 63.4 | 55.3 |
| Mutual Funds | | |
| Global Equities | 10.4 | 13.6 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|-------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Bonds | - | 89,763,737 | - | 89,763,737 |
| Mutual Fund | 10,457,431 | - | - | 10,457,431 |
| December 31, 2017 | | | | |
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | Total (\$) |
| Bonds | - | 97,062,721 | - | 97,062,721 |
| Mutual Fund | 15,311,022 | - | - | 15,311,022 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018, the effective guaranteed unit value of the Fund is \$12.7579.

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$601,618 (\$nil as at December 31, 2017). 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, 2018, the Fund had accumulated non-capital losses of \$34,916 (\$nil as at December 31, 2017). The non-capital losses for tax purposes are available for carry forward until the year ending 2036.

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

Sun Life Milestone 2025 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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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 |

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

Sun Life Milestone 2030 Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 77,335,861 | 84,188,227 |
| Short-term investments | - | - |
| Cash | 17,534 | 182,772 |
| 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 | 9,107 | - |
| Dividends receivable | - | - |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 18,050 | 7,820 |
| | 77,380,552 | 84,378,819 |
| 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 | 5,135 | 4,794 |
| Redemptions payable | - | - |
| Distributions payable | - | - |
| Due to investment dealers | 124,441 | 735,079 |
| Management fees payable | 43,504 | 38,072 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 173,080 | 777,945 |
| Net Assets Attributable to Holders of Redeemable Units | 77,207,472 | 83,600,874 |
| Net Assets Attributable to Holders of Redeemable Units per Unit - Series A (note 5) | 14.11 | 14.50 |

Approved on behalf of Trustee

| | |
|-------------------------------------|---|
| “signed” Rick Headrick President | “signed” Kari Holdsworth Chief Financial Officer |
|-------------------------------------|---|

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------------|------------------|
| Investment Income | | |
| Dividend income | - | - |
| Interest income for distribution purposes | 1,984,587 | 1,934,025 |
| Distributions from underlying funds | - | 4,072,290 |
| 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 | (1,018,905) | 468,305 |
| 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 | (1,288,117) | (390,632) |
| 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 | (322,435) | 6,083,988 |
| Net gain (loss) on foreign exchange | - | - |
| Other income | - | - |
| Total income (loss) | (322,435) | 6,083,988 |
| Expenses (note 6) | | |
| Management fees | 1,597,177 | 1,618,024 |
| Administration fees | 178,296 | 180,534 |
| Independent review committee fees | 1,484 | 1,705 |
| Withholding tax | - | - |
| Transaction costs (note 3) | - | - |
| Total operating expenses | 1,776,957 | 1,800,263 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (2,099,392) | 4,283,725 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) - Series A | | |
| | (2,099,392) | 4,283,725 |
| Weighted Average Number of Units Outstanding - Series A | | |
| | 5,598,441 | 5,748,443 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) - Series A | | |
| | (0.37) | 0.75 |

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

| | Total | |
|---|-----------------|-------------|
| | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 83,600,874 | 77,048,677 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (2,099,392) | 4,283,725 |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | \$ 14,142,069 | 12,081,423 |
| Redemption of redeemable units | \$ (18,433,745) | (9,813,202) |
| Reinvestment of distributions to holders of redeemable units | \$ 51,916 | 52,162 |
| Capitalized distributions | \$ 68,242 | 4,214,849 |
| | \$ (4,171,518) | 6,535,232 |
| Distributions to Holders of Redeemable Units | | |
| From capital gains | \$ - | - |
| From net investment income | \$ (122,492) | (4,266,760) |
| Return of capital | \$ - | - |
| | \$ (122,492) | (4,266,760) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (6,393,402) | 6,552,197 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 77,207,472 | 83,600,874 |
| Redeemable Unit Transactions | | |
| Balance - beginning of period | 5,766,510 | 5,600,803 |
| Units issued | 991,112 | 853,142 |
| Units issued on reinvestment of distributions | 3,611 | 3,670 |
| Units redeemed | (1,290,913) | (691,105) |
| Balance - end of period | 5,470,320 | 5,766,510 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|--------------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (2,099,392) | 4,283,725 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | 1,018,905 | (468,305) |
| Change in unrealized (appreciation) depreciation in value of investments | 1,288,117 | 390,632 |
| 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 | - | - |
| Non-cash income distributions from underlying funds | - | (4,072,290) |
| Change in margin | - | - |
| Purchases of investments | (26,095,120) | (24,224,747) |
| Proceeds from sale of investments | 30,029,826 | 21,851,245 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | (9,107) | - |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | 5,432 | (107,450) |
| Change in other payables and accrued expenses | 341 | (11,169) |
| Net Cash Provided by (Used in) Operating Activities | 4,139,002 | (2,358,359) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (2,334) | 251 |
| Proceeds from redeemable units issued | 14,131,839 | 12,094,240 |
| Redemption of redeemable units | (18,433,745) | (9,818,202) |
| Net Cash Provided by (Used in) Financing Activities | (4,304,240) | 2,276,289 |
| Net increase (decrease) in cash | (165,238) | (82,070) |
| Cash (bank indebtedness) at beginning of period | 182,772 | 264,842 |
| Cash (bank indebtedness) at end of period | 17,534 | 182,772 |
| Dividends received, net of withholding taxes | - | - |
| Interest received, net of withholding taxes | - | 2,324 |
| Interest paid | (6,389) | - |

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

Sun Life Milestone 2030 Fund (continued)

Schedule of Investments

As at December 31, 2018

| | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------|-----------|-------------------|-------------------|-----------------------|
| BONDS | | | | | |
| Federal Bonds | | | | | |
| Government of Canada, Coupon Strip | 1-Dec-2026 | 3,000,000 | 2,502,581 | 2,534,941 | |
| Government of Canada, Coupon Strip | 1-Dec-2027 | 3,536,000 | 3,036,672 | 2,931,314 | |
| Government of Canada, Coupon Strip | 1-Jun-2028 | 4,623,000 | 3,858,461 | 3,784,267 | |
| Government of Canada, Coupon Strip | 1-Dec-2028 | 685,100 | 580,046 | 554,307 | |
| Government of Canada, Coupon Strip | 1-Dec-2029 | 5,176,561 | 4,044,088 | 4,079,758 | |
| Government of Canada, Coupon Strip | 1-Jun-2030 | 7,768,000 | 5,865,217 | 6,068,008 | |
| Government of Canada, Residual Strip | 1-Jun-2029 | 3,167,878 | 2,492,858 | 2,585,294 | |
| | | | 22,379,923 | 22,537,889 | 29.19 |
| Provincial Bonds | | | | | |
| Hydro Quebec, Interest Strip | 15-Aug-2029 | 1,552,000 | 1,132,474 | 1,126,175 | |
| Hydro Quebec, Interest Strip | 15-Feb-2030 | 3,000,000 | 2,201,161 | 2,141,815 | |
| Prince Edward Island, Generic Strip | 17-Jan-2029 | 760,065 | 529,531 | 555,454 | |
| Prince Edward Island, Generic Strip | 17-Jul-2029 | 640,000 | 432,992 | 438,518 | |
| Prince Edward Island, Generic Strip | 17-Jan-2030 | 918,975 | 620,549 | 648,928 | |
| Province of Alberta, Coupon Strip | 1-Jun-2028 | 222,750 | 169,104 | 167,644 | |
| Province of Alberta, Coupon Strip | 1-Dec-2028 | 222,750 | 165,362 | 164,641 | |
| Province of Alberta, Coupon Strip | 1-Jun-2029 | 222,750 | 162,325 | 161,717 | |
| Province of Alberta, Coupon Strip | 1-Dec-2029 | 222,750 | 159,285 | 158,814 | |
| Province of Alberta, Coupon Strip | 1-Jun-2030 | 222,750 | 156,104 | 156,079 | |
| Province of British Columbia, Interest Strip | 18-Jun-2029 | 5,068,000 | 3,521,523 | 3,702,170 | |
| Province of British Columbia, Interest Strip | 18-Dec-2029 | 7,000,000 | 4,767,690 | 5,030,668 | |
| Province of British Columbia, Interest Strip | 18-Jun-2030 | 1,534,000 | 1,041,808 | 1,084,982 | |
| Province of British Columbia, Principal Strip | 18-Jun-2029 | 4,000,000 | 2,853,422 | 2,953,587 | |
| Province of Manitoba, Coupon Strip | 5-Mar-2030 | 1,850,000 | 1,338,193 | 1,304,051 | |
| Province of New Brunswick, Generic Coupon Strip | 26-Mar-2028 | 257,000 | 192,543 | 193,926 | |
| Province of New Brunswick, Generic Coupon Strip | 3-Jun-2028 | 429,000 | 319,013 | 318,716 | |
| Province of New Brunswick, Generic Coupon Strip | 3-Jun-2029 | 544,000 | 370,621 | 389,166 | |
| Province of New Brunswick, Generic Coupon Strip | 3-Dec-2029 | 116,910 | 82,566 | 82,129 | |
| Province of New Brunswick, Generic Coupon Strip | 3-Jun-2030 | 1,886,150 | 1,266,838 | 1,300,393 | |
| Province of Newfoundland, Coupon Strip | 17-Oct-2028 | 659,565 | 482,737 | 483,872 | |
| Province of Newfoundland, Coupon Strip | 17-Apr-2029 | 819,600 | 573,954 | 588,952 | |
| Province of Newfoundland, Coupon Strip | 17-Oct-2029 | 711,600 | 487,201 | 501,795 | |
| Province of Newfoundland, Coupon Strip | 17-Apr-2030 | 892,890 | 616,728 | 626,628 | |
| Province of Nova Scotia, Generic Strip | 1-Dec-2028 | 988,000 | 691,727 | 739,045 | |
| Province of Nova Scotia, Generic Strip | 1-Dec-2029 | 660,000 | 444,992 | 479,462 | |
| Province of Nova Scotia, Generic Strip | 1-Jun-2030 | 668,000 | 438,314 | 478,417 | |
| Province of Nova Scotia, Generic Strip | 2-Jun-2030 | 200,000 | 145,183 | 140,415 | |
| Province of Ontario, Generic Coupon Strip | 2-Jun-2030 | 7,515,300 | 5,286,057 | 5,299,910 | |
| Province of Quebec, Coupon Strip | 1-Apr-2030 | 1,500,000 | 1,060,547 | 1,046,475 | |
| Province of Quebec, Coupon Strip | 1-Jun-2030 | 800,000 | 569,416 | 565,411 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2025 | 72,140 | 59,504 | 58,974 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2025 | 61,425 | 51,070 | 50,474 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2026 | 72,140 | 58,377 | 58,478 | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2026 | 61,425 | 50,163 | 49,609 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2026 | 72,140 | 57,351 | 57,450 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2026 | 61,425 | 49,242 | 48,709 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2027 | 72,140 | 56,358 | 56,416 | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2027 | 61,425 | 48,281 | 47,953 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2027 | 72,140 | 55,193 | 55,375 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2027 | 61,425 | 47,336 | 47,087 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2028 | 72,140 | 54,151 | 54,373 | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2028 | 61,425 | 46,422 | 46,273 | |
| Province of Saskatchewan, Coupon Strip | 5-Sep-2028 | 606,000 | 452,776 | 452,366 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2028 | 72,140 | 53,014 | 53,376 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2028 | 61,425 | 45,463 | 45,494 | |
| Province of Saskatchewan, Coupon Strip | 5-Mar-2029 | 725,000 | 518,153 | 530,465 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2029 | 72,140 | 51,967 | 52,427 | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2029 | 61,425 | 44,580 | 44,517 | |
| Province of Saskatchewan, Coupon Strip | 5-Sep-2029 | 1,427,000 | 997,042 | 1,025,535 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2029 | 72,140 | 51,015 | 51,489 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2029 | 61,425 | 43,737 | 43,693 | |
| Province of Saskatchewan, Coupon Strip | 5-Mar-2030 | 1,342,000 | 917,121 | 948,489 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2030 | 72,140 | 50,021 | 50,604 | |

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, 2018

| | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|---------------|-----------|-------------------|-------------------|-----------------------|
| Province of Saskatchewan, Coupon Strip | 2-Jun-2030 | 61,425 | 42,898 | 43,016 | |
| Province of Saskatchewan, Residual Strip | 5-Mar-2029 | 435,000 | 321,338 | 323,497 | |
| | | | 36,502,533 | 37,326,094 | 48.36 |
| Total Bonds | | | 58,882,456 | 59,863,983 | 77.55 |

| | Number of Units | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-----------------|-------------------|-------------------|-----------------------|
| MUTUAL FUNDS | | | | |
| Sun Life Milestone Global Equity Fund, Series I | 813,012 | 20,218,046 | 17,471,878 | |
| | | 20,218,046 | 17,471,878 | 22.63 |
| Total Investments | | 79,100,502 | 77,335,861 | 100.18 |
| Other Assets less Liabilities | | | (128,389) | (0.18) |
| Total Net Assets | | | 77,207,472 | 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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 29.19 | 30.83 |
| AA/Aa | 28.98 | 26.34 |
| A/A | 16.20 | 14.54 |
| Not Rated | 3.18 | 2.88 |
| Total | 77.55 | 74.59 |

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, 2018 | - | - | 59,863,983 | 59,863,983 |
| December 31, 2017 | - | - | 62,361,016 | 62,361,016 |

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

Sun Life Milestone 2030 Fund (continued)

As at December 31, 2018, 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 \$6,320,798 (\$7,276,199 as at December 31, 2017). 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, 2018 and 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, 2018 | December 31, 2017 |
| Bonds | | |
| Federal Bonds | 29.2 | 30.8 |
| Provincial Bonds | 48.4 | 43.8 |
| Mutual Fund | | |
| Global Equities | 22.6 | 26.1 |
| Other Assets less Liabilities | (0.2) | (0.7) |
| Total | 100.0 | 100.0 |

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|-------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Bonds | - | 59,863,983 | - | 59,863,983 |
| Mutual Fund | 17,471,878 | - | - | 17,471,878 |
| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018, the effective guaranteed unit value of the Fund is \$14.1139.

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$720,408 (\$188,382 as at December 31, 2017). 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, 2018 and December 31, 2017, 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)

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 |

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

Sun Life Milestone 2035 Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 50,072,395 | 53,239,324 |
| Short-term investments | - | - |
| Cash | 6,358 | 37,948 |
| 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 | 1,097 | - |
| Accrued interest | 7,912 | - |
| Dividends receivable | - | - |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 2,771 | 3,742 |
| | 50,090,533 | 53,281,014 |
| 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 | 3,303 | 2,990 |
| Redemptions payable | - | - |
| Distributions payable | - | - |
| Due to investment dealers | 26,213 | 817,979 |
| Management fees payable | 29,863 | 25,760 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 59,379 | 846,729 |
| Net Assets Attributable to Holders of Redeemable Units | 50,031,154 | 52,434,285 |
| Net Assets Attributable to Holders of Redeemable Units per Unit - Series A (note 5) | 14.76 | 15.45 |

Approved on behalf of Trustee

| | |
|-------------------------------------|---|
| “signed” Rick Headrick President | “signed” Kari Holdsworth Chief Financial Officer |
|-------------------------------------|---|

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|--------------------|------------------|
| Investment Income | | |
| Dividend income | - | - |
| Interest income for distribution purposes | 1,192,583 | 1,103,250 |
| Distributions from underlying funds | - | 3,626,739 |
| 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 | (335,123) | 479,148 |
| 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 | (2,009,887) | 650,298 |
| 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 | (1,152,427) | 5,859,435 |
| Net gain (loss) on foreign exchange | - | - |
| Other income | - | - |
| Total income (loss) | (1,152,427) | 5,859,435 |
| Expenses (note 6) | | |
| Management fees | 1,055,674 | 987,198 |
| Administration fees | 115,135 | 107,458 |
| Independent review committee fees | 959 | 1,020 |
| Withholding tax | - | - |
| Transaction costs (note 3) | - | - |
| Total operating expenses | 1,171,768 | 1,095,676 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (2,324,195) | 4,763,759 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) - Series A | | |
| | (2,324,195) | 4,763,759 |
| Weighted Average Number of Units Outstanding - Series A | | |
| | 3,427,349 | 3,317,020 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) - Series A | | |
| | (0.68) | 1.44 |

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

| | Total | |
|---|-----------------|-------------|
| | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 52,434,285 | 45,636,582 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (2,324,195) | 4,763,759 |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | \$ 10,943,318 | 9,594,096 |
| Redemption of redeemable units | \$ (11,021,885) | (7,560,359) |
| Reinvestment of distributions to holders of redeemable units | \$ 9,339 | 6,989 |
| Capitalized distributions | \$ (383) | 3,855,627 |
| | \$ (69,611) | 5,896,353 |
| Distributions to Holders of Redeemable Units | | |
| From capital gains | \$ - | (166,369) |
| From net investment income | \$ - | (3,695,241) |
| Return of capital | \$ (9,325) | (799) |
| | \$ (9,325) | (3,862,409) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (2,403,131) | 6,797,703 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 50,031,154 | 52,434,285 |
| Redeemable Unit Transactions | | |
| Balance - beginning of period | 3,394,485 | 3,256,314 |
| Units issued | 720,766 | 650,431 |
| Units issued on reinvestment of distributions | 610 | 472 |
| Units redeemed | (726,133) | (512,732) |
| Balance - end of period | 3,389,728 | 3,394,485 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|-----------------|--------------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (2,324,195) | 4,763,759 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | 335,123 | (479,148) |
| Change in unrealized (appreciation) depreciation in value of investments | 2,009,887 | (650,298) |
| 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 | - | - |
| Non-cash income distributions from underlying funds | - | (3,626,739) |
| Change in margin | - | - |
| Purchases of investments | (18,932,542) | (18,143,549) |
| Proceeds from sale of investments | 18,961,598 | 15,853,721 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | (7,912) | - |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | 4,103 | (60,795) |
| Change in other payables and accrued expenses | 313 | (6,299) |
| Net Cash Provided by (Used in) Operating Activities | 46,375 | (2,349,348) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (369) | 207 |
| Proceeds from redeemable units issued | 10,944,289 | 9,595,631 |
| Redemption of redeemable units | (11,021,885) | (7,560,359) |
| Net Cash Provided by (Used in) Financing Activities | (77,965) | 2,035,479 |
| Net increase (decrease) in cash | (31,590) | (313,869) |
| Cash (bank indebtedness) at beginning of period | 37,948 | 351,817 |
| Cash (bank indebtedness) at end of period | 6,358 | 37,948 |
| Dividends received, net of withholding taxes | - | - |
| Interest received, net of withholding taxes | - | 2,089 |
| Interest paid | (7,176) | - |

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

Sun Life Milestone 2035 Fund (continued)

Schedule of Investments

As at December 31, 2018

| | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------|-----------|-------------------|-------------------|-----------------------|
| BONDS | | | | | |
| Federal Bonds | | | | | |
| Canada Generic Strip | 1-Jun-2033 | 500,000 | 346,243 | 361,998 | |
| Government of Canada, Coupon Strip | 1-Dec-2033 | 1,000,000 | 722,710 | 714,294 | |
| Government of Canada, Coupon Strip | 1-Jun-2034 | 4,852,000 | 3,495,237 | 3,421,140 | |
| Government of Canada, Coupon Strip | 1-Dec-2034 | 4,957,022 | 3,416,640 | 3,461,978 | |
| Government of Canada, Coupon Strip | 1-Jun-2035 | 6,944,000 | 4,551,791 | 4,788,393 | |
| Government of Canada, Residual Strip | 1-Jun-2033 | 1,760,000 | 1,267,164 | 1,315,306 | |
| | | | 13,799,785 | 14,063,109 | 28.11 |
| Provincial Bonds | | | | | |
| Hydro Quebec, Interest Strip | 15-Feb-2035 | 1,605,000 | 996,092 | 957,046 | |
| Hydro Quebec, Residual Strip | 15-Feb-2035 | 2,710,000 | 1,667,995 | 1,634,900 | |
| Province of Alberta, Coupon Strip | 1-Jun-2033 | 148,500 | 93,310 | 93,222 | |
| Province of Alberta, Coupon Strip | 1-Dec-2033 | 148,500 | 91,718 | 91,457 | |
| Province of Alberta, Coupon Strip | 1-Jun-2034 | 148,500 | 90,030 | 89,935 | |
| Province of Alberta, Coupon Strip | 1-Dec-2034 | 148,500 | 88,479 | 88,346 | |
| Province of British Columbia, Interest Strip | 18-Jun-2033 | 1,839,000 | 1,158,151 | 1,168,146 | |
| Province of British Columbia, Interest Strip | 18-Dec-2033 | 2,000,000 | 1,314,875 | 1,247,584 | |
| Province of British Columbia, Interest Strip | 18-Jun-2034 | 800,000 | 517,342 | 490,189 | |
| Province of British Columbia, Interest Strip | 18-Dec-2034 | 1,600,000 | 1,022,261 | 963,955 | |
| Province of British Columbia, Interest Strip | 18-Jun-2035 | 5,467,000 | 3,281,856 | 3,230,976 | |
| Province of New Brunswick, Generic Coupon Strip | 26-Mar-2033 | 774,000 | 477,942 | 485,850 | |
| Province of New Brunswick, Generic Coupon Strip | 3-Jun-2033 | 876,000 | 536,906 | 538,731 | |
| Province of New Brunswick, Generic Coupon Strip | 26-Sep-2033 | 645,000 | 390,694 | 397,773 | |
| Province of New Brunswick, Generic Coupon Strip | 3-Dec-2033 | 1,275,000 | 773,625 | 768,302 | |
| Province of New Brunswick, Generic Coupon Strip | 26-Mar-2034 | 240,000 | 141,091 | 145,293 | |
| Province of New Brunswick, Generic Coupon Strip | 3-Jun-2034 | 345,000 | 203,432 | 204,206 | |
| Province of New Brunswick, Generic Coupon Strip | 3-Dec-2034 | 438,000 | 253,265 | 254,482 | |
| Province of Newfoundland, Coupon Strip | 17-Apr-2033 | 208,950 | 128,319 | 131,212 | |
| Province of Newfoundland, Coupon Strip | 17-Oct-2033 | 127,860 | 81,299 | 79,835 | |
| Province of Newfoundland, Coupon Strip | 17-Apr-2034 | 93,000 | 59,331 | 55,733 | |
| Province of Newfoundland, Coupon Strip | 17-Apr-2035 | 34,860 | 19,961 | 20,112 | |
| Province of Ontario, Generic Coupon Strip | 2-Jun-2035 | 5,312,000 | 3,358,217 | 3,119,525 | |
| Province of Ontario, Generic Residual Strip | 10-Jan-2035 | 925,000 | 577,807 | 537,389 | |
| Province of Ontario, Generic Residual Strip | 2-Jun-2035 | 820,000 | 526,002 | 488,619 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2030 | 188,694 | 136,033 | 130,089 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2030 | 118,950 | 85,262 | 81,915 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2031 | 188,694 | 133,948 | 127,704 | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2031 | 118,950 | 83,791 | 80,543 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2031 | 188,694 | 131,687 | 125,308 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2031 | 118,950 | 82,321 | 79,087 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2032 | 188,694 | 129,546 | 123,066 | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2032 | 118,950 | 80,816 | 77,590 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2032 | 188,694 | 127,384 | 120,868 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2032 | 118,950 | 79,356 | 76,155 | |
| Province of Saskatchewan, Coupon Strip | 5-Mar-2033 | 171,180 | 108,232 | 108,279 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2033 | 188,694 | 125,185 | 118,622 | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2033 | 118,950 | 78,000 | 74,733 | |
| Province of Saskatchewan, Coupon Strip | 5-Sep-2033 | 253,080 | 156,909 | 157,090 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2033 | 188,694 | 123,204 | 116,383 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2033 | 118,950 | 76,685 | 73,429 | |
| Province of Saskatchewan, Coupon Strip | 5-Mar-2034 | 177,180 | 107,944 | 107,792 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2034 | 188,694 | 121,035 | 114,237 | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2034 | 118,950 | 75,449 | 72,033 | |
| Province of Saskatchewan, Coupon Strip | 5-Sep-2034 | 177,180 | 106,073 | 105,875 | |
| Province of Saskatchewan, Coupon Strip | 1-Dec-2034 | 188,694 | 119,164 | 112,126 | |
| Province of Saskatchewan, Coupon Strip | 2-Dec-2034 | 118,950 | 74,224 | 70,759 | |
| Province of Saskatchewan, Coupon Strip | 5-Mar-2035 | 177,180 | 104,234 | 103,851 | |
| Province of Saskatchewan, Coupon Strip | 1-Jun-2035 | 188,694 | 117,064 | 110,038 | |
| Province of Saskatchewan, Coupon Strip | 2-Jun-2035 | 118,950 | 73,109 | 69,266 | |
| | | | 20,486,655 | 19,819,656 | 39.61 |
| Total Bonds | | | 34,286,440 | 33,882,765 | 67.72 |

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

Sun Life Milestone 2035 Fund (continued)

| | Number of Units | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-----------------|-------------------|-------------------|-----------------------|
| MUTUAL FUNDS | | | | |
| Sun Life Milestone Global Equity Fund, Series I | 753,346 | 18,785,354 | 16,189,630 | |
| | | 18,785,354 | 16,189,630 | 32.36 |
| Total Investments | | 53,071,794 | 50,072,395 | 100.08 |
| Other Assets less Liabilities | | | (41,241) | (0.08) |
| Total Net Assets | | | 50,031,154 | 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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 28.10 | 26.83 |
| AA/Aa | 21.31 | 20.29 |
| A/A | 17.58 | 16.69 |
| Not Rated | 0.73 | 0.69 |
| Total | 67.72 | 64.50 |

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, 2018 | - | - | 33,882,765 | 33,882,765 |
| December 31, 2017 | - | - | 33,820,490 | 33,820,490 |

As at December 31, 2018, 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 \$5,305,566 (\$5,627,307 as at December 31, 2017). 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, 2018 and 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.

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, 2018 | December 31, 2017 |
| Bonds | | |
| Federal Bonds | 28.1 | 26.8 |
| Provincial Bonds | 39.6 | 37.7 |
| Mutual Fund | | |
| Global Equities | 32.4 | 37.0 |
| Other Assets less Liabilities | (0.1) | (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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|-------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Bonds | - | 33,882,765 | - | 33,882,765 |
| Mutual Fund | 16,189,630 | - | - | 16,189,630 |

| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018, the effective guaranteed unit value of the Fund is \$14.7596.

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated non-capital losses of \$32,066 (\$nil as at December 31, 2017). The non-capital losses for tax purposes are available for carry forward until the year ending 2036.

The Fund had no accumulated 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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | - | - |
| Short-term investments | 337,275,255 | 396,672,811 |
| Cash | 13,718,104 | 10,750,947 |
| Margin | 22,036,056 | 1,587,164 |
| Option contracts, at fair value - long | 734,254 | 238,374 |
| Credit default swaps, sell protection | - | - |
| Unrealized appreciation on futures contracts | 68,460 | 5,144,907 |
| Unrealized appreciation on currency forward contracts | - | - |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | - | - |
| Accrued interest | 541,754 | 489,717 |
| Dividends receivable | - | - |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 236,833 | 187,751 |
| | 374,610,716 | 415,071,671 |
| Liabilities | | |
| Current Liabilities | | |
| Bank indebtedness | - | - |
| Margin | - | 4,359,778 |
| Option contracts, at fair value - short | - | - |
| Credit default swaps, buy protection | - | - |
| Unrealized depreciation on futures contracts | 18,842,803 | 1,782,225 |
| Unrealized depreciation on currency forward contracts | - | - |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | - | - |
| Redemptions payable | 33,505 | 38,523 |
| Distributions payable | - | - |
| Due to investment dealers | - | - |
| Management fees payable | - | - |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 18,876,308 | 6,180,526 |
| Net Assets Attributable to Holders of Redeemable Units | 355,734,408 | 408,891,145 |
| Net Assets Attributable to Holders of Redeemable Units per Unit - Series I (note 5) | 21.49 | 23.85 |

Approved on behalf of Trustee

| | |
|-------------------------------------|---|
| “signed” Rick Headrick President | “signed” Kari Holdsworth Chief Financial Officer |
|-------------------------------------|---|

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|--|---------------------|--------------|
| Investment Income | | |
| Dividend income | - | - |
| Interest income for distribution purposes | 5,105,842 | 2,255,886 |
| 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 | (20,339,551) | 75,267,438 |
| Net realized gain (loss) on currency forward contracts | - | - |
| Net realized gain (loss) on option contracts | (1,320,780) | (1,138,463) |
| 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 | (22,137,025) | (1,841,962) |
| Change in unrealized appreciation (depreciation) in currency forward contracts | - | - |
| Change in unrealized appreciation (depreciation) in option contracts | 334,854 | (214,664) |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | (38,356,660) | 74,328,235 |
| Net gain (loss) on foreign exchange | 104,947 | (80,109) |
| Other income | - | - |
| Total income (loss) | (38,251,713) | 74,248,126 |
| Expenses (note 6) | | |
| Management fees | - | - |
| Administration fees | - | - |
| Independent review committee fees | - | - |
| Withholding tax | - | - |
| Transaction costs (note 3) | 83,148 | 41,806 |
| Total operating expenses | 83,148 | 41,806 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (38,334,861) | 74,206,320 |
| Finance Cost | | |
| Interest expense | (4,248) | (2,606) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) - Series I | | |
| | (38,339,109) | 74,203,714 |
| Weighted Average Number of Units Outstanding - Series I | | |
| | 16,900,266 | 17,456,882 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) - Series I | | |
| | (2.27) | 4.25 |

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 | |
|---|------------------|---------------|
| | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 408,891,145 | 343,506,612 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (38,339,109) | 74,203,714 |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | \$ 134,527,113 | 101,105,960 |
| Redemption of redeemable units | \$ (149,344,742) | (109,925,141) |
| Reinvestment of distributions to holders of redeemable units | \$ - | - |
| Capitalized distributions | \$ - | 76,341,893 |
| | \$ (14,817,629) | 67,522,712 |
| Distributions to Holders of Redeemable Units | | |
| From capital gains | \$ - | - |
| From net investment income | \$ - | (76,341,893) |
| Return of capital | \$ - | - |
| | \$ - | (76,341,893) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (53,156,737) | 65,384,533 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 355,734,408 | 408,891,145 |
| Redeemable Unit Transactions | | |
| Balance - beginning of period | 17,144,673 | 17,505,707 |
| Units issued | 5,549,084 | 4,578,682 |
| Units issued on reinvestment of distributions | - | - |
| Units redeemed | (6,140,513) | (4,939,716) |
| Balance - end of period | 16,553,244 | 17,144,673 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|-----------------|-----------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (38,339,109) | 74,203,714 |
| Adjustments for: | | |
| 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 | 22,137,025 | 1,841,962 |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | - |
| Change in unrealized (appreciation) depreciation in option contracts | (334,854) | 214,664 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | (24,808,670) | 8,143,628 |
| Purchases of investments | - | - |
| Proceeds from sale of investments | (1,914,047,259) | (1,568,926,029) |
| Purchases of short-term investments | 1,973,283,790 | 1,492,119,281 |
| Change in dividends and interest receivable | (52,037) | (357,402) |
| 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 | 17,838,886 | 7,239,818 |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | - | - |
| Proceeds from redeemable units issued | 134,478,031 | 101,552,016 |
| Redemption of redeemable units | (149,349,760) | (110,501,707) |
| Net Cash Provided by (Used in) Financing Activities | (14,871,729) | (8,949,691) |
| Net increase (decrease) in cash | 2,967,157 | (1,709,873) |
| Cash (bank indebtedness) at beginning of period | 10,750,947 | 12,460,820 |
| Cash (bank indebtedness) at end of period | 13,718,104 | 10,750,947 |
| Dividends received, net of withholding taxes | - | - |
| Interest received, net of withholding taxes | 5,053,805 | 1,898,484 |
| Interest paid | (4,248) | (2,606) |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|--------|---------------|-------------|--------------------|---------------------|-----------------------|
| SHORT TERM INVESTMENTS | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.722% | 4-Jan-2019 | 3,002,000 | 2,999,028 | 2,999,028 | |
| Canadian Treasury Bill | 1.713% | 24-Jan-2019 | 50,000,000 | 49,799,000 | 49,799,000 | |
| Canadian Treasury Bill* | 1.665% | 7-Mar-2019 | 243,590,000 | 242,477,935 | 242,477,935 | |
| Canadian Treasury Bill | 1.636% | 21-Mar-2019 | 36,135,000 | 35,999,744 | 35,999,744 | |
| Canadian Treasury Bill | 1.669% | 18-Apr-2019 | 6,030,000 | 5,999,549 | 5,999,548 | |
| Total Investments | | | | 337,275,256 | 337,275,255 | 94.81 |
| Option contracts⁽¹⁾ | | | | | 734,254 | 0.21 |
| Unrealized appreciation/(depreciation) on futures contracts⁽²⁾ | | | | | (18,774,343) | (5.28) |
| Other Assets less Liabilities | | | | | 36,499,242 | 10.26 |
| Total Net Assets | | | | | 355,734,408 | 100.00 |

⁽¹⁾ Option Contracts

| | Expiry Date | Number of Contracts | Average Cost (\$) | Current Value (\$) |
|----------------------------|-------------|---------------------|-------------------|--------------------|
| S&P 500 INDEX@1500 PUT OPT | 30-Sep-2019 | 10 | 703,387 | 529,247 |
| S&P 500 INDEX@1700 PUT OPT | 28-Jun-2019 | 20 | 98,338 | 177,212 |
| S&P 500 INDEX@1300 PUT OPT | 29-Mar-2019 | 60 | 15,024 | 12,395 |
| S&P 500 INDEX@1450 PUT OPT | 15-Mar-2019 | 30 | 40,155 | 8,400 |
| S&P 500 INDEX@1450 PUT OPT | 15-Mar-2019 | 20 | 46,437 | 2,800 |
| S&P 500 INDEX@1450 PUT OPT | 15-Mar-2019 | 90 | 22,399 | 2,800 |
| S&P 500 INDEX@1450 PUT OPT | 15-Mar-2019 | 10 | 14,341 | 1,400 |
| | | | | 734,254 |

⁽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 | 11,828,683 | 21-Mar-2019 | 89 | 5,529 | 11,897,143 | 68,460 |
| | | | | | 11,897,143 | 68,460 |
| E-Mini MSCI Emerging Market Index | 52,433,751 | 15-Mar-2019 | 792 | 969 | 52,290,035 | (143,716) |
| S&P Canada 60 Index | 13,646,256 | 14-Mar-2019 | 78 | 875 | 13,373,880 | (272,376) |
| Liffe FTSE 100 Index | 26,384,755 | 15-Mar-2019 | 224 | 6,772 | 25,946,405 | (438,350) |
| Eurex DJ Euro Stoxx 50 Index | 65,615,950 | 15-Mar-2019 | 1,387 | 3,030 | 64,403,246 | (1,212,704) |
| CME Nikkei 225 Index | 41,154,866 | 7-Mar-2019 | 283 | 21,295 | 38,381,575 | (2,773,291) |
| S&P 500 Index Emini | 246,162,706 | 15-Mar-2019 | 1,357 | 2,656 | 232,160,340 | (14,002,366) |
| | | | | | 426,555,481 | (18,842,803) |
| | | | | | | (18,774,343) |

*\$14,400,000 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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 94.81 | 97.01 |
| AA/Aa | 0.21 | 0.06 |
| Total | 95.02 | 97.07 |

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, 2018 and December 31, 2017. Amounts shown are based on the fair value of monetary and non-monetary assets.

| | December 31, 2018 | | December 31, 2017 | |
|----------------------|---|------------------------------|---|------------------------------|
| | Holdings Exposed to Currency Risk (\$CAD) | Percentage of Net Assets (%) | Holdings Exposed to Currency Risk (\$CAD) | Percentage of Net Assets (%) |
| British Pound | 755,529 | 0.21 | 5,909,583 | 1.45 |
| Euro | 670,762 | 0.19 | (1,214,284) | (0.30) |
| Australian Dollar | 96,329 | 0.03 | 1,630,022 | 0.40 |
| United States Dollar | (54,227) | (0.02) | 33,621,035 | 8.22 |
| Total | 1,468,393 | 0.41 | 39,946,356 | 9.77 |

As at December 31, 2018, 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 \$73,420 (\$1,997,318 as at December 31, 2017). 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, 2018 | 337,275,255 | - | - | 337,275,255 |
| December 31, 2017 | 396,672,811 | - | - | 396,672,811 |

As at December 31, 2018, 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 \$568,182 (\$472,189 as at December 31, 2017). 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, 2018, 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 \$21,327,774 (\$22,428,466 as at December 31, 2017). 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, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 94.8 | 97.0 |
| Derivative Assets (Liabilities) | (5.1) | 0.9 |
| Other Assets less Liabilities | 10.3 | 2.1 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Short-Term Investments | - | 337,275,255 | - | 337,275,255 |
| Futures Contracts | 68,460 | - | - | 68,460 |
| Option Contracts | 734,254 | - | - | 734,254 |
| Financial Liabilities | | | | |
| Futures Contracts | 18,842,803 | - | - | 18,842,803 |

| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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 1 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, 2018 were \$83,148 (\$41,806 for the period ended December 31, 2017).

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$133,752 (\$210,952 as at December 31, 2017). 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, 2018, the Fund had accumulated non-capital losses of \$16,641,869 (\$nil as at December 31, 2017). The non-capital losses for tax purposes are available for carry forward until the year ending 2036.

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | - | - |
| Short-term investments | 3,364,942,621 | 3,004,067,625 |
| Cash | 1,084,892 | - |
| 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 | 13,145,000 | 5,793,676 |
| Dividends receivable | - | - |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | - | - |
| | 3,379,172,513 | 3,009,861,301 |
| 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 | 3,932 | 4,196 |
| Redemptions payable | 30,280 | 27,000 |
| Distributions payable | - | 366,116 |
| Due to investment dealers | - | - |
| Management fees payable | 18,301 | 11,017 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 52,513 | 3,092,672 |
| Net Assets Attributable to Holders of Redeemable Units | 3,379,120,000 | 3,006,768,629 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 107,656,158 | 75,201,788 |
| Series D | 1,405,976 | 1,836,248 |
| Series F | 9,387,428 | 5,311,722 |
| Series I | 3,255,117,923 | 2,920,972,675 |
| Series O | 5,552,515 | 3,446,196 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 10.00 | 10.00 |
| Series D | 10.00 | 10.00 |
| 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" Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|--------------|
| Investment Income | | |
| Dividend income | - | - |
| Interest income for distribution purposes | 47,829,241 | 25,191,801 |
| 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 | 47,829,241 | 25,191,801 |
| Net gain (loss) on foreign exchange | - | - |
| Other income | - | - |
| Total income (loss) | 47,829,241 | 25,191,801 |
| Expenses (note 6) | | |
| Management fees | 485,546 | 470,072 |
| Administration fees | 164,254 | 166,352 |
| Independent review committee fees | 1,762 | 1,937 |
| Withholding tax | - | - |
| Transaction costs (note 3) | - | - |
| Total operating expenses | 651,562 | 638,361 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | 47,177,679 | 24,553,440 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | 47,177,679 | 24,553,440 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | 843,710 | 207,690 |
| Series D | 19,917 | 10,777 |
| Series F | 79,220 | 14,939 |
| Series I | 46,166,386 | 24,273,383 |
| Series O | 68,446 | 46,651 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 8,328,779 | 8,254,944 |
| Series D | 159,435 | 207,147 |
| Series F | 617,836 | 280,321 |
| Series I | 296,715,201 | 302,217,393 |
| Series O | 444,903 | 600,421 |

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

| | 2018 (\$) | 2017 (\$) |
|--|--------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | 0.10 | 0.03 |
| Series D | 0.12 | 0.05 |
| Series F | 0.13 | 0.05 |
| Series I | 0.16 | 0.08 |
| Series O | 0.15 | 0.08 |

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

For the periods ended December 31

| | Series A | | Series D | | Series F | |
|---|-----------------------|-------------------|------------------|------------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 75,201,788 | 86,808,374 | 1,836,248 | 2,488,739 | 5,311,722 | 3,202,191 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 843,710 | 207,690 | 19,917 | 10,777 | 79,220 | 14,939 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 204,096,463 | 163,649,305 | 55,525 | 227,386 | 22,195,584 | 9,617,183 |
| Redemption of redeemable units | \$ (172,672,866) | (175,508,685) | (508,316) | (892,013) | (18,202,970) | (7,522,848) |
| Reinvestment of distributions to holders of redeemable units | \$ 1,030,663 | 252,736 | 22,519 | 12,146 | 83,078 | 15,196 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 32,454,260 | (11,606,644) | (430,272) | (652,481) | 4,075,692 | 2,109,531 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ - | - | - | - | - | - |
| From net investment income | \$ (843,600) | (207,632) | (19,917) | (10,787) | (79,206) | (14,939) |
| Return of capital | \$ - | - | - | - | - | - |
| | \$ (843,600) | (207,632) | (19,917) | (10,787) | (79,206) | (14,939) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 32,454,370 | (11,606,586) | (430,272) | (652,491) | 4,075,706 | 2,109,531 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 107,656,158 | 75,201,788 | 1,405,976 | 1,836,248 | 9,387,428 | 5,311,722 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 7,520,180 | 8,680,845 | 183,625 | 248,874 | 531,173 | 320,220 |
| Units issued | 20,409,646 | 16,364,173 | 5,553 | 22,702 | 2,219,558 | 961,709 |
| Units issued on reinvestment of distributions | 103,066 | 26,031 | 2,252 | 1,250 | 8,308 | 1,529 |
| Units redeemed | (17,267,286) | (17,550,869) | (50,832) | (89,201) | (1,820,297) | (752,285) |
| Balance - end of period | 10,765,606 | 7,520,180 | 140,598 | 183,625 | 938,742 | 531,173 |

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 I | | Series O | | Total | |
|---|-------------------------|----------------------|------------------|------------------|----------------------|----------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 2,920,972,675 | 3,152,233,084 | 3,446,196 | 9,168,599 | 3,006,768,629 | 3,253,900,987 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 46,166,386 | 24,273,383 | 68,446 | 46,651 | 47,177,679 | 24,553,440 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 961,614,660 | 562,813,856 | 19,268,894 | 13,562,237 | 1,207,231,126 | 749,869,967 |
| Redemption of redeemable units | \$ (673,635,860) | (818,347,733) | (17,315,232) | (19,358,882) | (882,335,244) | (1,021,630,161) |
| Reinvestment of distributions to holders of redeemable units | \$ 46,166,572 | 24,273,510 | 152,657 | 74,248 | 47,455,489 | 24,627,836 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 334,145,372 | (231,260,367) | 2,106,319 | (5,722,397) | 372,351,371 | (247,132,358) |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ - | - | - | - | - | - |
| From net investment income | \$ (46,166,510) | (24,273,425) | (68,446) | (46,657) | (47,177,679) | (24,553,440) |
| Return of capital | \$ - | - | - | - | - | - |
| | \$ (46,166,510) | (24,273,425) | (68,446) | (46,657) | (47,177,679) | (24,553,440) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 334,145,248 | (231,260,409) | 2,106,319 | (5,722,403) | 372,351,371 | (247,132,358) |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 3,255,117,923 | 2,920,972,675 | 5,552,515 | 3,446,196 | 3,379,120,000 | 3,006,768,629 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 292,097,248 | 315,223,285 | 344,620 | 916,859 | 300,676,846 | 325,390,083 |
| Units issued | 96,161,466 | 56,281,386 | 1,926,889 | 1,355,523 | 120,723,112 | 74,985,493 |
| Units issued on reinvestment of distributions | 4,616,657 | 2,427,351 | 15,266 | 8,126 | 4,745,549 | 2,464,287 |
| Units redeemed | (67,363,586) | (81,834,774) | (1,731,523) | (1,935,888) | (88,233,524) | (102,163,017) |
| Balance - end of period | 325,511,785 | 292,097,248 | 555,252 | 344,620 | 337,911,983 | 300,676,846 |

Statements of Cash Flows

For the periods ended December 31

| | 2018 | 2017 | | 2018 | 2017 |
|---|-------------------------|------------------|--|----------------------|-----------------|
| | (\$) | (\$) | | (\$) | (\$) |
| Cash Flows from Operating Activities | | | Net Cash Provided by (Used in) | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 47,177,679 | 24,553,440 | Operating Activities | (321,041,621) | 265,396,456 |
| Adjustments for: | | | Cash Flows from Financing Activities | | |
| Net realized (gain) loss on sale of investments | - | - | Distributions paid to holders of redeemable units, net of reinvested distributions | (88,306) | 439,172 |
| Change in unrealized (appreciation) depreciation in value of investments | - | - | Proceeds from redeemable units issued | 1,207,231,126 | 749,869,967 |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - | Redemption of redeemable units | (882,331,964) | (1,021,630,161) |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | - | Net Cash Provided by (Used in) | 324,810,856 | (271,294,022) |
| Change in unrealized (appreciation) depreciation in option contracts | - | - | Financing Activities | | |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - | Net increase (decrease) in cash | 3,769,235 | (5,897,566) |
| Non-cash income distributions from underlying funds | - | - | Cash (bank indebtedness) at beginning of period | (2,684,343) | 3,213,223 |
| Change in margin | - | - | Cash (bank indebtedness) at end of period | 1,084,892 | (2,684,343) |
| Purchases of investments | - | - | Dividends received, net of withholding taxes | - | - |
| Proceeds from sale of investments | - | - | Interest received, net of withholding taxes | 40,477,917 | 24,699,681 |
| Purchases of short-term investments | (14,263,066,796) | (14,357,878,656) | Interest paid | - | - |
| Proceeds from sale of short-term investments | 13,902,191,800 | 14,599,254,809 | | | |
| Change in dividends and interest receivable | (7,351,324) | (492,120) | | | |
| Change in distributions receivable from underlying funds | - | - | | | |
| Change in management fees payable | 7,284 | (35,389) | | | |
| Change in other payables and accrued expenses | (264) | (5,628) | | | |

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

Sun Life Money Market Fund (continued)

