
SUN LIFE GLOBAL INVESTMENTS (CANADA) INC

ANNUAL FINANCIAL STATEMENTS

for the year ended September 30, 2018

SUN LIFE EXCEL CHINA FUND (formerly
EXCEL CHINA FUND)

SUN LIFE EXCEL EMERGING MARKETS
BALANCED FUND (formerly EXCEL
EMERGING MARKETS BALANCED FUND)

SUN LIFE EXCEL HIGH
INCOME FUND (formerly EXCEL HIGH
INCOME FUND)

SUN LIFE EXCEL INDIA
BALANCED FUND (formerly EXCEL INDIA
BALANCED FUND)

SUN LIFE EXCEL INDIA FUND (formerly EXCEL
INDIA FUND)

SUN LIFE EXCEL NEW INDIA
LEADERS FUND (formerly EXCEL NEW INDIA
LEADERS FUND)



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Independent Auditors' Report

To the Unitholders of:

SUN LIFE EXCEL CHINA FUND (formerly EXCEL CHINA FUND)

SUN LIFE EXCEL HIGH INCOME FUND (formerly EXCEL HIGH INCOME FUND)

SUN LIFE EXCEL INDIA FUND (formerly EXCEL INDIA FUND)

SUN LIFE EXCEL EMERGING MARKETS BALANCED FUND (formerly EXCEL EMERGING MARKETS BALANCED FUND)

SUN LIFE EXCEL INDIA BALANCED FUND (formerly EXCEL INDIA BALANCED FUND)

SUN LIFE EXCEL NEW INDIA LEADERS FUND (formerly EXCEL NEW INDIA LEADERS FUND)

(collectively, the "Funds")

We have audited the accompanying financial statements of the Funds, which comprise the statements of financial position as at September 30, 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 a summary of significant accounting policies and other explanatory information.

Management's Responsibility for the Financial Statements

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

Auditor's Responsibility

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

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

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

Opinion

In our opinion, the financial statements present fairly, in all material respects, the financial position of the Funds as at September 30, 2018 and 2017, and their financial performance and cash flows for the years then ended in accordance with International Financial Reporting Standards.



Chartered Professional Accountants
Licensed Public Accountants
December 14, 2018

SUN LIFE EXCEL CHINA FUND

(formerly EXCEL CHINA FUND)

Statements of Financial Position

As at September 30, 2018 and 2017

	September 30, 2018 (\$)	September 30, 2017 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	23,295,936	42,207,203
Short-term investments	-	-
Cash	2,261,973	5,500,302
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	34,369	52,098
Distributions receivable from underlying funds	-	-
Subscriptions receivable	3,193	429,828
	25,595,471	48,189,431
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
Unrealized depreciation on swaps	-	-
Accrued expenses	6,083	63,224
Redemptions payable	988	108,498
Distributions payable	-	-
Due to investment dealers	-	399,883
Management fees payable	58,942	73,939
Total liabilities (excluding net assets attributable to holders of redeemable units)	66,013	645,546
Net Assets Attributable to Holders of Redeemable Units	25,529,458	47,543,885
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	23,140,010	27,369,236
Series F	2,380,962	3,543,784
Series I	8,486	16,630,865
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	3.87	3.92
Series F	14.59	14.58
Series I	35.62	35.03

Approved on behalf of Trustee

"signed" Rick Headrick President	"signed" Kari Holdsworth Chief Financial Officer
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Statements of Comprehensive Income (Loss)

For the years ended September 30

	2018 (\$)	2017 (\$)
Investment Income		
Dividend income	535,486	779,417
Interest income for distribution purposes	9,577	68
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	11,013,656	5,201,024
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	1,366	(26,853)
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(7,135,284)	4,049,160
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	2	(2)
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	4,424,803	10,002,814
Net gain (loss) on foreign exchange	249,111	(38,258)
Other income	23,732	-
Total income (loss)	4,697,646	9,964,556
Expenses (note 5)		
Management fees	939,238	826,315
Transaction costs (note 2)	280,516	206,470
Administration costs	144,544	209,475
Withholding tax	24,182	56,869
Fixed Administration fees	23,547	-
Legal fees	15,387	21,712
Audit fees	6,315	16,921
Custodial fees	4,769	7,900
Securityholder reporting costs	4,033	10,068
Independent review committee fees	778	3,465
Trustee fees	766	2,893
Total operating expenses	1,444,075	1,362,088
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	3,253,571	8,602,468
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		
	3,253,571	8,602,468
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	(67,048)	4,808,143
Series F	113,548	415,657
Series I	3,207,071	3,378,668
Weighted Average Number of Units Outstanding		
Series A	6,841,422	7,123,660
Series F	279,504	153,002
Series I	325,595	501,706