Schedule of Investments

As at December 31, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|------------------------------------|--------|---------------|-------------|----------------------|----------------------|-----------------------|
| SHORT-TERM NOTES | | | | | | |
| Treasury Bills | | | | | | |
| Canadian Treasury Bill | 1.629% | 24-Jan-2019 | 174,250,000 | 172,950,202 | 172,950,202 | |
| Canadian Treasury Bill | 1.620% | 7-Feb-2019 | 117,500,000 | 116,853,757 | 116,853,757 | |
| Canadian Treasury Bill | 1.688% | 21-Feb-2019 | 97,800,000 | 97,421,514 | 97,421,514 | |
| Canadian Treasury Bill | 1.706% | 7-Mar-2019 | 108,100,000 | 107,605,104 | 107,605,104 | |
| Canadian Treasury Bill | 1.805% | 21-Mar-2019 | 144,700,000 | 143,481,428 | 143,481,428 | |
| Canadian Treasury Bill | 1.665% | 4-Apr-2019 | 216,100,000 | 215,136,526 | 215,136,526 | |
| Canadian Treasury Bill | 1.899% | 16-May-2019 | 57,900,000 | 57,398,259 | 57,398,259 | |
| Canadian Treasury Bill | 1.789% | 13-Jun-2019 | 139,300,000 | 138,048,605 | 138,048,605 | |
| Province of Manitoba | 1.818% | 9-Jan-2019 | 59,300,000 | 59,055,861 | 59,055,861 | |
| Province of Manitoba | 1.841% | 16-Jan-2019 | 18,200,000 | 18,123,196 | 18,123,196 | |
| Province of Manitoba | 1.899% | 30-Jan-2019 | 40,400,000 | 40,213,756 | 40,213,756 | |
| Province Of Ontario | 1.779% | 2-Jan-2019 | 66,300,000 | 65,908,384 | 65,908,384 | |
| Province of Ontario | 1.890% | 30-Jan-2019 | 20,000,000 | 19,906,200 | 19,906,200 | |
| Province of Ontario | 1.898% | 13-Feb-2019 | 20,000,000 | 19,905,800 | 19,905,800 | |
| Province of Ontario | 1.911% | 27-Mar-2019 | 46,000,000 | 45,784,260 | 45,784,260 | |
| Province of Ontario | 2.011% | 17-Apr-2019 | 23,000,000 | 22,774,140 | 22,774,140 | |
| Province of Ontario | 2.260% | 9-Oct-2019 | 32,300,000 | 31,590,046 | 31,590,046 | |
| Province of Quebec | 1.781% | 4-Jan-2019 | 39,900,000 | 39,723,642 | 39,723,642 | |
| Province of Quebec | 1.850% | 15-Feb-2019 | 19,550,000 | 19,378,156 | 19,378,156 | |
| Province of Quebec | 1.931% | 22-Mar-2019 | 19,600,000 | 19,427,324 | 19,427,324 | |
| Province of Quebec | 2.060% | 3-May-2019 | 29,000,000 | 28,713,190 | 28,713,190 | |
| | | | | 1,479,399,350 | 1,479,399,350 | 43.78 |
| Bankers' Acceptances | | | | | | |
| Bank of Montreal | 2.000% | 2-Jan-2019 | 41,100,000 | 40,924,187 | 40,924,187 | |
| Bank of Montreal | 2.218% | 31-Jan-2019 | 92,600,000 | 92,425,912 | 92,425,912 | |
| Canadian Imperial Bank of Commerce | 2.090% | 28-Jan-2019 | 6,500,000 | 6,467,045 | 6,467,045 | |
| Canadian Imperial Bank of Commerce | 2.001% | 12-Feb-2019 | 27,300,000 | 26,766,012 | 26,766,012 | |
| Canadian Imperial Bank of Commerce | 2.119% | 19-Feb-2019 | 38,600,000 | 38,410,474 | 38,410,474 | |
| Canadian Imperial Bank of Commerce | 2.280% | 6-May-2019 | 22,400,000 | 22,148,224 | 22,148,224 | |
| Canadian Imperial Bank of Commerce | 2.380% | 4-Oct-2019 | 37,000,000 | 36,151,220 | 36,151,220 | |
| JPMorgan Chase Bank, N.A. | 2.032% | 8-Jan-2019 | 43,000,000 | 42,887,770 | 42,887,770 | |
| JPMorgan Chase Bank, N.A. | 2.043% | 9-Jan-2019 | 22,400,000 | 22,348,704 | 22,348,704 | |
| JPMorgan Chase Bank, N.A. | 1.982% | 15-Jan-2019 | 26,520,000 | 26,388,196 | 26,388,196 | |
| JPMorgan Chase Bank, N.A. | 2.172% | 22-Jan-2019 | 13,800,000 | 13,772,952 | 13,772,952 | |
| National Bank of Canada | 2.194% | 28-Jan-2019 | 131,800,000 | 131,546,944 | 131,546,944 | |
| Royal Bank of Canada | 2.151% | 21-Jan-2019 | 46,600,000 | 46,373,210 | 46,373,210 | |
| Royal Bank of Canada | 2.080% | 31-Jan-2019 | 5,700,000 | 5,676,776 | 5,676,776 | |
| Royal Bank of Canada | 2.218% | 28-Mar-2019 | 29,600,000 | 29,438,976 | 29,438,976 | |
| The Bank of Nova Scotia | 2.000% | 23-Jan-2019 | 50,200,000 | 49,242,184 | 49,242,184 | |
| The Bank of Nova Scotia | 2.101% | 29-Mar-2019 | 15,400,000 | 15,243,844 | 15,243,844 | |
| The Toronto-Dominion Bank | 2.029% | 21-Jan-2019 | 10,500,000 | 10,464,510 | 10,464,510 | |
| | | | | 656,677,140 | 656,677,140 | 19.43 |
| Discount Commercial Paper | | | | | | |
| Honda Canada Finance Inc. | 1.931% | 4-Jan-2019 | 34,900,000 | 34,588,548 | 34,588,548 | |
| Honda Canada Finance Inc. | 2.091% | 18-Jan-2019 | 11,300,000 | 11,245,773 | 11,245,773 | |
| Honda Canada Finance Inc. | 2.109% | 5-Feb-2019 | 7,700,000 | 7,672,511 | 7,672,511 | |
| Honda Canada Finance Inc. | 2.070% | 4-Mar-2019 | 16,100,000 | 15,936,424 | 15,936,424 | |
| Honda Canada Finance Inc. | 2.070% | 5-Mar-2019 | 5,700,000 | 5,642,088 | 5,642,088 | |
| Honda Canada Finance Inc. | 2.200% | 15-Apr-2019 | 11,000,000 | 10,880,650 | 10,880,650 | |
| Honda Canada Finance Inc. | 2.120% | 23-Apr-2019 | 9,200,000 | 9,009,008 | 9,009,008 | |
| Honda Canada Finance Inc. | 2.301% | 6-May-2019 | 4,600,000 | 4,548,112 | 4,548,112 | |
| Honda Canada Finance Inc. | 2.289% | 17-May-2019 | 7,000,000 | 6,922,720 | 6,922,720 | |
| Honda Canada Finance Inc. | 2.250% | 30-May-2019 | 18,900,000 | 18,704,007 | 18,704,007 | |
| Honda Canada Finance Inc. | 2.279% | 6-Jun-2019 | 5,700,000 | 5,638,383 | 5,638,383 | |
| Imperial Oil Limited | 2.009% | 10-Jan-2019 | 54,080,000 | 54,038,358 | 54,038,358 | |
| Nestlé Capital Canada Ltd. | 1.972% | 17-Jan-2019 | 20,000,000 | 19,930,000 | 19,930,000 | |
| Nestlé Capital Canada Ltd. | 1.959% | 23-Jan-2019 | 11,700,000 | 11,656,827 | 11,656,827 | |
| Nestlé Capital Canada Ltd. | 2.140% | 12-Feb-2019 | 55,600,000 | 55,359,959 | 55,359,959 | |
| Nestlé Capital Canada Ltd. | 2.100% | 14-Feb-2019 | 38,100,000 | 37,931,979 | 37,931,979 | |
| Nestlé Capital Canada Ltd. | 2.188% | 14-Mar-2019 | 7,100,000 | 7,064,429 | 7,064,429 | |
| Toyota Credit Canada Inc. | 2.260% | 21-Jun-2019 | 7,400,000 | 7,293,914 | 7,293,914 | |
| Toyota Credit Canada Inc. | 2.250% | 28-Jun-2019 | 50,000,000 | 49,187,500 | 49,187,500 | |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--------------------------------------|--------|---------------|------------|----------------------|----------------------|-----------------------|
| Toyota Credit Canada Inc. | 2.349% | 16-Jul-2019 | 5,000,000 | 4,918,950 | 4,918,950 | |
| Toyota Credit Canada Inc. | 2.429% | 2-Aug-2019 | 14,900,000 | 14,644,614 | 14,644,614 | |
| Toyota Credit Canada Inc. | 2.429% | 9-Aug-2019 | 53,600,000 | 52,657,176 | 52,657,176 | |
| | | | | 445,471,930 | 445,471,930 | 13.18 |
| Promissory Notes | | | | | | |
| Province of Alberta | 1.810% | 8-Jan-2019 | 64,600,000 | 64,324,486 | 64,324,486 | |
| Province of Alberta | 1.879% | 22-Jan-2019 | 23,300,000 | 23,193,752 | 23,193,752 | |
| Province of Alberta | 1.882% | 30-Jan-2019 | 25,100,000 | 24,982,783 | 24,982,783 | |
| Province of Alberta | 1.770% | 7-Feb-2019 | 15,000,000 | 14,739,150 | 14,739,150 | |
| Province of Alberta | 1.920% | 5-Mar-2019 | 49,300,000 | 49,066,622 | 49,066,622 | |
| Province of Alberta | 2.000% | 25-Jul-2019 | 18,800,000 | 18,431,332 | 18,431,332 | |
| Province of British Columbia | 1.940% | 25-Mar-2019 | 20,800,000 | 20,610,512 | 20,610,512 | |
| Province of British Columbia | 1.900% | 26-Mar-2019 | 34,700,000 | 34,529,276 | 34,529,276 | |
| Province of British Columbia | 1.999% | 9-Apr-2019 | 57,200,000 | 56,832,776 | 56,832,776 | |
| Province of British Columbia | 1.908% | 11-Apr-2019 | 55,600,000 | 55,296,424 | 55,296,424 | |
| Province of Quebec | 1.850% | 3-Jan-2019 | 20,400,000 | 20,343,288 | 20,343,288 | |
| Province of Quebec | 1.870% | 29-Jan-2019 | 21,000,000 | 20,902,560 | 20,902,560 | |
| Province of Quebec | 1.900% | 19-Feb-2019 | 15,400,000 | 15,329,776 | 15,329,776 | |
| | | | | 418,582,737 | 418,582,737 | 12.39 |
| Bearer Deposit Notes | | | | | | |
| Manulife Bank of Canada | 2.081% | 5-Mar-2019 | 47,000,000 | 46,517,310 | 46,517,310 | |
| Manulife Bank of Canada | 2.269% | 22-Apr-2019 | 59,800,000 | 58,957,114 | 58,957,114 | |
| Manulife Bank of Canada | 2.481% | 5-Dec-2019 | 25,400,000 | 24,786,844 | 24,786,844 | |
| Royal Bank of Canada | 2.000% | 31-Jan-2019 | 51,400,000 | 50,392,046 | 50,392,046 | |
| The Bank of Nova Scotia | 2.128% | 14-Feb-2019 | 64,800,000 | 64,461,744 | 64,461,744 | |
| The Toronto-Dominion Bank | 1.941% | 21-Jan-2019 | 51,100,000 | 50,615,572 | 50,615,572 | |
| The Toronto-Dominion Bank | 2.060% | 23-Apr-2019 | 70,500,000 | 69,080,834 | 69,080,834 | |
| | | | | 364,811,464 | 364,811,464 | 10.80 |
| Total Investments | | | | 3,364,942,621 | 3,364,942,621 | 99.58 |
| Transaction Costs | | | | - | - | - |
| Total Investments | | | | 3,364,942,621 | 3,364,942,621 | 99.58 |
| Other Assets less Liabilities | | | | | 14,177,379 | 0.42 |
| Total Net Assets | | | | | 3,379,120,000 | 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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | As a % of Net Assets | |
|--------------|----------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 64.24 | 62.10 |
| AA/Aa | 35.34 | 33.86 |
| Not Rated | - | 3.95 |
| Total | 99.58 | 99.91 |

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

Sun Life Money Market 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 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, 2018 | 3,364,942,621 | - | -3,364,942,621 | |
| December 31, 2017 | 3,004,067,625 | - | -3,004,067,625 | |

As at December 31, 2018, 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 \$6,496,315 (\$4,939,863 as at December 31, 2017). 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, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Treasury Bills | 43.8 | 45.1 |
| Bankers' Acceptances | 19.4 | 22.7 |
| Discount Commercial Paper | 13.2 | 13.2 |
| Promissory Notes | 12.4 | 10.9 |
| Bearer Deposit Notes | 10.8 | 8.0 |
| Other Assets less Liabilities | 0.4 | 0.1 |
| Total | 100.0 | 100.0 |

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------|-------------------|---------------|--------------|---------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Short-Term Investments | - | 3,364,942,621 | - | 3,364,942,621 |

| | December 31, 2017 | | | Total (\$) |
|------------------------|-------------------|---------------|--------------|---------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Short-Term Investments | - | 3,004,067,625 | - | 3,004,067,625 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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.

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 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 354,795,021 | 362,856,029 |
| Short-term investments | 1,045,706 | 5,232,646 |
| Cash | 1,085,804 | 491,581 |
| Margin | 46,124 | 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 | 735,275 | 188,689 |
| Accrued interest | 461,774 | 479,163 |
| Dividends receivable | - | - |
| Distributions receivable from underlying funds | - | 432,221 |
| Subscriptions receivable | 751 | 945,121 |
| | 358,170,455 | 370,866,322 |
| Liabilities | | |
| Current Liabilities | | |
| Bank indebtedness | - | - |
| Margin | - | 36,985 |
| Option contracts, at fair value - short | - | - |
| Credit default swaps, buy protection | - | - |
| Unrealized depreciation on futures contracts | 9,166 | 7,209 |
| Unrealized depreciation on currency forward contracts | 22,256 | - |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 3,719 | 3,152 |
| Redemptions payable | 1,048,856 | 852 |
| Distributions payable | - | - |
| Due to investment dealers | 15,768 | 1,408,714 |
| Management fees payable | 1,123 | 1,124 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 1,100,888 | 1,458,036 |
| Net Assets Attributable to Holders of Redeemable Units | 357,069,567 | 369,408,286 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 3,118,995 | 3,092,710 |
| Series F | 483,978 | 534,348 |
| Series I | 353,049,285 | 365,523,799 |
| Series O | 417,309 | 257,429 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 9.63 | 9.77 |
| Series F | 9.67 | 9.80 |
| Series I | 9.63 | 9.78 |
| Series O | 9.79 | 9.94 |

Approved on behalf of Trustee

| | |
|------------------------|--------------------------|
| “signed” Rick Headrick | “signed” Kari Holdsworth |
| President | Chief Financial Officer |

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|--------------|
| Investment Income | | |
| Dividend income | - | - |
| Interest income for distribution purposes | 3,070,056 | 3,237,032 |
| Distributions from underlying funds | 8,467,446 | 8,106,332 |
| 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 | (3,062,994) | (1,356,380) |
| Net realized gain (loss) on futures contracts | 28,588 | 309,875 |
| Net realized gain (loss) on currency forward contracts | 78,032 | - |
| Net realized gain (loss) on option contracts | - | - |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | (2,538,114) | 1,745,180 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | (46,151) | 36,985 |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (22,256) | - |
| Change in unrealized appreciation (depreciation) in option contracts | - | - |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | 5,974,607 | 12,079,024 |
| Net gain (loss) on foreign exchange | (53,445) | (32) |
| Other income | 178 | - |
| Total income (loss) | 5,921,340 | 12,078,992 |
| Expenses (note 6) | | |
| Management fees | 40,288 | 46,666 |
| Administration fees | 124,763 | 132,303 |
| Independent review committee fees | 75 | 78 |
| Withholding tax | - | - |
| Transaction costs (note 3) | 2,824 | 2 |
| Total operating expenses | 167,950 | 179,049 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | 5,753,390 | 11,899,943 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | 5,753,390 | 11,899,943 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | 9,091 | 49,390 |
| Series F | 3,561 | 4,943 |
| Series I | 5,735,352 | 11,840,779 |
| Series O | 5,386 | 4,831 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 335,944 | 329,222 |
| Series F | 50,304 | 24,542 |
| Series I | 36,935,943 | 38,758,529 |
| Series O | 34,538 | 22,734 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | 0.03 | 0.15 |
| Series F | 0.07 | 0.20 |
| Series I | 0.16 | 0.31 |
| Series O | 0.16 | 0.21 |

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 F | | Series I | |
|---|---------------------|------------------|----------------|----------------|--------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 3,092,710 | 3,558,675 | 534,348 | 147,973 | 365,523,799 | 398,259,773 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 9,091 | 49,390 | 3,561 | 4,943 | 5,735,352 | 11,840,779 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 921,131 | 473,501 | 80,814 | 434,133 | 13,131,198 | 31,039,647 |
| Redemption of redeemable units | \$ (903,937) | (988,914) | (134,745) | (52,712) | (31,341,064) | (75,616,400) |
| Reinvestment of distributions to holders of redeemable units | \$ 56,834 | 43,420 | 11,096 | 5,022 | 11,331,245 | 11,140,066 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 74,028 | (471,993) | (42,835) | 386,443 | (6,878,621) | (33,436,687) |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ - | - | - | - | - | - |
| From net investment income | \$ (56,834) | (43,362) | (11,096) | (5,011) | (11,331,245) | (11,140,029) |
| Return of capital | \$ - | - | - | - | - | (37) |
| | \$ (56,834) | (43,362) | (11,096) | (5,011) | (11,331,245) | (11,140,066) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 26,285 | (465,965) | (50,370) | 386,375 | (12,474,514) | (32,735,974) |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 3,118,995 | 3,092,710 | 483,978 | 534,348 | 353,049,285 | 365,523,799 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 316,693 | 364,763 | 54,511 | 15,107 | 37,370,311 | 40,727,486 |
| Units issued | 94,943 | 48,134 | 8,300 | 44,273 | 1,362,338 | 3,159,298 |
| Units issued on reinvestment of distributions | 6,107 | 4,484 | 1,146 | 511 | 1,174,997 | 1,133,555 |
| Units redeemed | (93,754) | (100,688) | (13,931) | (5,380) | (3,248,963) | (7,650,028) |
| Balance - end of period | 323,989 | 316,693 | 50,026 | 54,511 | 36,658,683 | 37,370,311 |

| | Series O | | Total | |
|---|-------------------|----------------|---------------------|---------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 257,429 | 128,522 | 369,408,286 | 402,094,943 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 5,386 | 4,831 | 5,753,390 | 11,899,943 |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | \$ 226,099 | 162,921 | 14,359,242 | 32,110,202 |
| Redemption of redeemable units | \$ (71,605) | (38,845) | (32,451,351) | (76,696,871) |
| Reinvestment of distributions to holders of redeemable units | \$ 10,855 | 6,420 | 11,410,030 | 11,194,928 |
| Capitalized distributions | \$ - | - | - | - |
| | \$ 165,349 | 130,496 | (6,682,079) | (33,391,741) |
| Distributions to Holders of Redeemable Units | | | | |
| From capital gains | \$ - | - | - | - |
| From net investment income | \$ (10,855) | (6,420) | (11,410,030) | (11,194,822) |
| Return of capital | \$ - | - | - | (37) |
| | \$ (10,855) | (6,420) | (11,410,030) | (11,194,859) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 159,880 | 128,907 | (12,338,719) | (32,686,657) |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 417,309 | 257,429 | 357,069,567 | 369,408,286 |
| Redeemable Unit Transactions | | | | |
| Balance - beginning of period | 25,895 | 12,932 | 37,767,410 | 41,120,288 |
| Units issued | 23,015 | 16,221 | 1,488,596 | 3,267,926 |
| Units issued on reinvestment of distributions | 1,108 | 643 | 1,183,358 | 1,139,193 |
| Units redeemed | (7,384) | (3,901) | (3,364,032) | (7,759,997) |
| Balance - end of period | 42,634 | 25,895 | 37,075,332 | 37,767,410 |

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

| | 2018 (\$) | 2017 (\$) |
|---|----------------------|---------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 5,753,390 | 11,899,943 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | 3,062,994 | 1,356,380 |
| Change in unrealized (appreciation) depreciation in value of investments | 2,538,114 | (1,745,180) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | 46,151 | (36,985) |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 22,256 | - |
| Change in unrealized (appreciation) depreciation in option contracts | - | - |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - |
| Non-cash income distributions from underlying funds | (8,467,446) | (8,106,332) |
| Change in margin | 113,569 | (159,693) |
| Purchases of investments | (349,155,754) | (425,021,596) |
| Proceeds from sale of investments | 358,143,557 | 461,828,675 |
| Purchases of short-term investments | (53,439,782) | (86,998,185) |
| Proceeds from sale of short-term investments | 57,626,721 | 88,305,524 |
| Change in dividends and interest receivable | 17,389 | 111,698 |
| Change in distributions receivable from underlying funds | 432,221 | (112,635) |
| Change in management fees payable | (1) | (3,736) |
| Change in other payables and accrued expenses | 579 | (8,091) |
| Net Cash Provided by (Used in) Operating Activities | 16,693,958 | 41,309,787 |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | - | 69 |
| Proceeds from redeemable units issued | 15,303,612 | 35,418,125 |
| Redemption of redeemable units | (31,403,347) | (76,712,932) |
| Net Cash Provided by (Used in) Financing Activities | (16,099,735) | (41,294,738) |
| Net increase (decrease) in cash | 594,223 | 15,049 |
| Cash (bank indebtedness) at beginning of period | 491,581 | 476,532 |
| Cash (bank indebtedness) at end of period | 1,085,804 | 491,581 |
| Dividends received, net of withholding taxes | - | - |
| Interest received, net of withholding taxes | 3,087,445 | 3,331,361 |
| 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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---------------------------------------|--------|---------------|------------|-------------------|-------------------|-----------------------|
| SHORT TERM INVESTMENTS | | | | | | |
| Bankers' Acceptances | | | | | | |
| Bank of Nova Scotia | | 30-Jan-2019 | 150,000 | 149,627 | 149,627 | |
| Bank of Nova Scotia | | 13-Mar-2019 | 100,000 | 99,470 | 99,470 | |
| Bank of Nova Scotia | | 25-Jan-2019 | 100,000 | 99,769 | 99,769 | |
| Bank of Montreal | | 28-Feb-2019 | 250,000 | 248,740 | 248,740 | |
| Royal Bank of Canada | | 24-Jan-2019 | 150,000 | 149,720 | 149,720 | |
| | | | | 747,326 | 747,326 | 0.21 |
| Bearer Deposit Notes | | | | | | |
| The Bank of Nova Scotia | | 20-Feb-2019 | 300,000 | 298,380 | 298,380 | |
| | | | | 298,380 | 298,380 | 0.08 |
| Total Short-Term Investments | | | | 1,045,706 | 1,045,706 | 0.29 |
| BONDS | | | | | | |
| Federal Bonds | | | | | | |
| Canada Housing Trust No 1 | 2.400% | 15-Dec-2022 | 5,235,000 | 5,225,472 | 5,268,836 | |
| Canada Housing Trust No 1 | 2.350% | 15-Jun-2023 | 3,556,000 | 3,521,225 | 3,567,672 | |
| Canada Housing Trust No 1 | 2.550% | 15-Dec-2023 | 865,000 | 869,230 | 874,652 | |
| Canadian Government Bond | 2.250% | 1-Feb-2021 | 1,897,000 | 1,909,501 | 1,911,792 | |
| Canadian Government Bond | 0.750% | 1-Mar-2021 | 2,865,000 | 2,766,444 | 2,797,780 | |
| Canadian Government Bond | 1.000% | 1-Sep-2022 | 4,517,000 | 4,293,318 | 4,375,493 | |
| Canadian Government Bond | 1.750% | 1-Mar-2023 | 257,000 | 251,876 | 255,601 | |
| Canadian Government Bond | 1.500% | 1-Jun-2023 | 1,041,000 | 1,023,303 | 1,024,208 | |
| Canadian Government Bond | 2.000% | 1-Sep-2023 | 6,339,000 | 6,240,764 | 6,371,804 | |
| Canadian Government Bond | 5.750% | 1-Jun-2029 | 105,000 | 137,130 | 141,877 | |
| Canadian Government Bond | 5.750% | 1-Jun-2033 | 175,000 | 241,799 | 254,862 | |
| Canadian Government Bond | 5.750% | 1-Jun-2033 | 431,000 | 639,981 | 627,689 | |
| Canadian Government Bond | 5.000% | 1-Jun-2037 | 3,806,000 | 5,286,694 | 5,451,408 | |
| Canadian Government Bond | 4.000% | 1-Jun-2041 | 18,000 | 22,894 | 23,753 | |
| Canadian Government Bond | 2.750% | 1-Dec-2048 | 5,601,000 | 6,009,926 | 6,298,525 | |
| CPPIB Capital Inc. | 3.000% | 15-Jun-2028 | 388,000 | 388,000 | 393,787 | |
| | | | | 38,827,557 | 39,639,739 | 11.10 |
| Provincial Bonds | | | | | | |
| Province of Alberta | 2.200% | 1-Jun-2026 | 125,000 | 120,634 | 120,270 | |
| Province of Alberta | 2.650% | 1-Sep-2023 | 676,000 | 675,709 | 680,680 | |
| Province of Alberta | 3.100% | 1-Jun-2024 | 149,000 | 158,211 | 152,789 | |
| Province of Alberta | 2.350% | 1-Jun-2025 | 794,000 | 798,108 | 778,641 | |
| Province of Alberta | 2.900% | 1-Dec-2028 | 182,000 | 181,347 | 181,829 | |
| Province of Alberta | 3.300% | 1-Dec-2046 | 1,202,000 | 1,213,350 | 1,201,359 | |
| Province of Alberta | 3.050% | 1-Dec-2048 | 1,371,000 | 1,360,420 | 1,311,054 | |
| Province of New Brunswick | 5.500% | 27-Jan-2034 | 255,000 | 331,497 | 322,373 | |
| Province of New Brunswick | 4.550% | 26-Mar-2037 | 163,000 | 193,864 | 189,083 | |
| Province of New Brunswick | 3.550% | 3-Jun-2043 | 219,000 | 223,885 | 223,713 | |
| Province of Newfoundland and Labrador | 2.850% | 2-Jun-2028 | 437,000 | 435,698 | 432,414 | |
| Province of Ontario | 4.200% | 2-Jun-2020 | 871,000 | 903,689 | 897,167 | |
| Province of Ontario | 4.650% | 2-Jun-2041 | 327,000 | 393,971 | 402,689 | |
| Province of Ontario | 3.500% | 2-Jun-2024 | 10,000,000 | 10,432,108 | 10,479,896 | |
| Province of Ontario | 5.600% | 2-Jun-2035 | 2,102,000 | 2,782,504 | 2,768,295 | |
| Province of Ontario | 4.700% | 2-Jun-2037 | 2,631,000 | 3,206,562 | 3,197,504 | |
| Province of Ontario | 2.900% | 2-Dec-2046 | 549,000 | 536,637 | 518,138 | |
| Province of Ontario | 2.800% | 2-Jun-2048 | 1,681,000 | 1,593,070 | 1,557,965 | |
| Province of Quebec | 3.500% | 1-Dec-2022 | 204,000 | 209,712 | 212,730 | |
| Province of Quebec | 4.250% | 1-Dec-2043 | 136,000 | 164,269 | 161,778 | |
| Province of Quebec | 3.500% | 1-Dec-2045 | 460,000 | 508,534 | 489,031 | |
| Province of Quebec | 3.500% | 1-Dec-2048 | 504,000 | 546,135 | 539,726 | |
| Province of Saskatchewan | 2.650% | 2-Jun-2027 | 960,000 | 951,440 | 948,369 | |
| Province of Saskatchewan | 3.300% | 2-Jun-2048 | 1,769,000 | 1,813,988 | 1,784,317 | |
| | | | | 29,735,342 | 29,551,810 | 8.28 |
| Municipal Bonds | | | | | | |
| City of Toronto Canada | 3.200% | 1-Aug-2048 | 352,000 | 351,124 | 333,501 | |
| | | | | 351,124 | 333,501 | 0.09 |

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, 2018

| | Yield | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|--------|---------------|-----------|-------------------|-------------------|-----------------------|
| Corporate Bonds | | | | | | |
| Bank of Montreal | 1.880% | 31-Mar-2021 | 1,654,000 | 1,619,776 | 1,625,297 | |
| Bank of Montreal | 3.400% | 23-Apr-2021 | 271,000 | 278,100 | 275,235 | |
| Bank of Montreal | 1.610% | 28-Oct-2021 | 1,289,000 | 1,242,192 | 1,249,442 | |
| Bank of Montreal | 2.270% | 11-Jul-2022 | 213,000 | 207,594 | 208,983 | |
| Bank of Montreal | 2.890% | 20-Jun-2023 | 337,000 | 335,402 | 336,815 | |
| Bank of Montreal | 4.338% | 5-Oct-2028 | 456,000 | 584,660 | 620,658 | |
| Bank of Nova Scotia | 1.900% | 2-Dec-2021 | 897,000 | 869,168 | 874,745 | |
| Bank of Nova Scotia | 2.360% | 8-Nov-2022 | 246,000 | 239,306 | 241,226 | |
| Bank of Nova Scotia | 4.650% | 31-Dec-2049 | 182,000 | 217,574 | 215,640 | |
| Bell Canada Inc. | 3.600% | 29-Sep-2027 | 220,000 | 214,823 | 216,453 | |
| Bell Canada Inc. | 4.350% | 18-Dec-2045 | 67,000 | 67,489 | 62,782 | |
| Bell Canada Inc. | 4.450% | 27-Feb-2047 | 265,000 | 266,825 | 252,559 | |
| Canadian Imperial Bank of Commerce | 2.900% | 14-Sep-2021 | 901,000 | 900,973 | 904,010 | |
| Canadian Imperial Bank of Commerce | 2.300% | 11-Jul-2022 | 936,000 | 919,545 | 918,659 | |
| Canadian Imperial Bank of Commerce | 3.450% | 4-Apr-2028 | 1,138,000 | 1,121,316 | 1,125,384 | |
| Choice Properties Real Estate Investment Trust | 4.293% | 8-Feb-2024 | 1,584,000 | 1,701,813 | 1,621,279 | |
| Choice Properties Real Estate Investment Trust | 4.055% | 24-Nov-2025 | 450,000 | 472,642 | 450,893 | |
| CU Inc. | 4.543% | 24-Oct-2041 | 595,000 | 677,774 | 658,282 | |
| CU Inc. | 3.964% | 27-Jul-2045 | 168,000 | 178,421 | 171,936 | |
| Empire Life Insurance Co. | 3.383% | 16-Dec-2026 | 287,000 | 287,000 | 287,485 | |
| Empire Life Insurance Co. | 3.664% | 15-Mar-2028 | 356,000 | 356,871 | 357,940 | |
| Enbridge Inc. | 3.950% | 19-Nov-2024 | 251,000 | 255,609 | 256,115 | |
| Enbridge Inc. | 4.240% | 27-Aug-2042 | 245,000 | 225,894 | 223,889 | |
| Enbridge Inc. | 4.570% | 11-Mar-2044 | 22,000 | 22,226 | 21,218 | |
| Enbridge Inc. | 4.870% | 21-Nov-2044 | 219,000 | 224,182 | 217,775 | |
| Enbridge Inc. | 5.375% | 27-Sep-2077 | 972,000 | 929,134 | 898,037 | |
| First Capital Realty Inc. | 3.604% | 6-May-2026 | 75,000 | 74,802 | 72,693 | |
| Hydro One Inc. | 7.350% | 3-Jun-2030 | 644,000 | 923,387 | 874,463 | |
| Intact Financial Corp. | 2.850% | 7-Jun-2027 | 265,000 | 246,556 | 252,552 | |
| Loblaw Companies Ltd. | 6.500% | 22-Jan-2029 | 249,000 | 313,064 | 293,772 | |
| Plenary Properties LTAP LP | 6.288% | 31-Jan-2044 | 57,680 | 75,511 | 74,221 | |
| Royal Bank of Canada | 2.860% | 4-Mar-2021 | 1,385,000 | 1,435,885 | 1,390,208 | |
| Royal Bank of Canada | 1.650% | 15-Jul-2021 | 1,289,000 | 1,251,788 | 1,254,994 | |
| Royal Bank of Canada | 3.296% | 26-Sep-2023 | 2,160,000 | 2,154,709 | 2,169,958 | |
| The Bank of Nova Scotia | 3.270% | 11-Jan-2021 | 3,247,000 | 3,301,290 | 3,284,348 | |
| Toronto-Dominion Bank | 2.621% | 22-Dec-2021 | 587,000 | 579,557 | 584,860 | |
| Toronto-Dominion Bank | 3.005% | 30-May-2023 | 299,000 | 298,408 | 300,775 | |
| Toronto-Dominion Bank | 3.589% | 14-Sep-2028 | 300,000 | 300,000 | 298,821 | |
| TransCanada Pipelines Ltd. | 3.690% | 19-Jul-2023 | 240,000 | 243,106 | 245,084 | |
| TransCanada PipeLines Ltd. | 8.050% | 17-Feb-2039 | 152,000 | 238,994 | 216,302 | |
| TransCanada PipeLines Ltd. | 4.350% | 6-Jun-2046 | 338,000 | 343,530 | 323,153 | |
| TransCanada PipeLines Ltd. | 4.180% | 3-Jul-2048 | 273,000 | 274,386 | 251,760 | |
| TransCanada Trust | 4.650% | 18-May-2077 | 567,000 | 543,723 | 508,154 | |
| | | | | 27,015,005 | 26,688,855 | 7.47 |
| Foreign Bonds | | | | | | |
| United States Treasury Note/Bond | 2.875% | 30-Nov-2023 | 242,000 | 329,807 | 336,518 | |
| | | | | 329,807 | 336,518 | 0.09 |
| Total Bonds | | | | 96,258,835 | 96,550,423 | 27.03 |

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

Sun Life Multi-Strategy Bond Fund (continued)

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|--------------------|--------------------|-----------------------|
| MUTUAL FUNDS | | | | |
| PH&N Bond Fund, Series O | 12,416,285 | 129,575,482 | 124,639,634 | |
| Sun Life BlackRock Canadian Universe Bond Fund, Series I | 10,356,325 | 111,022,134 | 106,798,567 | |
| Templeton Global Bond Fund (Hedged), Series O | 2,239,572 | 18,675,378 | 17,850,063 | |
| Templeton Global Bond Fund, Series O | 725,591 | 9,091,075 | 8,956,334 | |
| Total Mutual Funds | | 268,364,069 | 258,244,598 | 72.32 |
| Transaction Costs | | - | | |
| Total Investments | | 365,668,610 | 355,840,727 | 99.64 |
| Currency Forward Contracts ⁽¹⁾ | | | (22,256) | (0.01) |
| Futures contracts ⁽²⁾ | | | (9,166) | - |
| Other Assets less Liabilities | | | 1,260,262 | 0.37 |
| Total Net Assets | | | 357,069,567 | 100.00 |

⁽¹⁾ Currency Forward Contracts

| Counterparty | Credit Rating for Counterparty | Settlement Date | Purchased Currency | Par Value | Sold Currency | Par Value | Unrealized Gain/(Loss) (\$) |
|-----------------|--------------------------------|-----------------|--------------------|-----------|---------------|-----------|-----------------------------|
| T.D. Bank Corp. | A-1+ | 20-Mar-2019 | CAD | 1,186,886 | USD | (887,000) | (22,256) |
| | | | | | | | (22,256) |

⁽²⁾ Futures Contracts

| Name of Future | Contracted Value (\$) | Expiry Date | Numbers of Contracts | Contracted Price | Current Value (\$) | Unrealized Appreciation/Depreciation (\$) |
|--------------------------------|-----------------------|-------------|----------------------|------------------|--------------------|---|
| CBOT 5YR US T-NOTE FUTURES | (625,195) | 29-Mar-2019 | (4) | 114 | (626,561) | (1,366) |
| MTL 10YR CANADIAN BOND FUTURES | (265,740) | 20-Mar-2019 | (2) | 133 | (273,540) | (7,800) |
| | | | | | (900,101) | (9,166) |

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018, 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 accompanying notes are an integral part of the financial statements.

Sun Life Multi-Strategy Bond 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 11.39 | 9.33 |
| AA/Aa | 4.45 | 6.19 |
| A/A | 8.78 | 10.03 |
| BBB/Bbb | 2.20 | 4.13 |
| Not rated | 0.50 | - |
| Total | 27.32 | 29.68 |

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, 2018 | 1,045,706 | 44,439,572 | 52,110,851 | 97,596,129 |
| December 31, 2017 | 5,232,646 | 33,513,433 | 70,892,388 | 109,638,467 |

As at December 31, 2018, 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 \$11,043,576 (\$11,127,148 as at December 31, 2017). 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, 2018 and 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, 2018 | December 31, 2017 |
| Short-Term Investments | | |
| Bankers' Acceptances | 0.2 | 1.4 |
| Bearer Deposit Notes | 0.1 | - |
| Bonds | | |
| Federal Bonds | 11.1 | 7.8 |
| Provincial Bonds | 8.3 | 14.2 |
| Municipal Bonds | 0.1 | - |
| Corporate Bonds | 7.5 | 6.3 |
| Foreign Bonds | 0.1 | - |
| Mutual Funds | | |
| Canadian Fixed Income | 64.8 | 59.9 |
| Global Fixed Income | 7.5 | 10.0 |
| Derivative Assets (Liabilities) | - | 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Bonds | - | 96,550,423 | - | 96,550,423 |
| Short-Term Investments | - | 1,045,706 | - | 1,045,706 |
| Mutual Funds | 258,244,598 | - | - | 258,244,598 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 22,256 | - | 22,256 |
| Futures Contracts | 9,166 | - | - | 9,166 |
| | | | | |
| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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 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 1 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, 2018 were \$2,824 (\$2 for the period ended December 31, 2017).

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$12,299,555 (\$9,007,486 as at December 31, 2017). 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series F | 1,075 | 10,400 |
| | | |
| | December 31, 2017 | |
| | Units | Market Value (\$) |
| Series F | 1,048 | 10,275 |

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, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F | 25 | - | 232 |

| | December 31, 2017 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series F | 26 | - | 197 |

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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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 |

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

Sun Life Multi-Strategy Target Return Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 34,423,059 | 28,326,450 |
| Short-term investments | - | - |
| Cash | 45,146,457 | 50,618,535 |
| Margin | 3,880,591 | 3,865,946 |
| Option contracts, at fair value - long | 3,045,861 | 2,821,106 |
| Credit default swaps, sell protection | - | 644,046 |
| Unrealized appreciation on futures contracts | 198,004 | 457,912 |
| Unrealized appreciation on currency forward contracts | 492,488 | 671,223 |
| Unrealized appreciation on swaps | 32,973,237 | 34,022,476 |
| Due from investment dealers | 15,525 | - |
| Accrued interest | 57,188 | 115,423 |
| Dividends receivable | 80,076 | 2,862 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 193,526 | 76,119 |
| | 120,506,012 | 121,622,098 |
| Liabilities | | |
| Current Liabilities | | |
| Bank indebtedness | - | - |
| Margin | 145,172 | 560,972 |
| Option contracts, at fair value - short | 1,349,787 | 341,766 |
| Credit default swaps, buy protection | - | - |
| Unrealized depreciation on futures contracts | 87,442 | 362,621 |
| Unrealized depreciation on currency forward contracts | 1,597,541 | 526,089 |
| Unrealized depreciation on swaps | 33,767,059 | 34,390,790 |
| Accrued expenses | 2,129 | 3,226 |
| Redemptions payable | 5,277 | 419,097 |
| Distributions payable | - | - |
| Due to investment dealers | 45,014 | - |
| Management fees payable | 9,268 | 16,282 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 37,008,689 | 36,620,843 |
| Net Assets Attributable to Holders of Redeemable Units | 83,497,323 | 85,001,255 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 4,380,833 | 6,603,340 |
| Series F | 14,916,835 | 38,435,874 |
| Series I | 64,190,242 | 39,952,070 |
| Series O | 9,413 | 9,971 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 8.89 | 9.56 |
| Series F | 9.12 | 9.70 |
| Series I | 9.18 | 9.80 |
| Series O | 9.19 | 9.81 |

Approved on behalf of Trustee

| | |
|------------------------|--------------------------|
| “signed” Rick Headrick | “signed” Kari Holdsworth |
| President | Chief Financial Officer |

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|--------------|
| Investment Income | | |
| Dividend income | 460,800 | 93,821 |
| Interest income for distribution purposes | 582,759 | 467,519 |
| 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 | (409,527) | (219,413) |
| Net realized gain (loss) on futures contracts | 709,553 | 1,111,375 |
| Net realized gain (loss) on currency forward contracts | 684,909 | 210,532 |
| Net realized gain (loss) on option contracts | (1,209,524) | (146,804) |
| Net realized gain (loss) on swaps | 1,023,803 | (1,109,325) |
| Change in unrealized appreciation (depreciation) in value of investments | (1,662,994) | 262,272 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | 15,271 | 88,794 |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (1,250,187) | 698,800 |
| Change in unrealized appreciation (depreciation) in option contracts | (914,023) | (2,035,560) |
| Change in unrealized appreciation (depreciation) in value of swaps | (502,027) | (501,798) |
| Net gains (losses) on investments | (2,471,187) | (1,079,787) |
| Net gain (loss) on foreign exchange | (484,485) | (87,111) |
| Other income | - | - |
| Total income (loss) | (2,955,672) | (1,166,898) |
| Expenses (note 6) | | |
| Management fees | 555,954 | 791,065 |
| Administration fees | 90,962 | 137,646 |
| Independent review committee fees | 683 | 1,086 |
| Withholding tax | 112,010 | 14,821 |
| Transaction costs (note 3) | 79,583 | 48,746 |
| Total operating expenses | 839,192 | 993,364 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (3,794,864) | (2,160,262) |
| Finance Cost | | |
| Interest expense | (2,945) | (4,509) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (3,797,809) | (2,164,771) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (320,980) | (292,670) |
| Series F | (797,451) | (1,232,669) |
| Series I | (2,678,929) | (638,450) |
| Series O | (449) | (982) |
| Weighted Average Number of Units Outstanding | | |
| Series A | 586,428 | 730,034 |
| Series F | 3,054,051 | 4,479,834 |
| Series I | 4,439,225 | 3,731,685 |
| Series O | 1,012 | 1,856 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.55) | (0.40) |
| Series F | (0.26) | (0.28) |
| Series I | (0.60) | (0.17) |
| Series O | (0.44) | (0.53) |

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 periods ended December 31

| | Series A | | Series F | | Series I | |
|---|---------------------|------------------|-------------------|-------------------|-------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 6,603,340 | 6,471,540 | 38,435,874 | 36,820,839 | 39,952,070 | 31,995,065 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (320,980) | (292,670) | (797,451) | (1,232,669) | (2,678,929) | (638,450) |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 1,565,168 | 2,808,103 | 12,225,331 | 33,884,237 | 28,625,834 | 9,383,646 |
| Redemption of redeemable units | \$ (3,466,608) | (2,383,572) | (34,945,870) | (31,036,872) | (1,708,733) | (788,191) |
| Reinvestment of distributions to holders of redeemable units | \$ 981 | 2,007 | 13,738 | 16,612 | 1,220,991 | 457,077 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ (1,900,459) | 426,538 | (22,706,801) | 2,863,977 | 28,138,092 | 9,052,532 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ - | - | - | - | - | - |
| From net investment income | \$ (1,068) | (2,024) | (14,787) | (15,924) | (1,220,991) | (447,266) |
| Return of capital | \$ - | (44) | - | (349) | - | (9,811) |
| | \$ (1,068) | (2,068) | (14,787) | (16,273) | (1,220,991) | (457,077) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (2,222,507) | 131,800 | (23,519,039) | 1,615,035 | 24,238,172 | 7,957,005 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 4,380,833 | 6,603,340 | 14,916,835 | 38,435,874 | 64,190,242 | 39,952,070 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 690,425 | 648,707 | 3,963,913 | 3,679,996 | 4,078,217 | 3,182,287 |
| Units issued | 160,786 | 285,920 | 1,248,334 | 3,438,977 | 2,953,521 | 929,470 |
| Units issued on reinvestment of distributions | 101 | 206 | 1,395 | 1,693 | 133,238 | 46,339 |
| Units redeemed | (358,720) | (244,408) | (3,578,347) | (3,156,753) | (173,984) | (79,879) |
| Balance - end of period | 492,592 | 690,425 | 1,635,295 | 3,963,913 | 6,990,992 | 4,078,217 |

| | Series O | | Total | |
|---|-----------------|--------------|--------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 9,971 | 112,734 | 85,001,255 | 75,400,178 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (449) | (982) | (3,797,809) | (2,164,771) |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | \$ 6 | - | 42,416,339 | 46,075,986 |
| Redemption of redeemable units | \$ (115) | (101,781) | (40,121,326) | (34,310,416) |
| Reinvestment of distributions to holders of redeemable units | \$ 166 | 78 | 1,235,876 | 475,774 |
| Capitalized distributions | \$ - | - | - | - |
| | \$ 57 | (101,703) | 3,530,889 | 12,241,344 |
| Distributions to Holders of Redeemable Units | | | | |
| From capital gains | \$ - | - | - | - |
| From net investment income | \$ (166) | (76) | (1,237,012) | (465,290) |
| Return of capital | \$ - | (2) | - | (10,206) |
| | \$ (166) | (78) | (1,237,012) | (475,496) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (558) | (102,763) | (1,503,932) | 9,601,077 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 9,413 | 9,971 | 83,497,323 | 85,001,255 |
| Redeemable Unit Transactions | | | | |
| Balance - beginning of period | 1,017 | 11,218 | 8,733,572 | 7,522,208 |
| Units issued | 1 | - | 4,362,642 | 4,654,367 |
| Units issued on reinvestment of distributions | 18 | 8 | 134,752 | 48,246 |
| Units redeemed | (12) | (10,209) | (4,111,063) | (3,491,249) |
| Balance - end of period | 1,024 | 1,017 | 9,119,903 | 8,733,572 |

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 periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (3,797,809) | (2,164,771) |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | 409,527 | 219,413 |
| Change in unrealized (appreciation) depreciation in value of investments | 1,662,994 | (262,272) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | (15,271) | (88,794) |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 1,250,187 | (698,800) |
| Change in unrealized (appreciation) depreciation in option contracts | 914,023 | 2,035,560 |
| Change in unrealized (appreciation) depreciation in value of swaps | 502,027 | 501,798 |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | (430,445) | (3,463,763) |
| Purchases of investments | (30,418,902) | (38,743,793) |
| Proceeds from sale of investments | 22,695,137 | 44,465,756 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | (18,979) | 54,630 |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | (7,014) | (40,611) |
| Change in other payables and accrued expenses | 19,797 | 4,160 |
| Net Cash Provided by (Used in) Operating Activities | (7,234,728) | 1,818,513 |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (1,136) | 278 |
| Proceeds from redeemable units issued | 42,298,932 | 46,189,789 |
| Redemption of redeemable units | (40,535,146) | (33,891,333) |
| Net Cash Provided by (Used in) Financing Activities | 1,762,650 | 12,298,734 |
| Net increase (decrease) in cash | (5,472,078) | 14,117,247 |
| Cash (bank indebtedness) at beginning of period | 50,618,535 | 36,501,288 |
| Cash (bank indebtedness) at end of period | 45,146,457 | 50,618,535 |
| Dividends received, net of withholding taxes | 312,521 | 91,416 |
| Interest received, net of withholding taxes | 600,049 | 511,781 |
| Interest paid | (2,945) | (4,509) |

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, 2018

| | 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 | 599,858 | |
| Indonesia Treasury Bond | 7.000% | 15-May-2022 | 18,742,000,000 | 1,802,446 | 1,737,197 | |
| Indonesia Treasury Bond | 7.000% | 15-May-2027 | 7,679,000,000 | 742,532 | 682,668 | |
| United States Treasury Inflation Indexed Bonds | 0.908% | 15-Feb-2047 | 2,200,000 | 2,856,767 | 2,895,586 | |
| United States Treasury Inflation Indexed Bonds | 1.025% | 15-Feb-2048 | 424,000 | 545,996 | 563,870 | |
| Total Bonds | | | | 6,594,866 | 6,479,179 | 7.76 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---------------------------------|------------------|-------------------|------------------|-----------------------|
| EQUITIES | | | | |
| Energy | | | | |
| ARC Resources Ltd. | 876 | 8,285 | 7,096 | |
| BP PLC | 36,085 | 337,895 | 311,306 | |
| Cameco Corp. | 979 | 15,699 | 15,155 | |
| Canadian Natural Resources Ltd. | 3,003 | 106,081 | 98,919 | |
| Cenovus Energy Inc. | 2,585 | 26,473 | 24,816 | |
| Enagas SA | 1,344 | 48,551 | 49,544 | |
| Enbridge Inc. | 4,975 | 216,700 | 210,990 | |
| Encana Corp. | 2,364 | 21,465 | 18,628 | |
| Galp Energia SGPS SA | 2,908 | 69,192 | 62,634 | |
| Husky Energy Inc. | 870 | 13,950 | 12,276 | |
| Imperial Oil Ltd. | 695 | 26,892 | 24,040 | |
| Inter Pipeline Ltd. | 960 | 20,534 | 18,566 | |
| Keyera Corp. | 514 | 14,817 | 13,266 | |
| OMV AG | 846 | 63,283 | 50,524 | |
| Pembina Pipeline Corp. | 1,247 | 55,325 | 50,516 | |
| PrairieSky Royalty Ltd. | 523 | 9,441 | 9,241 | |
| Royal Dutch Shell PLC, Class A | 7,920 | 341,340 | 317,242 | |
| Seven Generations Energy Ltd. | 671 | 7,034 | 7,475 | |
| Snam SpA | 13,162 | 74,394 | 78,481 | |
| Suncor Energy Inc. | 3,989 | 171,525 | 152,101 | |
| Tenaris SA | 2,767 | 53,864 | 40,783 | |
| Total SA | 4,216 | 334,760 | 303,983 | |
| Tourmaline Oil Corp. | 639 | 11,965 | 10,850 | |
| TransCanada Corporation | 2,227 | 120,701 | 108,566 | |
| Vermilion Energy Inc. | 358 | 11,494 | 10,296 | |
| | | 2,181,660 | 2,007,294 | 2.40 |