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

SUN LIFE EXCEL CHINA FUND (continued)

(formerly EXCEL CHINA FUND)

Statements of Comprehensive Income (Loss) (continued)

For the years ended September 30

	2018 (\$)	2017 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	(0.01)	0.67
Series F	0.41	2.72
Series I	9.85	6.73

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

For the years ended September 30

	Series A (\$)		Series F (\$)		Series I (\$)		Total (\$)	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Units at beginning of year	\$ 27,369,236	25,045,397	3,543,784	1,562,533	16,630,865	15,545,197	47,543,885	42,153,127
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ (67,048)	4,808,143	113,548	415,657	3,207,071	3,378,668	3,253,571	8,602,468
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 14,829,947	5,802,022	4,301,492	2,883,765	110,000	50,000	19,241,439	8,735,787
Redemption of redeemable units	\$ (18,992,125)	(8,286,326)	(5,577,862)	(1,318,171)	(19,939,450)	(2,343,000)	(44,509,437)	(11,947,497)
Reinvestment of distributions to holders of redeemable units	\$ 802	-	175	-	-	-	977	-
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ (4,161,376)	(2,484,304)	(1,276,195)	1,565,594	(19,829,450)	(2,293,000)	(25,267,021)	(3,211,710)
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	-	-	-	-	-	-	-
From net investment income	\$ (802)	-	(175)	-	-	-	(977)	-
Return of capital	\$ -	-	-	-	-	-	-	-
	\$ (802)	-	(175)	-	-	-	(977)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the year	\$ (4,229,226)	2,323,839	(1,162,822)	1,981,251	(16,622,379)	1,085,668	(22,014,427)	5,390,758
Net Assets Attributable to Holders of Redeemable Units at end of year	\$ 23,140,010	27,369,236	2,380,962	3,543,784	8,486	16,630,865	25,529,458	47,543,885
Redeemable Unit Transactions								
Balance - beginning of year	6,984,704	7,772,179	243,117	131,901	474,793	553,805	7,702,614	8,457,885
Units issued	2,857,803	841,047	252,449	138,819	2,842	1,791	3,113,094	981,657
Units issued on reinvestment of distributions	202	-	12	-	-	-	214	-
Units redeemed	(3,869,465)	(1,628,522)	(332,418)	(27,603)	(477,397)	(80,803)	(4,679,280)	(1,736,928)
Balance - end of year	5,973,244	6,984,704	163,160	243,117	238	474,793	6,136,642	7,702,614

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

SUN LIFE EXCEL CHINA FUND (continued)

(formerly EXCEL CHINA FUND)

Statements of Cash Flows

For the years ended September 30

	2018 (\$)	2017 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	3,253,571	8,602,468
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(11,013,656)	(5,201,024)
Change in unrealized (appreciation) depreciation in value of investments	7,135,284	(4,049,160)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(2)	2
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(71,348,253)	(47,572,841)
Proceeds from sale of investments	93,738,009	54,301,615
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	17,729	(29,865)
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	(14,997)	-
Change in other payables and accrued expenses	(57,141)	(1,242)
Net Cash Provided by (Used in) Operating Activities	21,710,544	6,049,953
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	-	-
Proceeds from redeemable units issued	19,668,074	8,325,778
Redemption of redeemable units	(44,616,947)	(11,902,792)
Net Cash Provided by (Used in) Financing Activities	(24,948,873)	(3,577,014)
Net increase (decrease) in cash	(3,238,329)	2,472,939
Cash (bank indebtedness) at beginning of year	5,500,302	3,027,363
Cash (bank indebtedness) at end of year	2,261,973	5,500,302
Dividends received, net of withholding taxes	529,033	692,683
Interest received, net of withholding taxes	9,577	68
Interest paid	-	-

Schedule of Investments

As at September 30, 2018

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EQUITIES				
Energy				
China Petroleum & Chemical Corp.	336,000	407,861	435,154	
CNOOC Ltd.	248,000	529,653	634,996	
PetroChina Co., Ltd.	312,000	301,449	326,762	
		1,238,963	1,396,912	5.47
Industrials				
Country Garden Services Holdings Co., Ltd.	120,000	255,867	263,646	
		255,867	263,646	1.03
Consumer Discretionary				
Anta Sports Products Ltd.	47,000	344,754	291,538	
China Education Group Holdings Ltd.	231,000	428,055	422,041	
China Yuhua Education Corp., Ltd.	1,372,000	1,077,776	856,710	
New Oriental Education & Technology Group Inc.	8,000	677,700	765,327	
TAL Education Group	25,400	880,739	844,117	
		3,409,024	3,179,733	12.46
Consumer Staples				
China Foods Ltd.	430,000	263,039	282,709	
China Resources Beer Holdings Co., Ltd.	100,000	575,157	519,527	
China Mengniu Dairy Co., Ltd.	72,000	323,138	309,833	
Tingyi Cayman Islands Holding Corp.	120,000	321,504	285,054	
Uni-President China Holdings Ltd.	199,000	257,147	274,490	
		1,739,985	1,671,613	6.54
Materials				
Conch Cement Co., Ltd.	37,500	295,017	292,699	
		295,017	292,699	1.14
Health Care				
SSY Group Ltd.	226,000	265,182	282,240	
		265,182	282,240	1.12
Financials				
Agricultural Bank of China Ltd.	1,002,000	643,843	635,604	
China Construction Bank Corp.	1,259,200	1,277,885	1,422,783	
China Merchants Bank Co., Ltd.	64,300	266,285	337,774	
China International Capital Corp., Ltd.	141,200	323,672	337,280	
Huatai Securities Co., Ltd.	67,400	127,930	124,922	
Industrial & Commercial Bank of China Ltd.	990,000	864,853	935,446	
New China Life Insurance Co., Ltd.	108,000	655,112	669,918	
Ping An Insurance Group Co. of China Ltd.	81,000	980,886	1,063,751	
		5,140,466	5,527,478	21.65
Real Estate				
China Overseas Land & Investment Ltd.	52,000	215,793	210,454	
China Vanke Co., Ltd.	58,900	262,121	252,001	
		477,914	462,455	1.81

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

SUN LIFE EXCEL CHINA FUND (continued)

(formerly EXCEL CHINA FUND)

Schedule of Investments (continued)

As at September 30, 2018

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Information Technology				
Alibaba Group Holding Ltd.	11,200	2,209,259	2,385,262	
Baidu Inc.	3,900	1,309,784	1,152,815	
Microsoft Corp.	4,300	601,163	635,693	
Tencent Holdings Ltd.	44,890	531,197	2,396,672	
Travelsky Technology Ltd.	165,000	630,666	554,672	
Visa Inc.	3,300	601,701	640,225	
		5,883,770	7,765,339	30.42
Telecommunication Services				
China Mobile Ltd.	88,000	1,097,815	1,121,518	
China Telecom Corp., Ltd.	206,000	136,266	132,375	
China Unicom (Hong Kong) Ltd.	84,000	132,166	127,938	
		1,366,247	1,381,831	5.41
Utilities				
CLP Holdings Ltd.	33,500	505,636	507,183	
ENN Energy Holdings Ltd.	24,000	318,385	269,593	
Hong Kong & China Gas Co., Ltd.	115,000	299,358	295,214	
		1,123,379	1,071,990	4.20
Total Equities		21,195,814	23,295,936	
Transaction Costs		-78,522	-	
Total Investments		21,117,292	23,295,936	
Other Assets less Liabilities			2,233,522	8.75
Total Net Assets			25,529,458	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Excel China 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 Investment Portfolio as at September 30, 2018 and are grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at September 30, 2018 and September 30, 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 EXCEL CHINA FUND (continued)

(formerly EXCEL CHINA FUND)

The following table summarizes the Fund's proportionate exposure to currency risk as at September 30, 2018 and September 30, 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)	
	September 30, 2018	Percentage of Net Assets (%)	September 30, 2017	Percentage of Net Assets (%)
United States Dollar	7,891,091	30.9	17,326,275	36.4
Hong Kong Dollar	16,892,316	66.2	27,292,411	57.4
Total	24,783,407	97.1	44,618,686	93.8

As at September 30, 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 \$1,239,170 (\$2,230,934 as at September 30, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

As at September 30, 2018 and September 30, 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 September 30, 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 \$1,164,797 (\$2,110,360 as at September 30, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at September 30, 2018 and September 30, 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 tables below:

Portfolio by Category	Percentage of Net Assets (%)	
	September 30, 2018	September 30, 2017
Equities		
Energy	5.5	4.5
Materials	1.1	4.1
Industrials	1.0	-
Consumer Discretionary	12.5	23.8
Consumer Staples	6.5	-
Health Care	1.1	2.7
Financials	21.7	19.8
Real Estate	1.8	1.8
Information Technology	30.4	31.2
Telecommunication Services	5.4	0.9
Utilities	4.2	-
Other Assets less Liabilities	8.8	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 September 30, 2018 and September 30, 2017.

	September 30, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	23,295,936	-	-	23,295,936
Bonds	-	-	-	-
Mortgage Backed Short-Term Investments	-	-	-	-
Currency Forward Contracts	-	-	-	-
Financial Liabilities				
Currency Forward Contracts	-	-	-	-
	September 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	42,207,202	-	1	42,207,203
Bonds	-	-	-	-
Mortgage Backed Short-Term Investments	-	-	-	-
Currency Forward Contracts	-	-	-	-
Financial Liabilities				
Currency Forward Contracts	-	2	-	2

There were no significant transfers between level 1 and 2 during the periods ended September 30, 2018 and September 30, 2017.

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

SUN LIFE EXCEL CHINA FUND (continued)

(formerly EXCEL CHINA FUND)

The following is a reconciliation of Level 3 fair value assets as at September 30, 2018 and September 30, 2017.

	September 30, 2018	September 30, 2017
	(\$)	(\$)
Opening Balance	1	1
Net purchases and sales	-	-
Net transfers in (out)	-	-
Gains (Losses)		
Realized	(1,083,026)	-
Unrealized	1,083,025	-
Closing Balance	-	1

The Fund applies judgment in determining unobservable inputs to calculate the fair value of Level 3 financial instruments. As at September 30, 2018, the Fund held \$0 (\$1 as at September 30, 2017) Level 3 securities. The unobservable inputs used in the valuation of these financial instruments primarily include key variables, current market conditions and recent financings by the company, if any. These securities are affected by market activity in their relevant sectors and therefore generally fluctuated similarly.

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 September 30, 2018 were \$280,516 (\$206,470 for the period ended September 30, 2017).

Soft Dollar Commissions

There were no soft dollar transactions during the periods ended September 30, 2018 and September 30, 2017.

Taxation of the Fund

As at September 30, 2018, the Fund had accumulated capital losses of \$47,910,883 (\$49,249,385 as at September 30, 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 September 30, 2018, the Fund had accumulated non-capital losses of \$2,011,682 (\$2,011,682 as at September 30, 2017). Non-capital losses may be carried forward for up to 20 taxation years.

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 September 30, 2018 and September 30, 2017, the Company held the following positions in the Fund:

	September 30, 2018	
	Units	Market Value (\$)
Series I	238	8,486

	September 30, 2017	
	Units	Market Value (\$)
Series I	-	-

The following are transactions in the Fund by the Company from the beginning of the period to September 30, 2018 and September 30, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

	September 30, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	10,000	-	-

	September 30, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	-	-

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 28, 2000	January 28, 2000
Series F Units	February 25, 2005	February 25, 2005
Series I Units	December 23, 2004	December 23, 2004

Fund Name Change

The Fund was renamed Sun Life Excel China Fund (formerly Excel China Fund) effective June 18, 2018.

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

SUN LIFE EXCEL EMERGING MARKETS BALANCED FUND

(formerly EXCEL EMERGING MARKETS BALANCED FUND)

Statements of Financial Position

As at September 30, 2018 and 2017

	September 30, 2018 (\$)	September 30, 2017 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	23,030,154	18,684,445
Short-term investments	-	-
Cash	382,714	500,786
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	1,550	-
Accrued interest	-	-
Dividends receivable	4,859	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	18,375	2,657
	23,437,652	19,187,888
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	-	-
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	-	-
Unrealized depreciation on swaps	-	-
Accrued expenses	4,055	43,932
Redemptions payable	30,967	-
Distributions payable	-	34,135
Due to investment dealers	-	-
Management fees payable	33,649	25,657
Total liabilities (excluding net assets attributable to holders of redeemable units)	68,671	103,724
Net Assets Attributable to Holders of Redeemable Units	23,368,981	19,084,164
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	14,700,529	9,479,570
Series F	8,662,525	9,589,871
Series DB	5,927	14,723
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	5.09	5.41
Series F	5.40	5.66
Series DB	4.54	4.80