Materials

| | | | | |
|------------------------------|--------|---------|---------|--|
| Agnico Eagle Mines Ltd. | 577 | 28,912 | 31,793 | |
| Anglo American PLC | 10,838 | 314,160 | 329,506 | |
| Antofagasta PLC | 23,352 | 348,588 | 318,141 | |
| Arkema SA | 425 | 64,654 | 49,741 | |
| Barrick Gold Corp. | 4,288 | 77,854 | 79,028 | |
| BHP Group PLC | 11,374 | 312,675 | 326,768 | |
| CCL Industries Inc., Class B | 369 | 19,482 | 18,472 | |
| Evonik Industries AG | 986 | 43,193 | 33,560 | |
| First Quantum Minerals Ltd. | 1,706 | 21,318 | 18,834 | |
| Franco-Nevada Corp. | 460 | 43,336 | 44,036 | |
| Glencore PLC | 62,866 | 361,712 | 318,606 | |
| Goldcorp Inc. | 2,151 | 27,620 | 28,759 | |
| K+S AG | 1,134 | 34,485 | 27,833 | |
| Kinross Gold Corp. | 3,094 | 11,462 | 13,614 | |
| Lanxess AG | 460 | 43,153 | 28,872 | |
| Lundin Mining Corp. | 1,630 | 9,401 | 9,193 | |
| Methanex Corp. | 157 | 11,703 | 10,309 | |
| Nutrien Ltd. | 1,510 | 101,129 | 96,821 | |
| Rio Tinto PLC | 4,968 | 331,902 | 322,339 | |
| Smurfit Kappa Group PLC | 1,307 | 54,053 | 47,466 | |
| Solvay SA | 435 | 74,859 | 59,306 | |
| Stora Enso OYJ | 3,629 | 74,329 | 57,142 | |
| Symrise AG | 723 | 75,626 | 72,810 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|---------------------|----------------------|--------------------|--------------------------|
| Teck Resources Ltd., Class B | 1,248 | 36,131 | 36,679 | |
| Turquoise Hill Resources Ltd. | 2,490 | 6,051 | 5,603 | |
| Umicore SA | 1,241 | 75,616 | 67,545 | |
| Voestalpine AG | 661 | 42,419 | 26,936 | |
| West Fraser Timber Co., Ltd. | 141 | 9,664 | 9,509 | |
| Wheaton Precious Metals Corp. | 1,098 | 23,826 | 29,262 | |
| | | 2,679,313 | 2,518,483 | 3.02 |
| Industrials | | | | |
| 3M Co. | 856 | 229,289 | 222,765 | |
| ACS Actividades de Construccion y Servicios SA | 1,631 | 83,029 | 86,149 | |
| Aeroports de Paris | 166 | 40,909 | 42,894 | |
| Alaska Air Group Inc. | 182 | 15,737 | 15,126 | |
| Allegion PLC | 140 | 16,149 | 15,242 | |
| Alstom SA | 954 | 52,070 | 52,535 | |
| American Airlines Group Inc. | 677 | 34,391 | 29,690 | |
| AMETEK Inc. | 341 | 33,900 | 31,531 | |
| AO Smith Corp. | 212 | 15,395 | 12,364 | |
| Arconic Inc. | 939 | 26,145 | 21,623 | |
| Boeing Co. | 1,105 | 504,828 | 486,721 | |
| Bombardier Inc., Class B | 5,207 | 11,483 | 10,570 | |
| Brenntag AG | 916 | 67,127 | 53,918 | |
| Bureau Veritas SA | 1,693 | 53,952 | 47,038 | |
| CAE Inc. | 663 | 17,493 | 16,635 | |
| Canadian National Railway Co. | 1,799 | 197,742 | 181,897 | |
| Canadian Pacific Railway Ltd. | 353 | 94,493 | 85,511 | |
| Caterpillar Inc. | 867 | 156,071 | 150,470 | |
| CH Robinson Worldwide Inc. | 203 | 25,249 | 23,315 | |
| Cintas Corp. | 157 | 41,911 | 36,022 | |
| Copart Inc. | 344 | 26,855 | 22,449 | |
| CSX Corp. | 1,240 | 119,434 | 105,223 | |
| Cummins Inc. | 236 | 44,395 | 43,076 | |
| Deere & Co. | 473 | 89,901 | 96,368 | |
| Delta Air Lines Inc. | 1,007 | 75,189 | 68,631 | |
| Deutsche Lufthansa AG | 1,408 | 51,160 | 43,308 | |
| Dover Corp. | 215 | 23,476 | 20,834 | |
| Eaton Corporation PLC | 637 | 66,381 | 59,735 | |
| Edenred | 1,418 | 59,221 | 71,090 | |
| Eiffage SA | 581 | 78,151 | 66,184 | |
| Emerson Electric Co. | 920 | 88,285 | 75,078 | |
| Equifax Inc. | 177 | 29,252 | 22,514 | |
| Expeditors International of Washington Inc. | 255 | 24,778 | 23,714 | |
| Fastenal Co. | 422 | 32,899 | 30,138 | |
| FedEx Corp. | 387 | 120,203 | 85,274 | |
| Finning International Inc. | 416 | 10,899 | 9,901 | |
| Flowserve Corp. | 193 | 12,648 | 10,022 | |
| Fluor Corp. | 207 | 14,131 | 9,104 | |
| Fortive Corp. | 491 | 50,322 | 45,373 | |
| Fortune Brands Home & Security Inc. | 208 | 14,405 | 10,792 | |
| GEA Group AG | 909 | 47,209 | 31,933 | |
| General Electric Co. | 12,772 | 191,827 | 132,051 | |
| Getlink SE | 2,755 | 46,158 | 50,456 | |
| Harris Corp. | 229 | 48,592 | 42,114 | |
| Honeywell International Inc. | 1,089 | 211,685 | 196,510 | |
| Huntington Ingalls Industries Inc. | 83 | 26,232 | 21,574 | |
| IHS Markit Ltd. | 579 | 40,375 | 37,935 | |
| Illinois Tool Works Inc. | 488 | 87,700 | 84,440 | |
| Ingersoll-Rand PLC | 361 | 47,497 | 44,981 | |
| Jacobs Engineering Group Inc. | 209 | 19,374 | 16,688 | |
| JB Hunt Transport Services Inc. | 161 | 24,913 | 20,459 | |
| Johnson Controls International PLC | 1,357 | 67,672 | 54,953 | |
| Kansas City Southern | 150 | 22,238 | 19,555 | |
| Kingspan Group PLC | 913 | 50,558 | 52,456 | |
| KION Group AG | 385 | 35,698 | 26,647 | |
| L3 Technologies Inc. | 153 | 41,470 | 36,289 | |
| Leonardo SpA | 2,392 | 39,572 | 28,675 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|---------------------|----------------------|--------------------|--------------------------|
| Masco Corp. | 449 | 21,950 | 17,931 | |
| Nielsen Holdings PLC | 523 | 17,839 | 16,665 | |
| Norfolk Southern Corp. | 401 | 90,356 | 81,901 | |
| Northrop Grumman Corp. | 338 | 128,493 | 113,056 | |
| Osram Licht AG | 578 | 49,763 | 34,221 | |
| PACCAR Inc. | 515 | 44,397 | 40,192 | |
| Parker-Hannifin Corp. | 195 | 43,018 | 39,721 | |
| Pentair Ltd. | 255 | 14,273 | 13,158 | |
| Prysmian SpA | 1,589 | 55,718 | 41,854 | |
| Quanta Services Inc. | 215 | 9,548 | 8,839 | |
| Randstad Holding NV | 704 | 51,098 | 44,066 | |
| Raytheon Co | 554 | 140,504 | 116,033 | |
| Republic Services Inc. | 477 | 46,189 | 46,966 | |
| Rexel SA | 1,802 | 36,751 | 26,166 | |
| Rheinmetall AG | 258 | 41,225 | 31,082 | |
| Robert Half International Inc. | 179 | 17,245 | 13,984 | |
| Rockwell Automation Inc. | 178 | 39,930 | 36,584 | |
| Rollins Inc. | 483 | 24,274 | 23,815 | |
| Roper Industries Inc. | 152 | 59,560 | 55,330 | |
| Safran SA | 186 | 23,902 | 30,609 | |
| Snap-on Inc. | 82 | 18,642 | 16,272 | |
| SNC-Lavalin Group Inc. | 428 | 20,614 | 19,654 | |
| Southwest Airlines Co | 826 | 63,856 | 52,437 | |
| Stanley Black & Decker Inc. | 222 | 40,655 | 36,306 | |
| Teleperformance | 342 | 68,290 | 74,543 | |
| Thomson Reuters Corp. | 505 | 33,524 | 33,295 | |
| TransDigm Group Inc. | 103 | 48,292 | 47,839 | |
| Union Pacific Corp. | 1,083 | 213,506 | 204,464 | |
| United Continental Holdings Inc. | 401 | 45,232 | 45,814 | |
| United Parcel Service Inc., Class B | 1,021 | 157,595 | 136,004 | |
| United Rentals Inc. | 119 | 23,149 | 16,664 | |
| United Technologies Corp. | 1,680 | 289,770 | 244,323 | |
| Verisk Analytics Inc. | 242 | 37,178 | 36,040 | |
| Wartsila OYJ Abp | 2,693 | 69,723 | 58,424 | |
| Waste Management Inc. | 626 | 74,559 | 76,086 | |
| WSP Global Inc. | 257 | 16,471 | 15,078 | |
| WW Grainger Inc. | 83 | 38,205 | 32,009 | |
| Xylem Inc. | 264 | 25,546 | 24,057 | |
| | | 6,038,958 | 5,440,022 | 6.52 |
| Consumer Discretionary | | | | |
| Accor SA | 1,247 | 78,435 | 72,251 | |
| Canadian Tire Corp., Ltd., Class A | 152 | 22,652 | 21,696 | |
| Delivery Hero AG | 621 | 37,500 | 31,512 | |
| Dollarama Inc. | 761 | 25,801 | 24,710 | |
| Gildan Activewear Inc. | 515 | 22,166 | 21,342 | |
| Hugo Boss AG | 375 | 37,569 | 31,570 | |
| Magna International Inc. | 797 | 51,024 | 49,390 | |
| Moncler SpA | 1,119 | 55,275 | 50,544 | |
| Nokian Renkaat OYJ | 819 | 42,589 | 34,296 | |
| Paddy Power Betfair PLC | 487 | 65,649 | 54,480 | |
| Porsche Automobil Holding SE | 907 | 83,648 | 73,129 | |
| Restaurant Brands International Inc. | 583 | 43,154 | 41,580 | |
| Sodexo SA | 505 | 67,970 | 70,568 | |
| The Stars Group Inc. | 437 | 10,835 | 9,850 | |
| Valeo SA | 1,424 | 55,194 | 56,717 | |
| Zalando SE | 870 | 49,624 | 30,482 | |
| | | 749,085 | 674,117 | 0.81 |
| Consumer Staples | | | | |
| Alimentation Couche-Tard Inc., Class B | 1,074 | 72,731 | 72,934 | |
| Beiersdorf AG | 582 | 84,044 | 82,837 | |
| Empire Co., Ltd., Class A | 429 | 11,297 | 12,368 | |
| George Weston Ltd. | 190 | 18,031 | 17,110 | |
| Heineken Holding NV | 594 | 71,508 | 68,398 | |
| Loblaw Companies Ltd. | 463 | 28,401 | 28,294 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------------|----------------------|--------------------|--------------------------|
| Metro Inc., Class A | 602 | 27,707 | 28,499 | |
| Saputo Inc. | 576 | 23,465 | 22,573 | |
| | | 337,184 | 333,013 | 0.40 |
| Health Care | | | | |
| Aurora Cannabis Inc. | 1,648 | 12,990 | 11,173 | |
| Bausch Health Cos Inc. | 778 | 24,748 | 19,645 | |
| Canopy Growth Corp. | 499 | 21,645 | 18,268 | |
| Eurofins Scientific SE | 66 | 46,193 | 33,594 | |
| Galapagos NV | 283 | 35,313 | 35,596 | |
| Grifols SA | 1,748 | 65,320 | 62,499 | |
| Ipsen SA | 216 | 44,432 | 38,058 | |
| Orpea | 285 | 44,128 | 39,701 | |
| QIAGEN NV | 1,368 | 58,797 | 63,393 | |
| Sartorius AG | 203 | 42,160 | 34,516 | |
| Siemens Healthineers AG | 889 | 49,864 | 50,725 | |
| | | 445,590 | 407,168 | 0.49 |
| Financials | | | | |
| Aegon NV | 10,631 | 82,793 | 67,705 | |
| Ageas | 1,141 | 70,949 | 70,012 | |
| ASR Nederland NV | 836 | 46,106 | 45,136 | |
| Banco de Sabadell SA | 33,348 | 75,401 | 52,093 | |
| Bank of Ireland Group PLC | 5,502 | 53,180 | 41,750 | |
| Bank of Montreal | 1,583 | 151,325 | 141,188 | |
| Bankia SA | 7,068 | 38,397 | 28,251 | |
| Bankinter SA | 3,826 | 44,848 | 41,923 | |
| Brookfield Asset Management Inc., Class A | 2,070 | 118,044 | 108,302 | |
| Canadian Imperial Bank of Commerce | 1,098 | 122,085 | 111,645 | |
| CI Financial Corp. | 647 | 12,433 | 11,180 | |
| Commerzbank AG | 5,892 | 80,008 | 53,200 | |
| EXOR NV | 671 | 55,050 | 49,512 | |
| Fairfax Financial Holdings Ltd. | 88 | 53,987 | 52,886 | |
| FincoBank Banca Finco SpA | 2,329 | 32,241 | 31,920 | |
| Great-West Lifeco Inc. | 937 | 27,761 | 26,405 | |
| Groupe Bruxelles Lambert SA | 478 | 63,343 | 56,780 | |
| Hannover Rueck SE | 356 | 60,220 | 65,422 | |
| IGM Financial Inc. | 208 | 6,954 | 6,454 | |
| Industrial Alliance Insurance & Financial Services Inc. | 346 | 16,266 | 15,075 | |
| Intact Financial Corp. | 439 | 44,778 | 43,544 | |
| Manulife Financial Corp. | 6,254 | 132,825 | 121,140 | |
| Mediobanca SpA | 3,760 | 51,350 | 43,302 | |
| National Bank of Canada | 837 | 50,204 | 46,914 | |
| Natixis SA | 5,474 | 50,806 | 35,204 | |
| Onex Corp. | 212 | 17,150 | 15,762 | |
| Power Corporation of Canada | 1,120 | 29,152 | 27,474 | |
| Power Financial Corp. | 789 | 21,651 | 20,380 | |
| Raiffeisen Bank International AG | 803 | 36,180 | 27,833 | |
| Royal Bank of Canada | 3,536 | 339,906 | 330,403 | |
| SCOR SE | 1,044 | 57,566 | 64,223 | |
| The Bank of Nova Scotia | 3,038 | 218,403 | 206,736 | |
| The Toronto-Dominion Bank | 4,485 | 320,548 | 304,352 | |
| | | 2,581,910 | 2,364,106 | 2.83 |
| Real Estate | | | | |
| Activa Properties Inc. | 30 | 170,264 | 166,003 | |
| Advance Residence Investment Corp. | 55 | 184,358 | 207,114 | |
| AEON REIT Investment Corp. | 58 | 82,861 | 91,264 | |
| American Tower Corp. | 1,091 | 214,101 | 235,718 | |
| Aroundtown SA | 4,331 | 49,907 | 48,822 | |
| Comforia Residential REIT Inc. | 22 | 66,928 | 76,574 | |
| Coresite Realty Corp. | 1,558 | 234,942 | 185,619 | |
| Covivio | 320 | 41,584 | 42,068 | |
| CRE Logistics REIT Inc. | 6 | 7,812 | 7,432 | |
| Crown Castle International Corp. | 2,295 | 339,463 | 340,503 | |
| Cyrusone Inc. | 2,703 | 235,149 | 195,221 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------------|----------------------|--------------------|--------------------------|
| Daiwa House REIT Investment Corp. | 71 | 219,091 | 217,163 | |
| Daiwa Office Investment Corp. | 13 | 97,805 | 111,826 | |
| Digital Realty Trust Inc. | 2,164 | 346,302 | 314,919 | |
| Equinix Inc. | 594 | 341,324 | 286,027 | |
| First Capital Realty Inc. | 441 | 8,822 | 8,313 | |
| Frontier Real Estate Investment Corp. | 19 | 101,117 | 102,888 | |
| Fukuoka REIT Corp. | 30 | 61,508 | 62,218 | |
| Gecina SA | 323 | 66,888 | 56,987 | |
| Global One Real Estate Investment Corp. | 36 | 45,587 | 53,733 | |
| GLP J-Reit | 138 | 189,899 | 192,234 | |
| H&R Real Estate Investment Trust | 346 | 7,298 | 7,145 | |
| Hankyu Reit Inc. | 26 | 42,069 | 46,284 | |
| Health Care & Medical Investment Corp. | 6 | 7,599 | 8,418 | |
| Heiwa Real Estate REIT Inc. | 36 | 46,216 | 54,854 | |
| Hoshino Resorts REIT Inc. | 9 | 59,765 | 58,260 | |
| Hulic Reit Inc. | 46 | 90,222 | 97,577 | |
| Ichigo Hotel REIT Investment Corp. | 10 | 15,283 | 16,943 | |
| Ichigo Office REIT Investment | 47 | 47,143 | 56,636 | |
| Industrial & Infrastructure Fund Investment Corp. | 66 | 93,314 | 93,499 | |
| Invesco Office J-Reit Inc. | 334 | 60,508 | 63,781 | |
| Invincible Investment Corp. | 197 | 115,392 | 110,848 | |
| Itochu Advance Logistics Investment Corp. | 9 | 9,483 | 9,400 | |
| Japan Excellent Inc. | 50 | 85,996 | 92,307 | |
| Japan Hotel REIT Investment Corp. | 163 | 157,054 | 159,084 | |
| Japan Logistics Fund Inc. | 38 | 99,348 | 105,395 | |
| Japan Prime Realty Investment Corp. | 36 | 169,327 | 186,879 | |
| Japan Real Estate Investment Corp. | 57 | 390,193 | 437,097 | |
| Japan Rental Housing Investments Inc. | 64 | 64,843 | 65,410 | |
| Japan Retail Fund Investment Corp. | 108 | 269,093 | 295,108 | |
| Kenedix Office Investment Corp. | 17 | 139,604 | 148,139 | |
| Kenedix Residential Next Investment Corp. | 34 | 65,355 | 70,810 | |
| Kenedix Retail REIT Corp. | 21 | 60,984 | 65,094 | |
| Klepierre | 1,263 | 62,258 | 53,164 | |
| LaSalle Logiport REIT | 43 | 56,740 | 56,794 | |
| LEG Immobilien AG | 374 | 51,127 | 53,208 | |
| Marino Regional Revitalization Inc. | 5 | 6,629 | 6,480 | |
| MCUBS MidCity Investment Corp. | 64 | 62,262 | 69,155 | |
| Merlin Properties Socimi SA | 2,164 | 36,071 | 36,439 | |
| Mirai Corp. | 16 | 35,796 | 36,689 | |
| Mitsubishi Estate Logistics REIT Investment Corp. | 6 | 18,892 | 17,963 | |
| Mitsui Fudosan Logistics Park Inc. | 10 | 40,960 | 38,591 | |
| Mori Hills REIT Investment Corp. | 65 | 107,626 | 111,745 | |
| Mori Trust Hotel Reit Inc. | 14 | 23,821 | 22,273 | |
| Mori Trust Sogo Reit Inc. | 41 | 78,903 | 81,459 | |
| Nippon Accommodations Fund Inc. | 19 | 111,603 | 125,358 | |
| Nippon Building Fund Inc. | 55 | 401,125 | 473,111 | |
| Nippon Healthcare Investment Corp. | 3 | 6,079 | 6,226 | |
| Nippon Prologis REIT Inc. | 76 | 213,741 | 219,400 | |
| NIPPON REIT Investment Corp. | 18 | 71,867 | 81,564 | |
| Nomura Real Estate Master Fund Inc. | 169 | 301,094 | 303,792 | |
| Ooedo Onsen Reit Investment Corp. | 10 | 10,254 | 9,909 | |
| Orix JREIT Inc. | 114 | 233,613 | 258,852 | |
| Premier Investment Corp. | 54 | 73,499 | 83,961 | |
| RioCan Real Estate Investment Trust | 378 | 9,368 | 8,996 | |
| Sakura Sogo REIT Investment Corp. | 13 | 14,529 | 12,995 | |
| Samty Residential Investment Corp. | 12 | 13,465 | 12,996 | |
| SBA Communications Corp. | 532 | 109,293 | 117,630 | |
| Sekisui House Reit Inc. | 146 | 126,112 | 127,589 | |
| SIA Reit Inc. | 9 | 27,052 | 29,780 | |
| SmartCentres Real Estate Investment Trust | 165 | 5,184 | 5,087 | |
| Star Asian Investment Corp. | 18 | 22,793 | 23,528 | |
| Starts Proceed Investment Corp. | 9 | 17,645 | 18,990 | |
| Takara Leben Real Estate Investment Corp. | 9 | 9,240 | 9,702 | |
| Tokyu REIT Inc. | 38 | 67,829 | 77,864 | |
| Tosei Reit Investment Corp. | 11 | 14,398 | 15,597 | |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|-------------------------------------|---------------------|----------------------|--------------------|--------------------------|
| United Urban Investment Corp. | 125 | 254,527 | 264,845 | |
| XYMAX REIT Investment Corp. | 5 | 6,836 | 6,847 | |
| | | 7,904,032 | 8,130,193 | 9.74 |
| Information Technology | | | | |
| Adyen BV | 74 | 69,457 | 54,886 | |
| Atos SE | 558 | 60,607 | 62,275 | |
| Blackberry Ltd. | 1,263 | 14,303 | 12,264 | |
| CGI Group Inc. | 623 | 52,703 | 52,021 | |
| Constellation Software Inc. | 49 | 45,052 | 42,819 | |
| GDS Holdings Ltd. | 2,881 | 118,063 | 90,856 | |
| Ingenico | 355 | 38,530 | 27,459 | |
| InterXion Holding NV | 1,418 | 118,657 | 104,892 | |
| Open Text Corp. | 663 | 29,950 | 29,504 | |
| Shopify Inc. | 220 | 43,965 | 41,534 | |
| | | 591,287 | 518,510 | 0.62 |
| Communication Services | | | | |
| BCE Inc. | 377 | 21,224 | 20,332 | |
| Cellnex Telecom SA | 552 | 19,307 | 19,297 | |
| Elisa OYJ | 892 | 47,263 | 50,249 | |
| Koninklijke KPN NV | 20,903 | 77,240 | 83,549 | |
| ProSiebenSat.1 Media AG | 1,381 | 52,977 | 33,529 | |
| Rogers Communications Inc., Class B | 892 | 62,879 | 62,404 | |
| Scout24 Holding GmbH | 638 | 41,796 | 40,005 | |
| SES SA | 2,273 | 49,748 | 59,302 | |
| Shaw Communications Inc., Class B | 1,133 | 28,473 | 27,996 | |
| Telecom Italia SpA, EURO.55 | 68,530 | 70,133 | 51,712 | |
| TELUS Corp. | 486 | 22,959 | 21,992 | |
| UBISOFT Entertainment | 445 | 50,676 | 48,969 | |
| United Internet AG | 741 | 54,084 | 44,195 | |
| Zayo Group Holdings Inc. | 2,376 | 116,979 | 74,119 | |
| | | 715,738 | 637,650 | 0.76 |
| Utilities | | | | |
| AltaGas Ltd. | 658 | 9,809 | 9,146 | |
| Atco Ltd., Class I | 188 | 7,662 | 7,259 | |
| Canadian Utilities Ltd., Class A | 318 | 10,180 | 9,960 | |
| EDP - Energias de Portugal SA | 15,069 | 69,166 | 71,736 | |
| Electricite de France SA | 2,908 | 56,355 | 62,657 | |
| Emera Inc. | 143 | 6,341 | 6,251 | |
| Endesa SA | 1,876 | 54,353 | 58,962 | |
| Fortis Inc. | 1,039 | 48,392 | 47,285 | |
| Fortum OYJ | 2,592 | 74,284 | 77,297 | |
| Gas Natural SDG SA | 2,039 | 61,404 | 70,866 | |
| Hydro One Ltd. | 811 | 16,337 | 16,423 | |
| Red Electrica Corp SA | 2,565 | 70,721 | 78,073 | |
| Rubis SCA | 513 | 42,577 | 37,549 | |
| Suez | 2,285 | 47,749 | 41,135 | |
| Terna Rete Elettrica Nazionale SpA | 8,356 | 63,420 | 64,619 | |
| Uniper SE | 1,141 | 43,831 | 40,261 | |
| Verbund AG | 391 | 23,070 | 22,734 | |
| | | 705,651 | 722,213 | 0.86 |
| Total Equities | | 24,930,408 | 23,752,769 | 28.45 |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|-------------------|--------------------|-----------------------|
| MUTUAL FUNDS | | | | |
| Aviva Emerging Markets Equity Small Cap Fund, Series Z | 2,709 | 4,030,130 | 4,191,111 | |
| Total Mutual Funds | | 4,030,130 | 4,191,111 | 5.02 |
| Transaction Costs | | (18,024) | | |
| Total Investments | | 35,537,380 | 34,423,059 | 41.23 |
| Currency Forward Contracts ⁽¹⁾ | | | (1,105,053) | (1.32) |
| Option Contracts ⁽²⁾ | | | 1,696,074 | 2.03 |
| Futures contracts ⁽³⁾ | | | 110,562 | 0.13 |
| Swap Contracts ⁽⁴⁾⁽⁵⁾ | | | (793,822) | (0.95) |
| Other Assets less Liabilities | | | 49,166,503 | 58.88 |
| Total Net Assets | | | 83,497,323 | 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 | 16-Jan-2019 | CHF | 758,925 | EUR | (661,749) | 18,421 |
| BNP Paribas | A-1 | 16-Jan-2019 | CHF | 569,194 | EUR | (496,503) | 13,518 |
| BNP Paribas | A-1 | 16-Jan-2019 | CHF | 597,654 | EUR | (522,090) | 13,004 |
| BNP Paribas | A-1 | 16-Jan-2019 | CHF | 597,653 | EUR | (522,366) | 12,572 |
| BNP Paribas | A-1 | 16-Jan-2019 | CHF | 512,274 | EUR | (447,160) | 11,684 |
| BNP Paribas | A-1 | 16-Jan-2019 | CHF | 337,300 | EUR | (294,048) | 8,285 |
| BNP Paribas | A-1 | 16-Jan-2019 | SEK | 6,200,000 | CHF | (680,081) | 12,714 |
| BNP Paribas | A-1 | 21-Feb-2019 | USD | 716,899 | TWD | (21,929,940) | 363 |
| BNP Paribas | A-1 | 20-Mar-2019 | USD | 896,633 | TWD | (27,350,000) | 1,278 |
| Citibank | A-2 | 20-Feb-2019 | USD | 35,000 | CAD | (46,240) | 1,499 |
| Citibank | A-1 | 21-Feb-2019 | ZAR | 2,155,170 | USD | (148,504) | 503 |
| Citibank | A-2 | 21-Feb-2019 | ZAR | 2,178,238 | USD | (150,291) | 240 |
| Citibank | A-2 | 21-Feb-2019 | ZAR | 1,120,688 | USD | (77,310) | 142 |
| Citibank | A-2 | 21-Feb-2019 | ZAR | 1,896,549 | USD | (130,955) | 75 |
| Citibank | A-2 | 21-Feb-2019 | ZAR | 1,637,929 | USD | (113,109) | 49 |
| Citibank | A-2 | 21-Feb-2019 | ZAR | 91,486 | USD | (6,316) | 5 |
| Citibank | A-2 | 20-Mar-2019 | JPY | 170,466,570 | SGD | (2,070,000) | 57,424 |
| Goldman Sachs & Co. | A-2 | 16-Jan-2019 | EUR | 100,000 | NOK | (971,650) | 2,973 |
| Goldman Sachs & Co. | A-2 | 20-Feb-2019 | EUR | 600,000 | CAD | (905,906) | 33,651 |
| Goldman Sachs & Co. | A-2 | 20-Feb-2019 | EUR | 207,988 | CAD | (322,429) | 3,286 |
| Goldman Sachs & Co. | A-2 | 20-Feb-2019 | JPY | 3,900,000 | CAD | (46,316) | 2,361 |
| Goldman Sachs & Co. | A-2 | 20-Feb-2019 | USD | 187,031 | CAD | (252,670) | 2,448 |
| Goldman Sachs & Co. | A-2 | 21-Feb-2019 | USD | 220,190 | KRW | (244,653,109) | 741 |
| Goldman Sachs & Co. | A-2 | 21-Feb-2019 | USD | 97,862 | KRW | (108,499,599) | 616 |
| JP Morgan | A-2 | 16-Jan-2019 | SEK | 3,350,000 | CHF | (367,259) | 7,153 |
| JP Morgan | A-2 | 16-Jan-2019 | USD | 1,040,000 | AUD | (1,435,885) | 39,249 |
| JP Morgan | A-2 | 20-Feb-2019 | JPY | 12,900,000 | CAD | (153,958) | 7,052 |
| JP Morgan | A-2 | 20-Feb-2019 | JPY | 3,100,000 | CAD | (36,725) | 1,967 |
| JP Morgan | A-2 | 21-Feb-2019 | KRW | 150,000,000 | USD | (133,215) | 1,976 |
| JP Morgan | A-2 | 21-Feb-2019 | USD | 490,738 | KRW | (544,950,000) | 2,030 |
| JP Morgan | A-2 | 21-Feb-2019 | USD | 515,000 | KRW | (572,381,300) | 1,533 |
| JP Morgan | A-2 | 21-Feb-2019 | USD | 196,948 | KRW | (218,651,670) | 880 |
| JP Morgan | A-2 | 20-Mar-2019 | JPY | 41,208,375 | SGD | (500,000) | 14,280 |
| Merrill Lynch | NR | 16-Jan-2019 | USD | 220,000 | AUD | (304,204) | 7,861 |
| Merrill Lynch | NR | 20-Feb-2019 | JPY | 17,900,000 | CAD | (214,440) | 8,979 |
| Merrill Lynch | NR | 20-Feb-2019 | JPY | 5,100,000 | CAD | (60,610) | 3,045 |
| Merrill Lynch | NR | 20-Feb-2019 | USD | 182,344 | CAD | (243,687) | 5,031 |
| Royal Bank of Canada | A-1+ | 21-Feb-2019 | USD | 748,987 | CAD | (1,000,000) | 21,596 |
| Royal Bank of Canada | A-1+ | 21-Feb-2019 | USD | 89,000 | CAD | (119,149) | 2,245 |
| Societe Generale Securities Corp | A-1 | 16-Jan-2019 | CHF | 670,000 | EUR | (593,922) | 1,097 |
| Societe Generale Securities Corp | A-1 | 16-Jan-2019 | EUR | 400,000 | NOK | (3,807,571) | 24,352 |
| Societe Generale Securities Corp | A-1 | 16-Jan-2019 | SEK | 27,125,000 | CHF | (2,924,897) | 125,554 |
| Societe Generale Securities Corp | A-1 | 20-Feb-2019 | EUR | 154,409 | CAD | (233,809) | 7,986 |

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) (\$) |
|----------------------------------|--------------------------------|-----------------|--------------------|-----------|---------------|-----------------|-----------------------------|
| Societe Generale Securities Corp | A-1 | 20-Feb-2019 | EUR | 154,409 | CAD | (233,809) | 7,986 |
| Societe Generale Securities Corp | A-1 | 21-Feb-2019 | USD | 100,000 | CAD | (133,613) | 2,784 |
| | | | | | | | 492,488 |
| BNP Paribas | A-1 | 16-Jan-2019 | EUR | 440,375 | CHF | (500,000) | (5,269) |
| BNP Paribas | A-1 | 21-Feb-2019 | TWD | 69,613 | USD | (2,276) | (1) |
| BNP Paribas | A-1 | 21-Feb-2019 | USD | 977,450 | KRW | (1,089,954,495) | (1,484) |
| Citibank | A-2 | 16-Jan-2019 | NOK | 2,308,993 | EUR | (243,000) | (15,441) |
| Citibank | A-2 | 16-Jan-2019 | NOK | 2,566,971 | EUR | (270,000) | (16,932) |
| Citibank | A-2 | 16-Jan-2019 | NOK | 2,695,606 | EUR | (284,065) | (18,616) |
| Citibank | A-2 | 16-Jan-2019 | NOK | 2,723,420 | EUR | (286,934) | (18,711) |
| Citibank | A-2 | 16-Jan-2019 | NOK | 2,723,200 | EUR | (286,935) | (18,748) |
| Citibank | A-2 | 16-Jan-2019 | NOK | 2,735,757 | EUR | (288,369) | (19,007) |
| Citibank | A-2 | 16-Jan-2019 | NOK | 2,735,497 | EUR | (288,369) | (19,048) |
| Citibank | A-2 | 16-Jan-2019 | NOK | 3,406,216 | EUR | (358,668) | (23,084) |
| Citibank | A-2 | 16-Jan-2019 | NOK | 3,744,226 | EUR | (393,660) | (24,438) |
| Citibank | A-2 | 21-Feb-2019 | MXN | 597,227 | USD | (30,141) | (82) |
| Citibank | A-2 | 21-Feb-2019 | MXN | 5,971,378 | USD | (301,288) | (713) |
| Citibank | A-2 | 21-Feb-2019 | MXN | 5,333,240 | USD | (269,256) | (862) |
| Citibank | A-2 | 21-Feb-2019 | MXN | 5,971,975 | USD | (301,478) | (930) |
| Citibank | A-2 | 21-Feb-2019 | MXN | 6,014,080 | USD | (303,662) | (1,016) |
| Citibank | A-2 | 21-Feb-2019 | USD | 488,345 | KRW | (544,895,505) | (1,159) |
| Citibank | A-2 | 20-Mar-2019 | USD | 894,405 | TWD | (27,350,000) | (1,747) |
| Goldman Sachs & Co. | A-2 | 16-Jan-2019 | CHF | 120,265 | SEK | (1,100,000) | (2,802) |
| Goldman Sachs & Co. | A-2 | 16-Jan-2019 | CHF | 474,386 | SEK | (4,330,000) | (9,675) |
| Goldman Sachs & Co. | A-2 | 16-Jan-2019 | EUR | 115,247 | CHF | (130,000) | (199) |
| Goldman Sachs & Co. | A-2 | 20-Feb-2019 | CAD | 3,629,607 | USD | (2,753,019) | (125,395) |
| Goldman Sachs & Co. | A-2 | 20-Feb-2019 | CAD | 5,297,520 | EUR | (3,537,410) | (241,701) |
| Goldman Sachs & Co. | A-2 | 20-Feb-2019 | CAD | 5,029,824 | JPY | (431,291,322) | (353,003) |
| Goldman Sachs & Co. | A-2 | 21-Feb-2019 | CAD | 114,153 | USD | (86,612) | (3,979) |
| Goldman Sachs & Co. | A-2 | 21-Feb-2019 | CAD | 131,798 | USD | (100,000) | (4,594) |
| Goldman Sachs & Co. | A-2 | 21-Feb-2019 | CAD | 1,955,226 | USD | (1,483,500) | (68,158) |
| Goldman Sachs & Co. | A-2 | 21-Feb-2019 | CAD | 2,492,304 | USD | (1,891,000) | (86,880) |
| Goldman Sachs & Co. | A-2 | 21-Feb-2019 | CAD | 2,965,460 | USD | (2,250,000) | (103,374) |
| Goldman Sachs & Co. | A-2 | 21-Feb-2019 | CAD | 4,380,000 | USD | (3,323,262) | (152,684) |
| Goldman Sachs & Co. | A-2 | 21-Feb-2019 | USD | 220,000 | KRW | (246,840,000) | (2,188) |
| Goldman Sachs & Co. | A-2 | 21-Feb-2019 | USD | 395,124 | KRW | (443,250,000) | (3,834) |
| Goldman Sachs & Co. | A-2 | 20-Mar-2019 | USD | 649,542 | TWD | (19,850,000) | (720) |
| Goldman Sachs & Co. | A-2 | 20-Mar-2019 | USD | 2,010,000 | SGD | (2,750,836) | (16,171) |
| JP Morgan | A-2 | 20-Feb-2019 | CAD | 15,541 | EUR | (10,000) | (120) |
| JP Morgan | A-2 | 20-Feb-2019 | CAD | 5,555 | JPY | (455,000) | (125) |
| JP Morgan | A-2 | 20-Feb-2019 | CAD | 14,986 | EUR | (10,000) | (673) |
| JP Morgan | A-2 | 20-Feb-2019 | CAD | 140,228 | JPY | (12,000,000) | (9,542) |
| JP Morgan | A-2 | 20-Feb-2019 | CAD | 820,012 | USD | (615,000) | (18,845) |
| JP Morgan | A-2 | 20-Feb-2019 | CAD | 928,578 | EUR | (610,000) | (26,656) |
| JP Morgan | A-2 | 20-Feb-2019 | CAD | 1,120,708 | JPY | (95,000,000) | (64,993) |
| JP Morgan | A-2 | 21-Feb-2019 | CAD | 334,523 | USD | (250,000) | (6,471) |
| JP Morgan | A-2 | 21-Feb-2019 | CAD | 528,204 | EUR | (352,500) | (23,806) |
| JP Morgan | A-2 | 21-Feb-2019 | CAD | 1,565,037 | GBP | (915,000) | (28,561) |
| Merrill Lynch | NR | 21-Feb-2019 | CAD | 138,612 | EUR | (91,258) | (4,302) |
| Merrill Lynch | NR | 21-Feb-2019 | CAD | 775,000 | USD | (579,735) | (15,744) |
| Royal Bank of Canada | A-1+ | 21-Feb-2019 | CAD | 419,721 | USD | (315,000) | (9,927) |
| Royal Bank of Canada | A-1+ | 21-Feb-2019 | CAD | 333,210 | GBP | (197,536) | (10,815) |
| Societe Generale Securities Corp | A-1 | 16-Jan-2019 | NOK | 5,356,980 | EUR | (550,000) | (14,316) |
| | | | | | | | (1,597,541) |
| | | | | | | | (1,105,053) |

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

Sun Life Multi-Strategy Target Return Fund (continued)

Schedule of Investments (continued)

⁽²⁾ Option Contracts

| | Expiry Date | Number of Contracts | Average Cost (\$) | Current Value (\$) |
|--|-------------|---------------------|-------------------|--------------------|
| BAV3LTM22 USD PUT TRY CALL @4 OTC OPT 0 | 8-Mar-2019 | 2,320,000 | 102,341 | 135 |
| BAV3MGC04 USDPUTTRYCALL @3.9 OTC OPT 2 | 21-Mar-2019 | 2,365,000 | 129,818 | 125 |
| BAV3NJT6 USDPUTTRYCALL @3.9 OTC OPT | 5-Apr-2019 | 1,623,000 | 70,985 | 159 |
| BAV3Q3LF6 USDPUTTRYCALL @4 OTC OPT | 4-May-2020 | 225,000 | 12,959 | 327 |
| BAV3QZJF8 USD C SAR P@3.8 OTC OPT 2 | 21-May-2019 | 1,675,000 | 42,340 | 2,935 |
| BAV3RSAH8 USDPUTTRYCALL @4 OTC OPT | 4-Jun-2020 | 450,000 | 25,273 | 664 |
| BAV3SRGN0 USD PUT TRY CALL@3.8 OTC OPT 1 | 19-Jun-2019 | 452,993 | 22,236 | 77 |
| BAV3TCAM0 USD PUT TRY CALL@3.8 OTC OPT 2 | 27-Jun-2019 | 225,000 | 10,662 | 43 |
| BAV3TX3Z3 USD PUT TRY CALL@3.8 OTC OPT 1 | 10-Jul-2019 | 454,491 | 17,195 | 109 |
| BAV3UBJD1 USD PUT TRY CALL@3.8 OTC OPT 1 | 17-Jul-2019 | 226,497 | 10,266 | 59 |
| EURO STOXX 50 PRICE EUR@3200 CALL OPT | 18-Jan-2019 | 432 | 98,475 | 16,862 |
| EURO STOXX 50 PRICE EUR@3225 CALL OPT | 18-Jan-2019 | 112 | 22,208 | 2,798 |
| EURO STOXX BANKS PRICE EUR@100 CALL OPT | 18-Jan-2019 | 939 | 214,047 | 3,665 |
| EURO STOXX BANKS PRICE EUR@95 CALL OPT | 18-Jan-2019 | 976 | 102,859 | 22,857 |
| EURO STOXX BANKS PRICE EUR@95 CALL OPT | 18-Jan-2019 | 240 | 26,230 | 5,621 |
| FTSE 100 INDEX@7100 CALL OPT | 18-Jan-2019 | 44 | 27,171 | 6,506 |
| FTSE 100 INDEX@7350 CALL OPT | 18-Jan-2019 | 180 | 101,603 | 1,566 |
| FTSE 100 INDEX@7450 CALL OPT | 18-Jan-2019 | (180) | (51,663) | - |
| S&P 500 INDEX@2725 CALL OPT | 18-Jan-2019 | 125 | 171,579 | 15,792 |
| S&P 500 INDEX@2780 CALL OPT | 18-Jan-2019 | 99 | 240,681 | 5,071 |
| S&P 500 INDEX@2800 CALL OPT | 18-Jan-2019 | 25 | 28,511 | 939 |
| | | | 1,425,776 | 86,310 |
| EURO STOXX 50 PRICE EUR@3050 PUT OPT | 18-Jan-2019 | (29) | (37,038) | (43,059) |
| EURO STOXX 50 PRICE EUR@3075 PUT OPT | 18-Jan-2019 | (8) | (8,593) | (13,952) |
| EURO STOXX 50 PRICE EUR@3250 CALL OPT | 18-Jan-2019 | (432) | (47,214) | (6,745) |
| EURO STOXX 50 PRICE EUR@3275 CALL OPT | 18-Jan-2019 | (112) | (10,842) | (1,049) |
| EURO STOXX BANK PRICE EUR@102.5 CALL OPT | 18-Jan-2019 | (939) | (151,739) | (3,665) |
| EURO STOXX BANKS PRICE EUR@90 PUT OPT | 18-Jan-2019 | (30) | (6,675) | (10,890) |
| EURO STOXX BANKS PRICE EUR@90 PUT OPT | 18-Jan-2019 | (122) | (32,572) | (44,287) |
| EURO STOXX BANKS PRICE EUR@97.5 CALL OPT | 18-Jan-2019 | (240) | (14,052) | (2,810) |
| EURO STOXX BANKS PRICE EUR@97.5 CALL OPT | 18-Jan-2019 | (976) | (57,144) | (11,429) |
| EURO STOXX BANKS PRICE EUR@97.5 PUT OPT | 18-Jan-2019 | (118) | - | (101,790) |
| FTSE 100 INDEX@6800 PUT OPT | 18-Jan-2019 | (4) | (10,367) | (11,411) |
| FTSE 100 INDEX@7050 PUT OPT | 18-Jan-2019 | (15) | (43,183) | (89,496) |
| FTSE 100 INDEX@7200 CALL OPT | 18-Jan-2019 | (44) | (14,159) | (1,913) |
| S&P 500 INDEX@2550 PUT OPT | 18-Jan-2019 | (6) | (43,408) | (60,519) |
| S&P 500 INDEX@2640 PUT OPT | 18-Jan-2019 | (4) | (45,803) | (76,485) |
| S&P 500 INDEX@2650 PUT OPT | 18-Jan-2019 | (1) | (8,509) | (19,934) |
| S&P 500 INDEX@2750 CALL OPT | 18-Jan-2019 | (125) | (110,971) | (9,817) |
| S&P 500 INDEX@2805 CALL OPT | 18-Jan-2019 | (99) | (173,074) | (3,718) |
| S&P 500 INDEX@2825 CALL OPT | 18-Jan-2019 | (25) | (18,097) | (683) |
| | | | (833,440) | (513,652) |
| | | | | (427,342) |

| Referenced Entity | Notional Units | Expiry Date | Counterparty | Credit Rating for Counterparty | Unrealized Gain/(Loss) (\$) | Base Market Value |
|--|----------------|-------------|---------------------|--------------------------------|-----------------------------|-------------------|
| Swaption: | | | | | | |
| SWAPTION GBP 1.24% R 03-JUL-2019 GS | 1,180,000 | 3-Jul-2019 | Goldman Sachs & Co. | A-2 | 13,021 | 32,311 |
| SWAPTION GBP 1.49% R 03-APR-2019 GS | 1,200,000 | 3-Apr-2019 | Goldman Sachs & Co. | A-2 | 20,610 | 51,050 |
| SWAPTION JPY 1.025% P 14-DEC-2028 BNP | 388,150,000 | 14-Dec-2028 | BNP Paribas | A-1 | (14,714) | 169,021 |
| SWAPTION JPY 10Y 0.9825% P 23-JUN-2038 G | 1,342,000,000 | 21-Jun-2028 | Goldman Sachs & Co. | A-2 | 665 | 569,506 |
| SWAPTION JPY 10Y 1.15% P 31-OCT-2028 GS | 700,000,000 | 31-Oct-2028 | Goldman Sachs & Co. | A-2 | (62,991) | 272,499 |
| SWAPTION USD 1% R 14-DEC-2033 JPM | 1,520,000 | 14-Dec-2033 | JP Morgan | A-2 | (15,384) | 52,906 |
| SWAPTION USD 15Y 1% R 02-JUN-2048 GS | 1,700,000 | 31-May-2033 | Goldman Sachs & Co. | A-2 | (35,656) | 59,739 |
| SWAPTION USD 15Y 1% R 10-NOV-2031 CITI | 600,000 | 10-Nov-2031 | Citibank | A-2 | (33,100) | 19,757 |
| SWAPTION USD 15Y 1% R 18-AUG-2031 GS | 3,500,000 | 18-Aug-2031 | Goldman Sachs & Co. | A-2 | (250,360) | 116,528 |
| SWAPTION USD 15Y 1% R 27-FEB-2032 GS | 1,600,000 | 27-Feb-2032 | Goldman Sachs & Co. | A-2 | (48,361) | 53,254 |
| SWAPTION USD 15Y 3.85% P 02-JUN-2048 GS | 5,000,000 | 31-May-2033 | Goldman Sachs & Co. | A-2 | (138,505) | 299,644 |
| SWAPTION USD 15Y 3.85% P 10-NOV-2031 CIT | 1,400,000 | 10-Nov-2031 | Citibank | A-2 | (20,244) | 84,923 |
| SWAPTION USD 15Y 3.85% P 17-MAY-2032 JPM | 1,000,000 | 17-May-2032 | JP Morgan | A-2 | (19,184) | 60,511 |
| SWAPTION USD 15Y 3.85% P 18-AUG-2031 GS | 4,600,000 | 18-Aug-2031 | Goldman Sachs & Co. | A-2 | (28,628) | 279,224 |
| SWAPTION USD 15Y 3.85% P 27-FEB-2032 GS | 3,700,000 | 27-Feb-2032 | Goldman Sachs & Co. | A-2 | (97,749) | 224,156 |

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

Sun Life Multi-Strategy Target Return Fund (continued)

Schedule of Investments (continued)

| Referenced Entity | Notional Units | Expiry Date | Counterparty | Credit Rating for Counterparty | Unrealized Gain/(Loss) (\$) | Base Market Value |
|--|----------------|-------------|---------------------|--------------------------------|-----------------------------|-------------------|
| SWAPTION USD 2% R 14-DEC-2033 JPM | 500,000 | 14-Dec-2033 | JP Morgan | A-2 | (9,755) | 29,854 |
| SWAPTION USD 2% R 31-AUG-2033 CITI | 3,000,000 | 31-Aug-2033 | Citibank | A-2 | (75,173) | 178,866 |
| SWAPTION USD 3.04% P 14-DEC-2020 GS | 5,600,000 | 14-Dec-2020 | Goldman Sachs & Co. | A-2 | (15,882) | 32,603 |
| SWAPTION USD 3.20% P 30-NOV-2020 GS | 28,320,000 | 30-Nov-2020 | Goldman Sachs & Co. | A-2 | (125,603) | 127,454 |
| SWAPTION USD 3.39% P 04-SEP-2020 BNP | 14,065,000 | 4-Sep-2020 | BNP Paribas | A-1 | (47,872) | 36,748 |
| SWAPTION USD 3.56% P 29-OCT-2020 GS | 14,200,000 | 29-Oct-2020 | Goldman Sachs & Co. | A-2 | (61,865) | 33,462 |
| SWAPTION USD 3.85% P 14-DEC-2033 JPM | 2,950,000 | 14-Dec-2033 | JP Morgan | A-2 | (92,161) | 175,535 |
| | | | | | 2,959,551 | |
| SWAPTION USD 15Y 1% R 10-NOV-2031 CITI | (14,065,000) | 4-Sep-2020 | BNP Paribas | A-1 | (59,004) | (145,065) |
| SWAPTION USD 15Y 1% R 10-NOV-2031 CITI | (1,200,000) | 3-Apr-2019 | Goldman Sachs & Co. | A-2 | 22,352 | (7,025) |
| SWAPTION USD 15Y 1% R 10-NOV-2031 CITI | (1,180,000) | 3-Jul-2019 | Goldman Sachs & Co. | A-2 | 11,905 | (7,697) |
| SWAPTION USD 15Y 1% R 10-NOV-2031 CITI | (5,600,000) | 14-Dec-2020 | Goldman Sachs & Co. | A-2 | (19,347) | (66,467) |
| SWAPTION USD 15Y 1% R 10-NOV-2031 CITI | (14,200,000) | 29-Oct-2020 | Goldman Sachs & Co. | A-2 | (91,213) | (187,753) |
| SWAPTION USD 15Y 1% R 10-NOV-2031 CITI | (28,320,000) | 30-Nov-2020 | Goldman Sachs & Co. | A-2 | (169,071) | (422,128) |
| | | | | | (836,135) | |
| | | | | | 2,123,416 | |

⁽³⁾ Futures Contracts

| Name of Future | Contracted Value (\$) | Expiry Date | Numbers of Contracts | Contracted Price | Current Value (\$) | Unrealized Appreciation/Depreciation (\$) |
|--------------------------------|-----------------------|-------------|----------------------|------------------|--------------------|---|
| AUSTRALIAN SPI 200 INDEX FUT | (674,869) | 21-Mar-2019 | (5) | 5,615 | (668,379) | 6,490 |
| AUSTRALIAN SPI 200 INDEX FUT | (540,568) | 21-Mar-2019 | (4) | 5,622 | (534,703) | 5,865 |
| AUSTRALIAN SPI 200 INDEX FUT | (805,084) | 21-Mar-2019 | (6) | 5,582 | (802,055) | 3,029 |
| AUSTRALIAN SPI 200 INDEX FUT | (805,012) | 21-Mar-2019 | (6) | 5,582 | (802,055) | 2,957 |
| AUSTRALIAN SPI 200 INDEX FUT | (537,275) | 21-Mar-2019 | (4) | 5,588 | (534,703) | 2,572 |
| CBOT ULTRA BOND FUT | 2,166,927 | 20-Mar-2019 | 10 | 159 | 2,194,243 | 27,316 |
| H-SHARES INDEX FUTURE | 351,736 | 30-Jan-2019 | 4 | 10,082 | 352,451 | 715 |
| H-SHARES INDEX FUTURE | 352,172 | 30-Jan-2019 | 4 | 10,094 | 352,451 | 279 |
| S&P 500 INDEX FUTURES E - MINI | (906,807) | 15-Mar-2019 | (5) | 2,656 | (855,418) | 51,389 |
| S&P 500 INDEX FUTURES E - MINI | (544,248) | 15-Mar-2019 | (3) | 2,657 | (513,251) | 30,997 |
| S&P 500 INDEX FUTURES E - MINI | (533,769) | 15-Mar-2019 | (3) | 2,605 | (513,251) | 20,518 |
| S&P 500 INDEX FUTURES E - MINI | (523,474) | 15-Mar-2019 | (3) | 2,555 | (513,251) | 10,223 |
| S&P 500 INDEX FUTURES E - MINI | (523,474) | 15-Mar-2019 | (3) | 2,555 | (513,251) | 10,223 |
| S&P 500 INDEX FUTURES E - MINI | (180,918) | 15-Mar-2019 | (1) | 2,649 | (171,084) | 9,834 |
| S&P 500 INDEX FUTURES E - MINI | (693,116) | 15-Mar-2019 | (4) | 2,537 | (684,334) | 8,782 |
| S&P 500 INDEX FUTURES E - MINI | (348,982) | 15-Mar-2019 | (2) | 2,555 | (342,167) | 6,815 |
| | | | | | (4,548,754) | 198,004 |
| H-SHARES INDEX FUTURE | 264,574 | 30-Jan-2019 | 3 | 10,111 | 264,338 | (236) |
| H-SHARES INDEX FUTURE | 176,557 | 30-Jan-2019 | 2 | 10,121 | 176,226 | (331) |
| H-SHARES INDEX FUTURE | 353,114 | 30-Jan-2019 | 4 | 10,121 | 352,451 | (663) |
| H-SHARES INDEX FUTURE | 356,917 | 30-Jan-2019 | 4 | 10,230 | 352,451 | (4,466) |
| H-SHARES INDEX FUTURE | 646,864 | 28-Mar-2019 | 7 | 10,595 | 618,743 | (28,121) |
| XAF FINANCIAL FUTURE | 411,140 | 15-Mar-2019 | 4 | 301 | 399,906 | (11,234) |
| XAF FINANCIAL FUTURE | 1,342,086 | 15-Mar-2019 | 13 | 302 | 1,299,695 | (42,391) |
| | | | | | 3,463,810 | (87,442) |
| | | | | | | 110,562 |