Approved on behalf of Trustee

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

Statements of Comprehensive Income (Loss)

For the years ended September 30

	2018 (\$)	2017 (\$)
Investment Income		
Dividend income	-	-
Interest income for distribution purposes	-	-
Distributions from underlying funds	731,899	565,759
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	759,850	107,054
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	(1,525,972)	(59,694)
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	-	-
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	(34,223)	613,119
Net gain (loss) on foreign exchange	(1,526)	(1,594)
Other income	48,649	-
Total income (loss)	12,900	611,525
Expenses (note 5)		
Management fees	463,840	272,175
Administration costs	85,237	81,038
Legal fees	19,402	29,950
Fixed Administration Fees	14,875	-
Audit fees	13,763	16,866
Securityholder reporting costs	6,071	5,468
Withholding tax	998	-
Independent review committee fees	403	1,160
Trustee fees	395	909
Custodial fees	75	-
Transaction costs (note 2)	-	-
Total operating expenses	605,059	407,566
Expenses waived/absorbed by the Manager	(119,730)	(185,803)
Operating Profit (Loss)	(472,429)	389,762
Finance Cost		
Interest expense	(1,354)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		
	(473,783)	389,762
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	(567,266)	335,154
Series F	92,491	54,363
Series DB	992	245
Weighted Average Number of Units Outstanding		
Series A	2,922,260	1,661,194
Series F	1,776,850	815,837
Series DB	2,135	1,019

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

SUN LIFE EXCEL EMERGING MARKETS BALANCED FUND (continued)

(formerly EXCEL EMERGING MARKETS BALANCED FUND)

Statements of Comprehensive Income (Loss) (continued)

For the years ended September 30

	2018 (\$)	2017 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	(0.19)	0.20
Series F	0.05	0.07
Series DB	0.46	0.24

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

For the years ended September 30

	Series A (\$)		Series F (\$)		Series DB (\$)		Total (\$)	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Units at beginning of year	\$ 9,479,570	8,632,583	9,589,871	2,100,920	14,723	-	19,084,164	10,733,503
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ (567,266)	335,154	92,491	54,363	992	245	(473,783)	389,762
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 17,076,495	5,868,990	9,309,657	8,127,079	20,837	20,878	26,406,989	14,016,947
Redemption of redeemable units	\$ (11,093,957)	(5,221,498)	(10,223,662)	(579,283)	(30,625)	(6,400)	(21,348,244)	(5,807,181)
Reinvestment of distributions to holders of redeemable units	\$ 528,132	263,880	327,817	102,340	506	265	856,455	366,485
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 6,510,670	911,372	(586,188)	7,650,136	(9,282)	14,743	5,915,200	8,576,251
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	(80,247)	-	(21,462)	-	(7)	-	(101,716)
From net investment income	\$ (722,445)	-	(433,649)	-	(506)	-	(1,156,600)	-
Return of capital	\$ -	(319,292)	-	(194,086)	-	(258)	-	(513,636)
	\$ (722,445)	(399,539)	(433,649)	(215,548)	(506)	(265)	(1,156,600)	(615,352)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the year	\$ 5,220,959	846,987	(927,346)	7,488,951	(8,796)	14,723	4,284,817	8,350,661
Net Assets Attributable to Holders of Redeemable Units at end of year	\$ 14,700,529	9,479,570	8,662,525	9,589,871	5,927	14,723	23,368,981	19,084,164
Redeemable Unit Transactions								
Balance - beginning of year	1,753,042	1,581,442	1,694,795	372,471	3,065	-	3,450,902	1,953,913
Units issued	2,731,787	569,964	1,519,998	1,369,097	4,205	3,816	4,255,990	1,942,877
Units issued on reinvestment of distributions	96,495	48,885	56,875	18,167	102	55	153,472	67,107
Units redeemed	(1,692,264)	(447,249)	(1,667,048)	(64,940)	(6,068)	(806)	(3,365,380)	(512,995)
Balance - end of year	2,889,060	1,753,042	1,604,620	1,694,795	1,304	3,065	4,494,984	3,450,902

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

SUN LIFE EXCEL EMERGING MARKETS BALANCED FUND (continued)