⁽⁴⁾ Swap Contracts

| Referenced Entity | Notional Units | Expiry Date | Counterparty | Credit Rating for Counterparty | Unrealized Gain/(Loss) (\$) | Base Market Value |
|-----------------------------|----------------|-------------|--------------|--------------------------------|-----------------------------|-------------------|
| Interest Rate Swaps: | | | | | | |
| IRS EUR 1.88 | 280,000 | 21-Dec-2048 | JP Morgan | A-2 | 79,969 | 79,969 |
| IRS EUR 1.88 | (280,000) | 21-Dec-2048 | JP Morgan | A-2 | (90,804) | (90,804) |
| IRS EUR 1.8912% PAY FIX | (1,715,000) | 16-Mar-2048 | JP Morgan | A-2 | (566,207) | (566,207) |
| IRS EUR 1.8912% REC FLT | 1,715,000 | 16-Mar-2048 | JP Morgan | A-2 | 505,668 | 505,668 |
| IRS EUR PAY FIX 1.6722% | (320,000) | 21-Dec-2048 | JP Morgan | A-2 | (92,100) | (92,100) |
| IRS EUR REC FLT 1.6722% | 320,000 | 21-Dec-2048 | JP Morgan | A-2 | 91,393 | 91,393 |

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 GBP 1.5187% PAY FIX | (1,300,000) | 14-Jan-2048 | JP Morgan | A-2 | (357,449) | (357,449) |
| IRS GBP 1.5187% REC FLT | 1,300,000 | 14-Jan-2048 | JP Morgan | A-2 | 374,217 | 374,217 |
| IRS GBP 1.6097% PAY FI | (1,140,000) | 21-Dec-2048 | JP Morgan | A-2 | (326,943) | (326,943) |
| IRS GBP 1.6097% REC FL | 1,140,000 | 21-Dec-2048 | JP Morgan | A-2 | 320,282 | 320,282 |
| IRS GBP 1.72% PAY FIX | (2,600,000) | 5-Jul-2047 | JP Morgan | A-2 | (816,986) | (816,986) |
| IRS GBP 1.72% REC FLT | 2,600,000 | 5-Jul-2047 | JP Morgan | A-2 | 758,833 | 758,833 |
| IRS GBP 1.765% PAY FIX | (600,000) | 6-Oct-2047 | JP Morgan | A-2 | (192,661) | (192,661) |
| IRS GBP 1.765% REC FLT | 600,000 | 6-Oct-2047 | JP Morgan | A-2 | 173,983 | 173,983 |
| IRS GBP 1.8 | (1,180,000) | 21-Dec-2048 | JP Morgan | A-2 | (389,607) | (389,607) |
| IRS GBP 1.8027% P | (1,600,000) | 5-Jul-2047 | JP Morgan | A-2 | (526,934) | (526,934) |
| IRS GBP 1.8027% R | 1,600,000 | 5-Jul-2047 | JP Morgan | A-2 | 466,974 | 466,974 |
| IRS GBP 1.85 | 1,180,000 | 21-Dec-2048 | JP Morgan | A-2 | 331,520 | 331,520 |
| IRS GBP PAY FIX 1.6542% | (2,400,000) | 21-Dec-2048 | JP Morgan | A-2 | (707,329) | (707,329) |
| IRS GBP REC FLT 1.6542% | 2,400,000 | 21-Dec-2048 | JP Morgan | A-2 | 674,278 | 674,278 |
| IRS KRW 2.025% PAY FILT | (1,906,564,496) | 18-Dec-2021 | JP Morgan | A-2 | (79,327) | (79,327) |
| IRS KRW 2.025% REC FIX | 1,906,564,496 | 18-Sep-2021 | JP Morgan | A-2 | 91,659 | 91,659 |
| IRS KRW 2.05% PAY F | (2,344,736,343) | 18-Sep-2021 | JP Morgan | A-2 | (97,558) | (97,558) |
| IRS KRW 2.05% PAY FLT | (4,730,094,357) | 18-Sep-2021 | JP Morgan | A-2 | (196,807) | (196,807) |
| IRS KRW 2.05% REC F | 2,344,736,343 | 18-Sep-2021 | JP Morgan | A-2 | 114,115 | 114,115 |
| IRS KRW 2.05% REC FIX | 4,730,094,357 | 18-Sep-2021 | JP Morgan | A-2 | 230,208 | 230,208 |
| IRS KRW 2.055% PAY FLT | (2,173,665,952) | 18-Sep-2021 | JP Morgan | A-2 | (90,441) | (90,441) |
| IRS KRW 2.055% PAY FLT | (2,336,480,228) | 18-Sep-2021 | JP Morgan | A-2 | (97,215) | (97,215) |
| IRS KRW 2.055% REC FIX | 2,336,480,228 | 18-Sep-2021 | JP Morgan | A-2 | 113,991 | 113,991 |
| IRS KRW 2.055% REC FIX | 2,173,665,952 | 18-Sep-2021 | JP Morgan | A-2 | 106,048 | 106,048 |
| IRS KRW 2.07% PAY FLT | (607,328,691) | 18-Sep-2021 | Citibank | A-2 | (25,269) | (25,269) |
| IRS KRW 2.07% REC FIX | 607,328,691 | 18-Sep-2021 | Citibank | A-2 | 29,846 | 29,846 |
| IRS KRW 2.075% PAY | (694,089,933) | 18-Sep-2021 | Goldman Sachs & Co. | A-2 | (28,879) | (28,879) |
| IRS KRW 2.075% REC | 694,089,933 | 18-Sep-2021 | Goldman Sachs & Co. | A-2 | 34,192 | 34,192 |
| IRS KRW 2.0875% PAY F | (1,570,800,000) | 19-Mar-2021 | JP Morgan | A-2 | (67,308) | (67,308) |
| IRS KRW 2.0875% REC F | 1,570,800,000 | 19-Mar-2021 | JP Morgan | A-2 | 78,217 | 78,217 |
| IRS KRW 2.09% PAY FLT | (785,400,000) | 20-Mar-2021 | JP Morgan | A-2 | (33,785) | (33,785) |
| IRS KRW 2.09% REC FIX | 785,400,000 | 20-Mar-2021 | JP Morgan | A-2 | 39,313 | 39,313 |
| IRS KRW 2.095% PAY | (785,400,000) | 19-Mar-2021 | Goldman Sachs & Co. | A-2 | (33,654) | (33,654) |
| IRS KRW 2.095% REC | 785,400,000 | 19-Mar-2021 | Goldman Sachs & Co. | A-2 | 39,249 | 39,249 |
| IRS KRW 2.1% PAY FLT | (1,570,800,000) | 20-Mar-2021 | JP Morgan | A-2 | (67,570) | (67,570) |
| IRS KRW 2.1% REC FIX | 1,570,800,000 | 20-Mar-2021 | JP Morgan | A-2 | 79,003 | 79,003 |
| IRS KRW 2.12% PAY FLT | (1,887,600,000) | 20-Mar-2021 | JP Morgan | A-2 | (81,197) | (81,197) |
| IRS KRW 2.12% REC FIX | 1,887,600,000 | 20-Mar-2021 | JP Morgan | A-2 | 95,841 | 95,841 |
| IRS KRW 2.18% PAY FIX | (415,000,267) | 18-Sep-2029 | JP Morgan | A-2 | (99,829) | (99,829) |
| IRS KRW 2.18% REC FLT | 415,000,267 | 18-Sep-2029 | JP Morgan | A-2 | 83,939 | 83,939 |
| IRS KRW 2.21% PAY FIX | (521,681,043) | 18-Sep-2029 | JP Morgan | A-2 | (127,218) | (127,218) |
| IRS KRW 2.21% PAY FIX | (1,042,173,008) | 18-Sep-2029 | JP Morgan | A-2 | (254,147) | (254,147) |
| IRS KRW 2.21% REC FLT | 1,042,173,008 | 18-Sep-2029 | JP Morgan | A-2 | 210,793 | 210,793 |
| IRS KRW 2.21% REC FLT | 521,681,043 | 18-Sep-2029 | JP Morgan | A-2 | 105,517 | 105,517 |
| IRS KRW 2.215% PAY FIX | (474,983,184) | 18-Sep-2029 | JP Morgan | A-2 | (116,093) | (116,093) |
| IRS KRW 2.215% PAY FIX | (491,928,921) | 18-Sep-2029 | JP Morgan | A-2 | (120,234) | (120,234) |
| IRS KRW 2.215% REC FLT | 491,928,921 | 18-Sep-2029 | JP Morgan | A-2 | 99,499 | 99,499 |
| IRS KRW 2.215% REC FLT | 474,983,184 | 18-Sep-2029 | JP Morgan | A-2 | 96,072 | 96,072 |
| IRS KRW 2.23% PAY FIX | (133,811,616) | 18-Sep-2029 | Citibank | A-2 | (32,927) | (32,927) |
| IRS KRW 2.23% REC FLT | 133,811,616 | 18-Sep-2029 | Citibank | A-2 | 27,065 | 27,065 |
| IRS KRW 2.2475% PAY FIX | (330,820,000) | 20-Mar-2029 | JP Morgan | A-2 | (82,795) | (82,795) |
| IRS KRW 2.2475% REC FLT | 330,820,000 | 20-Mar-2029 | JP Morgan | A-2 | 67,419 | 67,419 |
| IRS KRW 2.25% PAY FIX | (165,410,000) | 20-Mar-2029 | JP Morgan | A-2 | (41,443) | (41,443) |
| IRS KRW 2.25% REC FLT | 165,410,000 | 20-Mar-2029 | JP Morgan | A-2 | 33,709 | 33,709 |
| IRS KRW 2.255% PAY | (165,410,000) | 20-Mar-2029 | Goldman Sachs & Co. | A-2 | (41,535) | (41,535) |
| IRS KRW 2.255% REC | 165,410,000 | 20-Mar-2029 | Goldman Sachs & Co. | A-2 | 33,709 | 33,709 |
| IRS KRW 2.26% PAY FIX | (330,820,000) | 20-Mar-2029 | JP Morgan | A-2 | (83,255) | (83,255) |
| IRS KRW 2.26% REC FLT | 330,820,000 | 20-Mar-2029 | JP Morgan | A-2 | 67,419 | 67,419 |
| IRS KRW 2.28% PAY FIX | (397,540,000) | 20-Mar-2029 | JP Morgan | A-2 | (100,931) | (100,931) |
| IRS KRW 2.28% REC FLT | 397,540,000 | 20-Mar-2029 | JP Morgan | A-2 | 81,016 | 81,016 |
| IRS KRW 2.3875% PAY FL | (4,164,033,666) | 20-Mar-2021 | Goldman Sachs & Co. | A-2 | (179,120) | (179,120) |
| IRS KRW 2.3875% REC FI | 4,164,033,666 | 20-Mar-2021 | Goldman Sachs & Co. | A-2 | 238,101 | 238,101 |
| IRS KRW 2.415% PAY FL | (2,005,557,350) | 20-Mar-2021 | Goldman Sachs & Co. | A-2 | (86,271) | (86,271) |
| IRS KRW 2.415% PAY FL | (2,005,557,350) | 20-Mar-2021 | Goldman Sachs & Co. | A-2 | (86,271) | (86,271) |
| IRS KRW 2.415% REC FI | 2,005,557,350 | 20-Mar-2021 | Goldman Sachs & Co. | A-2 | 116,000 | 116,000 |
| IRS KRW 2.415% REC FI | 2,005,557,350 | 20-Mar-2021 | Goldman Sachs & Co. | A-2 | 116,000 | 116,000 |
| IRS KRW 2.425% PAY FLT | (3,066,695,469) | 20-Mar-2021 | BNP Paribas | A-1 | (131,917) | (131,917) |

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 KRW 2.425% REC FIX | 3,066,695,469 | 20-Mar-2021 | BNP Paribas | A-1 | 178,109 | 178,109 |
| IRS KRW 2.5325% PAY FI | (886,070,525) | 20-Mar-2029 | Goldman Sachs & Co. | A-2 | (249,878) | (249,878) |
| IRS KRW 2.5325% REC FL | 886,070,525 | 20-Mar-2029 | Goldman Sachs & Co. | A-2 | 180,574 | 180,574 |
| IRS KRW 2.56% PAY FI | (423,216,160) | 20-Mar-2029 | Goldman Sachs & Co. | A-2 | (120,646) | (120,646) |
| IRS KRW 2.56% PAY FI | (423,216,160) | 20-Mar-2029 | Goldman Sachs & Co. | A-2 | (120,646) | (120,646) |
| IRS KRW 2.56% REC FL | 423,216,160 | 20-Mar-2029 | Goldman Sachs & Co. | A-2 | 86,248 | 86,248 |
| IRS KRW 2.56% REC FL | 423,216,160 | 20-Mar-2029 | Goldman Sachs & Co. | A-2 | 86,248 | 86,248 |
| IRS KRW 2.5625% PAY FIX | (660,363,147) | 20-Mar-2029 | BNP Paribas | A-1 | (188,433) | (188,433) |
| IRS KRW 2.5625% REC FLT | 660,363,147 | 20-Mar-2029 | BNP Paribas | A-1 | 134,577 | 134,577 |
| IRS KRW PAY FIX 2.2 | (152,927,561) | 18-Sep-2029 | Goldman Sachs & Co. | A-2 | (37,715) | (37,715) |
| IRS KRW PAY FIX 2.3 | (124,082,400) | 18-Sep-2029 | Goldman Sachs & Co. | A-2 | (31,834) | (31,834) |
| IRS KRW PAY FIX 2.3 | (310,206,000) | 18-Sep-2029 | Goldman Sachs & Co. | A-2 | (80,337) | (80,337) |
| IRS KRW PAY FIX 2.3 | (310,206,000) | 18-Sep-2029 | JP Morgan | A-2 | (79,755) | (79,755) |
| IRS KRW PAY FLT 2.1 | (567,840,000) | 18-Sep-2021 | Goldman Sachs & Co. | A-2 | (23,626) | (23,626) |
| IRS KRW PAY FLT 2.1 | (1,419,600,000) | 18-Sep-2021 | Goldman Sachs & Co. | A-2 | (59,066) | (59,066) |
| IRS KRW PAY FLT 2.1 | (1,419,600,000) | 18-Sep-2021 | JP Morgan | A-2 | (59,066) | (59,066) |
| IRS KRW REC FIX 2.1 | 1,419,600,000 | 18-Sep-2021 | Goldman Sachs & Co. | A-2 | 73,741 | 73,741 |
| IRS KRW REC FIX 2.1 | 567,840,000 | 18-Sep-2021 | Goldman Sachs & Co. | A-2 | 29,186 | 29,186 |
| IRS KRW REC FIX 2.1 | 1,419,600,000 | 18-Sep-2021 | JP Morgan | A-2 | 73,134 | 73,134 |
| IRS KRW REC FLT 2.2 | 152,927,561 | 18-Sep-2029 | Goldman Sachs & Co. | A-2 | 30,932 | 30,932 |
| IRS KRW REC FLT 2.3 | 310,206,000 | 18-Sep-2029 | Goldman Sachs & Co. | A-2 | 62,743 | 62,743 |
| IRS KRW REC FLT 2.3 | 124,082,400 | 18-Sep-2029 | Goldman Sachs & Co. | A-2 | 25,097 | 25,097 |
| IRS KRW REC FLT 2.3 | 310,206,000 | 18-Sep-2029 | JP Morgan | A-2 | 62,743 | 62,743 |
| IRS USD 2.557% PAY FIX | (2,100,000) | 19-Dec-2021 | JP Morgan | A-2 | (213,440) | (213,440) |
| IRS USD 2.557% REC FLT | 2,100,000 | 19-Dec-2021 | JP Morgan | A-2 | 191,597 | 191,597 |
| IRS USD 2.569% PAY FI | (8,817,000) | 19-Dec-2021 | JP Morgan | A-2 | (900,348) | (900,348) |
| IRS USD 2.569% REC FL | 8,817,000 | 19-Dec-2021 | JP Morgan | A-2 | 804,434 | 804,434 |
| IRS USD 2.8718% PAY FLT | (6,900,000) | 18-Dec-2024 | JP Morgan | A-2 | (1,098,338) | (1,098,339) |
| IRS USD 2.8718% REC FIX | 6,900,000 | 18-Dec-2024 | JP Morgan | A-2 | 1,230,439 | 1,230,439 |
| IRS USD 2.8792% PAY FIX | (2,820,000) | 16-Dec-2025 | JP Morgan | A-2 | (491,438) | (491,438) |
| IRS USD 2.8792% REC FLT | 2,820,000 | 16-Dec-2025 | JP Morgan | A-2 | 444,472 | 444,472 |
| IRS USD 2.91% PAY FLT | (13,400,000) | 18-Sep-2024 | JP Morgan | A-2 | (2,146,942) | (2,146,942) |
| IRS USD 2.91% REC FIX | 13,400,000 | 18-Sep-2024 | JP Morgan | A-2 | 2,441,209 | 2,436,811 |
| IRS USD 3.0237% PAY FIX | 1,100,000 | 18-Dec-2049 | JP Morgan | A-2 | 837,506 | 837,506 |
| IRS USD 3.0237% PAY FIX | (1,100,000) | 18-Dec-2049 | JP Morgan | A-2 | (892,102) | (892,102) |
| IRS USD 3.0292% PAY FIX | (2,266,400) | 18-Sep-2049 | JP Morgan | A-2 | (1,854,445) | (1,854,445) |
| IRS USD 3.0292% REC FLT | 2,266,400 | 18-Sep-2049 | JP Morgan | A-2 | 1,737,136 | 1,737,136 |
| IRS USD 3.0375% PAY FLT | (9,932,300) | 18-Sep-2024 | JP Morgan | A-2 | (1,591,348) | (1,591,348) |
| IRS USD 3.0375% REC FIX | 9,932,300 | 18-Sep-2024 | JP Morgan | A-2 | 1,885,342 | 1,885,342 |
| IRS USD 3.0552% PAY FIX | (3,250,000) | 20-Mar-2049 | JP Morgan | A-2 | (2,719,717) | (2,719,718) |
| IRS USD 3.0552% REC FLT | 3,250,000 | 20-Mar-2049 | JP Morgan | A-2 | 2,525,393 | 2,525,393 |
| IRS USD 3.1225% PAY | (11,160,000) | 18-Dec-2024 | JP Morgan | A-2 | (1,776,443) | (1,776,443) |
| IRS USD 3.1225% REC | 11,160,000 | 18-Dec-2024 | JP Morgan | A-2 | 2,163,832 | 2,163,832 |
| IRS USD 3.15% PAY | (4,950,000) | 17-Jun-2025 | JP Morgan | A-2 | (972,471) | (955,986) |
| IRS USD 3.15% REC | 4,950,000 | 17-Jun-2025 | JP Morgan | A-2 | 780,855 | 780,855 |
| IRS USD 3.2557% PAY | (2,630,000) | 18-Dec-2049 | JP Morgan | A-2 | (2,296,589) | (2,296,589) |
| IRS USD 3.2557% REC | 2,630,000 | 18-Dec-2049 | JP Morgan | A-2 | 2,002,401 | 2,002,401 |
| IRS USD PAY FIX 3.161 | (6,000,000) | 16-Dec-2025 | JP Morgan | A-2 | (1,148,207) | (1,148,207) |
| IRS USD REC FLT 3.161 | 6,000,000 | 16-Dec-2025 | JP Morgan | A-2 | 945,686 | 945,686 |

(472,070)

Inflation Swaps:

| | | | | | | |
|-------------------------------|-------------|-------------|-----------|-----|-------------|-------------|
| EUR P FIX 1.206% - R HICPXT | 1,630,000 | 15-Dec-2023 | JP Morgan | A-2 | 139,070 | 139,070 |
| EUR P FIX 1.206% - R HICPXT | (1,630,000) | 15-Dec-2023 | JP Morgan | A-2 | (156,994) | (156,994) |
| EUR P FIX 1.46% - R HICPXT 15 | 4,000,000 | 15-May-2023 | JP Morgan | A-2 | 388,284 | 388,284 |
| EUR P FIX 1.46% - R HICPXT 15 | (4,000,000) | 15-May-2023 | JP Morgan | A-2 | (470,947) | (470,947) |
| EUR P FIX 1.53% - R HICPXT 15 | 3,050,000 | 15-May-2023 | JP Morgan | A-2 | 296,067 | 296,067 |
| EUR P FIX 1.53% - R HICPXT 15 | (3,050,000) | 15-May-2023 | JP Morgan | A-2 | (376,841) | (376,841) |
| P FIX 1.995 VS R FLT USD CPI | (6,200,000) | 27-Jun-2027 | JP Morgan | A-2 | (1,476,739) | (1,476,739) |
| P FIX 2.0775% - R USCPI 18 | 1,700,000 | 18-Dec-2028 | JP Morgan | A-2 | 379,056 | 379,056 |
| P FIX 2.0775% - R USCPI 18 | (1,700,000) | 18-Dec-2028 | JP Morgan | A-2 | (404,807) | (404,807) |
| P FIX 2.281% - R USCPI 31-O | 2,800,000 | 31-Oct-2028 | JP Morgan | A-2 | 628,639 | 628,639 |
| P FIX 2.281% - R USCPI 31-O | (2,800,000) | 31-Oct-2028 | JP Morgan | A-2 | (742,304) | (742,304) |
| P UKRPI - R FIX 3.535% | (5,883,957) | 15-Feb-2027 | Citibank | A-2 | (3,755,149) | (3,755,149) |
| R FIX 3.535% - P UKRPI | 5,883,957 | 15-Feb-2027 | Citibank | A-2 | 3,752,970 | 3,752,970 |
| R FIX 3.691% - P UKRPI 15- | 980,000 | 15-Dec-2028 | JP Morgan | A-2 | 634,887 | 634,887 |

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 |
|-------------------------------|----------------|-------------|-----------------------------------|--------------------------------|-----------------------------|-------------------|
| R FIX 3.691% - P UKRPI 15- | (980,000) | 15-Dec-2028 | JP Morgan | A-2 | (605,567) | (605,567) |
| R FLT USD CPI VS P FIX 1.995 | 6,200,000 | 27-Jun-2027 | JP Morgan | A-2 | 1,464,218 | 1,464,218 |
| | | | | | | (306,157) |
| Equity Variance Swaps: | | | | | | |
| 21 Var Swap S&P500 | 784 | 17-Dec-2021 | Merrill Lynch | NR | 41,044 | 41,044 |
| 21 Var Swap S&P500 | (289) | 20-Dec-2019 | Merrill Lynch | NR | (32,535) | (32,535) |
| 22.9 Var Swap S&P500 | (27) | 20-Dec-2019 | Societie Generale Securities Corp | A-1 | (198) | (198) |
| 27.1 Var Swap HKHSCEI | 155 | 30-Dec-2019 | Societie Generale Securities Corp | A-1 | (386) | (386) |
| 28.05 Var Swap HKHSCEI | (2,084) | 30-Dec-2019 | JP Morgan | A-2 | 34,709 | 34,709 |
| 28.05 Var Swap HKHSCEI | 5,717 | 30-Dec-2021 | JP Morgan | A-2 | (58,229) | (58,229) |
| | | | | | | (15,595) |
| | | | | | | (793,822) |

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, 2018 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 9 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 4.17 | 13.24 |
| AA/Aa | 42.99 | 46.37 |
| A/A | 0.63 | 3.15 |
| BBB/Baa | 3.62 | 3.99 |
| N/R | 0.20 | 0.19 |
| Total | 51.61 | 66.94 |

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 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 Multi-Strategy Target Return Fund (continued)

The following table summarizes the Fund's proportionate exposure to currency risk as at December 31, 2018 and December 31, 2017. 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, 2018 | | December 31, 2017 | |
| United States Dollar | 10,195,206 | 12.21 | (6,998,054) | (8.23) |
| Swedish Krona | 4,813,348 | 5.76 | (22) | - |
| Norwegian Krone | 4,135,286 | 4.95 | - | - |
| Indonesian Rupiah | 3,060,195 | 3.67 | 3,447,054 | 4.06 |
| Japanese Yen | 2,744,738 | 3.29 | 3,982,094 | 4.68 |
| Mexican Peso | 1,657,019 | 1.98 | 4,905,962 | 5.77 |
| South African Rand | 862,441 | 1.03 | 329 | - |
| Australian Dollar | 129,069 | 0.15 | (6,382,982) | (7.51) |
| British Pound | 121,369 | 0.15 | (362,536) | (0.43) |
| Swiss Franc | 49,066 | 0.06 | - | - |
| Hong Kong Dollar | 12,230 | 0.01 | (428,171) | (0.50) |
| Polish Zloty | 18 | - | 18 | - |
| New Zealand Dollar | 1 | - | 1 | - |
| Indian Rupee | - | - | 5,951,583 | 7.00 |
| New Taiwan Dollar | (4,283,997) | (5.13) | - | - |
| Korean Won | (4,729,839) | (5.66) | - | - |
| Singapore Dollar | (5,331,766) | (6.39) | 1 | - |
| Euro | (9,017,179) | (10.80) | 147,728 | 0.17 |
| Total | 4,417,205 | 5.28 | 4,263,005 | 5.01 |

As at December 31, 2018, 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 \$220,860 (\$213,150 as at December 31, 2017). 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, 2018 | - | 2,337,054 | 4,142,125 | 6,479,179 |
| December 31, 2017 | - | 1,789,392 | 15,536,468 | 17,325,860 |

As at December 31, 2018, 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 \$1,110,309 (\$2,212,873 as at December 31, 2017). 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, 2018, 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 \$7,105,622 (\$11,568,671 as at December 31, 2017) or decreased by \$7,556,508 (\$7,497,111 as at December 31, 2017) respectively. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Bonds | | |
| Federal Bonds | 7.8 | 20.4 |
| Equities | | |
| Energy | 2.4 | 0.2 |
| Materials | 3.0 | 0.6 |
| Industrials | 6.5 | 1.3 |
| Consumer Discretionary | 0.8 | 0.6 |
| Consumer Staples | 0.4 | 0.2 |
| Health Care | 0.5 | 0.2 |
| Financials | 2.8 | 0.9 |
| Real Estate | 9.7 | 0.2 |
| Information Technology | 0.6 | 0.2 |
| Telecommunication Services | - | 0.2 |
| Communication Services | 0.8 | - |
| Utilities | 0.9 | 0.6 |
| Mutual Funds | | |
| Emerging Markets Equity | 5.0 | 5.2 |
| Global Equity | - | 2.5 |
| Derivative Assets (Liabilities) | (0.1) | 3.5 |
| Other Assets less Liabilities | 58.9 | 63.2 |
| Total | 100.0 | 100.0 |

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

Sun Life Multi-Strategy Target Return Fund (continued)

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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Equities | 23,722,160 | 30,609 | - | 23,752,769 |
| Bonds | - | 6,479,179 | - | 6,479,179 |
| Mutual Funds | 4,191,111 | - | - | 4,191,111 |
| Swap Contracts | - | 32,973,237 | - | 32,973,237 |
| Futures Contracts | 198,004 | - | - | 198,004 |
| Currency Forward Contracts | - | 492,488 | - | 492,488 |
| Option Contracts | 3,045,861 | - | - | 3,045,861 |
| Financial Liabilities | | | | |
| Swap Contracts | - | 33,767,059 | - | 33,767,059 |
| Futures Contracts | 87,442 | - | - | 87,442 |
| Currency Forward Contracts | - | 1,597,541 | - | 1,597,541 |
| Option Contracts | 1,349,787 | - | - | 1,349,787 |
| | | | | |
| | 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 |
| Futures Contracts | 362,621 | - | - | 362,621 |
| Currency Forward Contracts | - | 526,089 | - | 526,089 |
| Option Contracts | 341,766 | - | - | 341,766 |

There were no transfers between fair value Levels during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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 1 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.

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

Sun Life Multi-Strategy Target Return Fund (continued)

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 following table discloses the minimum and maximum leverage levels for the Fund during the periods ended December 31, 2018 and December 31, 2017; 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, 2018 | 4.40:1 | 9.58:1 | 7.93:1 | 793% |
| December 31, 2017 | 3.74:1 | 9.44:1 | 7.55:1 | 755% |

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, 2018 were \$79,583 (\$48,746 for the period ended December 31, 2017).

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$9,152,942 (\$692,779 as at December 31, 2017). 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series A | 1,027 | 9,133 |
| Series F | 1,029 | 9,386 |
| Series I | 2,113 | 19,399 |
| Series O | 1,024 | 9,413 |

| | 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 |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 24 | - | - |
| Series F | 25 | - | - |
| Series I | 1 | - | 368 |
| Series O | 6 | 115 | 166 |

| | December 31, 2017 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 26 | - | - |
| Series F | 26 | - | - |
| Series I | - | - | 230 |
| Series O | - | 114 | 78 |

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

Sun Life Multi-Strategy Target Return Fund (continued)

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, 2018 and December 31, 2017, SLA held the following position in the Fund:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | 3,179,138 | 29,190,531 |
| | December 31, 2017 | |
| | Units | Market Value (\$) |
| Series I | 3,118,713 | 30,552,471 |

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | 824 | - | 552,993 |
| | December 31, 2017 | | |
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | 935 | 346,396 |

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, 2018 | | | | |
| Derivative assets - Currency | | | | |
| Forward Contracts | 492,488 | (243,991) | - | 248,497 |
| Derivative assets - Credit Default Swaps | - | - | - | - |
| Derivative assets - Swaps | 32,973,237 | (32,964,728) | - | 8,509 |
| Total | 33,465,725 | (33,208,719) | - | 257,006 |
| Derivative liabilities - Currency | | | | |
| Forward Contracts | (1,597,541) | 243,991 | - | (1,353,550) |
| Derivative liabilities - Credit Default Swaps | - | - | - | - |
| Derivative liabilities - Swaps | (33,767,059) | 32,964,728 | - | (802,331) |
| Total | (35,364,600) | 33,208,719 | - | (2,155,881) |
| 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) |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 164,695,697 | 280,298,091 |
| Short-term investments | - | - |
| Cash | 3,108,803 | 6,459,937 |
| 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 |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | - | - |
| Accrued interest | 1,923,611 | 2,754,882 |
| Dividends receivable | 159,731 | 251,812 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 375,091 | 429,575 |
| | 170,262,933 | 297,153,914 |
| Liabilities | | |
| Current Liabilities | | |
| Bank indebtedness | - | - |
| Margin | - | 16 |
| Option contracts, at fair value - short | - | 305,588 |
| Credit default swaps, buy protection | - | - |
| Unrealized depreciation on futures contracts | - | - |
| Unrealized depreciation on currency forward contracts | 2,107,037 | - |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 2,936 | 4,174 |
| Redemptions payable | 98,729 | 163,702 |
| Distributions payable | - | - |
| Due to investment dealers | - | 600,978 |
| Management fees payable | 1,057 | 972 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 2,209,759 | 1,075,430 |
| Net Assets Attributable to Holders of Redeemable Units | 168,053,174 | 296,078,484 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 2,372,813 | 2,749,209 |
| Series F | 209,025 | 89,495 |
| Series I | 164,917,316 | 292,672,367 |
| Series O | 554,020 | 567,413 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 8.30 | 9.40 |
| Series F | 8.37 | 9.51 |
| Series I | 8.94 | 10.07 |
| Series O | 8.37 | 9.55 |

Approved on behalf of Trustee

| | |
|-------------------------------------|---|
| “signed” Rick Headrick President | “signed” Kari Holdsworth Chief Financial Officer |
|-------------------------------------|---|

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Investment Income | | |
| Dividend income | 3,706,509 | 4,765,871 |
| Interest income for distribution purposes | 9,349,168 | 8,149,220 |
| 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 | (811,880) | (79,554) |
| Net realized gain (loss) on futures contracts | - | (16) |
| Net realized gain (loss) on currency forward contracts | (11,425,302) | 4,685,447 |
| Net realized gain (loss) on option contracts | 12,905 | 89,615 |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | (1,443,273) | (7,071,867) |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (9,066,654) | 6,433,548 |
| Change in unrealized appreciation (depreciation) in option contracts | 134,603 | (97,191) |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | (9,543,924) | 16,875,073 |
| Net gain (loss) on foreign exchange | 1,036,853 | (461,484) |
| Other income | - | - |
| Total income (loss) | (8,507,071) | 16,413,589 |
| Expenses (note 6) | | |
| Management fees | 41,136 | 39,268 |
| Administration fees | 129,868 | 125,928 |
| Independent review committee fees | 66 | 70 |
| Withholding tax | 443,352 | 444,470 |
| Transaction costs (note 3) | 74,843 | 76,044 |
| Total operating expenses | 689,265 | 685,780 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (9,196,336) | 15,727,809 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (9,196,336) | 15,727,809 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (157,647) | 159,053 |
| Series F | (13,498) | 7,571 |
| Series I | (8,997,860) | 15,517,493 |
| Series O | (27,331) | 43,692 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 295,886 | 277,713 |
| Series F | 25,114 | 11,011 |
| Series I | 22,620,996 | 21,365,082 |
| Series O | 62,350 | 61,362 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (0.53) | 0.57 |
| Series F | (0.54) | 0.69 |
| Series I | (0.40) | 0.73 |
| Series O | (0.44) | 0.71 |

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 F | | Series I | |
|---|---------------------|------------------|----------------|---------------|--------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 2,749,209 | 2,612,885 | 89,495 | 114,545 | 292,672,367 | 123,159,819 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (157,647) | 159,053 | (13,498) | 7,571 | (8,997,860) | 15,517,493 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 400,876 | 489,769 | 282,893 | 43,687 | 112,652,818 | 171,698,687 |
| Redemption of redeemable units | \$ (610,147) | (506,506) | (149,865) | (76,308) | (231,410,009) | (17,703,631) |
| Reinvestment of distributions to holders of redeemable units | \$ 153,753 | 121,684 | 15,385 | 4,986 | 15,548,356 | 11,703,863 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ (55,518) | 104,947 | 148,413 | (27,635) | (103,208,835) | 165,698,919 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ (25,701) | - | (1,373) | - | (2,858,083) | - |
| From net investment income | \$ (137,530) | (127,676) | (14,012) | (4,986) | (12,690,273) | (11,690,125) |
| Return of capital | \$ - | - | - | - | - | (13,739) |
| | \$ (163,231) | (127,676) | (15,385) | (4,986) | (15,548,356) | (11,703,864) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (376,396) | 136,324 | 119,530 | (25,050) | (127,755,051) | 169,512,548 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 2,372,813 | 2,749,209 | 209,025 | 89,495 | 164,917,316 | 292,672,367 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 292,427 | 281,345 | 9,411 | 12,264 | 29,072,081 | 12,543,412 |
| Units issued | 43,704 | 51,779 | 30,551 | 4,638 | 11,639,460 | 17,126,182 |
| Units issued on reinvestment of distributions | 17,199 | 12,897 | 1,722 | 524 | 1,619,188 | 1,162,381 |
| Units redeemed | (67,485) | (53,594) | (16,709) | (8,015) | (23,888,906) | (1,759,894) |
| Balance - end of period | 285,845 | 292,427 | 24,975 | 9,411 | 18,441,823 | 29,072,081 |

| | Series O | | Total | |
|---|-------------------|----------------|----------------------|---------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 567,413 | 439,577 | 296,078,484 | 126,326,826 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (27,331) | 43,692 | (9,196,336) | 15,727,809 |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | \$ 96,310 | 358,036 | 113,432,897 | 172,590,179 |
| Redemption of redeemable units | \$ (82,372) | (273,892) | (232,252,393) | (18,560,337) |
| Reinvestment of distributions to holders of redeemable units | \$ 46,845 | 28,467 | 15,764,339 | 11,859,000 |
| Capitalized distributions | \$ - | - | - | - |
| | \$ 60,783 | 112,611 | (103,055,157) | 165,888,842 |
| Distributions to Holders of Redeemable Units | | | | |
| From capital gains | \$ (5,201) | - | (2,890,358) | - |
| From net investment income | \$ (41,644) | (28,467) | (12,883,459) | (11,851,254) |
| Return of capital | \$ - | - | - | (13,739) |
| | \$ (46,845) | (28,467) | (15,773,817) | (11,864,993) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (13,393) | 127,836 | (128,025,310) | 169,751,658 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 554,020 | 567,413 | 168,053,174 | 296,078,484 |
| Redeemable Unit Transactions | | | | |
| Balance - beginning of period | 59,399 | 47,299 | 29,433,318 | 12,884,320 |
| Units issued | 10,396 | 37,920 | 11,724,111 | 17,220,519 |
| Units issued on reinvestment of distributions | 5,265 | 2,990 | 1,643,374 | 1,178,792 |
| Units redeemed | (8,894) | (28,810) | (23,981,994) | (1,850,313) |
| Balance - end of period | 66,166 | 59,399 | 18,818,809 | 29,433,318 |

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

| | 2018 (\$) | 2017 (\$) |
|---|----------------------|---------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (9,196,336) | 15,727,809 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | 811,880 | 79,554 |
| Change in unrealized (appreciation) depreciation in value of investments | 1,443,273 | 7,071,867 |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 9,066,654 | (6,433,548) |
| Change in unrealized (appreciation) depreciation in option contracts | (134,603) | 97,191 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | (16) | 16 |
| Purchases of investments | (84,151,834) | (233,345,530) |
| Proceeds from sale of investments | 196,658,318 | 59,418,985 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | 923,352 | (1,898,336) |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | 85 | (2,694) |
| Change in other payables and accrued expenses | 67,556 | 70,200 |
| Net Cash Provided by (Used in) Operating Activities | 115,488,329 | (159,214,486) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (9,478) | (5,993) |
| Proceeds from redeemable units issued | 113,487,381 | 176,285,893 |
| Redemption of redeemable units | (232,317,366) | (18,396,635) |
| Net Cash Provided by (Used in) Financing Activities | (118,839,463) | 157,883,265 |
| Net increase (decrease) in cash | (3,351,134) | (1,331,221) |
| Cash (bank indebtedness) at beginning of period | 6,459,937 | 7,791,158 |
| Cash (bank indebtedness) at end of period | 3,108,803 | 6,459,937 |
| Dividends received, net of withholding taxes | 3,355,238 | 4,181,306 |
| Interest received, net of withholding taxes | 10,180,439 | 6,390,979 |
| 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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|-------------|---------------|-----------|-------------------|-------------------|-----------------------|
| BONDS | | | | | | |
| Corporate Bonds | | | | | | |
| Ally Financial Inc. | 8.000 | 15-Mar-2020 | 1,225,000 | 1,704,832 | 1,735,850 | |
| Dynegy Inc. | 7.625 | 1-Nov-2024 | 1,540,000 | 2,166,716 | 2,224,279 | |
| Emera Inc. | 6.750 | 15-Jun-2076 | 2,320,000 | 3,251,084 | 3,190,590 | |
| First Quantum Minerals Ltd. | 7.000 | 15-Feb-2021 | 310,000 | 409,780 | 407,257 | |
| Inception Merger Sub Inc. / Rackspace Hosting Inc. | 8.625 | 15-Nov-2024 | 425,000 | 533,478 | 454,215 | |
| Phillips 66 | 4.650 | 15-Nov-2034 | 975,000 | 1,266,437 | 1,300,643 | |
| Rite Aid Corp. | 6.125 | 1-Apr-2023 | 700,000 | 908,472 | 758,874 | |
| Transcanada Trust | 5.875 | 15-Aug-2076 | 675,000 | 920,241 | 869,460 | |
| | | | | 11,161,040 | 10,941,168 | 6.51 |
| Foreign Bonds | | | | | | |
| AK Steel Corp. | 7.000 | 15-Mar-2027 | 1,625,000 | 2,141,979 | 1,742,252 | |
| Albertsons Cos LLC / Safeway Inc / New Albertson's Inc / | 6.625 | 15-Jun-2024 | 1,075,000 | 1,373,084 | 1,369,132 | |
| American Axle & Manufacturing Inc. | 6.500 | 1-Apr-2027 | 1,325,000 | 1,731,601 | 1,626,458 | |
| American Axle & Manufacturing Inc. | 6.250 | 1-Apr-2025 | 1,675,000 | 2,164,409 | 2,090,404 | |
| Anheuser-Busch InBev Finance Inc. | 4.900 | 1-Feb-2046 | 700,000 | 1,003,039 | 889,843 | |
| ArcelorMittal | 7.250 | 15-Oct-2039 | 1,000,000 | 1,381,915 | 1,441,738 | |
| Bank of America Corp. | 6.300 | 31-Dec-2049 | 625,000 | 876,215 | 869,120 | |
| Bank of America Corp. | 6.500 | 31-Dec-2049 | 1,375,000 | 1,878,918 | 1,903,801 | |
| Blue Cube Spinco Inc. | 9.750 | 15-Oct-2023 | 1,525,000 | 2,263,985 | 2,296,342 | |
| Capital One Financial Corp. | 5.550 | 31-Dec-2049 | 675,000 | 886,000 | 890,212 | |
| CenturyLink Inc. | 7.650 | 15-Mar-2042 | 1,950,000 | 2,226,697 | 2,110,678 | |
| Cisco Systems Inc. | 3.000 | 15-Jun-2022 | 650,000 | 873,461 | 888,225 | |
| CIT Group Inc. | 6.125 | 9-Mar-2028 | 800,000 | 1,063,315 | 1,089,911 | |
| CIT Group Inc. | 5.800 | 31-Dec-2049 | 675,000 | 887,305 | 836,640 | |
| Citigroup Inc. | 5.800 | 31-Dec-2049 | 375,000 | 467,166 | 498,752 | |
| Citigroup Inc. | 6.250 | 31-Dec-2049 | 2,725,000 | 3,782,112 | 3,569,033 | |
| Con-way Inc. | 6.700 | 1-May-2034 | 2,700,000 | 3,483,698 | 3,299,781 | |
| CVR Partners LP / CVR Nitrogen Finance Corp. | 9.250 | 15-Jun-2023 | 530,000 | 734,725 | 755,545 | |
| Dana Financing Luxembourg Sarl | 6.500 | 1-Jun-2026 | 925,000 | 1,290,600 | 1,217,571 | |
| Dean Foods Co. | 6.500 | 15-Mar-2023 | 550,000 | 710,810 | 602,831 | |
| DISH DBS Corp. | 7.750 | 1-Jul-2026 | 2,300,000 | 3,347,464 | 2,607,318 | |
| Donnelley Financial Solutions Inc. | 8.250 | 15-Oct-2024 | 1,325,000 | 1,853,950 | 1,800,641 | |
| Encompass Health Corp. | 5.750 | 1-Nov-2024 | 455,000 | 611,418 | 617,556 | |
| Enviva Partners LP / Enviva Partners Finance Corp. | 8.500 | 1-Nov-2021 | 2,575,000 | 3,502,962 | 3,618,055 | |
| EQT Midstream Partners LP | 5.500 | 15-Jul-2028 | 2,000,000 | 2,659,587 | 2,680,228 | |
| EQT Midstream Partners LP | 6.500 | 15-Jul-2048 | 1,175,000 | 1,562,198 | 1,585,208 | |
| Ford Motor Co. | 7.450 | 16-Jul-2031 | 700,000 | 1,128,360 | 987,732 | |
| GCI Inc. | 6.875 | 15-Apr-2025 | 1,752,000 | 2,326,291 | 2,333,065 | |
| General Motors Co. | 6.600 | 1-Apr-2036 | 1,915,000 | 2,874,645 | 2,552,653 | |
| General Motors Financial Co Inc. | 5.750 | 31-Dec-2049 | 765,000 | 958,309 | 835,871 | |
| Goldman Sachs Group Inc | 5.300 | 31-Dec-2049 | 825,000 | 1,073,401 | 1,011,292 | |
| HCA Inc. | 6.500 | 15-Feb-2020 | 625,000 | 859,897 | 877,102 | |
| Hewlett Packard Enterprise Co. | 6.350 | 15-Oct-2045 | 3,175,000 | 4,336,375 | 4,060,278 | |
| JPMorgan Chase & Co. | 6.750 | 29-Aug-2049 | 1,350,000 | 1,898,882 | 1,907,446 | |
| Kennedy-Wilson Inc. | 5.875 | 1-Apr-2024 | 1,625,000 | 2,121,767 | 2,086,264 | |
| L Brands Inc. | 6.950 | 1-Mar-2033 | 1,650,000 | 2,259,349 | 1,769,056 | |
| L Brands Inc. | 6.875 | 1-Nov-2035 | 975,000 | 1,269,817 | 1,118,859 | |
| Liberty Interactive LLC | 4.000 | 15-Nov-2029 | 2,250,000 | 1,976,303 | 2,085,837 | |
| Liberty Interactive LLC | 3.750 | 15-Feb-2030 | 1,850,000 | 1,597,571 | 1,680,279 | |
| Liberty Mutual Group Inc. | 7.800 | 15-Mar-2037 | 575,000 | 907,359 | 857,980 | |
| McDonald's Corp. | 4.875 | 9-Dec-2045 | 1,950,000 | 2,736,371 | 2,690,967 | |
| Navient Corp. | 8.000 | 25-Mar-2020 | 2,325,000 | 3,188,676 | 3,234,556 | |
| Nexstar Escrow Corp. | 5.625 | 1-Aug-2024 | 425,000 | 556,635 | 544,187 | |
| Nordstrom Inc. | 5.000 | 15-Jan-2044 | 2,625,000 | 3,287,312 | 3,100,670 | |
| Olin Corp. | 5.000 | 1-Feb-2030 | 725,000 | 896,489 | 871,382 | |
| PNC Financial Services Group Inc | 6.750 | 29-Jul-2049 | 750,000 | 1,067,972 | 1,042,278 | |
| Raymond James Financial Inc. | 4.950 | 15-Jul-2046 | 775,000 | 1,056,057 | 1,020,697 | |
| RR Donnelley & Sons Co. | 6.500 | 15-Nov-2023 | 745,000 | 942,502 | 1,002,260 | |
| Seagate HDD Cayman | 4.875 | 1-Jun-2027 | 1,140,000 | 1,359,060 | 1,323,608 | |
| Sealed Air Corp. | 6.875 | 15-Jul-2033 | 725,000 | 1,051,844 | 992,683 | |
| Select Income Real Estate Investment Trust | 4.500 | 1-Feb-2025 | 1,675,000 | 2,092,367 | 2,196,028 | |
| Southern Copper Corp. | 5.875 | 23-Apr-2045 | 1,400,000 | 1,823,465 | 1,960,117 | |
| Tech Data Corp. | 4.950 | 15-Feb-2027 | 1,076,000 | 1,405,014 | 1,381,720 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-------------|---------------|-----------|--------------------|--------------------|-----------------------|
| Tempur Sealy International Inc. | 5.500 | 15-Jun-2026 | 410,000 | 543,932 | 513,781 | |
| Trinseo Materials Operating SCA / Trinseo Materials Finance | 5.375 | 1-Sep-2025 | 1,065,000 | 1,323,572 | 1,278,576 | |
| United States Steel Corp. | 6.250 | 14-Mar-2026 | 1,000,000 | 1,333,095 | 1,256,539 | |
| United States Steel Corp. | 6.250 | 15-Mar-2026 | 400,000 | 519,484 | 480,080 | |
| Versum Materials Inc. | 5.500 | 30-Sep-2024 | 400,000 | 526,500 | 542,224 | |
| Viacom Inc. | 6.875 | 30-Apr-2036 | 2,975,000 | 4,250,659 | 4,371,813 | |
| Wells Fargo & Co. | 5.875 | 31-Dec-2049 | 825,000 | 1,082,634 | 1,115,182 | |
| Zions Bancorporation | 7.200 | 29-Sep-2049 | 1,425,000 | 1,988,793 | 2,028,986 | |
| | | | | 103,379,372 | 100,009,323 | 59.51 |
| Total Bonds | | | | 114,540,412 | 110,950,491 | 66.02 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|-------------------|-------------------|-----------------------|
| EQUITIES | | | | |
| Energy | | | | |
| Enterprise Products Partners LP | 40,800 | 1,432,137 | 1,370,272 | |
| EQT Corp. | 15,500 | 554,237 | 399,900 | |
| Equitrans Midstream Corp. | 12,400 | 465,923 | 339,058 | |
| | | 2,452,297 | 2,109,230 | 1.26 |
| Materials | | | | |
| DowDuPont Inc. | 11,300 | 1,028,037 | 825,388 | |
| | | 1,028,037 | 825,388 | 0.49 |
| Industrials | | | | |
| Delta Air Lines Inc. | 12,600 | 859,191 | 858,735 | |
| Siemens AG | 12,200 | 970,109 | 934,450 | |
| | | 1,829,300 | 1,793,185 | 1.07 |
| Consumer Discretionary | | | | |
| Kingfisher PLC | 108,300 | 1,159,108 | 772,124 | |
| | | 1,159,108 | 772,124 | 0.46 |
| Consumer Staples | | | | |
| CHS Inc., 7.1%, Preferred | 46,775 | 1,602,893 | 1,577,331 | |
| CHS Inc., 6.75%, Preferred | 68,427 | 2,351,999 | 2,248,595 | |
| | | 3,954,892 | 3,825,926 | 2.28 |
| Health Care | | | | |
| AstraZeneca PLC, Sponsored ADR | 24,800 | 1,014,720 | 1,286,455 | |
| Gilead Sciences Inc. | 10,200 | 1,042,549 | 871,396 | |
| GlaxoSmithKline PLC | 32,200 | 1,651,198 | 1,680,432 | |
| | | 3,708,467 | 3,838,283 | 2.28 |
| Financials | | | | |
| American International Group Inc. | 8,600 | 653,615 | 462,906 | |
| Ares Capital Corp. | 41,500 | 882,911 | 883,087 | |
| Bank of America Corp. | 575 | 908,060 | 983,634 | |
| Charles Schwab Corp. | 16,832 | 571,143 | 583,696 | |
| Citigroup Inc. | 16,463 | 594,988 | 588,888 | |
| CNA Financial Corp. | 9,100 | 556,955 | 548,732 | |
| Enstar Group Ltd. | 31,200 | 1,036,999 | 997,145 | |
| GMAC Capital Trust I | 83,810 | 2,777,313 | 2,901,763 | |
| Huntington Bancshares Inc/OH | 28,827 | 949,139 | 977,213 | |
| Kemper Corp. | 16,114 | 541,472 | 556,931 | |
| Ladenburg Thalmann Financial Services Inc. | 57,165 | 1,785,736 | 1,848,843 | |
| Merrill Lynch International & Co CV | 9,675 | 2,677,170 | 3,360,093 | |
| Merrill Lynch International & Co CV | 22,700 | 1,542,569 | 1,081,906 | |
| Morgan Stanley | 25,644 | 938,408 | 923,600 | |
| National General Holdings Corp. | 28,238 | 921,473 | 890,474 | |
| Synchrony Financial | 12,800 | 564,598 | 410,134 | |
| Wells Fargo & Co. | 1,150 | 1,839,218 | 1,982,143 | |
| | | 19,741,767 | 19,981,188 | 11.90 |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------------|----------------------|--------------------|--------------------------|
| Information Technology | | | | |
| Cypress Semiconductor Corp. | 81,800 | 1,654,697 | 1,421,113 | |
| Oracle Corp. | 7,000 | 398,162 | 431,662 | |
| | | 2,052,859 | 1,852,775 | 1.10 |
| Communication Services | | | | |
| United States Cellular Corp. | 84,246 | 2,830,317 | 2,675,800 | |
| | | 2,830,317 | 2,675,800 | 1.59 |
| Real Estate | | | | |
| MGM Growth Properties LLC | 50,200 | 1,703,054 | 1,810,757 | |
| VEREIT Inc. | 31,066 | 1,011,677 | 1,003,895 | |
| Apartment Investment & Management Co. | 13,800 | 771,026 | 827,054 | |
| Digital Realty Trust Inc. | 33,865 | 1,136,335 | 1,224,777 | |
| National Storage Affiliates Trust | 36,439 | 1,139,038 | 1,117,303 | |
| | | 5,761,130 | 5,983,786 | 3.56 |
| Utilities | | | | |
| Evergy Inc. | 21,467 | 1,388,838 | 1,664,479 | |
| FirstEnergy Corp. | 47,300 | 1,913,929 | 2,425,823 | |
| NextEra Energy Inc. | 28,100 | 2,142,593 | 2,212,169 | |
| Sempra Energy | 18,900 | 2,512,730 | 2,489,471 | |
| Vistra Energy Corp. | 10,400 | 1,274,349 | 1,295,579 | |
| | | 9,232,439 | 10,087,521 | 6.00 |
| Total Equities | | 53,750,613 | 53,745,206 | 31.99 |
| Transaction Costs | | (26,498) | - | |
| Total Investments | | 168,264,527 | 164,695,697 | 98.01 |
| Currency Forward Contracts⁽¹⁾ | | | (2,107,037) | (1.25) |
| Other Assets less Liabilities | | | 5,464,514 | 3.24 |
| Total Net Assets | | | 168,053,174 | 100.00 |

⁽¹⁾ Currency Forward Contracts

| | | | | | | | |
|----------------------|------|-------------|-----|-------------|-----|---------------|--------------------|
| Royal Bank of Canada | A-1+ | 31-Jan-2019 | CAD | 168,582,463 | USD | (125,081,588) | (2,107,037) |
| | | | | | | | (2,107,037) |

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and 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 accompanying notes are an integral part of the financial statements.

Sun Life NWQ Flexible Income 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | - | 2.35 |
| AA/Aa | 0.53 | 0.51 |
| A/A | 0.53 | 1.50 |
| BBB/Bbb | 29.08 | 24.08 |
| BB/Bb | 23.38 | 23.47 |
| B/B | 22.38 | 21.59 |
| CCC/Ccc | - | 0.61 |
| Not Rated | 7.42 | 4.86 |
| Total | 83.32 | 78.97 |

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, 2018 and December 31, 2017. 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, 2018 | Percentage of Net Assets (%) | December 31, 2017 | Percentage of Net Assets (%) |
| United States Dollar | 2,525,495 | 1.51 | 12,733,061 | 4.30 |
| Total | 2,525,495 | 1.51 | 12,733,061 | 4.30 |

As at December 31, 2018, 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 \$126,275 (\$636,653 as at December 31, 2017). 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, 2018 | - | 16,176,897 | 94,773,594 | 110,950,491 |
| December 31, 2017 | - | 19,673,626 | 167,407,196 | 187,080,822 |

As at December 31, 2018, 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 \$18,424,782 (\$30,571,468 as at December 31, 2017). 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, 2018, 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 \$2,687,260 (\$4,660,863 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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.

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

Sun Life NWQ Flexible Income 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, 2018 | December 31, 2017 |
| Bonds | | |
| Corporate Bonds | 6.5 | 2.7 |
| Foreign Bonds | 59.5 | 60.4 |
| Equities | | |
| Energy | 1.3 | 0.5 |
| Materials | 0.5 | 3.2 |
| Industrials | 1.1 | 1.3 |
| Consumer Discretionary | 0.5 | 0.6 |
| Consumer Staples | 2.3 | 1.0 |
| Health Care | 2.3 | 2.7 |
| Financials | 11.9 | 15.3 |
| Information Technology | 1.1 | 1.9 |
| Communication Services | 1.6 | - |
| Real Estate | 3.5 | 1.5 |
| Utilities | 6.0 | 3.6 |
| Derivative Assets (Liabilities) | (1.3) | 2.3 |
| Other Assets less Liabilities | 3.2 | 3.0 |
| Total | 100.0 | 100.0 |

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Equities | 52,038,632 | 1,706,574 | - | 53,745,206 |
| Currency Forward Contracts | - | - | - | - |
| Bonds | - | 110,950,491 | - | 110,950,491 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 2,107,037 | - | 2,107,037 |
| | | | | |
| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$74,843 (\$76,044 for the period ended December 31, 2017).

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, 2018 was \$14,004 (\$5,681 for the period ended December 31, 2017).

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

Sun Life NWQ Flexible Income Fund (continued)

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$14,037,181 (\$3,327,097 as at December 31, 2017). 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).

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 |

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

Sun Life Ryan Labs U.S. Core Fixed Income Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 726,407,857 | 412,477,360 |
| Short-term investments | - | - |
| Cash | 5,815,071 | 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 | 2,161,664 | 7,098,223 |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | 29,815 | - |
| Accrued interest | 4,147,945 | 1,880,268 |
| Dividends receivable | 10,182 | - |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | - | - |
| | 738,572,534 | 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 | 15,978,577 | - |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 11,994 | 5,981 |
| Redemptions payable | - | - |
| Distributions payable | - | - |
| Due to investment dealers | - | - |
| Management fees payable | - | - |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 15,990,571 | 5,981 |
| Net Assets Attributable to Holders of Redeemable Units | 722,581,963 | 432,126,909 |
| Net Assets Attributable to Holders of Redeemable Units per Unit - Series I (note 5) | 9.70 | 10.05 |

Approved on behalf of Trustee

| | |
|-------------------------------------|---|
| “signed” Rick Headrick President | “signed” Kari Holdsworth Chief Financial Officer |
|-------------------------------------|---|

Statements of Comprehensive Income (Loss)

For the year ended December 31, 2018 and for the period from July 28, 2017 to December 31, 2017

| | 2018 (\$) | 2017 (\$) |
|--|---------------------|--------------|
| Investment Income | | |
| Dividend income | 793,676 | 512,655 |
| Interest income for distribution purposes | 19,836,259 | 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 | 1,211,041 | (432,886) |
| Net realized gain (loss) on futures contracts | - | - |
| Net realized gain (loss) on currency forward contracts | (37,765,988) | (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 | 37,891,435 | (1,859,595) |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (20,915,136) | 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 | 1,051,287 | 2,778,863 |
| Net gain (loss) on foreign exchange | 111,486 | (378,871) |
| Other income | - | - |
| Total income (loss) | 1,162,773 | 2,399,992 |
| Expenses (note 6) | | |
| Management fees | - | - |
| Administration fees | 334,170 | 81,041 |
| Independent review committee fees | - | - |
| Withholding tax | 108,870 | 76,898 |
| Transaction costs (note 3) | - | 1,428 |
| Total operating expenses | 443,040 | 159,367 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | 719,733 | 2,240,625 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) - Series I | | |
| | 719,733 | 2,240,625 |
| Weighted Average Number of Units Outstanding - Series I | | |
| | 60,868,479 | 34,590,910 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) - Series I | | |
| | 0.01 | 0.06 |

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

Sun Life Ryan Labs U.S. Core Fixed Income Fund (continued)

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

For the year ended December 31, 2018 and for the period from July 28, 2017 to December 31, 2017

| | Total | |
|---|-----------------|--------------|
| | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 432,126,909 | 150,000 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 719,733 | 2,240,625 |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | \$ 307,858,801 | 446,759,499 |
| Redemption of redeemable units | \$ (18,123,480) | (17,023,234) |
| Reinvestment of distributions to holders of redeemable units | \$ 20,124,600 | 3,971,068 |
| Capitalized distributions | \$ - | - |
| | \$ 309,859,921 | 433,707,333 |
| Distributions to Holders of Redeemable Units | | |
| From capital gains | \$ - | - |
| From net investment income | \$ (20,124,600) | (3,971,049) |
| Return of capital | \$ - | - |
| | \$ (20,124,600) | (3,971,049) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 290,455,054 | 431,976,909 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 722,581,963 | 432,126,909 |
| Redeemable Unit Transactions | | |
| Balance - beginning of period | 43,011,970 | 1,000 |
| Units issued | 31,242,395 | 44,304,630 |
| Units issued on reinvestment of distributions | 2,075,238 | 395,261 |
| Units redeemed | (1,817,257) | (1,688,921) |
| Balance - end of period | 74,512,346 | 43,011,970 |

Statements of Cash Flows

For the year ended December 31, 2018 and for the period from July 28, 2017 to December 31, 2017

| | 2018 (\$) | 2017 (\$) |
|---|----------------------|----------------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 719,733 | 2,240,625 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (1,211,041) | 432,886 |
| Change in unrealized (appreciation) depreciation in value of investments | (37,891,435) | 1,859,595 |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 20,915,136 | (7,098,223) |
| Change in unrealized (appreciation) depreciation in option contracts | - | - |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | - | - |
| Purchases of investments | (696,620,265) | (733,980,981) |
| Proceeds from sale of investments | 421,762,429 | 319,209,712 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | (2,277,859) | (1,880,268) |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | - | - |
| Change in other payables and accrued expenses | 6,013 | 7,409 |
| Net Cash Provided by (Used in) Operating Activities | (294,597,289) | (419,209,245) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | - | 19 |
| Proceeds from redeemable units issued | 307,858,801 | 446,759,499 |
| Redemption of redeemable units | (18,123,480) | (17,023,234) |
| Net Cash Provided by (Used in) Financing Activities | 289,735,321 | 429,736,284 |
| Net increase (decrease) in cash | (4,861,968) | 10,527,039 |
| Cash (bank indebtedness) at beginning of period | 10,677,039 | 150,000 |
| Cash (bank indebtedness) at end of period | 5,815,071 | 10,677,039 |
| Dividends received, net of withholding taxes | 674,624 | 435,757 |
| Interest received, net of withholding taxes | 17,568,582 | 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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-------------|---------------|------------|--------------------|--------------------|-----------------------|
| BONDS | | | | | | |
| Federal Bonds | | | | | | |
| United States Treasury Note | 2.625% | 15-May-2021 | 4,645,000 | 5,921,883 | 6,365,963 | |
| United States Treasury Note | 2.630% | 15-Jun-2021 | 6,000,000 | 7,865,816 | 8,224,108 | |
| United States Treasury Note | 2.750% | 15-Sep-2021 | 16,175,000 | 20,819,504 | 22,248,923 | |
| United States Treasury Note | 1.625% | 31-Aug-2022 | 14,000,000 | 17,565,642 | 18,552,087 | |
| United States Treasury Note | 2.000% | 30-Nov-2022 | 2,945,000 | 3,701,393 | 3,950,014 | |
| United States Treasury Note | 2.625% | 28-Feb-2023 | 6,780,000 | 8,768,478 | 9,309,158 | |
| United States Treasury Note | 2.500% | 31-Mar-2023 | 6,155,000 | 7,670,202 | 8,409,309 | |
| United States Treasury Note | 2.750% | 31-Aug-2023 | 10,975,000 | 14,055,324 | 15,160,372 | |
| United States Treasury Note | 2.880% | 30-Sep-2023 | 2,900,000 | 3,752,871 | 4,025,811 | |
| United States Treasury Note | 2.250% | 15-Nov-2027 | 6,570,000 | 7,900,986 | 8,670,651 | |
| United States Treasury Note | 2.750% | 15-Feb-2028 | 11,190,000 | 14,117,553 | 15,366,021 | |
| United States Treasury Note | 2.875% | 15-May-2028 | 5,335,000 | 6,787,272 | 7,399,985 | |
| United States Treasury Note | 2.880% | 15-Aug-2028 | 5,375,000 | 6,949,011 | 7,456,184 | |
| United States Treasury Note | 3.130% | 15-Nov-2028 | 2,450,000 | 3,360,982 | 3,471,505 | |
| United States Treasury Note | 3.000% | 15-May-2047 | 10,100,000 | 13,071,707 | 13,739,648 | |
| United States Treasury Note | 2.750% | 15-Aug-2047 | 2,455,000 | 2,978,482 | 3,176,619 | |
| United States Treasury Note | 2.750% | 15-Nov-2047 | 8,115,000 | 9,743,849 | 10,491,217 | |
| United States Treasury Note | 3.000% | 15-Feb-2048 | 6,635,000 | 8,660,483 | 9,016,616 | |
| United States Treasury Note | 3.130% | 15-May-2048 | 6,530,000 | 8,310,663 | 9,090,622 | |
| United States Treasury Note | 3.000% | 15-Aug-2048 | 1,105,000 | 1,377,283 | 1,502,521 | |
| | | | | 173,379,384 | 185,627,334 | 25.69 |
| Canadian Corporate Bonds | | | | | | |
| Cenovus Energy Inc. | 6.750% | 15-Nov-2039 | 1,875,000 | 2,613,895 | 2,506,073 | |
| | | | | 2,613,895 | 2,506,073 | 0.35 |
| Foreign Corporate Bonds | | | | | | |
| Air Lease Corp. | 2.125% | 15-Jan-2020 | 1,310,000 | 1,657,361 | 1,763,794 | |
| Alexandria Real Estate Equities Inc. | 3.450% | 30-Apr-2025 | 2,618,000 | 3,280,380 | 3,446,582 | |
| Alibaba Group Holding Ltd. | 2.500% | 28-Nov-2019 | 1,530,000 | 1,960,544 | 2,078,551 | |
| Alibaba Group Holding Ltd. | 3.600% | 28-Nov-2024 | 4,450,000 | 5,735,394 | 5,949,985 | |
| Alibaba Group Holding Ltd. | 4.000% | 6-Dec-2037 | 200,000 | 256,638 | 245,519 | |
| America Movil SAB de CV | 5.000% | 30-Mar-2020 | 2,009,000 | 2,691,197 | 2,793,195 | |
| America Movil SAB de CV | 6.125% | 30-Mar-2040 | 2,000,000 | 3,152,099 | 3,232,229 | |
| American Financial Group Inc. | 4.500% | 15-Jun-2047 | 1,929,000 | 2,463,009 | 2,373,102 | |
| Arrow Electronics Inc. | 3.250% | 8-Sep-2024 | 1,795,000 | 2,182,668 | 2,286,800 | |
| Arrow Electronics Inc. | 3.875% | 12-Jan-2028 | 2,520,000 | 3,158,902 | 3,141,049 | |
| Associated Bank NA/Green Bay WI | 3.500% | 6-Aug-2021 | 1,916,000 | 2,510,560 | 2,611,961 | |
| AT&T Inc. | 4.250% | 1-Mar-2027 | 1,030,000 | 1,329,450 | 1,378,680 | |
| AT&T Inc. | 5.250% | 1-Mar-2037 | 1,065,000 | 1,411,911 | 1,432,862 | |
| Aviation Capital Group LLC | 4.125% | 1-Aug-2025 | 3,300,000 | 4,243,265 | 4,380,047 | |
| Banco Santander SA | 3.800% | 23-Feb-2028 | 400,000 | 500,643 | 486,851 | |
| Bank of America Corp | 3.004% | 20-Dec-2023 | 2,420,000 | 3,030,638 | 3,214,505 | |
| Bank of America Corp. | 3.705% | 24-Apr-2028 | 1,675,000 | 2,113,846 | 2,196,859 | |
| BGC Partners Inc. | 5.375% | 24-Jul-2023 | 4,094,000 | 5,356,086 | 5,678,730 | |
| Boardwalk Pipelines LP | 4.450% | 15-Jul-2027 | 2,775,000 | 3,476,300 | 3,505,493 | |
| Brighthouse Financial Inc. | 4.700% | 22-Jun-2047 | 2,638,000 | 2,897,752 | 2,692,054 | |
| Broadcom Corp. / Broadcom Cayman Finance Ltd. | 3.875% | 15-Jan-2027 | 2,255,000 | 2,762,305 | 2,767,629 | |
| Capital One Bank USA NA | 3.375% | 15-Feb-2023 | 1,015,000 | 1,269,488 | 1,339,828 | |
| Capital One Financial Corp. | 3.450% | 30-Apr-2021 | 1,000,000 | 1,286,167 | 1,365,918 | |
| Celgene Corp. | 4.350% | 15-Nov-2047 | 1,940,000 | 2,454,330 | 2,239,774 | |
| Citigroup Inc. | 4.450% | 29-Sep-2027 | 1,560,000 | 2,068,338 | 2,055,756 | |
| Comcast Corp. | 3.950% | 15-Oct-2025 | 555,000 | 710,718 | 767,660 | |
| Credit Suisse AG | 3.625% | 9-Sep-2024 | 2,840,000 | 3,681,377 | 3,808,820 | |
| Crown Castel International Corp. | 4.750% | 15-May-2047 | 776,000 | 997,770 | 986,122 | |
| Crown Castle International Corp. | 3.200% | 1-Sep-2024 | 2,414,000 | 2,975,689 | 3,131,919 | |
| CVS Health Corp. | 5.050% | 25-Mar-2048 | 2,485,000 | 3,297,252 | 3,313,469 | |
| Diamond 1 Finance Corp. / Diamond 2 Finance Corp. | 8.350% | 15-Jul-2046 | 1,430,000 | 2,350,693 | 2,120,738 | |
| Discover Bank | 4.682% | 9-Aug-2028 | 1,000,000 | 1,300,255 | 1,338,282 | |
| Domtar Corp. | 6.750% | 15-Feb-2044 | 985,000 | 1,385,345 | 1,368,067 | |
| DowDuPont Inc. | 4.493% | 15-Nov-2025 | 1,555,000 | 2,057,341 | 2,189,789 | |
| Electricite de France SA | 5.000% | 21-Sep-2048 | 1,335,000 | 1,683,245 | 1,619,217 | |
| Enable Midstream Partners LP | 4.400% | 15-Mar-2027 | 2,109,000 | 2,664,248 | 2,694,153 | |
| EPR Properties | 5.750% | 15-Aug-2022 | 2,587,000 | 3,565,354 | 3,707,301 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-------------|---------------|-----------|--------------------|--------------------|-----------------------|
| EQT Corp. | 4.875% | 15-Nov-2021 | 1,380,000 | 1,824,285 | 1,922,117 | |
| GE Capital International Funding Co. | 2.342% | 15-Nov-2020 | 1,220,000 | 1,546,544 | 1,608,775 | |
| General Motors Financial Co., Inc. | 3.250% | 5-Jan-2023 | 860,000 | 1,073,813 | 1,107,159 | |
| General Motors Financial Company Inc. | 4.350% | 17-Jan-2027 | 2,185,000 | 2,780,470 | 2,751,393 | |
| Glencore Funding LLC | 4.000% | 27-Mar-2027 | 1,190,000 | 1,504,144 | 1,482,190 | |
| Hudson Pacific Properties LP | 3.950% | 1-Nov-2027 | 1,215,000 | 1,484,414 | 1,545,333 | |
| Hyundai Capital America | 2.600% | 19-Mar-2020 | 725,000 | 925,000 | 977,737 | |
| JPMorgan Chase & Co. | 3.797% | 23-Jul-2024 | 2,350,000 | 3,090,887 | 3,217,433 | |
| JPMorgan Chase & Co. | 3.625% | 1-Dec-2027 | 2,700,000 | 3,292,870 | 3,438,040 | |
| Kinder Morgan Energy Partners LP | 3.450% | 15-Feb-2023 | 3,025,000 | 3,830,271 | 4,035,331 | |
| Kinder Morgan Inc. | 3.150% | 15-Jan-2023 | 2,079,000 | 2,619,705 | 2,761,834 | |
| Lam Research Corp. | 2.800% | 15-Jun-2021 | 1,000,000 | 1,272,915 | 1,351,384 | |
| Marathon Petroleum Corp. | 4.750% | 15-Dec-2023 | 2,730,000 | 3,671,926 | 3,830,013 | |
| Mitsubishi UFJ Financial Group Inc. | 3.535% | 26-Jul-2021 | 2,500,000 | 3,287,291 | 3,428,591 | |
| Morgan Stanley | 3.950% | 23-Apr-2027 | 1,710,000 | 2,149,718 | 2,205,750 | |
| Motorola Solutions Inc. | 3.750% | 15-May-2022 | 3,110,000 | 4,018,308 | 4,218,247 | |
| NXP BV / NXP Funding LLC | 4.880% | 1-Mar-2024 | 670,000 | 883,579 | 921,452 | |
| ONEOK Inc. | 4.950% | 13-Jul-2047 | 2,201,000 | 2,810,942 | 2,787,259 | |
| Seagate HDD Cayman | 4.875% | 1-Mar-2024 | 1,410,000 | 1,787,665 | 1,753,593 | |
| SeagateTechnology PLC | 4.875% | 1-Jun-2027 | 1,200,000 | 1,405,465 | 1,393,271 | |
| Southern California Edison Co. | 4.000% | 1-Apr-2047 | 1,820,000 | 2,404,362 | 2,284,384 | |
| Sumitomo Mitsui Financial Group Inc. | 2.784% | 12-Jul-2022 | 3,805,000 | 4,725,912 | 5,066,407 | |
| Sunoco Logistics Partners Operations LP | 4.650% | 15-Feb-2022 | 3,140,000 | 4,211,505 | 4,358,062 | |
| TC Pipelines LP | 4.375% | 13-Mar-2025 | 1,655,000 | 2,115,955 | 2,257,581 | |
| Tech Data Corp. | 4.950% | 15-Feb-2027 | 2,485,000 | 3,202,605 | 3,191,054 | |
| The Goldman Sachs Group Inc. | 3.850% | 26-Jan-2027 | 1,260,000 | 1,605,764 | 1,620,425 | |
| The Goldman Sachs Group Inc. | 4.017% | 31-Oct-2038 | 1,755,000 | 2,118,563 | 2,113,371 | |
| The Kroger Co. | 4.450% | 1-Feb-2047 | 2,040,000 | 2,487,198 | 2,450,362 | |
| UnitedHealth Group Inc. | 3.880% | 15-Dec-2028 | 620,000 | 826,180 | 860,101 | |
| | | | | 158,876,814 | 162,641,939 | 22.51 |
| Mortgage-Backed Securities | | | | | | |
| AMCAR 2018-1 D 3.82% 18MAR24 | 3.820% | 18-Mar-2024 | 1,410,000 | 1,816,624 | 1,939,300 | |
| Americold 2010 LLC | 7.443% | 14-Jan-2029 | 2,500,000 | 3,462,453 | 3,643,945 | |
| AmeriCredit Automobile Receivables Trust 2016-3 | 2.710% | 8-Sep-2022 | 2,950,000 | 3,735,527 | 3,980,990 | |
| AmeriCredit Automobile Receivables Trust 2017-3 | 3.180% | 18-Jul-2023 | 3,560,000 | 4,492,524 | 4,820,653 | |
| AmeriCredit Automobile Receivables Trust 2018-3 | 4.040% | 18-Nov-2024 | 2,640,000 | 3,491,467 | 3,653,926 | |
| BAMLL Re-REMIC Trust 2014-FRR5 | 2.658% | 27-Jan-2047 | 1,600,000 | 1,789,027 | 1,964,823 | |
| BAMLL Re-REMIC Trust 2016-FRR13 | 1.677% | 27-Aug-2045 | 2,132,000 | 2,423,910 | 2,602,506 | |
| CIM Trust 2018-R3 | 4.000% | 25-Sep-2057 | 2,196,000 | 2,791,630 | 2,971,557 | |
| Citigroup Commercial Mortgage Trust 2014-GC21 | 5.090% | 10-May-2024 | 3,845,000 | 4,597,497 | 4,838,784 | |
| COMM 2012-CCRE5 Mortgage Trust | 4.464% | 10-Dec-2045 | 1,650,000 | 1,998,282 | 2,138,924 | |
| COMM 2013-CCRE7 Mortgage Trust | 4.426% | 10-Mar-2046 | 1,440,000 | 1,273,397 | 1,468,125 | |
| Commercial Mortgage Pass Through Certificates | 4.052% | 10-Feb-2049 | 3,430,000 | 4,056,698 | 4,279,702 | |
| Commonbond Student Loan Trust 2018-A-GS | 3.580% | 25-Feb-2044 | 1,215,000 | 1,550,490 | 1,666,987 | |
| Credit Acceptance Auto Loan Trust 2018-3 | 4.040% | 15-Dec-2027 | 1,640,000 | 2,145,133 | 2,266,432 | |
| CSAIL 2015-C3 Commercial Mortgage Trust | 3.502% | 15-Aug-2048 | 1,110,923 | 1,072,737 | 1,228,181 | |
| CSMC 2014-USA OA LLC | 4.373% | 15-Sep-2037 | 1,170,000 | 1,379,155 | 1,518,017 | |
| Drive Auto Receivables Trust 2017-1 | 3.840% | 15-Mar-2023 | 3,655,000 | 4,718,078 | 5,011,822 | |
| Drive Auto Receivables Trust 2017-3 | 2.800% | 15-Jul-2022 | 2,230,000 | 2,803,924 | 3,038,438 | |
| Drive Auto Receivables Trust 2018-1 | 3.810% | 15-May-2024 | 5,205,000 | 6,579,511 | 7,124,507 | |
| Drive Auto Receivables Trust 2018-2 | 4.140% | 15-Aug-2024 | 3,400,000 | 4,354,419 | 4,684,240 | |
| Drive Auto Receivables Trust 2018-4 | 4.090% | 15-Jan-2026 | 4,930,000 | 6,426,061 | 6,805,415 | |
| Drive Auto Receivables Trust 2018-5 | 4.300% | 15-Apr-2026 | 1,710,000 | 2,261,901 | 2,367,709 | |
| Fannie Mae Pool | 3.000% | 1-May-2032 | 2,180,000 | 2,167,450 | 2,335,436 | |
| Fannie Mae Pool | 3.500% | 1-May-2045 | 5,490,000 | 5,004,988 | 5,260,540 | |
| Fannie Mae Pool | 3.000% | 1-Jul-2046 | 3,400,000 | 3,486,251 | 3,758,611 | |
| Fannie Mae Pool | 3.000% | 1-Aug-2046 | 4,800,000 | 5,277,686 | 5,504,049 | |
| Fannie Mae Pool | 3.000% | 1-Aug-2046 | 3,070,000 | 3,057,705 | 3,300,501 | |
| Fannie Mae Pool | 3.000% | 1-Oct-2046 | 6,355,000 | 6,819,066 | 7,254,235 | |
| Fannie Mae Pool | 3.500% | 1-May-2047 | 6,450,000 | 7,105,580 | 7,631,460 | |
| Fannie Mae Pool | 4.000% | 1-Jun-2047 | 2,830,000 | 3,060,260 | 3,258,596 | |
| Fannie Mae Pool | 4.500% | 1-Jun-2047 | 2,300,000 | 2,179,641 | 2,343,273 | |
| Fannie Mae Pool | 3.500% | 1-Jul-2047 | 3,400,000 | 3,823,206 | 4,163,261 | |
| Fannie Mae Pool | 4.000% | 1-Aug-2047 | 6,595,000 | 7,390,930 | 7,934,056 | |
| Fannie Mae Pool | 3.000% | 1-Oct-2047 | 2,380,000 | 2,752,833 | 2,961,070 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|-------------|---------------|-----------|-------------------|-----------------|-----------------------|
| Fannie Mae Pool | 3.500% | 1-Dec-2047 | 2,800,000 | 3,246,798 | 3,500,009 | |
| Fannie Mae Pool | 3.500% | 1-Dec-2047 | 2,905,000 | 3,473,559 | 3,724,259 | |
| Fannie Mae Pool | 3.500% | 1-Jan-2048 | 3,960,000 | 4,710,343 | 5,066,990 | |
| Fannie Mae Pool | 4.500% | 1-Jan-2048 | 1,005,000 | 1,136,528 | 1,212,621 | |
| Fannie Mae Pool | 3.500% | 1-Mar-2048 | 9,005,000 | 10,909,405 | 11,698,882 | |
| Fannie Mae Pool | 4.500% | 1-Mar-2048 | 2,600,000 | 3,068,728 | 3,252,966 | |
| Fannie Mae Pool | 4.000% | 1-Jun-2048 | 3,700,000 | 4,731,555 | 4,966,558 | |
| Freddie Mac Gold Pool | 2.500% | 1-Dec-2031 | 4,430,000 | 4,378,261 | 4,613,688 | |
| Freddie Mac Gold Pool | 4.000% | 1-Feb-2044 | 2,750,000 | 2,354,212 | 2,468,113 | |
| Freddie Mac Gold Pool | 3.500% | 1-Aug-2045 | 6,690,000 | 5,001,452 | 5,355,754 | |
| Freddie Mac Gold Pool | 3.000% | 1-Nov-2046 | 7,130,000 | 7,501,829 | 8,106,373 | |
| Freddie Mac Gold Pool | 4.500% | 1-Jul-2047 | 2,985,000 | 3,185,919 | 3,338,157 | |
| Freddie Mac REMICS | 4.000% | 15-May-2044 | 1,125,000 | 1,336,065 | 1,427,523 | |
| FREME 2016-K56 Mortgage Trust | 4.073% | 25-Jun-2049 | 2,570,000 | 3,095,967 | 3,350,833 | |
| FREMF 2013-K31 Mortgage Trust | 3.630% | 25-Jul-2046 | 1,875,000 | 2,453,992 | 2,551,265 | |
| FREMF 2013-K35 Mortgage Trust | 3.942% | 25-Aug-2023 | 2,267,000 | 2,964,248 | 3,029,886 | |
| FREMF 2014-K41 Mortgage Trust | 3.962% | 25-Nov-2047 | 2,005,000 | 2,536,613 | 2,610,019 | |
| FREMF 2015-K43 Mortgage Trust | 3.862% | 25-Feb-2048 | 2,300,000 | 2,829,750 | 3,010,229 | |
| FREMF 2015-K44 Mortgage Trust | 3.810% | 25-Jan-2048 | 2,470,000 | 2,978,375 | 3,223,786 | |
| FREMF 2015-K45 Mortgage Trust | 3.714% | 25-Apr-2048 | 1,050,000 | 1,250,706 | 1,362,608 | |
| FREMF 2015-K46 Mortgage Trust | 3.818% | 25-Apr-2048 | 1,075,000 | 1,312,850 | 1,400,659 | |
| FREMF 2015-K46 Mortgage Trust | 3.818% | 25-Apr-2048 | 1,835,000 | 2,307,705 | 2,447,894 | |
| FREMF 2015-K48 Mortgage Trust | 3.762% | 25-Aug-2048 | 4,275,000 | 5,207,361 | 5,459,524 | |
| FREMF 2015-K49 Mortgage Trust | 3.720% | 25-Oct-2048 | 925,000 | 1,149,789 | 1,216,503 | |
| FREMF 2015-K50 Mortgage Trust | 3.908% | 25-Oct-2048 | 2,310,000 | 2,826,910 | 3,015,309 | |
| FREMF 2015-K51 Mortgage Trust | 4.088% | 25-Oct-2048 | 1,465,000 | 1,938,820 | 1,985,472 | |
| FREMF 2016-K52 Mortgage Trust | 4.057% | 25-Jan-2049 | 2,100,000 | 2,681,799 | 2,750,274 | |
| FREMF 2016-K53 Mortgage Trust | 4.156% | 25-Mar-2049 | 2,770,000 | 3,453,185 | 3,645,457 | |
| FREMF 2016-K57 Mortgage Trust | 4.053% | 25-Aug-2049 | 3,226,000 | 3,862,771 | 4,194,527 | |
| FREMF 2016-K60 Mortgage Trust | 3.658% | 25-Dec-2049 | 1,240,000 | 1,424,604 | 1,536,843 | |
| FREMF 2017-K729 Mortgage Trust | 3.801% | 25-Nov-2049 | 2,380,000 | 3,019,465 | 3,207,570 | |
| Ginnie Mae I Pool | 3.500% | 15-Aug-2043 | 3,819,933 | 1,736,082 | 1,812,487 | |
| Ginnie Mae II Pool | 3.500% | 20-Mar-2046 | 4,420,000 | 3,337,561 | 3,553,106 | |
| Ginnie Mae II Pool | 3.500% | 20-Sep-2046 | 4,215,000 | 3,949,164 | 4,160,991 | |
| Ginnie Mae II Pool | 3.500% | 20-Apr-2047 | 2,000,000 | 2,110,547 | 2,251,906 | |
| Ginnie Mae II Pool | 3.000% | 20-Mar-2048 | 2,400,000 | 2,911,892 | 3,095,759 | |
| Ginnie Mae II Pool | 3.500% | 20-Sep-2048 | 2,400,000 | 3,052,942 | 3,269,313 | |
| Government National Mortgage Association | 2.500% | 16-Jan-2049 | 2,500,000 | 3,066,691 | 3,259,899 | |
| Government National Mortgage Association | 2.600% | 16-Jul-2049 | 3,310,000 | 4,053,724 | 4,353,304 | |
| Government National Mortgage Association | 2.600% | 16-Sep-2052 | 3,465,000 | 4,015,831 | 4,182,601 | |
| Government National Mortgage Association | 2.600% | 16-Jul-2057 | 1,800,000 | 2,056,883 | 2,134,206 | |
| GS Mortgage Securities Trust 2011-GC3 | 5.000% | 10-Mar-2044 | 3,400,000 | 4,234,941 | 4,478,544 | |
| Harley Marine Financing LLC | 5.682% | 15-May-2043 | 4,740,000 | 6,007,050 | 4,520,297 | |
| Hertz Vehicle Financing II LP | 3.290% | 25-Oct-2023 | 2,310,000 | 2,925,154 | 3,117,818 | |
| Hertz Vehicle Financing II LP | 4.390% | 25-Feb-2024 | 730,000 | 909,321 | 1,011,811 | |
| Hudsons Bay Simon JV Trust 2015-HBS | 4.155% | 5-Aug-2034 | 1,100,000 | 1,418,727 | 1,509,180 | |
| Hudsons Bay Simon JV Trust 2015-HBS | 4.155% | 5-Aug-2034 | 2,580,000 | 3,346,069 | 3,500,127 | |
| OneMain Direct Auto Receivables Trust 2018-1 | 4.400% | 14-Jan-2028 | 3,473,000 | 4,558,669 | 4,846,294 | |
| OneMain Financial Issuance Trust | 4.080% | 14-Mar-2029 | 1,700,000 | 2,152,579 | 2,334,148 | |
| Santander Drive Auto Receivables Trust 2016-2 | 4.380% | 15-Sep-2023 | 3,030,000 | 3,998,787 | 4,191,458 | |
| Santander Drive Auto Receivables Trust 2016-3 | 2.800% | 15-Aug-2022 | 2,500,000 | 3,166,797 | 3,397,092 | |
| Santander Drive Auto Receivables Trust 2016-3 | 4.290% | 15-Feb-2024 | 3,685,000 | 4,793,960 | 5,095,655 | |
| Santander Drive Auto Receivables Trust 2017-2 | 3.490% | 17-Jul-2023 | 3,000,000 | 3,835,874 | 4,078,003 | |
| Santander Drive Auto Receivables Trust 2017-3 | 3.200% | 15-Nov-2023 | 4,800,000 | 5,992,154 | 6,531,305 | |
| Santander Drive Auto Receivables Trust 2018-1 | 3.320% | 15-Mar-2024 | 935,000 | 1,165,405 | 1,269,283 | |
| Santander Drive Auto Receivables Trust 2018-4 | 3.980% | 15-Dec-2025 | 1,850,000 | 2,425,173 | 2,556,545 | |
| Sequoia Mortgage Trust 2015-2 | 3.500% | 25-May-2045 | 1,390,000 | 826,016 | 873,331 | |
| SFAVE Commercial Mortgage Securities Trust 2015-SAVE | 3.872% | 5-Jan-2043 | 3,470,000 | 4,249,813 | 4,408,646 | |
| Shops at Crystals Trust 2016-CSTL | 3.855% | 5-Jul-2036 | 1,200,000 | 1,424,006 | 1,441,606 | |
| Sofi Consumer Loan Program 2018-1 Trust | 3.970% | 25-Feb-2027 | 1,230,000 | 1,522,453 | 1,665,476 | |
| Sofi Consumer Loan Program 2018-3 Trust | 4.670% | 25-Aug-2027 | 1,900,000 | 2,460,710 | 2,653,227 | |
| SoFi Consumer Loan Program 2018-4 Trust | 4.760% | 26-Nov-2027 | 2,975,000 | 3,892,607 | 4,150,922 | |
| STACR Trust 2018-HRPI | 3.741% | 25-Apr-2043 | 920,000 | 1,109,347 | 1,177,841 | |
| Towd Point Mortgage Trust | 3.685% | 25-Nov-2060 | 2,370,000 | 3,104,530 | 3,287,096 | |
| Tralee CLO II Ltd. | 3.679% | 20-Jul-2029 | 1,950,000 | 2,392,754 | 2,657,845 | |
| UBS Commercial Mortgage Trust 2018-C14 | 3.000% | 15-Dec-2051 | 2,645,000 | 2,567,824 | 2,636,456 | |

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, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-------------|---------------|-----------|--------------------|--------------------|-----------------------|
| UBS Commercial Mortgage Trust 2018-NYCH | 4.173% | 15-Feb-2032 | 1,050,000 | 1,316,043 | 1,416,456 | |
| UBS-Citigroup Commercial Mortgage Trust 2011-C1 | 6.252% | 10-Jan-2045 | 2,060,000 | 2,548,574 | 2,729,197 | |
| Westlake Automobile Receivables Trust 2018-1 | 3.410% | 15-May-2023 | 900,000 | 1,121,111 | 1,220,994 | |
| | | | | 333,433,370 | 353,280,847 | 48.89 |
| Total Bonds | | | | 668,303,463 | 704,056,193 | 97.44 |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|--------------------|---------------------|-----------------------|
| EXCHANGE TRADED FUNDS | | | | |
| iShares iBoxx \$ Investment Grade Corporate Bond ETF | 145,056 | 22,072,817 | 22,351,664 | |
| Total Exchange Traded Funds | | 22,072,817 | 22,351,664 | 3.09 |
| Transaction Costs | | (263) | | |
| Total Investments | | 690,376,017 | 726,407,857 | 100.53 |
| Currency Forward Contracts ⁽¹⁾ | | | (13,816,913) | (1.91) |
| Other Assets less Liabilities | | | 9,991,019 | 1.38 |
| Total Net Assets | | | 722,581,963 | 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 Montreal | A-1 | 20-Mar-2019 | USD | 111,736,327 | CAD | (150,220,329) | 2,099,440 |
| T.D. Bank Corp. | A-1+ | 20-Mar-2019 | USD | 4,256,294 | CAD | (5,740,059) | 62,224 |
| | | | | | | | 2,161,664 |
| CIBC | A-1 | 20-Mar-2019 | CAD | 291,467,751 | USD | (217,673,903) | (5,262,079) |
| CIBC | A-1 | 20-Mar-2019 | CAD | 291,467,751 | USD | (217,691,787) | (5,286,360) |
| T.D. Bank Corp. | A-1+ | 20-Mar-2019 | CAD | 291,467,751 | USD | (217,797,684) | (5,430,138) |
| | | | | | | | (15,978,577) |
| | | | | | | | (13,816,913) |

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and 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 accompanying notes are an integral part of the financial statements.

Sun Life Ryan Labs U.S. Core Fixed Income 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, 2018 and December 31, 2017 are noted below:

| Rating | Percentage of Net Assets (%) | |
|--------------|------------------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | 27.13 | 38.25 |
| AA/Aa | 0.52 | 0.89 |
| A/A | 8.56 | 7.88 |
| BBB/Baa | 30.04 | 24.06 |
| BB/Ba | 0.83 | 0.33 |
| N/R | 30.66 | 19.52 |
| Total | 97.74 | 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.

(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, 2018 and December 31, 2017. 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, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| United States Dollar | (576,020) | (0.08) | 976,503 | 0.23 |
| Total | (576,020) | (0.08) | 976,503 | 0.23 |

As at December 31, 2018, 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 \$28,801 (\$48,825 as at December 31, 2017). 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, 2018 | 2,078,551 | 195,805,093 | 506,172,549 | 704,056,193 |
| December 31, 2017 | - | 136,867,075 | 248,947,869 | 385,814,944 |

As at December 31, 2018, 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 \$112,115,874 (\$56,245,248 as at December 31, 2017). 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, 2018 and 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, 2018 | December 31, 2017 |
| Bonds | | |
| Federal Bonds | 25.7 | 35.3 |
| Corporate Bonds | 22.8 | 18.7 |
| Mortgage-Backed Securities | 48.9 | 35.3 |
| Exchange Traded Funds | | |
| U.S. Corporate Bond | 3.1 | 6.2 |
| Derivative Assets (Liabilities) | (1.9) | 1.6 |
| Other Assets less Liabilities | 1.4 | 2.9 |
| Total | 100.0 | 100.0 |

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

Sun Life Ryan Labs U.S. Core Fixed Income 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Exchange Traded Funds | 22,351,664 | - | - | 22,351,664 |
| Bonds | - | 350,775,346 | - | 350,775,346 |
| Mortgage-Backed Securities | - | 350,309,290 | 2,971,557 | 353,280,847 |
| Currency Forward Contracts | - | 2,161,664 | - | 2,161,664 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 15,978,577 | - | 15,978,577 |

| | 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 Securities | - | 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 January 1 to December 31, 2018 and July 28 to December 31, 2017.

The following is a reconciliation of Level 3 fair value assets as at December 31, 2018 and December 31, 2017.

| | December 31, 2018 | December 31, 2017 |
|---------------------------|-------------------|-------------------|
| | (\$) | (\$) |
| Opening Balance | 6,714,881 | - |
| Net purchases and (sales) | - | 6,511,014 |
| Net transfers in (out) | (4,004,373) | - |
| Gains (Losses) | | |
| Realized | - | - |
| Unrealized | 261,049 | 203,867 |
| Closing Balance | 2,971,557 | 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.

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, 2018 were \$nil (\$1,428 for the period ended December 31, 2017).

Taxation of the Fund

As at December 31, 2018, the Fund had accumulated capital losses of \$41,444,384 (\$5,018,798 as at December 31, 2017). 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 Ryan Labs U.S. Core Fixed Income 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | 15,573 | 151,018 |

| | 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, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | - | 4,206 |

| | 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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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, 2018 | | | | |
| Derivative assets - | | | | |
| Currency | | | | |
| Forward Contracts | 2,161,664 | (62,224) | - | 2,099,440 |
| Total | 2,161,664 | (62,224) | - | 2,099,440 |
| Derivative liabilities - | | | | |
| Currency | | | | |
| Forward Contracts | (15,978,577) | 62,224 | - | (15,916,353) |
| Total | (15,978,577) | 62,224 | - | (15,916,353) |
| 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 Global Mid Cap Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 382,240,284 | 177,813,539 |
| Short-term investments | - | - |
| Cash | 12,894,151 | 10,025,975 |
| 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 | - | 29,648 |
| Accrued interest | - | - |
| Dividends receivable | 425,549 | 181,059 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 7,894,523 | 5,487,741 |
| | 403,454,507 | 193,537,962 |
| 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 | 6,321 | 2,566 |
| Redemptions payable | 39,530 | 12,695 |
| Distributions payable | - | - |
| Due to investment dealers | 6,006,986 | 4,558,090 |
| Management fees payable | 966 | 809 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 6,053,803 | 4,574,160 |
| Net Assets Attributable to Holders of Redeemable Units | 397,400,704 | 188,963,802 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 1,398,484 | 1,367,971 |
| Series T5 | 10,561 | 11,804 |
| Series T8 | 10,561 | 11,804 |
| Series F | 300,304 | 313,992 |
| Series F5 | 12,768 | - |
| Series F8 | 9,326 | - |
| Series I | 395,311,236 | 186,801,262 |
| Series O | 347,464 | 456,969 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 9.59 | 11.04 |
| Series T5 | 12.35 | 14.87 |
| Series T8 | 10.98 | 13.61 |
| Series F | 9.88 | 11.23 |
| Series F5 | 13.06 | - |
| Series F8 | 12.74 | - |
| Series I | 10.00 | 11.38 |
| Series O | 10.00 | 11.37 |

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

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

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Investment Income | | |
| Dividend income | 5,929,571 | 1,207,730 |
| Interest income for distribution purposes | 155,540 | 21,000 |
| 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 | 9,292,585 | 6,618,198 |
| Net realized gain (loss) on futures contracts | - | - |
| Net realized gain (loss) on currency forward contracts | - | 137,268 |
| Net realized gain (loss) on option contracts | - | (84,885) |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | (56,142,991) | 5,536,490 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | - | (44,151) |
| Change in unrealized appreciation (depreciation) in option contracts | - | 71,025 |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | (40,765,295) | 13,462,675 |
| Net gain (loss) on foreign exchange | 691,125 | (567,949) |
| Other income | - | - |
| Total income (loss) | (40,074,170) | 12,894,726 |
| Expenses (note 6) | | |
| Management fees | 37,924 | 29,045 |
| Administration fees | 193,664 | 44,912 |
| Independent review committee fees | 44 | 39 |
| Withholding tax | 767,269 | 99,213 |
| Transaction costs (note 3) | 350,788 | 405,159 |
| Total operating expenses | 1,349,689 | 578,368 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (41,423,859) | 12,316,358 |
| Finance Cost | | |
| Interest expense | (449) | (252) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (41,424,308) | 12,316,106 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (187,930) | 175,019 |
| Series T5 | (1,243) | 1,686 |
| Series T8 | (1,243) | 1,686 |
| Series F | (32,016) | 21,805 |
| Series F5 | (1,352) | - |
| Series F8 | (674) | - |
| Series I | (41,173,427) | 12,044,205 |
| Series O | (26,423) | 71,705 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 139,341 | 113,946 |
| Series T5 | 814 | 756 |
| Series T8 | 902 | 816 |
| Series F | 29,609 | 18,013 |
| Series F5 | 833 | - |
| Series F8 | 690 | - |
| Series I | 29,330,223 | 6,676,200 |
| Series O | 41,659 | 36,697 |

Sun Life Schroder Global Mid Cap Fund (continued)

Statements of Comprehensive Income (Loss) (continued)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|---------------|--------------|
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (1.35) | 1.54 |
| Series T5 | (1.53) | 2.23 |
| Series T8 | (1.38) | 2.07 |
| Series F | (1.08) | 1.21 |
| Series F5 | (1.62) | - |
| Series F8 | (0.98) | - |
| Series I | (1.40) | 1.80 |
| Series O | (0.63) | 1.95 |

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 | |
|--|---------------------|------------------|---------------|---------------|---------------|---------------|----------------|----------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 1,367,971 | 955,729 | 11,804 | 10,118 | 11,804 | 10,118 | 313,992 | 45,714 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (187,930) | 175,019 | (1,243) | 1,686 | (1,243) | 1,686 | (32,016) | 21,805 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 663,083 | 645,708 | - | - | - | - | 119,664 | 262,916 |
| Redemption of redeemable units | \$ (444,640) | (408,468) | - | - | - | - | (101,336) | (16,468) |
| Reinvestment of distributions to holders of redeemable units | \$ 37,066 | 40,813 | 840 | 829 | 1,183 | 1,123 | 7,980 | 9,370 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 255,509 | 278,053 | 840 | 829 | 1,183 | 1,123 | 26,308 | 255,818 |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (36,837) | (40,566) | (254) | (324) | (254) | (324) | (7,646) | (9,178) |
| From net investment income | \$ (229) | (264) | (586) | (339) | (929) | (536) | (334) | (167) |
| Return of capital | \$ - | - | - | (166) | - | (263) | - | - |
| | \$ (37,066) | (40,830) | (840) | (829) | (1,183) | (1,123) | (7,980) | (9,345) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 30,513 | 412,242 | (1,243) | 1,686 | (1,243) | 1,686 | (13,688) | 268,278 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 1,398,484 | 1,367,971 | 10,561 | 11,804 | 10,561 | 11,804 | 300,304 | 313,992 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | 123,955 | 97,838 | 794 | 738 | 867 | 785 | 27,972 | 4,650 |
| Units issued | 58,848 | 59,937 | - | - | - | - | 10,262 | 23,978 |
| Units issued on reinvestment of distributions | 4,000 | 3,677 | 61 | 56 | 95 | 82 | 831 | 828 |
| Units redeemed | (40,933) | (37,497) | - | - | - | - | (8,659) | (1,484) |
| Balance - end of period | 145,870 | 123,955 | 855 | 794 | 962 | 867 | 30,406 | 27,972 |

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

Sun Life Schroder Global Mid Cap Fund (continued)

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

For the periods ended December 31

| | Series F5 | | Series F8 | | Series I | | Series O | |
|---|------------|------|-----------|------|--------------|--------------|-----------|-----------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - | 186,801,262 | 56,066,426 | 456,969 | 454,437 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (1,352) | - | (674) | - | (41,173,427) | 12,044,205 | (26,423) | 71,705 |
| Redeemable Unit Transactions | | | | | | | | |
| Proceeds from redeemable units issued | \$ 14,120 | - | 10,000 | - | 314,036,911 | 135,431,329 | 165,788 | 91,812 |
| Redemption of redeemable units | \$ - | - | - | - | (64,353,510) | (16,740,696) | (248,870) | (160,985) |
| Reinvestment of distributions to holders of redeemable units | \$ 861 | - | 938 | - | 14,715,748 | 6,156,808 | 12,600 | 15,185 |
| Capitalized distributions | \$ - | - | - | - | - | - | - | - |
| | \$ 14,981 | - | 10,938 | - | 264,399,149 | 124,847,441 | (70,482) | (53,988) |
| Distributions to Holders of Redeemable Units | | | | | | | | |
| From capital gains | \$ (324) | - | (233) | - | (10,152,663) | (5,253,057) | (9,123) | (13,582) |
| From net investment income | \$ (537) | - | (705) | - | (4,563,085) | (903,753) | (3,477) | (1,603) |
| Return of capital | \$ - | - | - | - | - | - | - | - |
| | \$ (861) | - | (938) | - | (14,715,748) | (6,156,810) | (12,600) | (15,185) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 12,768 | - | 9,326 | - | 208,509,974 | 130,734,836 | (109,505) | 2,532 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 12,768 | - | 9,326 | - | 395,311,236 | 186,801,262 | 347,464 | 456,969 |
| Redeemable Unit Transactions | | | | | | | | |
| Balance - beginning of period | - | - | - | - | 16,411,256 | 5,664,692 | 40,182 | 45,992 |
| Units issued | 917 | - | 667 | - | 27,117,739 | 11,832,769 | 14,273 | 8,171 |
| Units issued on reinvestment of distributions | 61 | - | 65 | - | 1,525,027 | 536,971 | 1,306 | 1,330 |
| Units redeemed | - | - | - | - | (5,513,324) | (1,623,176) | (21,006) | (15,311) |
| Balance - end of period | 978 | - | 732 | - | 39,540,698 | 16,411,256 | 34,755 | 40,182 |

| | Total | |
|---|-----------------|--------------|
| | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 188,963,802 | 57,542,542 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (41,424,308) | 12,316,106 |
| Redeemable Unit Transactions | | |
| Proceeds from redeemable units issued | \$ 315,009,566 | 136,431,765 |
| Redemption of redeemable units | \$ (65,148,356) | (17,326,617) |
| Reinvestment of distributions to holders of redeemable units | \$ 14,777,216 | 6,224,128 |
| Capitalized distributions | \$ - | - |
| | \$ 264,638,426 | 125,329,276 |
| Distributions to Holders of Redeemable Units | \$ - | - |
| From capital gains | \$ (10,207,334) | (5,317,031) |
| From net investment income | \$ (4,569,882) | (906,662) |
| Return of capital | \$ - | (429) |
| | \$ (14,777,216) | (6,224,122) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 208,436,902 | 131,421,260 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 397,400,704 | 188,963,802 |
| Redeemable Unit Transactions | | |
| Balance - beginning of period | 16,605,026 | 5,814,695 |
| Units issued | 27,202,706 | 11,924,855 |
| Units issued on reinvestment of distributions | 1,531,446 | 542,944 |
| Units redeemed | (5,583,922) | (1,677,468) |
| Balance - end of period | 39,755,256 | 16,605,026 |

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

Sun Life Schroder Global Mid Cap Fund (continued)

Statements of Cash Flows

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|----------------------|---------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (41,424,308) | 12,316,106 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (9,292,585) | (6,618,198) |
| Change in unrealized (appreciation) depreciation in value of investments | 56,142,991 | (5,536,490) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | 44,151 |
| Change in unrealized (appreciation) depreciation in option contracts | - | (71,025) |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | - | - |
| Purchases of investments | (378,329,142) | (204,765,213) |
| Proceeds from sale of investments | 128,179,747 | 97,398,617 |
| Purchases of short-term investments | - | - |
| Proceeds from sale of short-term investments | - | - |
| Change in dividends and interest receivable | (244,490) | (68,177) |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | 157 | (1,117) |
| Change in other payables and accrued expenses | 354,543 | 404,940 |
| Net Cash Provided by (Used in) Operating Activities | (244,613,087) | (106,896,406) |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | - | 6 |
| Proceeds from redeemable units issued | 312,602,784 | 130,998,492 |
| Redemption of redeemable units | (65,121,521) | (20,223,090) |
| Net Cash Provided by (Used in) Financing Activities | 247,481,263 | 110,775,408 |
| Net increase (decrease) in cash | 2,868,176 | 3,879,002 |
| Cash (bank indebtedness) at beginning of period | 10,025,975 | 6,146,973 |
| Cash (bank indebtedness) at end of period | 12,894,151 | 10,025,975 |
| Dividends received, net of withholding taxes | 4,917,812 | 1,040,340 |
| Interest received, net of withholding taxes | 155,540 | 21,000 |
| Interest paid | (449) | (252) |

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|---------------------|----------------------|--------------------|--------------------------|
| EQUITIES | | | | |
| Energy | | | | |
| Core Laboratories NV | 12,671 | 1,403,414 | 1,032,481 | |
| Fugro NV | 96,314 | 1,766,215 | 1,134,751 | |
| Gulfport Energy Corp. | 66,378 | 1,016,133 | 593,818 | |
| Parsley Energy Inc. | 85,971 | 2,646,738 | 1,876,363 | |
| ProPetro Holding Corp. | 43,357 | 911,459 | 729,555 | |
| Solaris Oilfield Infrastructure Inc. | 105,067 | 2,145,913 | 1,734,925 | |
| SRG Energy Inc. | 114,866 | 1,230,976 | 737,356 | |
| | 11,120,848 | 7,839,249 | 1.97 | |
| Industrials | | | | |
| Advanced Disposal Services Inc. | 69,332 | 2,112,488 | 2,266,970 | |
| Aica Kogyo Co Ltd. | 37,000 | 1,684,258 | 1,695,007 | |
| Allison Transmission Holdings Inc. | 13,898 | 706,604 | 833,497 | |
| Aumann AG | 15,847 | 1,369,007 | 726,189 | |
| Befesa SA | 36,159 | 2,285,102 | 2,117,103 | |
| Bingo Industries Ltd. | 880,233 | 2,094,335 | 1,570,016 | |
| Bodycote PLC | 90,000 | 1,406,742 | 1,137,368 | |
| Bravida Holding AB | 78,646 | 737,481 | 742,685 | |
| Bufab AB | 85,930 | 1,374,410 | 1,134,471 | |
| CTCI Corp. | 298,000 | 635,869 | 587,930 | |
| Daifuku Co Ltd. | 15,900 | 965,628 | 993,626 | |
| Diploma PLC | 49,000 | 952,650 | 1,031,346 | |
| Duerr AG | 27,183 | 1,699,280 | 1,295,742 | |
| Dycom Industries Inc. | 18,335 | 2,028,729 | 1,353,270 | |
| Elis SA | 70,934 | 2,199,489 | 1,611,432 | |
| FLSmidth & Co A/S | 18,531 | 1,495,305 | 1,136,386 | |
| Fortune Brands Home & Security Inc. | 57,022 | 4,384,081 | 2,958,692 | |
| Fukushima Industries Corp. | 17,000 | 877,891 | 755,508 | |
| Generac Holdings Inc. | 19,038 | 1,185,583 | 1,292,307 | |
| Gima TT SpA | 113,502 | 2,125,246 | 1,155,789 | |
| Glory Ltd. | 60,900 | 2,582,869 | 1,875,595 | |
| GrafTech International Ltd. | 92,318 | 1,861,902 | 1,442,449 | |
| Haitian International Holdings Ltd. | 195,000 | 554,258 | 513,657 | |
| Healthcare Services Group Inc. | 19,964 | 1,133,252 | 1,095,584 | |
| Hexcel Corp. | 44,063 | 3,618,364 | 3,450,799 | |
| Hitachi Transport System Ltd. | 45,900 | 1,486,869 | 1,782,746 | |
| HomeServe PLC | 80,000 | 1,103,318 | 1,204,425 | |
| IDEX Corp. | 10,921 | 1,879,530 | 1,883,286 | |
| Industria Macchine Automatiche SpA | 9,886 | 915,502 | 839,680 | |
| Interroll Holding AG | 281 | 528,055 | 565,294 | |
| Johnson Electric Holdings Ltd. | 250,000 | 1,148,662 | 696,041 | |
| KAR Auction Services Inc. | 42,383 | 2,762,696 | 2,762,360 | |
| King Slide Works Co Ltd. | 46,000 | 849,339 | 654,085 | |
| Kirby Corp. | 17,949 | 1,710,226 | 1,651,317 | |
| Kyung Dong Navien Co Ltd. | 5,391 | 386,852 | 274,184 | |
| Lennox International Inc. | 4,389 | 1,136,733 | 1,311,958 | |
| Loomis AB | 42,531 | 1,972,279 | 1,873,869 | |
| Maire Tecnimont SpA | 297,210 | 1,810,345 | 1,489,577 | |
| MasTec Inc. | 33,483 | 2,139,933 | 1,854,857 | |
| Nippon Denetsu Kogyo Co Ltd. | 61,100 | 1,645,208 | 1,655,853 | |
| Nitta Corp. | 23,500 | 1,149,649 | 949,303 | |
| Nordson Corp. | 12,556 | 2,168,197 | 2,046,736 | |
| Obara Group Inc. | 28,400 | 2,053,996 | 1,384,115 | |
| OC Oerlikon Corp AG | 105,476 | 2,105,859 | 1,613,333 | |

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

Sun Life Schroder Global Mid Cap Fund (continued)

Schedule of Investments (continued)

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|--------------------|-------------------|-----------------|-----------------------|
| Owens Corning | 22,294 | 2,073,169 | 1,339,156 | |
| Pentair PLC | 42,422 | 2,310,250 | 2,188,977 | |
| Piovan SpA | 54,536 | 699,893 | 676,421 | |
| Prosegur Cash SA | 513,129 | 1,645,921 | 1,549,450 | |
| REV Group Inc. | 46,591 | 1,398,788 | 477,892 | |
| Ryder System Inc. | 19,128 | 1,925,419 | 1,257,923 | |
| Senvion SA | 192,936 | 2,277,223 | 662,720 | |
| Shinmaywa Industries Ltd. | 96,800 | 1,355,950 | 1,614,739 | |
| SPIE SA | 53,876 | 1,627,914 | 974,929 | |
| Spirit Airlines Inc. | 21,249 | 1,035,211 | 1,680,951 | |
| Stabilus SA | 10,310 | 1,022,914 | 882,937 | |
| Stericycle Inc. | 33,211 | 2,750,850 | 1,664,247 | |
| Teleperformance | 4,403 | 839,548 | 959,685 | |
| TKH Group NV | 26,132 | 2,148,801 | 1,660,586 | |
| Tomra Systems ASA | 31,047 | 674,342 | 953,941 | |
| Trusco Nakayama Corp. | 41,600 | 1,354,003 | 1,499,733 | |
| Univar Inc. | 70,839 | 2,466,902 | 1,716,383 | |
| Valmont Industries Inc. | 14,262 | 2,755,832 | 2,161,204 | |
| | 101,387,001 | 85,188,311 | 21.44 | |
| Consumer Discretionary | | | | |
| Advance Auto Parts Inc. | 17,318 | 2,351,995 | 3,724,397 | |
| Aramark | 101,886 | 5,189,720 | 4,031,355 | |
| Asbury Automotive Group Inc. | 24,763 | 2,138,410 | 2,254,533 | |
| Basic-Fit NV | 50,691 | 1,701,189 | 2,053,821 | |
| BorgWarner Inc. | 28,144 | 1,622,013 | 1,335,376 | |
| Brunswick Corp/DE | 41,370 | 3,133,095 | 2,624,577 | |
| Caleres Inc. | 51,334 | 2,194,070 | 1,951,221 | |
| Cavco Industries Inc. | 12,158 | 2,593,660 | 2,165,016 | |
| Cheesecake Factory Inc | 37,801 | 2,315,118 | 2,246,366 | |
| Coats Group PLC | 970,000 | 1,383,238 | 1,375,157 | |
| Cooper-Standard Holding Inc. | 18,829 | 2,284,868 | 1,597,522 | |
| Crystal International Group Ltd. | 1,025,000 | 1,295,177 | 709,866 | |
| Dalata Hotel Group PLC | 285,794 | 2,308,824 | 2,112,844 | |
| Dunelm Group PLC | 150,000 | 1,594,370 | 1,411,599 | |
| Eagle Industry Co Ltd. | 16,500 | 374,449 | 262,299 | |
| Extended Stay America Inc. | 110,844 | 2,778,424 | 2,342,777 | |
| Gentherm Inc. | 36,740 | 2,203,497 | 2,006,181 | |
| Giant Manufacturing Co Ltd. | 75,000 | 491,638 | 481,566 | |
| Gourmet Master Co Ltd. | 106,800 | 1,360,339 | 977,609 | |
| HelloFresh SE | 196,725 | 3,142,362 | 1,876,701 | |
| Hudson Ltd. | 98,560 | 2,193,588 | 2,308,622 | |
| J D Wetherspoon PLC | 66,000 | 1,376,208 | 1,277,797 | |
| Kaufman & Broad SA | 42,297 | 2,496,029 | 2,205,720 | |
| Koito Manufacturing Co Ltd. | 25,700 | 2,118,909 | 1,817,203 | |
| Mando Corp. | 21,020 | 1,094,235 | 744,874 | |
| Musashi Seimitsu Industry Co Ltd. | 63,700 | 1,328,585 | 1,219,601 | |
| Nexteer Automotive Group Ltd. | 658,000 | 1,371,858 | 1,281,009 | |
| Nien Made Enterprise Co Ltd. | 40,000 | 467,504 | 419,468 | |
| Nifco Inc/Japan | 44,600 | 1,767,365 | 1,443,545 | |
| Nordstrom Inc. | 32,885 | 2,293,363 | 2,093,462 | |
| OVS SpA | 504,621 | 1,926,715 | 861,940 | |
| Pets at Home Group Plc | 425,000 | 1,232,727 | 856,092 | |
| Photo-Me International PLC | 525,000 | 1,257,673 | 815,518 | |
| PlayAGS Inc. | 65,708 | 1,689,874 | 2,064,116 | |
| Red Rock Resorts Inc. | 62,258 | 2,078,143 | 1,727,003 | |
| Restaurant Group PLC | 300,000 | 782,275 | 744,155 | |
| ServiceMaster Global Holdings Inc. | 50,999 | 2,337,100 | 2,559,110 | |
| Shenzhou International Group Holdings Ltd. | 78,670 | 763,383 | 1,217,978 | |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-------------------|-------------------|-----------------|-----------------------|
| SMCP SAS | 87,118 | 2,618,516 | 1,831,371 | |
| SSP Group Plc | 99,000 | 1,064,282 | 1,114,887 | |
| Standard Motor Products Inc. | 19,599 | 1,163,908 | 1,296,392 | |
| Sumitomo Forestry Co Ltd. | 97,700 | 2,055,119 | 1,751,375 | |
| Superdry PLC | 65,000 | 1,387,148 | 528,928 | |
| Techtronic Industries Co Ltd. | 258,350 | 1,747,427 | 1,874,838 | |
| Ted Baker PLC | 36,000 | 1,629,951 | 970,637 | |
| TPR Co Ltd. | 30,600 | 1,155,007 | 854,042 | |
| Trigano SA | 11,336 | 1,600,724 | 1,427,443 | |
| Unipres Corp. | 21,000 | 661,384 | 486,505 | |
| | 86,115,456 | 75,334,414 | 18.95 | |
| Consumer Staples | | | | |
| Arcs Co Ltd. | 36,100 | 1,073,159 | 1,100,122 | |
| Cranswick PLC | 25,500 | 1,326,398 | 1,167,478 | |
| Darling Ingredients Inc. | 76,784 | 1,773,879 | 2,017,734 | |
| First Resources Ltd. | 399,200 | 679,833 | 616,031 | |
| Glanbia PLC | 44,782 | 1,057,960 | 1,104,028 | |
| Glanbia PLC | 32,185 | 735,464 | 824,123 | |
| Hain Celestial Group Inc | 32,829 | 1,514,261 | 711,130 | |
| Marie Brizard Wine & Spirits Performance Food Group Co. | 74,542 | 3,007,871 | 3,285,399 | |
| Pola Orbis Holdings Inc. | 31,200 | 1,288,078 | 1,153,153 | |
| Tsuruha Holdings Inc. | 13,100 | 2,052,736 | 1,536,188 | |
| Vinda International Holdings Ltd. | 298,000 | 685,484 | 640,456 | |
| | 16,242,293 | 14,445,668 | 3.64 | |
| Materials | | | | |
| AMG Advanced Metallurgical Group NV | 32,316 | 1,957,477 | 1,421,847 | |
| Ardagh Group SA | 67,766 | 1,713,051 | 1,025,509 | |
| Ashland Global Holdings Inc. | 21,733 | 1,947,358 | 2,106,305 | |
| Crown Holdings Inc. | 56,453 | 3,272,433 | 3,205,200 | |
| D&L Industries Inc. | 3,462,800 | 907,186 | 987,543 | |
| Elementis PLC | 327,875 | 1,449,893 | 1,038,583 | |
| Elkem ASA | 292,043 | 1,441,623 | 1,022,386 | |
| Fletcher Building Ltd. | 203,557 | 1,220,073 | 909,760 | |
| Graphic Packaging Holding Co. | 163,606 | 2,938,446 | 2,377,546 | |
| Iluka Resources Ltd. | 178,820 | 1,661,323 | 1,310,188 | |
| JSP Corp. | 43,200 | 1,639,962 | 1,154,079 | |
| Kureha Corp. | 21,800 | 1,778,733 | 1,652,707 | |
| Nihon Parkerizing Co Ltd. | 74,800 | 1,487,408 | 1,184,434 | |
| OCI NV | 58,409 | 1,947,833 | 1,624,195 | |
| Valvoline Inc. | 102,615 | 3,035,716 | 2,711,939 | |
| Wacker Chemie AG | 11,383 | 2,102,288 | 1,405,813 | |
| | 30,500,803 | 25,138,034 | 6.33 | |
| Health Care | | | | |
| Ansell Ltd. | 29,877 | 718,914 | 633,156 | |
| Ascom Holding AG | 45,365 | 1,236,215 | 853,536 | |
| Catalent Inc. | 65,660 | 3,501,822 | 2,796,180 | |
| Cooper Cos Inc | 4,826 | 1,455,942 | 1,677,502 | |
| Dechra Pharmaceuticals PLC | 20,000 | 743,224 | 720,150 | |
| DENTSPLY SIRONA Inc. | 65,662 | 4,026,813 | 3,337,043 | |
| Evolus Inc. | 31,861 | 616,376 | 517,839 | |
| Flexion Therapeutics Inc. | 40,029 | 1,258,243 | 618,884 | |
| Henry Schein Inc. | 6,196 | 555,968 | 664,477 | |
| Intra-Cellular Therapies Inc. | 26,722 | 688,943 | 415,701 | |
| Masimo Corp. | 10,302 | 1,171,127 | 1,510,750 | |
| Medy-Tox Inc. | 934 | 742,965 | 660,730 | |
| Nippon Shinyaku Co Ltd. | 28,600 | 2,395,503 | 2,488,658 | |
| Pacira Pharmaceuticals Inc/DE | 22,383 | 1,041,001 | 1,315,154 | |
| Patterson Cos Inc. | 24,841 | 814,004 | 667,023 | |
| PerkinElmer Inc. | 17,723 | 1,675,812 | 1,901,391 | |

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

Sun Life Schroder Global Mid Cap Fund (continued)

Schedule of Investments (continued)

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|-------------------|-------------------|-----------------|-----------------------|
| Recordati SpA | 69,564 | 3,162,581 | 3,289,866 | |
| Repligen Corp. | 19,652 | 960,477 | 1,415,582 | |
| Syneos Health Inc. | 36,514 | 2,129,870 | 1,962,421 | |
| Teladoc Inc. | 10,622 | 830,151 | 719,140 | |
| Universal Health Services Inc. | 5,735 | 849,134 | 913,001 | |
| | 30,575,085 | 29,078,184 | | 7.32 |
| Financials | | | | |
| AMERISAFE Inc. | 21,140 | 1,580,552 | 1,636,815 | |
| Anima Holding SpA | 312,756 | 2,638,065 | 1,577,257 | |
| Arthur J Gallagher & Co. | 22,500 | 1,905,449 | 2,264,843 | |
| Bursa Malaysia Bhd | 384,450 | 838,061 | 869,104 | |
| Centerstate Banks Inc. | 38,038 | 1,315,058 | 1,093,079 | |
| Cerved Information Solutions SpA | 133,117 | 2,028,623 | 1,487,091 | |
| Chemical Financial Corp. | 23,409 | 1,636,554 | 1,170,498 | |
| Commerce Bancshares Inc./MO | 23,096 | 1,681,526 | 1,778,131 | |
| Compass Diversified Holdings | 62,517 | 1,348,702 | 1,063,055 | |
| Credito Emiliano SpA | 139,279 | 1,463,534 | 1,093,826 | |
| Dah Sing Banking Group Ltd. | 274,400 | 774,720 | 661,537 | |
| doBank SpA | 114,148 | 1,965,266 | 1,647,668 | |
| First Horizon National Corp. | 110,622 | 2,601,725 | 1,988,316 | |
| First Interstate Bancsystem Inc. | 34,034 | 1,796,382 | 1,699,446 | |
| First Merchants Corp. | 26,034 | 1,434,571 | 1,218,549 | |
| First Midwest Bancorp Inc./IL | 75,447 | 2,357,634 | 2,041,336 | |
| Golub Capital BDC Inc. | 81,900 | 1,937,238 | 1,844,559 | |
| Intermediate Capital Group PLC | 80,000 | 1,438,356 | 1,301,141 | |
| National General Holdings Corp. | 51,542 | 1,456,765 | 1,704,292 | |
| Nishi-Nippon Financial Holdings Inc. | 136,200 | 2,081,724 | 1,624,294 | |
| OceanFirst Financial Corp. | 65,179 | 2,590,317 | 2,003,878 | |
| Raymond James Financial Inc. | 14,953 | 1,697,641 | 1,519,664 | |
| Reinsurance Group of America Inc. | 9,215 | 1,740,620 | 1,764,917 | |
| Santander Consumer USA Holdings Inc. | 64,595 | 1,412,573 | 1,551,861 | |
| Tokai Tokyo Financial Holdings Inc. | 273,600 | 2,223,666 | 1,600,796 | |
| Torchmark Corp. | 17,876 | 1,938,084 | 1,819,657 | |
| United Community Banks Inc./GA | 56,636 | 2,192,963 | 1,660,009 | |
| Van Lanschot Kempen NV | 56,398 | 2,020,920 | 1,745,267 | |
| Westamerica Bancorporation | 21,706 | 1,621,601 | 1,650,696 | |
| Western Alliance Bancorp | 42,053 | 3,085,975 | 2,268,152 | |
| Zions Bancorporation | 32,068 | 2,039,168 | 1,784,354 | |
| | 56,844,033 | 49,134,088 | | 12.36 |
| Real Estate | | | | |
| CorePoint Lodging Inc. | 45,105 | 831,597 | 754,656 | |
| LondonMetric Property PLC | 250,000 | 791,659 | 756,680 | |
| Brixmor Property Group Inc. | 92,902 | 1,862,361 | 1,863,953 | |
| Daibiru Corp. | 88,600 | 1,281,078 | 1,197,804 | |
| Douglas Emmett Inc. | 41,573 | 2,021,904 | 1,937,919 | |
| Equity Lifestyle Properties Inc. | 15,048 | 1,698,791 | 1,996,274 | |
| Grand City Properties SA Kennedy-Wilson Holdings Inc. | 71,462 | 1,717,001 | 1,773,447 | |
| Lamar Advertising Co. | 26,105 | 2,261,314 | 2,466,564 | |
| Mid-America Apartment Communities Inc. | 14,700 | 1,825,382 | 1,921,398 | |
| Mirvac Group | 344,925 | 765,103 | 742,908 | |

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|--------------------|--------------------|-----------------|-----------------------|
| Safestore Holdings Plc | 110,000 | 905,471 | 969,159 | |
| Terreno Realty Corp. | 46,080 | 2,118,310 | 2,213,466 | |
| UOL Group Ltd. | 109,517 | 747,230 | 679,303 | |
| | 20,744,306 | 21,194,864 | | 5.33 |
| Communication Services | | | | |
| Cineplex Inc. | 76,831 | 2,319,518 | 1,954,581 | |
| Cineworld Group PLC | 300,000 | 1,464,333 | 1,373,504 | |
| Domain Holdings Australia Ltd. | 300,251 | 972,841 | 643,801 | |
| Hemisphere Media Group Inc. | 11,720 | 181,986 | 194,328 | |
| Kakaku.com Inc. | 36,000 | 704,518 | 870,310 | |
| MDC Partners Inc. | 215,656 | 2,129,274 | 768,759 | |
| TEGNA Inc. | 185,526 | 2,879,530 | 2,754,371 | |
| UBISOFT Entertainment | 29,802 | 3,272,997 | 3,279,486 | |
| XING AG | 2,329 | 907,021 | 863,630 | |
| Yelp Inc. | 19,990 | 1,112,589 | 955,311 | |
| | 15,944,607 | 13,658,081 | | 3.44 |
| Information Technology | | | | |
| Ai Holdings Corp. | 87,500 | 2,690,178 | 2,115,336 | |
| ASM Pacific Technology Ltd. | 102,300 | 1,704,669 | 1,346,471 | |
| Chroma Ate Inc. | 224,000 | 1,481,985 | 1,174,510 | |
| Ciena Corp. | 66,365 | 2,037,125 | 3,073,654 | |
| Computacenter PLC | 52,500 | 933,142 | 918,713 | |
| Computershare Ltd. | 18,931 | 275,817 | 312,905 | |
| CoreLogic Inc./United States | 34,424 | 2,059,173 | 1,571,288 | |
| CSG Systems International Inc. | 30,995 | 1,742,653 | 1,344,921 | |
| Datalogic SpA | 31,317 | 1,231,273 | 997,481 | |
| Digital Garage Inc. | 41,800 | 1,479,669 | 1,302,444 | |
| Disco Corp. | 6,600 | 1,415,189 | 1,055,770 | |
| Dolby Laboratories Inc. | 33,788 | 2,855,221 | 2,853,777 | |
| DuzonBlizon Co Ltd. | 13,182 | 804,520 | 837,434 | |
| Entegris Inc. | 79,636 | 3,155,657 | 3,034,057 | |
| Halma PLC | 52,500 | 1,018,595 | 1,245,651 | |
| LEENO Industrial Inc. | 12,005 | 860,322 | 691,391 | |
| Leidos Holdings Inc. | 37,280 | 3,024,186 | 2,684,350 | |
| Link Administration Holdings Ltd. | 106,917 | 806,113 | 695,982 | |
| Logitech International SA | 22,412 | 1,054,273 | 960,111 | |
| NEC Networks & System Integration Corp. | 54,600 | 1,687,903 | 1,659,138 | |
| OBIC Business Consultants Ltd. | 20,600 | 746,392 | 1,107,830 | |
| ON Semiconductor Corp. | 98,532 | 2,767,781 | 2,221,838 | |
| Perficient Inc. | 41,541 | 1,370,446 | 1,262,962 | |
| PTC Inc. | 21,897 | 2,005,982 | 2,479,289 | |
| Sabre Corp. | 88,276 | 2,377,286 | 2,609,083 | |
| Solutions 30 SE | 76,625 | 1,146,809 | 1,067,161 | |
| Stemmer Imaging AG | 15,977 | 906,280 | 933,954 | |
| Synopsys Inc. | 14,430 | 1,589,871 | 1,660,247 | |
| Teradata Corp. | 34,063 | 1,817,840 | 1,784,636 | |
| Versum Materials Inc. | 42,836 | 1,897,694 | 1,621,774 | |
| | 48,944,044 | 46,624,158 | | 11.73 |
| Utilities | | | | |
| Alliant Energy Corp. | 40,459 | 2,199,443 | 2,334,694 | |
| IDACORP Inc. | 18,382 | 2,073,944 | 2,336,382 | |
| NiSource Inc. | 42,472 | 1,362,471 | 1,470,513 | |
| Telecom Plus PLC | 70,000 | 1,363,731 | 1,743,668 | |
| | 6,999,589 | 7,885,257 | | 1.98 |
| Total Equities | 425,418,065 | 375,520,308 | | 94.49 |

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

Sun Life Schroder Global Mid Cap Fund (continued)

Schedule of Investments (continued)

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|--------------------|--------------------|-----------------------|
| EXCHANGE-TRADED FUNDS | | | | |
| db x-trackers Russell 2000 UCITS ETD DR | 12,730 | 3,500,283 | 3,240,627 | |
| SPDR MSCI World Small Cap UCITS ETF | 40,675 | 3,843,243 | 3,479,349 | |
| Total Mutual Funds | | 7,343,526 | 6,719,976 | 1.69 |
| Transaction Costs | | (413,409) | | |
| Total Investments | | 432,348,182 | 382,240,284 | |
| Other Assets less Liabilities | | 15,160,420 | | 3.81 |
| Total Net Assets | | 397,400,704 | | 100.00 |

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, 2018 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 9 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 is exposed indirectly to currency risk as a result of its investment in underlying externally managed funds. The Fund also 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, 2018 and December 31, 2017. 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, 2018 | | December 31, 2017 | |
| United States Dollar | 221,898,900 | 55.84 | 102,770,619 | 54.39 |
| Euro | 56,918,866 | 14.32 | 26,022,458 | 13.77 |
| Japanese Yen | 44,901,255 | 11.30 | 20,716,110 | 10.96 |
| British Pound | 25,231,355 | 6.35 | 11,549,907 | 6.11 |
| Hong Kong Dollar | 8,949,267 | 2.25 | 4,426,536 | 2.34 |
| Australian Dollar | 5,921,307 | 1.49 | 3,570,143 | 1.89 |
| New Taiwan Dollar | 4,295,168 | 1.08 | - | - |
| Swiss Franc | 3,992,273 | 1.00 | 2,245,724 | 1.19 |
| Swedish Krona | 3,751,025 | 0.94 | 3,546,499 | 1.88 |
| Korean Won | 3,221,220 | 0.81 | - | - |
| Norwegian Krone | 1,916,006 | 0.48 | 449,587 | 0.24 |
| Singapore Dollar | 1,295,334 | 0.33 | 1,120,556 | 0.59 |
| Danish Krone | 1,136,386 | 0.29 | 792,768 | 0.42 |
| Philippine Peso | 987,543 | 0.25 | 782,058 | 0.41 |
| New Zealand Dollar | 909,761 | 0.23 | 502,843 | 0.27 |
| Malaysian Ringgit | 869,104 | 0.22 | 396,968 | 0.21 |
| Total | 386,194,770 | 97.18 | 178,892,776 | 94.67 |

As at December 31, 2018, 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 \$19,309,739 (\$8,944,639 as at December 31, 2017). 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 accompanying notes are an integral part of the financial statements.

Sun Life Schroder Global Mid Cap Fund (continued)

(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 publicly traded equities.

As at December 31, 2018, 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 \$18,776,015 (\$8,890,677 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Equities | | |
| Energy | 2.0 | 2.4 |
| Industrials | 21.5 | 24.9 |
| Consumer Discretionary | 19.0 | 22.4 |
| Consumer Staples | 3.6 | - |
| Materials | 6.3 | 6.9 |
| Health Care | 7.3 | 6.1 |
| Financials | 12.4 | 12.1 |
| Real Estate | 5.3 | 5.0 |
| Communication Services | 3.4 | - |
| Information Technology | 11.7 | 12.7 |
| Utilities | 2.0 | 1.6 |
| Exchange-Traded Funds | 1.7 | - |
| Other Assets less Liabilities | 3.8 | 5.9 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|-------------------------|-------------------|--------------|--------------|-------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Equities | 375,520,308 | - | - | 375,520,308 |
| Exchange-Traded Funds | 6,719,976 | - | - | 6,719,976 |
| | | | | |
| | December 31, 2017 | | | Total (\$) |
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Equities | 177,813,539 | - | - | 177,813,539 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 were \$350,788 (\$405,159 for the period ended December 31, 2017).

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, 2018 was \$nil (\$1,395 for the period ended December 31, 2017).

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

Sun Life Schroder Global Mid Cap 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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series T5 | 855 | 10,560 |
| Series T8 | 962 | 10,560 |
| Series F5 | 714 | 9,325 |
| Series F8 | 732 | 9,325 |

| | December 31, 2017 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series T5 | 794 | 11,804 |
| Series T8 | 867 | 11,804 |
| Series F5 | - | - |
| Series F8 | - | - |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | - | - | - |
| Series T5 | 29 | - | 807 |
| Series T8 | 29 | - | 1,150 |
| Series F | - | - | - |
| Series F5 | 10,016 | - | 661 |
| Series F8 | 10,016 | - | 920 |
| Series O | - | - | - |

| | December 31, 2017 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 146 | 114,343 | 110 |
| Series T5 | 29 | - | 798 |
| Series T8 | 29 | - | 1,092 |
| Series F | 15 | 11,741 | 11 |
| Series F5 | - | - | - |
| Series F8 | - | - | - |
| Series O | - | 11,782 | 11 |

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, 2018 and December 31, 2017, there were no seed capital positions held.

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | - | - |

| | December 31, 2017 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | 218 | - |

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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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 F5 Units | February 09, 2018 | February 09, 2018 |
| Series F8 Units | February 09, 2018 | February 09, 2018 |
| Series I Units | January 29, 2015 | February 02, 2015 |
| Series O Units | January 29, 2015 | February 02, 2015 |

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

Sun Life Sentry Value Fund

Statements of Financial Position

As at December 31, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 79,972,093 | 80,821,877 |
| Short-term investments | - | - |
| Cash | 9,933,596 | 15,715,677 |
| 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 |
| Unrealized appreciation on swaps | - | - |
| Due from investment dealers | 111,798 | - |
| Accrued interest | 10,331 | - |
| Dividends receivable | 313,411 | 204,301 |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 35,922 | 23,593 |
| | 90,377,151 | 96,854,916 |
| Liabilities | | |
| Current Liabilities | | |
| Bank indebtedness | - | - |
| Margin | - | - |
| Option contracts, at fair value - short | 3,963 | - |
| Credit default swaps, buy protection | - | - |
| Unrealized depreciation on futures contracts | - | - |
| Unrealized depreciation on currency forward contracts | 325,420 | 4,954 |
| Unrealized depreciation on swaps | - | - |
| Accrued expenses | 3,544 | 3,545 |
| Redemptions payable | 173,671 | 29,231 |
| Distributions payable | - | - |
| Due to investment dealers | 340,334 | 32,278 |
| Management fees payable | 21,362 | 21,715 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 868,294 | 91,723 |
| Net Assets Attributable to Holders of Redeemable Units | 89,508,857 | 96,763,193 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 36,084,284 | 40,738,518 |
| Series F | 3,990,066 | 4,235,268 |
| Series I | 43,801,526 | 44,869,612 |
| Series O | 5,632,981 | 6,919,795 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 12.34 | 13.74 |
| Series F | 12.64 | 14.12 |
| Series I | 12.92 | 14.44 |
| Series O | 10.10 | 11.29 |

Approved on behalf of Trustee

| | |
|------------------------|--------------------------|
| “signed” Rick Headrick | “signed” Kari Holdsworth |
| President | Chief Financial Officer |

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|------------------|
| Investment Income | | |
| Dividend income | 2,628,139 | 1,805,523 |
| Interest income for distribution purposes | 286,914 | 117,371 |
| 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 | 1,540,674 | 6,466,166 |
| Net realized gain (loss) on futures contracts | - | - |
| Net realized gain (loss) on currency forward contracts | (282,954) | 353,710 |
| Net realized gain (loss) on option contracts | 124,806 | 112,681 |
| Net realized gain (loss) on swaps | - | - |
| Change in unrealized appreciation (depreciation) in value of investments | (9,431,196) | (1,272) |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (409,934) | 80,848 |
| Change in unrealized appreciation (depreciation) in option contracts | 4,332 | (6,426) |
| Change in unrealized appreciation (depreciation) in value of swaps | - | - |
| Net gains (losses) on investments | (5,539,219) | 8,928,601 |
| Net gain (loss) on foreign exchange | 102,506 | (10,308) |
| Other income | 709 | - |
| Total income (loss) | (5,436,004) | 8,918,293 |
| Expenses (note 6) | | |
| Management fees | 824,584 | 835,632 |
| Administration fees | 132,530 | 128,190 |
| Independent review committee fees | 939 | 1,003 |
| Withholding tax | 60,397 | 43,227 |
| Transaction costs (note 3) | 148,127 | 153,064 |
| Total operating expenses | 1,166,577 | 1,161,116 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | (6,602,581) | 7,757,177 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | (6,602,581) | 7,757,177 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | (3,105,380) | 2,898,624 |
| Series F | (300,355) | 331,906 |
| Series I | (2,846,992) | 3,869,745 |
| Series O | (349,854) | 656,902 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 2,907,654 | 2,676,519 |
| Series F | 298,134 | 258,165 |
| Series I | 3,154,384 | 2,793,007 |
| Series O | 582,325 | 579,759 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | (1.07) | 1.08 |
| Series F | (1.01) | 1.29 |
| Series I | (0.90) | 1.39 |
| Series O | (0.60) | 1.13 |

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 F | | Series I | |
|---|----------------------|-------------------|------------------|------------------|-------------------|-------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 40,738,518 | 33,802,550 | 4,235,268 | 3,027,004 | 44,869,612 | 48,982,953 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (3,105,380) | 2,898,624 | (300,355) | 331,906 | (2,846,992) | 3,869,745 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 10,870,334 | 12,072,249 | 1,854,510 | 1,693,970 | 8,768,197 | 14,911,723 |
| Redemption of redeemable units | \$ (12,416,219) | (8,025,702) | (1,788,108) | (745,117) | (6,989,291) | (22,894,810) |
| Reinvestment of distributions to holders of redeemable units | \$ 880,577 | 2,632,812 | 142,151 | 218,503 | 2,124,774 | 3,782,277 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ (665,308) | 6,679,359 | 208,553 | 1,167,356 | 3,903,680 | (4,200,810) |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ (640,439) | (2,626,193) | (70,292) | (265,638) | (784,556) | (3,146,465) |
| From net investment income | \$ (243,055) | (15,773) | (83,025) | (25,203) | (1,338,128) | (630,796) |
| Return of capital | \$ (52) | (49) | (83) | (157) | (2,090) | (5,015) |
| | \$ (883,546) | (2,642,015) | (153,400) | (290,998) | (2,124,774) | (3,782,276) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (4,654,234) | 6,935,968 | (245,202) | 1,208,264 | (1,068,086) | (4,113,341) |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 36,084,284 | 40,738,518 | 3,990,066 | 4,235,268 | 43,801,526 | 44,869,612 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 2,965,408 | 2,480,736 | 300,020 | 217,441 | 3,107,047 | 3,449,902 |
| Units issued | 798,414 | 867,816 | 131,454 | 118,901 | 601,576 | 1,027,182 |
| Units issued on reinvestment of distributions | 72,951 | 192,527 | 11,484 | 15,543 | 168,408 | 264,287 |
| Units redeemed | (911,723) | (575,671) | (127,407) | (51,865) | (486,160) | (1,634,324) |
| Balance - end of period | 2,925,050 | 2,965,408 | 315,551 | 300,020 | 3,390,871 | 3,107,047 |

| | Series O | | Total | |
|---|---------------------|------------------|--------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 6,919,795 | 6,885,280 | 96,763,193 | 92,697,787 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (349,854) | 656,902 | (6,602,581) | 7,757,177 |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | \$ 1,387,104 | 2,680,617 | 22,880,145 | 31,358,559 |
| Redemption of redeemable units | \$ (2,325,064) | (3,300,385) | (23,518,682) | (34,966,014) |
| Reinvestment of distributions to holders of redeemable units | \$ 266,559 | 552,806 | 3,414,061 | 7,186,398 |
| Capitalized distributions | \$ - | - | - | - |
| | \$ (671,401) | (66,962) | 2,775,524 | 3,578,943 |
| Distributions to Holders of Redeemable Units | | | | |
| From capital gains | \$ (100,988) | (468,538) | (1,596,275) | (6,506,834) |
| From net investment income | \$ (164,285) | (86,198) | (1,828,493) | (757,970) |
| Return of capital | \$ (286) | (689) | (2,511) | (5,910) |
| | \$ (265,559) | (555,425) | (3,427,279) | (7,270,714) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (1,286,814) | 34,515 | (7,254,336) | 4,065,406 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 5,632,981 | 6,919,795 | 89,508,857 | 96,763,193 |
| Redeemable Unit Transactions | | | | |
| Balance - beginning of period | 612,910 | 620,087 | 6,985,385 | 6,768,166 |
| Units issued | 122,152 | 235,106 | 1,653,596 | 2,249,005 |
| Units issued on reinvestment of distributions | 27,003 | 49,336 | 279,846 | 521,693 |
| Units redeemed | (204,472) | (291,619) | (1,729,762) | (2,553,479) |
| Balance - end of period | 557,593 | 612,910 | 7,189,065 | 6,985,385 |

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

| | 2018 (\$) | 2017 (\$) |
|---|---------------------|--------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | (6,602,581) | 7,757,177 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | (1,540,674) | (6,466,166) |
| Change in unrealized (appreciation) depreciation in value of investments | 9,431,196 | 1,272 |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | - |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 409,934 | (80,848) |
| Change in unrealized (appreciation) depreciation in option contracts | (4,332) | 6,426 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | - |
| Non-cash income distributions from underlying funds | - | - |
| Change in margin | - | - |
| Purchases of investments | (67,529,315) | (70,314,905) |
| Proceeds from sale of investments | 60,545,003 | 75,353,315 |
| Purchases of short-term investments | - | (2,299,264) |
| Proceeds from sale of short-term investments | - | 2,299,264 |
| Change in dividends and interest receivable | (119,441) | (23,387) |
| Change in distributions receivable from underlying funds | - | - |
| Change in management fees payable | (353) | (48,840) |
| Change in other payables and accrued expenses | 148,126 | 146,123 |
| Net Cash Provided by (Used in) Operating Activities | (5,262,437) | 6,330,167 |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | (13,218) | (84,316) |
| Proceeds from redeemable units issued | 22,867,816 | 33,039,408 |
| Redemption of redeemable units | (23,374,242) | (35,018,843) |
| Net Cash Provided by (Used in) Financing Activities | (519,644) | (2,063,751) |
| Net increase (decrease) in cash | (5,782,081) | 4,266,416 |
| Cash (bank indebtedness) at beginning of period | 15,715,677 | 11,449,261 |
| Cash (bank indebtedness) at end of period | 9,933,596 | 15,715,677 |
| Dividends received, net of withholding taxes | 2,458,632 | 1,738,909 |
| Interest received, net of withholding taxes | 276,583 | 117,371 |
| Interest paid | - | - |

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

Sun Life Sentry Value Fund (continued)

Schedule of Investments

As at December 31, 2018

| | Coupon Rate | Maturity Date | Par Value | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|-------------|---------------|------------------|-------------------|-------------------|-----------------------|
| BONDS | | | | | | |
| Corporate Bonds | | | | | | |
| Cargojet Inc. | 5.750% | 30-Apr-2024 | 1,100,000 | 1,100,000 | 1,100,825 | |
| Hydro One Ltd. | 4.000% | 30-Sep-2027 | 4,100,000 | 1,316,775 | 1,304,825 | |
| | | | | 2,416,775 | 2,405,650 | 2.69 |
| Total Bonds | | | | 2,416,775 | 2,405,650 | 2.69 |
| | | | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
| EQUITIES | | | | | | |
| Energy | | | | | | |
| ARC Resources Ltd. | | | 114,200 | 1,668,268 | 925,020 | |
| Enerflex Ltd. | | | 78,500 | 1,242,175 | 1,254,430 | |
| Inter Pipeline Ltd. | | | 46,000 | 956,800 | 889,640 | |
| Keyera Corp. | | | 100,300 | 3,764,968 | 2,588,743 | |
| Kinder Morgan Canada Ltd. | | | 85,700 | 1,404,618 | 1,365,201 | |
| Parkland Fuel Corp. | | | 33,717 | 962,007 | 1,191,559 | |
| Pembina Pipeline Corp. | | | 22,000 | 826,643 | 891,220 | |
| ShawCor Ltd. | | | 68,300 | 2,367,458 | 1,132,414 | |
| | | | | 13,192,937 | 10,238,227 | 11.44 |
| Industrials | | | | | | |
| Aecon Group Inc. | | | 62,900 | 977,006 | 1,107,669 | |
| Bird Construction Inc. | | | 177,100 | 1,435,071 | 1,082,081 | |
| Heroux-Devtek Inc. | | | 87,800 | 1,301,539 | 1,135,254 | |
| Morneau Shepell Inc. | | | 39,350 | 787,070 | 985,324 | |
| SNC-Lavalin Group Inc. | | | 62,100 | 3,339,576 | 2,851,632 | |
| Stanley Black & Decker Inc. | | | 7,100 | 1,266,606 | 1,161,143 | |
| Toromont Industries Ltd. | | | 17,000 | 1,017,686 | 922,420 | |
| Westshore Terminals Investment Corp. | | | 122,400 | 2,862,788 | 2,518,992 | |
| | | | | 12,987,342 | 11,764,515 | 13.14 |
| Consumer Discretionary | | | | | | |
| Dollarama Inc. | | | 23,700 | 777,437 | 769,539 | |
| Gildan Activewear Inc. | | | 43,500 | 1,473,572 | 1,802,640 | |
| Park Lawn Corp. | | | 26,000 | 637,000 | 599,560 | |
| | | | | 2,888,009 | 3,171,739 | 3.54 |
| Consumer Staples | | | | | | |
| Alimentation Couche-Tard Inc., Class B | | | 37,797 | 2,302,616 | 2,566,794 | |
| George Weston Ltd. | | | 27,400 | 2,790,406 | 2,467,370 | |
| Metro Inc., Class A | | | 28,500 | 1,181,610 | 1,349,190 | |
| | | | | 6,274,632 | 6,383,354 | 7.13 |
| Health Care | | | | | | |
| CVS Health Corp. | | | 53,300 | 5,356,553 | 4,769,679 | |
| | | | | 5,356,553 | 4,769,679 | 5.33 |
| Real Estate | | | | | | |
| Automotive Properties Real Estate Investment Trust | | | 186,400 | 1,793,815 | 1,672,008 | |
| BSR Real Estate Investment Trust | | | 106,900 | 1,352,172 | 1,165,115 | |
| Information Services Corp. | | | 54,900 | 1,005,740 | 839,970 | |
| InterRent Real Estate Investment Trust | | | 142,451 | 1,049,640 | 1,858,986 | |
| Killam Apartment Real Estate Investment Trust | | | 125,400 | 1,397,959 | 1,998,876 | |
| SmartCentres Real Estate Investment Trust | | | 96,150 | 2,837,645 | 2,964,305 | |
| StorageVault Canada Inc. | | | 512,000 | 1,284,889 | 1,213,440 | |
| WPT Industrial Real Estate Investment Trust | | | 84,500 | 1,381,854 | 1,483,023 | |
| | | | | 12,103,714 | 13,195,723 | 14.75 |
| Financials | | | | | | |
| Royal Bank of Canada | | | 24,200 | 2,332,740 | 2,261,248 | |
| The Bank of Nova Scotia | | | 52,200 | 3,997,856 | 3,552,210 | |
| | | | | 6,330,596 | 5,813,458 | 6.49 |

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, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|-------------------|-------------------|-----------------------|
| Information Technology | | | | |
| Apple Inc. | 1,200 | 260,242 | 258,530 | |
| Applied Materials Inc. | 48,300 | 2,902,015 | 2,159,802 | |
| Evertz Technologies Ltd. | 77,700 | 1,303,497 | 1,257,963 | |
| Intel Corp. | 23,300 | 1,497,365 | 1,493,463 | |
| | | 5,963,119 | 5,169,758 | 5.78 |
| Materials | | | | |
| Canfor Pulp Products Inc. | 76,200 | 900,683 | 1,235,202 | |
| Interfor Corp. | 106,400 | 2,284,476 | 1,534,288 | |
| Mountain Province Diamonds Inc. | 608,000 | 1,904,452 | 1,185,600 | |
| | | 5,089,611 | 3,955,090 | 4.42 |
| Communication Services | | | | |
| BCE Inc. | 74,976 | 4,183,928 | 4,043,456 | |
| Comcast Corporation, Class A | 77,000 | 3,492,798 | 3,580,931 | |
| Live Nation Entertainment Inc. | 8,300 | 408,535 | 558,305 | |
| TELUS Corp. | 60,100 | 2,781,134 | 2,719,524 | |
| | | 10,866,395 | 10,902,216 | 12.18 |
| Utilities | | | | |
| Fortis Inc. | 48,400 | 1,993,401 | 2,202,684 | |
| | | 1,993,401 | 2,202,684 | 2.46 |
| Total Equities | | 83,046,309 | 77,566,443 | 86.66 |
| Transaction Costs | | (84,632) | | |
| Total Investments | | 85,378,452 | 79,972,093 | 89.35 |
| Currency Forward Contracts⁽¹⁾ | | | (325,420) | (0.36) |
| Option Contracts⁽²⁾ | | | (3,963) | - |
| Other Assets less Liabilities | | | 9,866,147 | 11.01 |
| Total Net Assets | | | 89,508,857 | 100.00 |

⁽¹⁾ Currency Forward Contracts

| Counterparty | Credit Rating for Counterparty | Settlement Date | Purchased Currency | Par Value | Sold Currency | Par Value | Unrealized Gain/(Loss) (\$) |
|---------------------------|--------------------------------|-----------------|--------------------|-----------|---------------|-------------|-----------------------------|
| The Toronto-Dominion Bank | A-1+ | 20-Feb-2019 | CAD | 4,210,125 | USD | (3,205,150) | (161,527) |
| Royal Bank of Canada | A-1+ | 20-Feb-2019 | CAD | 4,207,753 | USD | (3,205,150) | (163,893) |
| | | | | | | | (325,420) |

⁽²⁾ Option Contracts

| | Expiry Date | Number of Contracts | Average Cost (\$) | Current Value (\$) |
|--------------------------------|-------------|---------------------|-------------------|--------------------|
| BCE Inc. @57.5 Call Option | 18-Jan-2019 | (140) | (2,940) | (910) |
| | | | (2,940) | (910) |
| The Boeing Co. @290 Put Option | 18-Jan-2019 | (10) | (5,531) | (3,053) |
| | | | (5,531) | (3,053) |
| | | | | (3,963) |

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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018 and 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 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, 2018 and December 31, 2017 are noted below:

| Rating | As a % of Net Assets | |
|--------------|----------------------|-------------------|
| | December 31, 2018 | December 31, 2017 |
| AAA/Aaa | - | 0.09 |
| Not Rated | 2.69 | - |
| Total | 2.69 | 0.09 |

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, 2018 and 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, 2018 | December 31, 2017 | December 31, 2018 | December 31, 2017 |
| United States Dollar | 8,800,746 | 8,530,449 | 9.83 | 8.82 |
| Total | 8,800,746 | 8,530,449 | 9.83 | 8.82 |

As at December 31, 2018, 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 \$440,037 (\$426,522 as at December 31, 2017). 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, 2018 | - | - | 2,405,650 | 2,405,650 |
| December 31, 2017 | - | - | - | - |

As at December 31, 2018, 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 \$172,938 (\$nil as at December 31, 2017). 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)

(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, 2018, 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 \$3,878,322 (\$4,041,094 as at December 31, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at December 31, 2018 and 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, 2018 | December 31, 2017 |
| Bonds | | |
| Corporate Bonds | 2.7 | - |
| Equities | | |
| Energy | 11.5 | 19.6 |
| Industrials | 13.1 | 10.5 |
| Consumer Discretionary | 3.5 | 15.6 |
| Consumer Staples | 7.1 | 6.6 |
| Health Care | 5.3 | - |
| Real Estate | 14.8 | 11.7 |
| Financials | 6.5 | 4.8 |
| Information Technology | 5.8 | 3.6 |
| Materials | 4.4 | 6.1 |
| Telecommunication Services | - | 2.3 |
| Communication Services | 12.2 | - |
| Utilities | 2.5 | 2.8 |
| Derivative Assets (Liabilities) | (0.4) | - |
| Other Assets less Liabilities | 11.0 | 16.4 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Equities | 77,566,443 | - | - | 77,566,443 |
| Bonds | - | 2,405,650 | - | 2,405,650 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 325,420 | - | 325,420 |
| Option Contracts | 3,963 | - | - | 3,963 |
| | | | | |
| | 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 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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.

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

Sun Life Sentry Value Fund (continued)

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, 2018 were \$148,127 (\$153,064 for the period ended December 31, 2017).

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, 2018 was \$9,440 (\$16,344 for the period ended December 31, 2017).

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 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, 2018 and December 31, 2017, SLA held the following position in the Fund:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | 566,306 | 7,315,197 |

| | December 31, 2017 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | 538,208 | 7,772,364 |

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | - | 469,108 |

| | December 31, 2017 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | - | 618,175 |

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, 2018 | | | | |
| Derivative assets - Forward Contracts | - | - | - | - |
| Total | - | - | - | - |
| Derivative liabilities - Forward Contracts | (325,420) | - | - | (325,420) |
| Total | (325,420) | - | - | (325,420) |
| 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 | - | - |

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 |

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

Sun Life Tactical Balanced ETF Portfolio

Statement of Financial Position

As at December 31, 2018

| | December 31, 2018 (\$) |
|--|---------------------------|
| Assets | |
| Current Assets | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 2,910,291 |
| Short-term investments | - |
| Cash | 22,517 |
| 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 | 25,939 |
| Accrued interest | - |
| Dividends receivable | 2,732 |
| Distributions receivable from underlying funds | - |
| Subscriptions receivable | 233,371 |
| | 3,194,850 |
| 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 | 4,990 |
| Unrealized depreciation on swaps | - |
| Accrued expenses | 71 |
| Redemptions payable | - |
| Distributions payable | - |
| Due to investment dealers | 258,178 |
| Management fees payable | 268 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 263,507 |
| Net Assets Attributable to Holders of Redeemable Units | 2,931,343 |
| Net Assets Attributable to Holders of Redeemable Units per Series | |
| Series A | 431,994 |
| Series T5 | 9,849 |
| Series F | 752,455 |
| Series F5 | 9,870 |
| Series I | 1,727,175 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | |
| Series A | 9.72 |
| Series T5 | 14.56 |
| Series F | 9.74 |
| Series F5 | 14.57 |
| Series I | 9.74 |

Approved on behalf of Trustee

| | |
|--|--|
| <u>“signed” Rick Headrick</u> President | <u>“signed” Kari Holdsworth</u> Chief Financial Officer |
|--|--|

Statement of Comprehensive Income (Loss)

For the period from October 19, 2018 to December 31, 2018

| | 2018 (\$) |
|---|-----------------|
| Investment Income | |
| Dividend income | 7,786 |
| Interest income for distribution purposes | 1,853 |
| Distributions from underlying funds | 13,858 |
| 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 | (91) |
| Net realized gain (loss) on futures contracts | - |
| Net realized gain (loss) on currency forward contracts | (1,665) |
| Net realized gain (loss) on option contracts | - |
| Net realized gain (loss) on swaps | - |
| Change in unrealized appreciation (depreciation) in value of investments | (10,246) |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (4,990) |
| Change in unrealized appreciation (depreciation) in option contracts | - |
| Change in unrealized appreciation (depreciation) in value of swaps | - |
| Net gains (losses) on investments | 6,505 |
| Net gain (loss) on foreign exchange | (1,674) |
| Other income | - |
| Total income (loss) | 4,831 |
| Expenses (note 6) | |
| Management fees | 669 |
| Administration fees | 151 |
| Independent review committee fees | 1 |
| Withholding tax | 1,168 |
| Transaction costs (note 3) | 515 |
| Total operating expenses | 2,504 |
| Management fees waived/absorbed by the Manager | (14) |
| Operating Profit (Loss) | 2,341 |
| Finance Cost | |
| Interest expense | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | 2,341 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | |
| Series A | (3,420) |
| Series T5 | (151) |
| Series F | (11,133) |
| Series F5 | (130) |
| Series I | 17,175 |
| Weighted Average Number of Units Outstanding | |
| Series A | 13,704 |
| Series T5 | 671 |
| Series F | 23,932 |
| Series F5 | 671 |
| Series I | 38,229 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | |
| Series A | (0.25) |
| Series T5 | (0.23) |
| Series F | (0.47) |
| Series F5 | (0.19) |
| Series I | 0.45 |

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

Sun Life Tactical Balanced ETF Portfolio (continued)

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

For the period from October 19, 2018 to December 31, 2018

| | Series A 2018 | Series T5 2018 | Series F 2018 |
|---|-------------------|-------------------|------------------|
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (3,420) | (151) | (11,133) |
| Redeemable Unit Transactions | | | |
| Proceeds from redeemable units issued | \$ 435,414 | 10,000 | 763,588 |
| Redemption of redeemable units | \$ - | - | - |
| Reinvestment of distributions to holders of redeemable units | \$ 2,562 | 145 | 4,446 |
| Capitalized distributions | \$ - | - | - |
| | \$ 437,976 | 10,145 | 768,034 |
| Distributions to Holders of Redeemable Units | | | |
| From capital gains | \$ - | - | - |
| From net investment income | \$ (2,562) | (145) | (4,446) |
| Return of capital | \$ - | - | - |
| | \$ (2,562) | (145) | (4,446) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 431,994 | 9,849 | 752,455 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 431,994 | 9,849 | 752,455 |
| Redeemable Unit Transactions | | | |
| Balance - beginning of period | - | - | - |
| Units issued | 44,174 | 667 | 76,771 |
| Units issued on reinvestment of distributions | 270 | 10 | 467 |
| Units redeemed | - | - | - |
| Balance - end of period | 44,444 | 677 | 77,238 |

| | Series F5 2018 | Series I 2018 | Total 2018 |
|---|-------------------|------------------|------------------|
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (130) | 17,175 | 2,341 |
| Redeemable Unit Transactions | | | |
| Proceeds from redeemable units issued | \$ 10,000 | 1,710,000 | 2,929,002 |
| Redemption of redeemable units | \$ - | - | - |
| Reinvestment of distributions to holders of redeemable units | \$ 156 | 14,059 | 21,368 |
| Capitalized distributions | \$ - | - | - |
| | \$ 10,156 | 1,724,059 | 2,950,370 |
| Distributions to Holders of Redeemable Units | | | |
| From capital gains | \$ - | - | - |
| From net investment income | \$ (156) | (14,059) | (21,368) |
| Return of capital | \$ - | - | - |
| | \$ (156) | (14,059) | (21,368) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 9,870 | 1,727,175 | 2,931,343 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 9,870 | 1,727,175 | 2,931,343 |
| Redeemable Unit Transactions | | | |
| Balance - beginning of period | - | - | - |
| Units issued | 666 | 175,775 | 298,053 |
| Units issued on reinvestment of distributions | 11 | 1,476 | 2,234 |
| Units redeemed | - | - | - |
| Balance - end of period | 677 | 177,251 | 300,287 |

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

Sun Life Tactical Balanced ETF Portfolio (continued)

Statement of Cash Flows

For the period from October 19, 2018 to December 31, 2018

| | 2018 (\$) |
|---|--------------------|
| Cash Flows from Operating Activities | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 2,341 |
| Adjustments for: | |
| Net realized (gain) loss on sale of investments | 91 |
| Change in unrealized (appreciation) depreciation in value of investments | 10,246 |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 4,990 |
| Change in unrealized (appreciation) depreciation in option contracts | - |
| Change in unrealized (appreciation) depreciation in value of swaps | - |
| Non-cash income distributions from underlying funds | (13,858) |
| Change in margin | - |
| Purchases of investments | (3,006,096) |
| Proceeds from sale of investments | 331,050 |
| Purchases of short-term investments | - |
| Proceeds from sale of short-term investments | - |
| Change in dividends and interest receivable | (2,732) |
| Change in distributions receivable from underlying funds | - |
| Change in management fees payable | 268 |
| Change in other payables and accrued expenses | 586 |
| Net Cash Provided by (Used in) Operating Activities | (2,673,114) |
| Cash Flows from Financing Activities | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | - |
| Proceeds from redeemable units issued | 2,695,631 |
| Redemption of redeemable units | - |
| Net Cash Provided by (Used in) Financing Activities | 2,695,631 |
| Net increase (decrease) in cash | 22,517 |
| Cash (bank indebtedness) at beginning of period | - |
| Cash (bank indebtedness) at end of period | 22,517 |
| Dividends received, net of withholding taxes | 5,739 |
| Interest received, net of withholding taxes | - |
| Interest paid | - |

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

Sun Life Tactical Balanced ETF Portfolio (continued)

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|-------------------|------------------|-----------------------|
| EXCHANGE-TRADED FUNDS | | | | |
| iShares Core MSCI Emerging Markets ETF | 2,158 | 138,260 | 138,970 | |
| iShares Core S&P 500 ETF | 1,457 | 500,398 | 500,698 | |
| iShares Core U.S. Aggregate Bond ETF | 1,144 | 162,436 | 166,388 | |
| iShares iBoxx \$ Investment Grade Corporate Bond ETF | 396 | 59,853 | 61,020 | |
| Schwab International Small-Cap Equity ETF | 1,394 | 55,208 | 55,404 | |
| SPDR Bloomberg Barclays High Yield Bond ETF | 1,040 | 47,386 | 47,712 | |
| SPDR Portfolio Developed World ex-US ETF | 9,095 | 330,880 | 328,313 | |
| VanEck Vectors Fallen Angel High Yield Bond ETF | 1,584 | 57,608 | 57,699 | |
| VanEck Vectors Investment Grade Floating Rate ETF | 1,173 | 39,121 | 39,556 | |
| Vanguard Emerging Markets Government Bond ETF | 621 | 62,312 | 63,222 | |
| Vanguard Global ex-U.S. Real Estate ETF | 376 | 27,397 | 26,915 | |
| Vanguard REIT ETF | 306 | 31,714 | 31,165 | |
| Vanguard Small-Cap ETF | 308 | 55,675 | 55,524 | |
| | | 1,568,248 | 1,572,586 | 53.65 |
| MUTUAL FUNDS | | | | |
| Sun Life BlackRock Canadian Composite Equity Fund, Series I | 52,668 | 538,591 | 525,070 | |
| Sun Life BlackRock Canadian Universe Bond Fund, Series I | 54,732 | 564,059 | 564,419 | |
| Sun Life Granite Tactical Completion Fund, Series I | 25,556 | 250,059 | 248,216 | |
| | | 1,352,709 | 1,337,705 | 45.63 |
| Transaction Costs | | (420) | | |
| Total Investments | | 2,920,537 | 2,910,291 | 99.28 |
| Currency Forward Contracts⁽¹⁾ | | | (4,990) | (0.17) |
| Other Assets less Liabilities | | | 26,042 | 0.89 |
| Total Net Assets | | | 2,931,343 | 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 | 20-Mar-2019 | CAD | 36,358 | USD | (27,329) | (895) |
| T.D. Bank Corp. | A-1+ | 20-Mar-2019 | CAD | 70,331 | USD | (52,416) | (1,123) |
| T.D. Bank Corp. | A-1+ | 20-Mar-2019 | CAD | 277,553 | USD | (205,782) | (2,972) |
| | | | | | | | (4,990) |

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Tactical Balanced ETF 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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018, 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 also 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 Tactical Balanced ETF Portfolio (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 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, 2018, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio'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, 2018 |
| Exchange-Traded Funds | |
| U.S. Corporate Bond | 2.1 |
| U.S. Equities | 32.1 |
| U.S. Fixed Income | 10.6 |
| Emerging Markets Bonds | 2.2 |
| Emerging Markets Equities | 4.7 |
| International Equities | 1.9 |
| Mutual Funds | |
| Canadian Equities | 17.9 |
| Canadian Fixed Income | 19.3 |
| Tactical Balanced | 8.5 |
| Derivative Assets (Liabilities) | (0.2) |
| Other Assets less Liabilities | 0.9 |
| Total | 100.0 |

Fair Value Disclosure

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Exchange-Traded Funds | 1,572,586 | - | - | 1,572,586 |
| Mutual Funds | 1,337,705 | - | - | 1,337,705 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 4,990 | - | 4,990 |

There were no transfers between fair value Levels 1 and 2 during the period from July 13 to December 31, 2018.

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.

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

Sun Life Tactical Balanced ETF Portfolio (continued)

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, 2018 were \$515.

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 Statement 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, 2018, the Company held the following positions in the Portfolio:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series A | 1,008 | 9,800 |
| Series T5 | 677 | 9,849 |
| Series F | 1,008 | 9,823 |
| Series F5 | 677 | 9,870 |
| Series I | 177,251 | 1,727,167 |

The following are transactions in the Portfolio by the Company from the beginning of the period to December 31, 2018. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 10,000 | - | 78 |
| Series T5 | 10,000 | - | 145 |
| Series F | 10,000 | - | 79 |
| Series F5 | 10,000 | - | 156 |
| Series I | 1,710,000 | - | 14,059 |

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 Statement of Financial Position and its Schedule of Investments, which represents the Portfolio's maximum exposure to financial loss.

As at December 31, 2018, there were no significant interests in underlying funds.

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 | October 19, 2018 | October 19, 2018 |
| Series T5 Units | October 19, 2018 | October 19, 2018 |
| Series F Units | October 19, 2018 | October 19, 2018 |
| Series F5 Units | October 19, 2018 | October 19, 2018 |
| Series I Units | October 19, 2018 | October 19, 2018 |

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

Sun Life Tactical Conservative ETF Portfolio

Statement of Financial Position

As at December 31, 2018

| | December 31, 2018 (\$) |
|--|---------------------------|
| Assets | |
| Current Assets | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 2,832,820 |
| Short-term investments | - |
| Cash | 285,537 |
| 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 | 26,644 |
| Accrued interest | - |
| Dividends receivable | 639 |
| Distributions receivable from underlying funds | - |
| Subscriptions receivable | - |
| | 3,145,640 |
| 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 | 6,416 |
| Unrealized depreciation on swaps | - |
| Accrued expenses | 41 |
| Redemptions payable | - |
| Distributions payable | - |
| Due to investment dealers | 303,193 |
| Management fees payable | 94 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 309,744 |
| Net Assets Attributable to Holders of Redeemable Units | 2,835,896 |
| Net Assets Attributable to Holders of Redeemable Units per Series | |
| Series A | 202,826 |
| Series T5 | 9,871 |
| Series F | 289,709 |
| Series F5 | 9,887 |
| Series I | 2,323,603 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | |
| Series A | 9.83 |
| Series T5 | 14.62 |
| Series F | 9.85 |
| Series F5 | 14.64 |
| Series I | 9.85 |

Approved on behalf of Trustee

| | |
|------------------------|--------------------------|
| "signed" Rick Headrick | "signed" Kari Holdsworth |
| President | Chief Financial Officer |

Statement of Comprehensive Income (Loss)

For the period from October 19, 2018 to December 31, 2018

| | 2018 (\$) |
|---|----------------|
| Investment Income | |
| Dividend income | 4,107 |
| Interest income for distribution purposes | 34 |
| Distributions from underlying funds | 10,200 |
| 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 | 20 |
| Net realized gain (loss) on futures contracts | - |
| Net realized gain (loss) on currency forward contracts | (1,485) |
| Net realized gain (loss) on option contracts | - |
| Net realized gain (loss) on swaps | - |
| Change in unrealized appreciation (depreciation) in value of investments | 7,911 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (6,416) |
| Change in unrealized appreciation (depreciation) in option contracts | - |
| Change in unrealized appreciation (depreciation) in value of swaps | - |
| Net gains (losses) on investments | 14,371 |
| Net gain (loss) on foreign exchange | (1,773) |
| Other income | - |
| Total income (loss) | 12,598 |
| Expenses (note 6) | |
| Management fees | 320 |
| Administration fees | 85 |
| Independent review committee fees | 1 |
| Withholding tax | 616 |
| Transaction costs (note 3) | 344 |
| Total operating expenses | 1,366 |
| Management fees waived/absorbed by the Manager | (6) |
| Operating Profit (Loss) | 11,238 |
| Finance Cost | |
| Interest expense | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | 11,238 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | |
| Series A | (3,317) |
| Series T5 | (129) |
| Series F | 1,194 |
| Series F5 | (113) |
| Series I | 13,603 |
| Weighted Average Number of Units Outstanding | |
| Series A | 11,027 |
| Series T5 | 671 |
| Series F | 2,697 |
| Series F5 | 671 |
| Series I | 47,873 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | |
| Series A | (0.30) |
| Series T5 | (0.19) |
| Series F | 0.44 |
| Series F5 | (0.17) |
| Series I | 0.28 |

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

Sun Life Tactical Conservative ETF Portfolio (continued)

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

For the period from October 19, 2018 to December 31, 2018

| | Series A | Series T5 | Series F |
|---|-------------------|--------------|----------------|
| | 2018 | 2018 | 2018 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (3,317) | (129) | 1,194 |
| Redeemable Unit Transactions | | | |
| Proceeds from redeemable units issued | \$ 206,143 | 10,000 | 288,515 |
| Redemption of redeemable units | \$ - | - | - |
| Reinvestment of distributions to holders of redeemable units | \$ 908 | 126 | 41 |
| Capitalized distributions | \$ - | - | - |
| | \$ 207,051 | 10,126 | 288,556 |
| Distributions to Holders of Redeemable Units | | | |
| From capital gains | \$ (107) | - | (5) |
| From net investment income | \$ (801) | (116) | (36) |
| Return of capital | \$ - | (10) | - |
| | \$ (908) | (126) | (41) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 202,826 | 9,871 | 289,709 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 202,826 | 9,871 | 289,709 |
| Redeemable Unit Transactions | | | |
| Balance - beginning of period | - | - | - |
| Units issued | 20,545 | 667 | 29,421 |
| Units issued on reinvestment of distributions | 94 | 8 | 4 |
| Units redeemed | - | - | - |
| Balance - end of period | 20,639 | 675 | 29,425 |

| | Series F5 | Series I | Total |
|---|-----------------|------------------|------------------|
| | 2018 | 2018 | 2018 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (113) | 13,603 | 11,238 |
| Redeemable Unit Transactions | | | |
| Proceeds from redeemable units issued | \$ 10,000 | 2,310,000 | 2,824,658 |
| Redemption of redeemable units | \$ - | - | - |
| Reinvestment of distributions to holders of redeemable units | \$ 126 | 11,304 | 12,505 |
| Capitalized distributions | \$ - | - | - |
| | \$ 10,126 | 2,321,304 | 2,837,163 |
| Distributions to Holders of Redeemable Units | | | |
| From capital gains | \$ - | (1,231) | (1,343) |
| From net investment income | \$ (126) | (10,073) | (11,152) |
| Return of capital | \$ - | - | (10) |
| | \$ (126) | (11,304) | (12,505) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 9,887 | 2,323,603 | 2,835,896 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 9,887 | 2,323,603 | 2,835,896 |
| Redeemable Unit Transactions | | | |
| Balance - beginning of period | - | - | - |
| Units issued | 667 | 234,743 | 286,043 |
| Units issued on reinvestment of distributions | 8 | 1,164 | 1,278 |
| Units redeemed | - | - | - |
| Balance - end of period | 675 | 235,907 | 287,321 |

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

Sun Life Tactical Conservative ETF Portfolio (continued)

Statement of Cash Flows

For the period from October 19, 2018 to December 31, 2018

| | 2018 (\$) |
|---|--------------------|
| Cash Flows from Operating Activities | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 11,238 |
| Adjustments for: | |
| Net realized (gain) loss on sale of investments | (20) |
| Change in unrealized (appreciation) depreciation in value of investments | (7,911) |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 6,416 |
| Change in unrealized (appreciation) depreciation in option contracts | - |
| Change in unrealized (appreciation) depreciation in value of swaps | - |
| Non-cash income distributions from underlying funds | (10,200) |
| Change in margin | - |
| Purchases of investments | (2,572,905) |
| Proceeds from sale of investments | 34,421 |
| Purchases of short-term investments | - |
| Proceeds from sale of short-term investments | - |
| Change in dividends and interest receivable | (639) |
| Change in distributions receivable from underlying funds | - |
| Change in management fees payable | 94 |
| Change in other payables and accrued expenses | 385 |
| Net Cash Provided by (Used in) Operating Activities | (2,539,121) |
| Cash Flows from Financing Activities | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | - |
| Proceeds from redeemable units issued | 2,824,658 |
| Redemption of redeemable units | - |
| Net Cash Provided by (Used in) Financing Activities | 2,824,658 |
| Net increase (decrease) in cash | 285,537 |
| Cash (bank indebtedness) at beginning of period | - |
| Cash (bank indebtedness) at end of period | 285,537 |
| Dividends received, net of withholding taxes | 2,852 |
| Interest received, net of withholding taxes | 34 |
| Interest paid | - |

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

Sun Life Tactical Conservative ETF Portfolio (continued)

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|-------------------|------------------|-----------------------|
| EXCHANGE-TRADED FUNDS | | | | |
| iShares Core MSCI Emerging Markets ETF | 1,135 | 71,991 | 73,091 | |
| iShares Core S&P 500 ETF | 837 | 283,421 | 287,635 | |
| iShares Core U.S. Aggregate Bond ETF | 1,873 | 267,059 | 272,417 | |
| iShares iBoxx \$ Investment Grade Corporate Bond ETF | 616 | 93,422 | 94,919 | |
| Schwab International Small-Cap Equity ETF | 742 | 29,152 | 29,491 | |
| SPDR Bloomberg Barclays High Yield Bond ETF | 1,160 | 52,562 | 53,218 | |
| SPDR Portfolio Developed World ex-US ETF | 5,099 | 184,184 | 184,065 | |
| VanEck Vectors Fallen Angel High Yield Bond ETF | 1,753 | 63,812 | 63,855 | |
| VanEck Vectors Investment Grade Floating Rate ETF | 1,166 | 38,949 | 39,320 | |
| Vanguard Emerging Markets Government Bond ETF | 928 | 93,473 | 94,476 | |
| Vanguard Global ex-U.S. Real Estate ETF | 151 | 10,933 | 10,809 | |
| Vanguard REIT ETF | 120 | 12,327 | 12,222 | |
| Vanguard Small-Cap ETF | 149 | 26,623 | 26,861 | |
| | | 1,227,908 | 1,242,379 | 43.81 |
| MUTUAL FUNDS | | | | |
| Sun Life BlackRock Canadian Composite Equity Fund, Series I | 28,543 | 289,537 | 284,561 | |
| Sun Life BlackRock Canadian Universe Bond Fund, Series I | 97,016 | 1,001,851 | 1,000,468 | |
| Sun Life Granite Tactical Completion Fund, Series I | 24,911 | 242,465 | 241,949 | |
| Sun Life Money Market Fund, Series I | 6,346 | 63,463 | 63,463 | |
| | | 1,597,316 | 1,590,441 | 56.08 |
| Transaction Costs | | (315) | | |
| Total Investments | | 2,824,909 | 2,832,820 | 99.89 |
| Currency Forward Contracts ⁽¹⁾ | | | (6,416) | (0.23) |
| Other Assets less Liabilities | | | 9,492 | 0.34 |
| Total Net Assets | | | 2,835,896 | 100.00 |

⁽¹⁾ Currency Forward Contracts

| Counterparty | Credit Rating for Counterparty | Settlement Date | Purchased Currency | Par Value | Sold Currency | Par Value | Unrealized Gain/(Loss) (\$) |
|------------------------------------|--------------------------------|-----------------|--------------------|-----------|---------------|-----------|-----------------------------|
| Canadian Imperial Bank of Commerce | A-1 | 20-Mar-2019 | CAD | 18,126 | USD | (13,624) | (446) |
| The Toronto-Dominion Bank | A-1+ | 20-Mar-2019 | CAD | 57,009 | USD | (42,488) | (910) |
| The Toronto-Dominion Bank | A-1+ | 20-Mar-2019 | CAD | 472,337 | USD | (350,197) | (5,060) |
| | | | | | | | (6,416) |

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Tactical Conservative ETF 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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018, 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 also 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 Tactical Conservative ETF Portfolio (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 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, 2018, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio'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, 2018 | |
| Exchange-Traded Funds | | |
| U.S. Corporate Bond | | 3.3 |
| U.S. Equities | | 18.4 |
| U.S. Fixed Income | | 15.2 |
| Emerging Markets Bonds | | 3.3 |
| Emerging Markets Equities | | 2.6 |
| International Equities | | 1.0 |
| Mutual Funds | | |
| Canadian Equities | | 10.0 |
| Canadian Fixed Income | | 35.4 |
| Tactical Balanced | | 8.5 |
| Canadian Money Market | | 2.2 |
| Derivative Assets (Liabilities) | | (0.2) |
| Other Assets less Liabilities | | 0.3 |
| Total | | 100.0 |

Fair Value Disclosure

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Exchange-Traded Funds | 1,242,379 | - | - | 1,242,379 |
| Mutual Funds | 1,590,441 | - | - | 1,590,441 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 6,416 | - | 6,416 |

There were no transfers between fair value Levels 1 and 2 during the period from July 13 to December 31, 2018.

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.

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

Sun Life Tactical Conservative ETF Portfolio (continued)

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, 2018 were \$344.

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 Statement 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, 2018, the Company held the following positions in the Portfolio:

| | December 31, 2018 | |
|-----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series A | 1,005 | 9,872 |
| Series T5 | 675 | 9,871 |
| Series F | 1,004 | 9,887 |
| Series F5 | 675 | 9,887 |
| Series I | 235,907 | 2,323,594 |

The following are transactions in the Portfolio by the Company from the beginning of the period to December 31, 2018. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

| | December 31, 2018 | | |
|-----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 10,000 | - | 44 |
| Series T5 | 10,000 | - | 126 |
| Series F | 10,000 | - | 41 |
| Series F5 | 10,000 | - | 126 |
| Series I | 2,310,000 | - | 11,305 |

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 Statement of Financial Position and its Schedule of Investments, which represents the Portfolio's maximum exposure to financial loss.

As at December 31, 2018, there were no significant interests in underlying funds.

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 | October 19, 2018 | October 19, 2018 |
| Series T5 Units | October 19, 2018 | October 19, 2018 |
| Series F Units | October 19, 2018 | October 19, 2018 |
| Series F5 Units | October 19, 2018 | October 19, 2018 |
| Series I Units | October 19, 2018 | October 19, 2018 |

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

Sun Life Tactical Equity ETF Portfolio

Statement of Financial Position

As at December 31, 2018

| | December 31, 2018 (\$) |
|--|---------------------------|
| Assets | |
| Current Assets | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 3,208,840 |
| Short-term investments | - |
| Cash | 19,539 |
| 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 | 17,541 |
| Accrued interest | - |
| Dividends receivable | 1,052 |
| Distributions receivable from underlying funds | - |
| Subscriptions receivable | - |
| | 3,246,972 |
| 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 | 66 |
| Redemptions payable | - |
| Distributions payable | - |
| Due to investment dealers | 16,387 |
| Management fees payable | 208 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 16,661 |
| Net Assets Attributable to Holders of Redeemable Units | 3,230,311 |
| Net Assets Attributable to Holders of Redeemable Units per Series | |
| Series A | 159,138 |
| Series F | 804,724 |
| Series I | 2,266,449 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | |
| Series A | 9.56 |
| Series F | 9.58 |
| Series I | 9.59 |

Approved on behalf of Trustee

| | |
|-------------------------------------|---|
| "signed" Rick Headrick President | "signed" Kari Holdsworth Chief Financial Officer |
|-------------------------------------|---|

Statement of Comprehensive Income (Loss)

For the period from October 19, 2018 to December 31, 2018

| | 2018 (\$) |
|---|----------------|
| Investment Income | |
| Dividend income | 12,162 |
| Interest income for distribution purposes | 28 |
| Distributions from underlying funds | 25,423 |
| 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 | 1,566 |
| 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 | 422 |
| 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 | 39,601 |
| Net gain (loss) on foreign exchange | (2,226) |
| Other income | - |
| Total income (loss) | 37,375 |
| Expenses (note 6) | |
| Management fees | 517 |
| Administration fees | 121 |
| Independent review committee fees | 1 |
| Withholding tax | 1,824 |
| Transaction costs (note 3) | 675 |
| Total operating expenses | 3,138 |
| Management fees waived/absorbed by the Manager | (8) |
| Operating Profit (Loss) | 34,245 |
| Finance Cost | |
| Interest expense | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | 34,245 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | |
| Series A | (7,606) |
| Series F | 5,402 |
| Series I | 36,449 |
| Weighted Average Number of Units Outstanding | |
| Series A | 10,617 |
| Series F | 18,518 |
| Series I | 49,544 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | |
| Series A | (0.72) |
| Series F | 0.29 |
| Series I | 0.74 |

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

Sun Life Tactical Equity ETF Portfolio (continued)

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

For the period from October 19, 2018 to December 31, 2018

| | Series A | Series F | Series I | Total |
|---|-------------------|----------------|------------------|------------------|
| | 2018 | 2018 | 2018 | 2018 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (7,606) | 5,402 | 36,449 | 34,245 |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | \$ 166,744 | 799,322 | 2,230,000 | 3,196,066 |
| Redemption of redeemable units | \$ - | - | - | - |
| Reinvestment of distributions to holders of redeemable units | \$ 1,593 | 8,554 | 24,136 | 34,283 |
| Capitalized distributions | \$ - | - | - | - |
| | \$ 168,337 | 807,876 | 2,254,136 | 3,230,349 |
| Distributions to Holders of Redeemable Units | | | | |
| From capital gains | \$ (314) | (1,596) | (4,493) | (6,403) |
| From net investment income | \$ (1,279) | (6,958) | (19,643) | (27,880) |
| Return of capital | \$ - | - | - | - |
| | \$ (1,593) | (8,554) | (24,136) | (34,283) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 159,138 | 804,724 | 2,266,449 | 3,230,311 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 159,138 | 804,724 | 2,266,449 | 3,230,311 |
| Redeemable Unit Transactions | | | | |
| Balance - beginning of period | - | - | - | - |
| Units issued | 16,466 | 83,086 | 233,695 | 333,247 |
| Units issued on reinvestment of distributions | 172 | 924 | 2,604 | 3,700 |
| Units redeemed | - | - | - | - |
| Balance - end of period | 16,638 | 84,010 | 236,299 | 336,947 |

Statement of Cash Flows

For the period from October 19, 2018 to December 31, 2018

| | 2018 | 2018 |
|---|--------------------|--|
| | (\$) | (\$) |
| Cash Flows from Operating Activities | | Net Cash Provided by (Used in) Operating Activities |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 34,245 | (3,176,527) |
| Adjustments for: | | Cash Flows from Financing Activities |
| Net realized (gain) loss on sale of investments | (1,566) | Distributions paid to holders of redeemable units, net of reinvested distributions |
| Change in unrealized (appreciation) depreciation in value of investments | (422) | Proceeds from redeemable units issued |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | Redemption of redeemable units |
| Change in unrealized (appreciation) depreciation in currency forward contracts | - | Net Cash Provided by (Used in) Financing Activities |
| Change in unrealized (appreciation) depreciation in option contracts | - | 3,196,066 |
| Change in unrealized (appreciation) depreciation in value of swaps | - | Net increase (decrease) in cash |
| Non-cash income distributions from underlying funds | (25,423) | Cash (bank indebtedness) at beginning of period |
| Change in margin | - | |
| Purchases of investments | (3,434,291) | Net increase (decrease) in cash |
| Proceeds from sale of investments | 251,033 | 19,539 |
| Purchases of short-term investments | - | Cash (bank indebtedness) at end of period |
| Proceeds from sale of short-term investments | - | 19,539 |
| Change in dividends and interest receivable | (1,052) | Dividends received, net of withholding taxes |
| Change in distributions receivable from underlying funds | - | Interest received, net of withholding taxes |
| Change in management fees payable | 208 | Interest paid |
| Change in other payables and accrued expenses | 741 | |

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

Sun Life Tactical Equity ETF Portfolio (continued)

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|-------------------|------------------|-----------------------|
| EXCHANGE-TRADED FUNDS | | | | |
| iShares Core MSCI Emerging Markets ETF | 3,446 | 218,376 | 221,914 | |
| iShares Core S&P 500 ETF | 2,765 | 936,793 | 950,192 | |
| Schwab International Small-Cap Equity ETF | 2,636 | 103,438 | 104,767 | |
| SPDR Portfolio Developed World ex-US ETF | 19,214 | 695,000 | 693,590 | |
| Vanguard Global ex-U.S. Real Estate ETF | 837 | 60,917 | 59,914 | |
| Vanguard REIT ETF | 649 | 67,192 | 66,099 | |
| Vanguard Small-Cap ETF | 560 | 100,126 | 100,953 | |
| | | 2,181,842 | 2,197,429 | 68.03 |
| MUTUAL FUNDS | | | | |
| Sun Life BlackRock Canadian Composite Equity Fund, Series I | 101,451 | 1,027,171 | 1,011,411 | |
| | | 1,027,171 | 1,011,411 | 31.31 |
| Transaction Costs | | (595) | | |
| Total Investments | | 3,208,418 | 3,208,840 | 99.34 |
| Other Assets less Liabilities | | | 21,471 | 0.66 |
| Total Net Assets | | | 3,230,311 | 100.00 |

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Tactical Equity ETF 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, 2018 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 9 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, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Portfolio. 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 Portfolio's proportionate exposure to currency risk as at December 31, 2018. 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, 2018 | | |
| United States Dollar | 2,217,942 | 68.66 |
| Total | 2,217,942 | 68.66 |

As at December 31, 2018, 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 \$110,897. 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 Tactical Equity ETF 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, 2018, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio'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, 2018 | |
| Exchange-Traded Funds | | |
| Emerging Markets Equities | 6.9 | |
| International Equities | 3.2 | |
| U.S. Equities | 57.9 | |
| Mutual Funds | | |
| Canadian Equities | 31.3 | |
| Other Assets less Liabilities | 0.7 | |
| Total | 100.0 | |

Fair Value Disclosure

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Exchange-Traded Funds | | | | |
| Funds | 2,197,429 | - | - | 2,197,429 |
| Mutual Funds | | | | |
| Funds | 1,011,411 | - | - | 1,011,411 |

There were no transfers between fair value Levels 1 and 2 during the period from July 13 to December 31, 2018.

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, 2018 were \$675.

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 Statement 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, 2018, the Company held the following positions in the Portfolio:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series A | 1,011 | 9,665 |
| Series F | 1,011 | 9,685 |
| Series I | 236,299 | 2,266,439 |

The following are transactions in the Portfolio by the Company from the beginning of the period to December 31, 2018. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 10,000 | - | 97 |
| Series F | 10,000 | - | 103 |
| Series I | 2,230,000 | - | 24,136 |

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 Statement of Financial Position and its Schedule of Investments, which represents the Portfolio's maximum exposure to financial loss.

As at December 31, 2018, there were no significant interests in underlying funds.

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

Sun Life Tactical Equity ETF Portfolio (continued)

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 | October 19, 2018 | October 19, 2018 |
| Series F Units | October 19, 2018 | October 19, 2018 |
| Series I Units | October 19, 2018 | October 19, 2018 |

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

Sun Life Tactical Fixed Income ETF Portfolio

Statement of Financial Position

As at December 31, 2018

| | December 31, 2018 (\$) |
|--|---------------------------|
| Assets | |
| Current Assets | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 2,694,167 |
| Short-term investments | - |
| Cash | 13,376 |
| 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 | 17,186 |
| Accrued interest | - |
| Dividends receivable | 746 |
| Distributions receivable from underlying funds | - |
| Subscriptions receivable | 4,750 |
| | 2,730,225 |
| 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 | 14,041 |
| Unrealized depreciation on swaps | - |
| Accrued expenses | 69 |
| Redemptions payable | - |
| Distributions payable | - |
| Due to investment dealers | 26,933 |
| Management fees payable | 181 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 41,224 |
| Net Assets Attributable to Holders of Redeemable Units | 2,689,001 |
| Net Assets Attributable to Holders of Redeemable Units per Series | |
| Series A | 332,332 |
| Series F | 623,111 |
| Series I | 1,733,558 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | |
| Series A | 10.05 |
| Series F | 10.05 |
| Series I | 10.06 |

Approved on behalf of Trustee

| | |
|--|--|
| “signed” Rick Headrick _____ President | “signed” Kari Holdsworth _____ Chief Financial Officer |
|--|--|

Statement of Comprehensive Income (Loss)

For the period from October 19, 2018 to December 31, 2018

| | 2018 (\$) |
|---|--------------|
| Investment Income | |
| Dividend income | 2,838 |
| Interest income for distribution purposes | 27 |
| Distributions from underlying funds | 4,251 |
| 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 | 490 |
| Net realized gain (loss) on futures contracts | - |
| Net realized gain (loss) on currency forward contracts | (2,997) |
| Net realized gain (loss) on option contracts | - |
| Net realized gain (loss) on swaps | - |
| Change in unrealized appreciation (depreciation) in value of investments | 17,665 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (14,041) |
| Change in unrealized appreciation (depreciation) in option contracts | - |
| Change in unrealized appreciation (depreciation) in value of swaps | - |
| Net gains (losses) on investments | 8,233 |
| Net gain (loss) on foreign exchange | (1,028) |
| Other income | - |
| Total income (loss) | 7,205 |
| Expenses (note 6) | |
| Management fees | 415 |
| Administration fees | 132 |
| Independent review committee fees | 1 |
| Withholding tax | 426 |
| Transaction costs (note 3) | 324 |
| Total operating expenses | 1,298 |
| Management fees waived/absorbed by the Manager | (15) |
| Operating Profit (Loss) | 5,922 |
| Finance Cost | |
| Interest expense | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | 5,922 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | |
| Series A | 1,008 |
| Series F | 1,355 |
| Series I | 3,559 |
| Weighted Average Number of Units Outstanding | |
| Series A | 12,559 |
| Series F | 19,728 |
| Series I | 39,129 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | |
| Series A | 0.08 |
| Series F | 0.07 |
| Series I | 0.09 |

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

Sun Life Tactical Fixed Income ETF Portfolio (continued)

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

For the period from October 19, 2018 to December 31, 2018

| | Series A | Series F | Series I | Total |
|---|-------------------|----------------|------------------|------------------|
| | 2018 | 2018 | 2018 | 2018 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 1,008 | 1,355 | 3,559 | 5,922 |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | \$ 331,324 | 621,766 | 1,729,999 | 2,683,089 |
| Redemption of redeemable units | \$ - | (10) | - | (10) |
| Reinvestment of distributions to holders of redeemable units | \$ 531 | 1,057 | 3,188 | 4,776 |
| Capitalized distributions | \$ - | - | - | - |
| | \$ 331,855 | 622,813 | 1,733,187 | 2,687,855 |
| Distributions to Holders of Redeemable Units | | | | |
| From capital gains | \$ (42) | (76) | (226) | (344) |
| From net investment income | \$ (489) | (981) | (2,962) | (4,432) |
| Return of capital | \$ - | - | - | - |
| | \$ (531) | (1,057) | (3,188) | (4,776) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 332,332 | 623,111 | 1,733,558 | 2,689,001 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 332,332 | 623,111 | 1,733,558 | 2,689,001 |
| Redeemable Unit Transactions | | | | |
| Balance - beginning of period | - | - | - | - |
| Units issued | 33,030 | 61,871 | 171,921 | 266,822 |
| Units issued on reinvestment of distributions | 53 | 106 | 318 | 477 |
| Units redeemed | - | (1) | - | (1) |
| Balance - end of period | 33,083 | 61,976 | 172,239 | 267,298 |

Statement of Cash Flows

For the period from October 19, 2018 to December 31, 2018

| | 2018 | 2018 |
|---|--------------------|--|
| | (\$) | (\$) |
| Cash Flows from Operating Activities | | Net Cash Provided by (Used in) Operating Activities |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 5,922 | (2,664,953) |
| Adjustments for: | | Cash Flows from Financing Activities |
| Net realized (gain) loss on sale of investments | (490) | Distributions paid to holders of redeemable units, net of reinvested distributions |
| Change in unrealized (appreciation) depreciation in value of investments | (17,665) | Proceeds from redeemable units issued |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | Redemption of redeemable units |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 14,041 | |
| Change in unrealized (appreciation) depreciation in option contracts | - | Net Cash Provided by (Used in) Financing Activities |
| Change in unrealized (appreciation) depreciation in value of swaps | - | Net increase (decrease) in cash |
| Non-cash income distributions from underlying funds | (4,251) | Cash (bank indebtedness) at beginning of period |
| Change in margin | - | |
| Purchases of investments | (2,773,983) | Net increase (decrease) in cash |
| Proceeds from sale of investments | 111,645 | 13,376 |
| Purchases of short-term investments | - | Cash (bank indebtedness) at end of period |
| Proceeds from sale of short-term investments | - | Dividends received, net of withholding taxes |
| Change in dividends and interest receivable | (746) | Interest received, net of withholding taxes |
| Change in distributions receivable from underlying funds | - | Interest paid |
| Change in management fees payable | 181 | |
| Change in other payables and accrued expenses | 393 | |

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

Sun Life Tactical Fixed Income ETF Portfolio (continued)

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--|------------------|-------------------|------------------|-----------------------|
| EXCHANGE-TRADED FUNDS | | | | |
| iShares Core U.S. Aggregate Bond ETF | 2,830 | 401,595 | 411,608 | |
| iShares iBoxx \$ Investment Grade Corporate Bond ETF | 855 | 129,226 | 131,747 | |
| Schwab U.S. TIPS ETF | 906 | 64,698 | 65,892 | |
| SPDR Bloomberg Barclays High Yield Bond ETF | 2,254 | 102,644 | 103,407 | |
| VanEck Vectors Fallen Angel High Yield Bond ETF | 3,100 | 112,974 | 112,921 | |
| VanEck Vectors Investment Grade Floating Rate ETF | 2,237 | 74,613 | 75,437 | |
| Vanguard Emerging Markets Government Bond ETF | 1,369 | 137,417 | 139,374 | |
| | | 1,023,167 | 1,040,386 | 38.69 |
| MUTUAL FUNDS | | | | |
| Sun Life BlackRock Canadian Universe Bond Fund, Series I | 134,775 | 1,389,196 | 1,389,858 | |
| Sun Life Granite Tactical Completion Fund, Series I | 9,772 | 95,401 | 94,910 | |
| Sun Life Money Market Fund, Series I | 16,901 | 169,013 | 169,013 | |
| | | 1,653,610 | 1,653,781 | 61.50 |
| Transaction Costs | | (275) | | |
| Total Investments | | 2,676,502 | 2,694,167 | 100.19 |
| Currency Forward Contracts ⁽¹⁾ | | | (14,041) | (0.52) |
| Other Assets less Liabilities | | | 8,875 | 0.33 |
| Total Net Assets | | | 2,689,001 | 100.00 |

⁽¹⁾ Currency Forward Contracts

| Counterparty | Credit Rating for Counterparty | Settlement Date | Purchased Currency | Par Value | Sold Currency | Par Value | Unrealized Gain/(Loss) (\$) |
|------------------------------------|--------------------------------|-----------------|--------------------|-----------|---------------|-----------|-----------------------------|
| Canadian Imperial Bank of Commerce | A-1 | 20-Mar-2019 | CAD | 28,705 | USD | (21,491) | (591) |
| Bank of Montreal | A-1+ | 20-Mar-2019 | CAD | 55,159 | USD | (41,167) | (959) |
| Canadian Imperial Bank of Commerce | A-1 | 20-Mar-2019 | CAD | 42,513 | USD | (31,907) | (981) |
| The Toronto-Dominion Bank | A-1+ | 20-Mar-2019 | CAD | 77,916 | USD | (58,252) | (1,492) |
| Canadian Imperial Bank of Commerce | A-1 | 20-Mar-2019 | CAD | 64,569 | USD | (48,534) | (1,589) |
| The Toronto-Dominion Bank | A-1+ | 20-Mar-2019 | CAD | 138,222 | USD | (103,014) | (2,205) |
| The Toronto-Dominion Bank | A-1+ | 20-Mar-2019 | CAD | 580,994 | USD | (430,757) | (6,224) |
| | | | | | | | (14,041) |

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Tactical Fixed Income ETF 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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018, 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 also 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 Tactical Fixed Income ETF Portfolio (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 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, 2018, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio'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, 2018 | |
| Exchange-Traded Funds | | |
| U.S. Corporate Bond | 4.9 | |
| U.S. Fixed Income | 28.6 | |
| Emerging Markets Bonds | 5.2 | |
| Mutual Funds | | |
| Canadian Fixed Income | 51.7 | |
| Tactical Balanced | 3.5 | |
| Canadian Money Market | 6.3 | |
| Derivative Assets (Liabilities) | (0.5) | |
| Other Assets less Liabilities | 0.3 | |
| Total | 100.0 | |

Fair Value Disclosure

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018.

| | December 31, 2018 | | | Total (\$) |
|------------------------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Exchange-Traded Funds | 1,040,386 | - | - | 1,040,386 |
| Mutual Funds | 1,653,781 | - | - | 1,653,781 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 14,041 | - | 14,041 |

There were no transfers between fair value Levels 1 and 2 during the period from July 13 to December 31, 2018.

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, 2018 were \$324.

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 Statement of Comprehensive Income (Loss).

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

Sun Life Tactical Fixed Income ETF 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, 2018, the Company held the following positions in the Portfolio:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series A | 1,002 | 10,062 |
| Series F | 1,002 | 10,072 |
| Series I | 172,239 | 1,733,552 |

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

The following are transactions in the Portfolio by the Company from the beginning of the period to December 31, 2018. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 10,000 | - | 17 |
| Series F | 10,000 | - | 18 |
| Series I | 1,730,000 | - | 3,188 |

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

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 Statement of Financial Position and its Schedule of Investments, which represents the Portfolio’s maximum exposure to financial loss.

As at December 31, 2018, there were no significant interests in underlying funds.

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 | October 19, 2018 | October 19, 2018 |
| Series F Units | October 19, 2018 | October 19, 2018 |
| Series I Units | October 19, 2018 | October 19, 2018 |

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

Sun Life Tactical Growth ETF Portfolio

Statement of Financial Position

As at December 31, 2018

| | December 31, 2018 (\$) |
|--|---------------------------|
| Assets | |
| Current Assets | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 2,588,470 |
| Short-term investments | - |
| Cash | 12,826 |
| 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 | 14,266 |
| Accrued interest | - |
| Dividends receivable | 840 |
| Distributions receivable from underlying funds | - |
| Subscriptions receivable | - |
| | 2,616,402 |
| 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 | 2,113 |
| Unrealized depreciation on swaps | - |
| Accrued expenses | 32 |
| Redemptions payable | - |
| Distributions payable | - |
| Due to investment dealers | 13,708 |
| Management fees payable | 63 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 15,916 |
| Net Assets Attributable to Holders of Redeemable Units | 2,600,486 |
| Net Assets Attributable to Holders of Redeemable Units per Series | |
| Series A | 132,681 |
| Series F | 9,626 |
| Series I | 2,458,179 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | |
| Series A | 9.51 |
| Series F | 9.54 |
| Series I | 9.54 |

Approved on behalf of Trustee

| | |
|-------------------------------------|---|
| "signed" Rick Headrick President | "signed" Kari Holdsworth Chief Financial Officer |
|-------------------------------------|---|

Statement of Comprehensive Income (Loss)

For the period from October 19, 2018 to December 31, 2018

| | 2018 (\$) |
|---|----------------|
| Investment Income | |
| Dividend income | 7,606 |
| Interest income for distribution purposes | 29 |
| Distributions from underlying funds | 16,561 |
| 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 | 261 |
| Net realized gain (loss) on futures contracts | - |
| Net realized gain (loss) on currency forward contracts | (336) |
| Net realized gain (loss) on option contracts | - |
| Net realized gain (loss) on swaps | - |
| Change in unrealized appreciation (depreciation) in value of investments | 4,068 |
| Change in unrealized appreciation (depreciation) in value of futures contracts | - |
| Change in unrealized appreciation (depreciation) in currency forward contracts | (2,113) |
| Change in unrealized appreciation (depreciation) in option contracts | - |
| Change in unrealized appreciation (depreciation) in value of swaps | - |
| Net gains (losses) on investments | 26,076 |
| Net gain (loss) on foreign exchange | (2,454) |
| Other income | - |
| Total income (loss) | 23,622 |
| Expenses (note 6) | |
| Management fees | 197 |
| Administration fees | 56 |
| Independent review committee fees | 1 |
| Withholding tax | 1,141 |
| Transaction costs (note 3) | 436 |
| Total operating expenses | 1,831 |
| Management fees waived/absorbed by the Manager | (2) |
| Operating Profit (Loss) | 21,793 |
| Finance Cost | |
| Interest expense | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | 21,793 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | |
| Series A | (6,012) |
| Series F | (374) |
| Series I | 28,179 |
| Weighted Average Number of Units Outstanding | |
| Series A | 6,161 |
| Series F | 1,001 |
| Series I | 53,044 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | |
| Series A | (0.98) |
| Series F | (0.37) |
| Series I | 0.53 |

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

Sun Life Tactical Growth ETF Portfolio (continued)

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

For the period from October 19, 2018 to December 31, 2018

| | Series A | Series F | Series I | Total |
|---|-------------------|--------------|------------------|------------------|
| | 2018 | 2018 | 2018 | 2018 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ - | - | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ (6,012) | (374) | 28,179 | 21,793 |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | \$ 138,693 | 10,000 | 2,430,000 | 2,578,693 |
| Redemption of redeemable units | \$ - | - | - | - |
| Reinvestment of distributions to holders of redeemable units | \$ 1,114 | 87 | 24,086 | 25,287 |
| Capitalized distributions | \$ - | - | - | - |
| | \$ 139,807 | 10,087 | 2,454,086 | 2,603,980 |
| Distributions to Holders of Redeemable Units | | | | |
| From capital gains | \$ (142) | (12) | (2,972) | (3,126) |
| From net investment income | \$ (972) | (75) | (21,114) | (22,161) |
| Return of capital | \$ - | - | - | - |
| | \$ (1,114) | (87) | (24,086) | (25,287) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 132,681 | 9,626 | 2,458,179 | 2,600,486 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 132,681 | 9,626 | 2,458,179 | 2,600,486 |
| Redeemable Unit Transactions | | | | |
| Balance - beginning of period | - | - | - | - |
| Units issued | 13,826 | 1,000 | 255,014 | 269,840 |
| Units issued on reinvestment of distributions | 121 | 9 | 2,596 | 2,726 |
| Units redeemed | - | - | - | - |
| Balance - end of period | 13,947 | 1,009 | 257,610 | 272,566 |

Statement of Cash Flows

For the period from October 19, 2018 to December 31, 2018

| | 2018 | 2018 |
|---|--------------------|--|
| | (\$) | (\$) |
| Cash Flows from Operating Activities | | Net Cash Provided by (Used in) Operating Activities |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 21,793 | (2,565,867) |
| Adjustments for: | | Cash Flows from Financing Activities |
| Net realized (gain) loss on sale of investments | (261) | Distributions paid to holders of redeemable units, net of reinvested distributions |
| Change in unrealized (appreciation) depreciation in value of investments | (4,068) | Proceeds from redeemable units issued |
| Change in unrealized (appreciation) depreciation in value of futures contracts | - | Redemption of redeemable units |
| Change in unrealized (appreciation) depreciation in currency forward contracts | 2,113 | |
| Change in unrealized (appreciation) depreciation in option contracts | - | Net Cash Provided by (Used in) Financing Activities |
| Change in unrealized (appreciation) depreciation in value of swaps | - | Net increase (decrease) in cash |
| Non-cash income distributions from underlying funds | (16,561) | Cash (bank indebtedness) at beginning of period |
| Change in margin | - | |
| Purchases of investments | (2,582,646) | Cash (bank indebtedness) at end of period |
| Proceeds from sale of investments | 14,072 | Dividends received, net of withholding taxes |
| Purchases of short-term investments | - | Interest received, net of withholding taxes |
| Proceeds from sale of short-term investments | - | Interest paid |
| Change in dividends and interest receivable | (840) | |
| Change in distributions receivable from underlying funds | - | |
| Change in management fees payable | 63 | |
| Change in other payables and accrued expenses | 468 | |

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

Sun Life Tactical Growth ETF Portfolio (continued)

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|---|------------------|-------------------|------------------|-----------------------|
| EXCHANGE-TRADED FUNDS | | | | |
| iShares Core MSCI Emerging Markets ETF | 2,316 | 146,606 | 149,145 | |
| iShares Core S&P 500 ETF | 1,709 | 577,994 | 587,297 | |
| iShares Core U.S. Aggregate Bond ETF | 464 | 66,119 | 67,486 | |
| iShares iBoxx \$ Investment Grade Corporate Bond ETF | 184 | 27,907 | 28,353 | |
| Schwab International Small-Cap Equity ETF | 1,630 | 63,833 | 64,784 | |
| SPDR Bloomberg Barclays High Yield Bond ETF | 336 | 15,192 | 15,415 | |
| SPDR Portfolio Developed World ex-US ETF | 11,508 | 415,854 | 415,418 | |
| VanEck Vectors Fallen Angel High Yield Bond ETF | 771 | 28,062 | 28,084 | |
| VanEck Vectors Investment Grade Floating Rate ETF | 766 | 25,550 | 25,831 | |
| Vanguard Emerging Markets Government Bond ETF | 277 | 27,883 | 28,201 | |
| Vanguard Global ex-U.S. Real Estate ETF | 513 | 37,424 | 36,721 | |
| Vanguard REIT ETF | 399 | 41,242 | 40,637 | |
| Vanguard Small-Cap ETF | 362 | 64,568 | 65,259 | |
| | | 1,538,234 | 1,552,631 | 59.71 |
| MUTUAL FUNDS | | | | |
| Sun Life BlackRock Canadian Composite Equity Fund, Series I | 63,705 | 645,338 | 635,104 | |
| Sun Life BlackRock Canadian Universe Bond Fund, Series I | 17,460 | 180,310 | 180,058 | |
| Sun Life Granite Tactical Completion Fund, Series I | 22,721 | 220,942 | 220,677 | |
| | | 1,046,590 | 1,035,839 | 39.83 |
| Transaction Costs | | (422) | | |
| Total Investments | | 2,584,402 | 2,588,470 | 99.54 |
| Currency Forward Contracts⁽¹⁾ | | | (2,113) | (0.08) |
| Other Assets less Liabilities | | | 14,129 | 0.54 |
| Total Net Assets | | | 2,600,486 | 100.00 |

⁽¹⁾ Currency Forward Contracts

| Counterparty | Credit Rating for Counterparty | Settlement Date | Purchased Currency | Par Value | Sold Currency | Par Value | Unrealized Gain/(Loss) (\$) |
|-----------------|--------------------------------|-----------------|--------------------|-----------|---------------|-----------|-----------------------------|
| T.D. Bank Corp. | A-1+ | 20-Mar-2019 | CAD | 11,762 | USD | (8,766) | (188) |
| T.D. Bank Corp. | A-1+ | 20-Mar-2019 | CAD | 179,751 | USD | (133,270) | (1,925) |
| | | | | | | | (2,113) |

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Tactical Growth ETF 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, 2018 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 9 to the financial statements.

(a) Credit risk

As at December 31, 2018, 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 also 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 Tactical Growth ETF Portfolio (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 Portfolio holds assets and liabilities, including cash and cash equivalents that are denominated in currencies other than the Canadian Dollar, the functional currency of the Portfolio. 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 Portfolio's proportionate exposure to currency risk as at December 31, 2018. 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, 2018 | |
| United States Dollar | 1,366,101 | 52.53 |
| Total | 1,366,101 | 52.53 |

As at December 31, 2018, 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 \$68,305. In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(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, 2018, the majority of the Portfolio's investments are considered readily realizable and highly liquid; therefore, the Portfolio'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, 2018 |
| Exchange-Traded Funds | |
| Emerging Markets Bonds | 1.1 |
| Emerging Markets Equities | 5.7 |
| International Equities | 2.5 |
| U.S. Corporate Bond | 1.1 |
| U.S. Equities | 44.0 |
| U.S. Fixed Income | 5.3 |
| Mutual Funds | |
| Canadian Equities | 24.4 |
| Canadian Fixed Income | 6.9 |
| Tactical Balanced | 8.5 |
| Derivative Assets (Liabilities) | (0.1) |
| Other Assets less Liabilities | 0.6 |
| Total | 100.0 |

Fair Value Disclosure

The following tables illustrate the classification of the Portfolio's assets and liabilities measured at fair value within the fair value hierarchy as at December 31, 2018.

| | December 31, 2018 | | | Total (\$) |
|-------------------------------|-------------------|--------------|--------------|---------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Financial Assets | | | | |
| Exchange-Traded Funds | 1,552,631 | - | - | 1,552,631 |
| Mutual Funds | 1,035,839 | - | - | 1,035,839 |
| Financial Liabilities | | | | |
| Currency Forward Contracts | - | 2,113 | - | 2,113 |

There were no transfers between fair value Levels 1 and 2 during the period from July 13 to December 31, 2018.

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.

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

Sun Life Tactical Growth ETF Portfolio (continued)

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, 2018 were \$436.

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 Statement 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, 2018, the Company held the following positions in the Portfolio:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series A | 1,010 | 9,607 |
| Series F | 1,009 | 9,626 |
| Series I | 257,610 | 2,458,191 |

The following are transactions in the Portfolio by the Company from the beginning of the period to December 31, 2018. If applicable, dividends were reinvested into units of the same series of the same Portfolio:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 10,000 | - | 91 |
| Series F | 10,000 | - | 86 |
| Series I | 2,430,000 | - | 24,086 |

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 Statement of Financial Position and its Schedule of Investments, which represents the Portfolio's maximum exposure to financial loss.

As at December 31, 2018, there were no significant interests in underlying funds.

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 | October 19, 2018 | October 19, 2018 |
| Series F Units | October 19, 2018 | October 19, 2018 |
| Series I Units | October 19, 2018 | October 19, 2018 |

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, 2018 and 2017

| | December 31, 2018 (\$) | December 31, 2017 (\$) |
|--|---------------------------|---------------------------|
| Assets | | |
| Current Assets | | |
| Investments (non-derivative financial assets) (notes 2 and 3) | 5,103,720 | 4,226,342 |
| Short-term investments | - | - |
| Cash | 96,759 | 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 | 161 | 22 |
| Accrued interest | - | - |
| Dividends receivable | - | - |
| Distributions receivable from underlying funds | - | - |
| Subscriptions receivable | 572 | 380 |
| | 5,201,212 | 4,335,319 |
| 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 | 236 | 182 |
| Redemptions payable | 600 | - |
| Distributions payable | - | - |
| Due to investment dealers | 294 | 110,699 |
| Management fees payable | 912 | 708 |
| Total liabilities (excluding net assets attributable to holders of redeemable units) | 2,042 | 111,589 |
| Net Assets Attributable to Holders of Redeemable Units | 5,199,170 | 4,223,730 |
| Net Assets Attributable to Holders of Redeemable Units per Series | | |
| Series A | 2,365,788 | 2,250,236 |
| Series F | 185,808 | 79,364 |
| Series I | 2,069,314 | 1,277,986 |
| Series O | 578,260 | 616,144 |
| Net Assets Attributable to Holders of Redeemable Units per Unit (note 5) | | |
| Series A | 8.70 | 8.62 |
| Series F | 9.53 | 9.60 |
| Series I | 8.94 | 9.00 |
| Series O | 8.91 | 8.93 |

Approved on behalf of Trustee

| | |
|------------------------|--------------------------|
| “signed” Rick Headrick | “signed” Kari Holdsworth |
| President | Chief Financial Officer |

Statements of Comprehensive Income (Loss)

For the periods ended December 31

| | 2018 (\$) | 2017 (\$) |
|---|----------------|----------------|
| Investment Income | | |
| Dividend income | - | - |
| Interest income for distribution purposes | 130 | 146 |
| Distributions from underlying funds | 276,401 | 140,968 |
| Changes in fair value on financial assets and financial liabilities at fair value through profit or loss | | |
| Net realized gain (loss) on sale of investments | (24,678) | 56,158 |
| 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 | 24,719 | (34,645) |
| 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 | 276,572 | 162,627 |
| Net gain (loss) on foreign exchange | - | - |
| Other income | - | - |
| Total income (loss) | 276,572 | 162,627 |
| Expenses (note 6) | | |
| Management fees | 31,284 | 31,175 |
| Administration fees | 7,720 | 7,331 |
| Independent review committee fees | 55 | 62 |
| Withholding tax | - | - |
| Transaction costs (note 3) | - | - |
| Total operating expenses | 39,059 | 38,568 |
| Management fees waived/absorbed by the Manager | - | - |
| Operating Profit (Loss) | 237,513 | 124,059 |
| Finance Cost | | |
| Interest expense | - | - |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | | |
| | 237,513 | 124,059 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions) | | |
| Series A | 103,613 | 9,131 |
| Series F | 6,576 | 103,701 |
| Series I | 92,570 | 6,289 |
| Series O | 34,754 | 4,938 |
| Weighted Average Number of Units Outstanding | | |
| Series A | 257,885 | 230,859 |
| Series F | 13,996 | 46,107 |
| Series I | 208,192 | 104,165 |
| Series O | 66,585 | 59,437 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions) | | |
| Series A | 0.40 | 0.04 |
| Series F | 0.47 | 2.25 |
| Series I | 0.44 | 0.06 |
| Series O | 0.52 | 0.08 |

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 F | | Series I | |
|---|---------------------|------------------|----------------|---------------|------------------|------------------|
| | 2018 | 2017 | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 2,250,236 | 1,921,051 | 79,364 | 2,250,979 | 1,277,986 | 773,049 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 103,613 | 9,131 | 6,576 | 103,701 | 92,570 | 6,289 |
| Redeemable Unit Transactions | | | | | | |
| Proceeds from redeemable units issued | \$ 1,031,607 | 857,623 | 121,162 | 126,554 | 932,617 | 588,682 |
| Redemption of redeemable units | \$ (1,019,668) | (537,584) | (21,294) | (2,388,968) | (233,859) | (90,034) |
| Reinvestment of distributions to holders of redeemable units | \$ 82,465 | 70,422 | 9,633 | 1,665 | 133,297 | 40,480 |
| Capitalized distributions | \$ - | - | - | - | - | - |
| | \$ 94,404 | 390,461 | 109,501 | (2,260,749) | 832,055 | 539,128 |
| Distributions to Holders of Redeemable Units | | | | | | |
| From capital gains | \$ (1,470) | (15,871) | (120) | (560) | (1,338) | (9,013) |
| From net investment income | \$ (80,995) | (54,248) | (9,513) | (13,933) | (131,959) | (31,301) |
| Return of capital | \$ - | (288) | - | (74) | - | (166) |
| | \$ (82,465) | (70,407) | (9,633) | (14,567) | (133,297) | (40,480) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ 115,552 | 329,185 | 106,444 | (2,171,615) | 791,328 | 504,937 |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 2,365,788 | 2,250,236 | 185,808 | 79,364 | 2,069,314 | 1,277,986 |
| Redeemable Unit Transactions | | | | | | |
| Balance - beginning of period | 260,906 | 217,176 | 8,264 | 229,918 | 141,980 | 84,510 |
| Units issued | 118,880 | 95,235 | 12,452 | 12,886 | 100,593 | 62,795 |
| Units issued on reinvestment of distributions | 9,558 | 7,855 | 1,014 | 168 | 14,930 | 4,345 |
| Units redeemed | (117,520) | (59,360) | (2,229) | (234,708) | (26,008) | (9,670) |
| Balance - end of period | 271,824 | 260,906 | 19,501 | 8,264 | 231,495 | 141,980 |

| | Series O | | Total | |
|---|-------------------|----------------|------------------|--------------------|
| | 2018 | 2017 | 2018 | 2017 |
| Net Assets Attributable to Holders of Redeemable Units at beginning of period | \$ 616,144 | 464,355 | 4,223,730 | 5,409,434 |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions) | \$ 34,754 | 4,938 | 237,513 | 124,059 |
| Redeemable Unit Transactions | | | | |
| Proceeds from redeemable units issued | \$ 115,101 | 294,952 | 2,200,487 | 1,867,811 |
| Redemption of redeemable units | \$ (187,739) | (148,100) | (1,462,560) | (3,164,686) |
| Reinvestment of distributions to holders of redeemable units | \$ 35,260 | 17,395 | 260,655 | 129,962 |
| Capitalized distributions | \$ (37,378) | - | - | - |
| | \$ (37,378) | 164,247 | 998,582 | (1,166,913) |
| Distributions to Holders of Redeemable Units | | | | |
| From capital gains | \$ (374) | (3,573) | (3,302) | (29,017) |
| From net investment income | \$ (34,886) | (13,750) | (257,353) | (113,232) |
| Return of capital | \$ - | (73) | - | (601) |
| | \$ (35,260) | (17,396) | (260,655) | (142,850) |
| Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the period | \$ (37,884) | 151,789 | 975,440 | (1,185,704) |
| Net Assets Attributable to Holders of Redeemable Units at end of period | \$ 578,260 | 616,144 | 5,199,170 | 4,223,730 |
| Redeemable Unit Transactions | | | | |
| Balance - beginning of period | 69,018 | 51,449 | 480,168 | 583,053 |
| Units issued | 12,818 | 31,882 | 244,743 | 202,798 |
| Units issued on reinvestment of distributions | 3,963 | 1,886 | 29,465 | 14,254 |
| Units redeemed | (20,922) | (16,199) | (166,679) | (319,937) |
| Balance - end of period | 64,877 | 69,018 | 587,697 | 480,168 |

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

| | 2018 (\$) | 2017 (\$) |
|---|--------------------|--------------|
| Cash Flows from Operating Activities | | |
| Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions) | 237,513 | 124,059 |
| Adjustments for: | | |
| Net realized (gain) loss on sale of investments | 24,678 | (56,158) |
| Change in unrealized (appreciation) depreciation in value of investments | (24,719) | 34,645 |
| 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 | - | - |
| Non-cash income distributions from underlying funds | (276,401) | (140,968) |
| Change in margin | - | - |
| Purchases of investments | (1,838,461) | (1,686,005) |
| Proceeds from sale of investments | 1,126,981 | 3,149,941 |
| 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 | 204 | (2,591) |
| Change in other payables and accrued expenses | 54 | (590) |
| Net Cash Provided by (Used in) Operating Activities | (750,151) | 1,422,333 |
| Cash Flows from Financing Activities | | |
| Distributions paid to holders of redeemable units, net of reinvested distributions | - | (12,888) |
| Proceeds from redeemable units issued | 2,200,295 | 1,867,529 |
| Redemption of redeemable units | (1,461,960) | (3,165,475) |
| Net Cash Provided by (Used in) Financing Activities | 738,335 | (1,310,834) |
| Net increase (decrease) in cash | (11,816) | 111,499 |
| Cash (bank indebtedness) at beginning of period | 108,575 | (2,924) |
| Cash (bank indebtedness) at end of period | 96,759 | 108,575 |
| Dividends received, net of withholding taxes | - | - |
| Interest received, net of withholding taxes | 130 | 146 |
| Interest paid | - | - |

Schedule of Investments

As at December 31, 2018

| | Number of Shares | Average Cost (\$) | Fair Value (\$) | % of Total Net Assets |
|--------------------------------------|------------------|-------------------|------------------|-----------------------|
| Mutual Funds | | | | |
| Templeton Global Bond Fund, Series O | 413,474 | 5,225,019 | 5,103,720 | |
| | | 5,225,019 | 5,103,720 | 98.16 |
| Total Investments | | 5,225,019 | 5,103,720 | 98.16 |
| Other Assets less Liabilities | | | 95,450 | 1.84 |
| Total Net Assets | | | 5,199,170 | 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, 2018 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 9 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, 2018 and 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, 2018 | December 31, 2017 |
| Bonds | | |
| India | 9.8 | 10.1 |
| South Korea | 9.6 | 10.0 |
| Brazil | 9.6 | 9.4 |
| Indonesia | 9.0 | 9.8 |
| Colombia | 4.8 | 5.1 |
| Argentina | 3.2 | 5.4 |
| Mexico | 2.8 | 5.5 |
| Philippines | 2.0 | 3.0 |
| Ghana | 1.7 | 2.0 |
| Ukraine | 0.4 | 0.6 |
| United States | 0.3 | 2.7 |
| Supranational | 0.1 | 0.1 |
| Peru | - | 0.3 |
| South Africa | - | 1.9 |
| Serbia | - | 1.7 |
| Short-Term investments | 17.8 | 7.3 |
| Derivative Assets (Liabilities) | - | (0.4) |
| Other Assets less Liabilities | 28.9 | 25.5 |
| 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, 2018 and December 31, 2017.

| | December 31, 2018 | | | Total (\$) |
|--------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Mutual Funds | 5,103,720 | - | - | 5,103,720 |

| | December 31, 2017 | | | Total (\$) |
|--------------|-------------------|--------------|--------------|------------|
| | Level 1 (\$) | Level 2 (\$) | Level 3 (\$) | |
| Mutual Funds | 4,226,342 | - | - | 4,226,342 |

There were no transfers between fair value Levels 1 and 2 during the periods from January 1 to December 31, 2018 and January 1 to December 31, 2017.

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, 2018 and December 31, 2017, the Company held the following positions in the Fund:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series A | 15,662 | 136,311 |
| Series F | 1,139 | 10,851 |
| Series I | 1,237 | 11,061 |
| Series O | 1,202 | 10,713 |

| | 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 |

The following are transactions in the Fund by the Company from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 324 | - | 4,836 |
| Series F | 26 | - | 621 |
| Series I | - | - | 728 |
| Series O | - | 59 | 634 |

| | December 31, 2017 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series A | 339 | - | 4,375 |
| Series F | 27 | - | 337 |
| Series I | - | - | 415 |
| Series O | - | 59 | 334 |

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

Sun Life Templeton Global Bond Fund (continued)

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, 2018 and December 31, 2017, SLA held the following position in the Fund:

| | December 31, 2018 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | 43,308 | 387,127 |

| | December 31, 2017 | |
|----------|-------------------|-------------------|
| | Units | Market Value (\$) |
| Series I | 40,456 | 364,152 |

The following are transactions in the Fund by SLA from the beginning of the period to December 31, 2018 and December 31, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

| | December 31, 2018 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | - | 26,561 |

| | December 31, 2017 | | |
|----------|-------------------|------------------|--------------------|
| | Purchases (\$) | Redemptions (\$) | Distributions (\$) |
| Series I | - | - | 14,509 |

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, 2018 and December 31, 2017, there were no significant interests in underlying funds.

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 |

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

Notes to Financial Statements

For the periods ended December 31, 2018 and December 31, 2017

1. Establishment of the Funds

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.

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 further amended and restated on July 13, 2018 and may be amended from time to time.

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 further amended and restated on August 28, 2014 and as further amended and restated on January 1, 2015.

Valuation, accounting and custodial duties of the Funds are provided by RBC Investor Services Trust. Unitholder 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 6.

The financial statements of the Funds include the Schedule of Investments for each Fund as at December 31, 2018, the Statements of Financial Position as at December 31, 2018 and December 31, 2017, 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, 2018 and December 31, 2017. 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, 2018 were authorized on March 22, 2019 for issue in accordance with the resolution approved by the Board of Directors of the Company. The financial statements of the Funds are to be filed on March 27, 2019.

2. Changes in Accounting Policies

IFRS 15 Transition

IFRS 15, *Revenue from Contracts with Customers* (“IFRS 15”) established a five-step model to account for revenue arising from contracts with customers. Given that primarily all revenue streams of the Funds fall outside of the scope of IFRS 15, there was minimal impact to the financial statements.

IFRS 9 Transition

Effective January 1, 2018, the Funds adopted IFRS 9, *Financial Instruments* (“IFRS 9”). The new standard requires financial assets to be carried at amortized cost or fair value, with changes in fair value recognized in fair value through profit or loss (“FVTPL”) or fair value through other comprehensive income (“FVOCI”) based on the entity’s business model for managing financial assets and the contractual cash flow characteristics of the financial assets. Assessment and decision on the business model approach used is an accounting judgment.

Upon transition to IFRS 9 from IAS 39, *Financial Instruments: Recognition and Measurement* (“IAS 39”), the Funds’ financial assets and certain financial liabilities were classified as FVTPL. This financial instrument categorization of financial assets and financial liabilities under IFRS 9 is different than IAS 39. However, there were no significant changes to the accounting for the financial assets and financial liabilities of the Funds.

All financial assets that had previously been designated as FVTPL are classified as FVTPL upon adoption to the new standard. Derivative assets and derivative liabilities that were previously considered as held-for-trading financial instruments and were classified as FVTPL remain unchanged upon adoption to the new standard.

There were no changes in the measurement values for any of the financial assets and financial liabilities upon transition to IFRS 9.

Sector Classifications

Effective October 1, 2018, the Funds adopted new sector classifications for the Global Industry Classification Standard (“GICS”) to align with GICS guidelines. The new standard includes the following changes:

- A new Communication Services sector replaced the former Telecommunication Services sector
- Telecommunication Services was renamed Communication Services
- Media companies moved from Consumer Discretionary to Communication Services
- Internet services companies moved from Information Technology to Communication Services
- E-commerce companies moved from Information Technology to Consumer Discretionary

The prior year numbers were not restated.

Notes to Financial Statements

For the periods ended December 31, 2018 and December 31, 2017

3. 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

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

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

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

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

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

- Financial liabilities at FVTPL such as derivatives;
- Financial liabilities arising from the transfer of a financial asset that did not qualify for derecognition;
- Financial guarantee contracts; and
- Commitments to provide a loan at below-market interest rates.

In addition, financial liabilities can be designated as FVTPL upon initial recognition using the fair value option when it results in more relevant information.

The Manager has assessed the business models of the Funds and has determined that the Funds’ portfolio of financial assets and financial liabilities are managed and performance is evaluated on a fair value basis in accordance with the Funds’ risk management and investment strategies; therefore, classification and measurement of financial assets is FVTPL.

All Funds have contractual obligations to distribute cash to the unitholders. As a result, each Fund’s obligation for net assets attributable to holders of redeemable units represents a financial liability and is presented at the redemption amount.

(b) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statements of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Funds enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.

Notes to Financial Statements

For the periods ended December 31, 2018 and December 31, 2017

(c) Valuation of financial instruments

Financial assets and financial liabilities at FVTPL are recorded in the Statements of Financial Position at fair value upon initial recognition. All transaction costs such as brokerage commissions, incurred in the purchase and sale of securities for such instruments, are recognized directly in profit or loss. Loans and receivables and other financial liabilities are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue. For financial assets and financial liabilities where the fair value at initial recognition does not equal the transaction price, the Funds recognize the difference in the Statements of Comprehensive Income (Loss), unless specified otherwise.

After initial measurement, the Funds measure financial instruments that are classified as FVTPL at fair value. Subsequent changes in the fair value of those financial instruments (i.e., the excess/shortfall of the sum of the fair value of portfolio investments over/below the sum of the average cost of each portfolio investment) are recorded in "Change in unrealized appreciation (depreciation) in value of investments" in the Statements of Comprehensive Income (Loss).

The average cost of portfolio investments represents the sum of the average cost of each portfolio investment. For the purposes of determining the average cost of each portfolio investment, the purchase price of portfolio investments acquired by a Fund is added to the average cost of the particular portfolio investment immediately prior to the purchase. The average cost of a portfolio investment is reduced by the number of 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 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 FVTPL) are measured at amortized cost.

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.
- 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.

Notes to Financial Statements

For the periods ended December 31, 2018 and December 31, 2017

- 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 due to the short-term nature of these assets and liabilities.

(f) Distributions from underlying funds

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

(g) Transaction costs

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

(h) Redeemable 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.
- 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).

Notes to Financial Statements

For the periods ended December 31, 2018 and December 31, 2017

(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 6.

4. 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 recorded at FVTPL.

(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.

5. 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 unitholders 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 unitholder unit redemption requirements upon the unitholder'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.

Notes to Financial Statements

For the periods ended December 31, 2018 and December 31, 2017

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.

6. 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.

The Manager has chosen to waive a portion of the management fees for some funds during the reporting period. The Manager may choose to stop management fees waivers at any time without notification.

| | Maximum Annual Management Fees | | | | | | | | | | | |
|--|--------------------------------|--------------------|--------------------|--------------------|-------------------|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| | Series A units | Series AH units | Series T5 units | Series T8 units | Series D units | Series DB units | Series F units | Series FH units | Series FX units | Series F5 units | Series F8 units | Series IS units |
| Sun Life BlackRock Canadian Balanced Fund | 1.50% | - | 1.50% | - | - | - | 0.50% | - | - | 0.50% | - | - |
| Sun Life BlackRock Canadian Composite Equity Fund | - | - | - | - | - | - | - | - | - | - | - | - |
| Sun Life BlackRock Canadian Equity Fund | 1.50% | - | 1.50% | 1.50% | - | - | 0.50% | - | - | 0.50% | 0.50% | - |
| Sun Life BlackRock Canadian Universe Bond Fund | - | - | - | - | - | - | - | - | - | - | - | - |
| Sun Life Dynamic American Fund | 2.00% | - | 2.00% | 2.00% | - | - | 1.00% | - | - | 1.00% | 1.00% | - |
| Sun Life Dynamic Energy Fund | 1.85% | - | 1.85% | 1.85% | - | - | 0.85% | - | - | 0.85% | 0.85% | - |
| Sun Life Dynamic Equity Income Fund | 1.75% | - | - | - | - | - | 0.75% | - | - | - | - | - |
| Sun Life Dynamic Strategic Yield Fund | 1.85% | - | - | - | - | - | 0.85% | - | - | - | - | - |
| Sun Life Excel Emerging Markets Fund | 2.15% | - | - | - | - | 1.40% | 1.15% | - | - | - | - | 0.85% |
| Sun Life Granite Balanced Growth Portfolio | 1.85% | - | 1.85% | 1.85% | - | - | 0.85% | - | - | 0.85% | 0.85% | - |
| Sun Life Granite Balanced Portfolio | 1.80% | - | 1.80% | - | 0.95% | - | 0.80% | - | - | 0.80% | - | - |
| Sun Life Granite Conservative Portfolio | 1.50% | - | 1.50% | - | - | - | 0.75% | - | - | 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% | - | - | 0.90% | 0.90% | - |
| Sun Life Granite Income Portfolio | 1.50% | - | 1.50% | - | - | - | 0.75% | - | - | 0.75% | - | - |
| Sun Life Granite Moderate Portfolio | 1.75% | - | 1.75% | - | - | - | 0.75% | - | - | 0.75% | - | - |
| Sun Life Granite Tactical Completion Fund | - | - | - | - | - | - | - | - | - | - | - | - |
| Sun Life Infrastructure Fund | 2.00% | - | 2.00% | 2.00% | - | - | 1.00% | - | - | 1.00% | 1.00% | - |
| Sun Life JPMorgan International Equity Fund | 1.90% | - | 1.90% | 1.90% | - | - | 0.90% | - | - | 0.90% | 0.90% | - |
| Sun Life MFS Canadian Bond Fund | 1.05% | - | - | - | 0.65% | - | 0.55% | - | - | - | - | - |
| Sun Life MFS Canadian Equity Growth Fund | 1.80% | - | - | - | 1.25% | - | 0.80% | - | - | - | - | - |
| Sun Life MFS Dividend Income Fund | 1.70% | - | - | - | 1.25% | - | 0.70% | - | - | - | - | - |

Notes to Financial Statements

For the periods ended December 31, 2018 and December 31, 2017

Maximum Annual Management Fees

| | Series A units | Series AH units | Series T5 units | Series T8 units | Series D units | Series DB units | Series F units | Series FH units | Series FX units | Series F5 units | Series F8 units | Series IS units |
|---|-------------------|--------------------|--------------------|--------------------|-------------------|--------------------|-------------------|--------------------|--------------------|--------------------|--------------------|--------------------|
| Sun Life MFS Global Growth Fund | 1.85% | - | 1.85% | 1.85% | 1.25% | - | 0.85% | - | - | 0.85% | 0.85% | - |
| Sun Life MFS Global Total Return Fund | 1.80% | - | 1.80% | - | - | - | 0.80% | - | - | 0.80% | - | - |
| Sun Life MFS Global Value Fund | 2.00% | - | 2.00% | 2.00% | - | - | 1.00% | - | - | 1.00% | 1.00% | - |
| Sun Life MFS International Growth Fund | 1.85% | - | 1.85% | 1.85% | 1.25% | - | 0.85% | - | - | 0.85% | 0.85% | - |
| Sun Life MFS International Value Fund | 2.00% | - | 2.00% | 2.00% | - | - | 1.00% | - | - | 1.00% | 1.00% | - |
| Sun Life MFS Low Volatility Global Equity Fund | 1.80% | - | 1.80% | 1.80% | - | - | 0.80% | - | - | 0.80% | 0.80% | - |
| Sun Life MFS Low Volatility International Equity Fund | 1.80% | - | 1.80% | 1.80% | - | - | 0.80% | - | - | 0.80% | 0.80% | - |
| Sun Life MFS Monthly Income Fund | 1.25% | - | 1.25% | - | - | - | 0.75% | - | - | 0.75% | - | - |
| Sun Life MFS U.S. Equity Fund | 1.85% | - | - | - | 1.25% | - | 0.85% | - | - | - | - | - |
| Sun Life MFS U.S. Growth Fund | 1.85% | 1.85% | 1.85% | 1.85% | - | - | 0.85% | 0.85% | - | 0.85% | 0.85% | - |
| Sun Life MFS U.S. Value Fund | 1.85% | 1.85% | 1.85% | 1.85% | - | - | 0.85% | 0.85% | - | 0.85% | 0.85% | - |
| 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 | 1.05% | - | - | - | - | - | 0.55% | - | - | - | - | - |
| Sun Life Multi-Strategy Target Return Fund | 2.25% | - | - | - | - | - | 1.25% | - | - | - | - | - |
| Sun Life NWQ Flexible Income Fund | 1.35% | - | - | - | - | - | 0.85% | - | - | - | - | - |
| Sun Life Ryan Labs U.S. Core Fixed Income Fund | - | - | - | - | - | - | - | - | - | - | - | - |
| Sun Life Schroder Global Mid Cap Fund | 2.00% | - | 2.00% | 2.00% | - | - | 1.00% | - | - | 1.00% | 1.00% | - |
| Sun Life Sentry Value Fund | 1.80% | - | - | - | - | - | 0.80% | - | - | - | - | - |
| Sun Life Tactical Balanced ETF Portfolio | 1.50% | - | 1.50% | - | - | - | 0.50% | - | - | 0.50% | - | - |
| Sun Life Tactical Conservative ETF Portfolio | 1.20% | - | 1.20% | - | - | - | 0.45% | - | - | 0.45% | - | - |
| Sun Life Tactical Equity ETF Portfolio | 1.55% | - | - | - | - | - | 0.55% | - | - | - | - | - |
| Sun Life Tactical Fixed Income ETF Portfolio | 0.95% | - | - | - | - | - | 0.45% | - | - | - | - | - |
| Sun Life Tactical Growth ETF Portfolio | 1.55% | - | - | - | - | - | 0.55% | - | - | - | - | - |
| 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.

Notes to Financial Statements

For the periods ended December 31, 2018 and December 31, 2017

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, unitholders 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, unitholders 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 | | Series O and Series OH units |
|---|------------------------------|---|------------------------------|
| Sun Life BlackRock Canadian Balanced Fund | 0.50% | Sun Life MFS International Value Fund | 1.00% |
| Sun Life BlackRock Canadian Composite Equity Fund | - | Sun Life MFS Low Volatility Global Equity Fund | 0.80% |
| Sun Life BlackRock Canadian Equity Fund | 0.50% | Sun Life MFS Low Volatility International Equity Fund | 0.80% |
| Sun Life BlackRock Canadian Universe Bond Fund | - | Sun Life MFS Monthly Income Fund | 0.75% |
| Sun Life Dynamic American Fund | 1.00% | Sun Life MFS U.S. Equity Fund | 0.85% |
| Sun Life Dynamic Energy Fund | 0.85% | Sun Life MFS U.S. Growth Fund | 0.85% |
| Sun Life Dynamic Equity Income Fund | 0.75% | Sun Life MFS U.S. Value Fund | 0.85% |
| Sun Life Dynamic Strategic Yield Fund | 0.85% | Sun Life Milestone 2020 Fund | - |
| Sun Life Excel Emerging Markets Fund | 1.15% | Sun Life Milestone 2025 Fund | - |
| Sun Life Granite Balanced Growth Portfolio | 0.85% | Sun Life Milestone 2030 Fund | - |
| Sun Life Granite Balanced Portfolio | 0.80% | Sun Life Milestone 2035 Fund | - |
| Sun Life Granite Conservative Portfolio | 0.75% | Sun Life Milestone Global Equity Fund | - |
| Sun Life Granite Enhanced Income Portfolio | 0.80% | Sun Life Money Market Fund* | 0.75% |
| Sun Life Granite Growth Portfolio | 0.90% | Sun Life Multi-Strategy Bond Fund | 0.55% |
| Sun Life Granite Income Portfolio | 0.75% | Sun Life Multi-Strategy Target Return Fund | 1.25% |
| Sun Life Granite Moderate Portfolio | 0.75% | Sun Life NWQ Flexible Income Fund | 0.85% |
| Sun Life Granite Tactical Completion Fund | - | Sun Life Ryan Labs U.S. Core Fixed Income Fund | - |
| Sun Life Infrastructure Fund | 1.00% | Sun Life Schroder Global Mid Cap Fund | 1.00% |
| Sun Life JPMorgan International Equity Fund | 0.90% | Sun Life Sentry Value Fund | 0.80% |
| Sun Life MFS Canadian Bond Fund | 0.55% | Sun Life Tactical Balanced ETF Portfolio | - |
| Sun Life MFS Canadian Equity Growth Fund | 0.80% | Sun Life Tactical Conservative ETF Portfolio | - |
| Sun Life MFS Dividend Income Fund | 0.70% | Sun Life Tactical Equity ETF Portfolio | - |
| Sun Life MFS Global Growth Fund | 0.85% | Sun Life Tactical Fixed Income ETF Portfolio | - |
| Sun Life MFS Global Total Return Fund | 0.80% | Sun Life Tactical Growth ETF Portfolio | - |
| Sun Life MFS Global Value Fund | 1.00% | Sun Life Templeton Global Bond Fund | 0.75% |
| Sun Life MFS International Growth Fund | 0.85% | | |

* 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.

Series O and Series OH units are available to unitholders through the Private Client program and must be purchased through a Private Client account. Each Series O and Series OH unitholder is eligible for management fee reductions, if any, based on the value of Series O and/or Series OH units held in the unitholder'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 unitholder'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 unitholders, prospectus and other disclosure documents, regulatory filing fees (including those incurred by the Manager) 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. These direct operating expenses are certain taxes, borrowing costs and fees and expenses payable to or in connection with the Funds' Independent Review Committee. Each Fund also pays costs in connection with brokerage commissions and other portfolio transaction costs, including any tax applicable to such costs.

Notes to Financial Statements

For the periods ended December 31, 2018 and December 31, 2017

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

| | Maximum Annual Administration Fees | | | |
|---|---|---|----------|-----------------------|
| | All Series (other than Series F, Series FH, Series F5, Series F8, Series O, Series OH and Series I) | Series F, Series FH, Series F5, Series F8, Series O and Series OH | Series D | Series I and IH units |
| Sun Life BlackRock Canadian Balanced Fund | 0.10% | 0.05% | - | 0.05% |
| Sun Life BlackRock Canadian Composite Equity Fund | - | - | - | - |
| Sun Life BlackRock Canadian Equity Fund | 0.10% | 0.05% | - | 0.05% |
| Sun Life BlackRock Canadian Universe Bond Fund | - | - | - | - |
| Sun Life Dynamic American Fund | 0.20% | 0.20% | - | 0.05% |
| Sun Life Dynamic Energy Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life Dynamic Equity Income Fund | 0.15% | 0.15% | - | 0.05% |
| Sun Life Dynamic Strategic Yield Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life Excel Emerging Markets Fund | 0.25% | 0.20% | - | 0.05% |
| Sun Life Granite Balanced Growth Portfolio | 0.20% | 0.15% | - | 0.03% |
| Sun Life Granite Balanced Portfolio | 0.20% | 0.15% | - | 0.03% |
| Sun Life Granite Conservative Portfolio | 0.20% | 0.15% | - | 0.03% |
| Sun Life Granite Enhanced Income Portfolio | 0.20% | 0.15% | - | 0.03% |
| Sun Life Granite Growth Portfolio | 0.20% | 0.15% | - | 0.03% |
| Sun Life Granite Income Portfolio | 0.20% | 0.15% | - | 0.03% |
| Sun Life Granite Moderate Portfolio | 0.20% | 0.15% | - | 0.03% |
| Sun Life Granite Tactical Completion Fund | - | - | - | 0.05% |
| Sun Life Infrastructure Fund | 0.20% | 0.20% | - | 0.05% |
| Sun Life JPMorgan International Equity Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life MFS Canadian Bond Fund | 0.15% | 0.10% | - | 0.03% |
| Sun Life MFS Canadian Equity Growth Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life MFS Dividend Income Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life MFS Global Growth Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life MFS Global Total Return Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life MFS Global Value Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life MFS International Growth Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life MFS International Value Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life MFS Low Volatility Global Equity Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life MFS Low Volatility International Equity Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life MFS Monthly Income Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life MFS U.S. Equity Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life MFS U.S. Growth Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life MFS U.S. Value Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life Milestone 2020 Fund | 0.10% | 0.10% | - | - |
| Sun Life Milestone 2025 Fund | 0.10% | 0.10% | - | - |
| Sun Life Milestone 2030 Fund | 0.20% | 0.20% | - | - |
| Sun Life Milestone 2035 Fund | 0.20% | 0.20% | - | - |
| Sun Life Milestone Global Equity Fund | - | - | - | - |
| Sun Life Money Market Fund* | 0.05% | 0.05% | 0.01% | 0.01% |
| Sun Life Multi-Strategy Bond Fund | 0.15% | 0.10% | - | 0.03% |
| Sun Life Multi-Strategy Target Return Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life NWQ Flexible Income Fund | 0.20% | 0.15% | - | 0.05% |

Notes to Financial Statements

For the periods ended December 31, 2018 and December 31, 2017

| Maximum Annual Administration Fees | | | | |
|--|---|---|----------|-----------------------|
| | All Series (other than Series F, Series FH, Series F5, Series F8, Series O, Series OH and Series I) | Series F, Series FH, Series F5, Series F8, Series O and Series OH | Series D | Series I and IH units |
| Sun Life Ryan Labs U.S. Core Fixed Income Fund | - | - | - | 0.05% |
| Sun Life Schroder Global Mid Cap Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life Sentry Value Fund | 0.20% | 0.15% | - | 0.05% |
| Sun Life Tactical Balanced ETF Portfolio | 0.20% | 0.15% | - | 0.03% |
| Sun Life Tactical Conservative ETF Portfolio | 0.20% | 0.15% | - | 0.03% |
| Sun Life Tactical Equity ETF Portfolio | 0.20% | 0.15% | - | 0.03% |
| Sun Life Tactical Fixed Income ETF Portfolio | 0.20% | 0.15% | - | 0.03% |
| Sun Life Tactical Growth ETF Portfolio | 0.20% | 0.15% | - | 0.03% |
| 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 administration fees that otherwise would have been charged. The Manager may discontinue waiving fees and expenses at any time, without notice.

7. 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 Granite Tactical Completion Fund, Sun Life Milestone Global Equity 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 Granite Tactical Completion Fund, Sun Life Milestone Global Equity 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).

8. 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. From time to time, the Manager may provide seed capital to a Fund.

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 "Administration Fees" in each Fund's Statements of Comprehensive Income (Loss).

Notes to Financial Statements

For the periods ended December 31, 2018 and December 31, 2017

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 Growth Fund, Sun Life MFS Dividend Income Fund, Sun Life MFS Low Volatility Global Equity Fund, Sun Life MFS Low Volatility International Equity Fund, Sun Life MFS U.S. Equity Fund and Sun Life Money Market 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 the 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.

9. 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.

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

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

(ii) Interest rate risk

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

(iii) Other market risk

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

Notes to Financial Statements

For the periods ended December 31, 2018 and December 31, 2017

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 with the exception of some derivative liabilities, which mature within 12 months.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposure within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Funds limit their exposure to concentration risk through diversification and a thorough understanding of each investment in the portfolio.

(e) Fair value measurement

The Funds categorize assets and liabilities recorded at fair value based upon a fair value hierarchy. The Funds classify fair value measurements within a hierarchy that gives the highest priority to unadjusted quoted prices in active markets when the related security or derivative is actively traded (Level 1) and the lowest priority to unobservable inputs (Level 3).

The three levels of the fair value hierarchy are as follows:

- 1) Level 1 - for unadjusted quoted prices in active markets when the related security or derivative is actively traded.
- 2) Level 2 - for inputs, other than quoted prices included in Level 1, that are observable for the asset or liability, either directly (i.e., as prices) or indirectly (i.e., derived from prices).
- 3) Level 3 - for inputs that are based on unobservable market data.

If an instrument classified as Level 1 subsequently ceases to be actively traded, it is transferred out of Level 1. In such a case, the instrument is reclassified into Level 2, unless the measurement of its fair value requires the use of significant unobservable inputs, in which case it is classified as Level 3. If the Fund's equities do not trade frequently, observable prices may not be available. In such cases, fair value is determined using observable market data (e.g., transactions for similar securities of the same issuer) and the fair value is classified as Level 2, unless the determination of fair value requires significant unobservable data, in which case the measurement is classified as Level 3.

All fair value measurements are recurring. The carrying values of short-term investments, due from investment dealers, accrued interest, dividends receivable, distributions receivable from underlying funds, subscriptions receivable, accrued expenses, redemptions payable, distributions payable, due to investment dealers, management fees payable and the Fund's obligation for Net Assets Attributable to Holders of Redeemable Units approximate their fair values due to their short-term nature.

10. 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, 2018 and the year ended December 31, 2017, 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.

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

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