(formerly EXCEL EMERGING MARKETS BALANCED FUND)

Statements of Cash Flows

For the years ended September 30

	2018 (\$)	2017 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	(473,783)	389,762
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(759,850)	(107,054)
Change in unrealized (appreciation) depreciation in value of investments	1,525,972	59,694
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	-	-
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	(731,899)	(435,293)
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	(14,428,815)	(9,514,761)
Proceeds from sale of investments	10,047,333	2,020,409
Purchases of short-term investments	-	-
Proceeds from sale of short-term investments	-	-
Change in dividends and interest receivable	(4,859)	-
Change in distributions receivable from underlying funds	-	-
Change in management fees payable	7,992	-
Change in other payables and accrued expenses	(39,877)	4,339
Net Cash Provided by (Used in) Operating Activities	(4,857,786)	(7,582,904)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(334,280)	(226,993)
Proceeds from redeemable units issued	26,391,271	14,019,592
Redemption of redeemable units	(21,317,277)	(5,807,181)
Net Cash Provided by (Used in) Financing Activities	4,739,714	7,985,418
Net increase (decrease) in cash	(118,072)	402,514
Cash (bank indebtedness) at beginning of year	500,786	98,272
Cash (bank indebtedness) at end of year	382,714	500,786
Dividends received, net of withholding taxes	-	-
Interest received, net of withholding taxes	-	-
Interest paid	1,354	-

Schedule of Investments

As at September 30, 2018

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Sun Life Excel Emerging Markets Fund, Series I	981,286	10,649,343	11,335,916	48.51
Sun Life Excel High Income Fund, Series I	2,256,704	12,750,129	11,694,238	50.04
		23,399,472	23,030,154	98.55
Transaction Costs		0	-	
Total Investments		23,399,472	23,030,154	98.55
Other Assets less Liabilities			338,827	1.45
Total Net Assets			23,368,981	100.00

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Excel Emerging Markets 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 included within their investments in redeemable units of shares of other investment funds. The Schedule of Investment Portfolios of these underlying funds as at September 30, 2018 are grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

The Fund invests in financial assets, which have an investment grade credit rating as rated primarily by Standard & Poor's and Moody & Fitch's. Ratings for securities that subject the Fund to credit risk as at September 30, 2018 and September 30, 2017 are noted below:

Rating	Percentage of Net Assets (%)	
	September 30, 2018	September 30, 2017
AA/Aa	3.3	1.2
A/A	6.8	4.5
BBB/Baa	14.8	18.6
BB/Ba	12.8	16.2
B/a	5.7	7.6
CCC/cc	-	0.3
Not rated	4.6	0.3
Total	48.0	48.7

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

SUN LIFE EXCEL EMERGING MARKETS BALANCED FUND (continued)

(formerly EXCEL EMERGING MARKETS BALANCED 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 is exposed indirectly to currency risk as a result of its investment in underlying internally 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 September 30, 2018 and September 30, 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 (%)
	September 30, 2018		September 30, 2017	
United States Dollar	9,050,368	38.8	8,017,810	42.0
Hong Kong Dollar	2,823,489	12.1	1,445,321	7.6
South Korean Won	1,466,702	6.3	962,975	5.0
Polish Zloty	1,040,237	4.4	582,075	3.1
New Taiwan Dollar	1,000,030	4.2	(112,441)	(0.1)
South African Rand	941,377	4.0	733,664	3.8
Indonesian Rupiah	839,000	3.6	838,646	4.4
Malaysian Ringgit	798,996	3.4	687,741	3.6
Thailand Baht	787,371	3.4	402,185	2.1
Brazilian Real	762,697	3.3	1,179,171	6.2
Indian Rupee	671,008	2.9	1,293,718	6.8
Mexican Peso	625,471	2.7	848,138	4.4
Turkish Lira	621,369	2.6	696,140	3.6
Colombian Peso	480,700	2.1	317,072	1.7
Russian Ruble	410,768	1.8	681,504	3.6
Hungarian Forint	393,722	1.7	40,973	0.2
Chilean Peso	282,087	1.2	236,837	1.2
Serbia Dinar	229,401	1.0	162,295	0.9
Peruvian Nuevo Sol	196,479	0.8	132,096	0.7
Romanian Leu	157,293	0.7	105,345	0.6
Euro	131,931	0.5	682,168	3.6
Japanese Yen	122,201	0.5	173,983	0.9
Argentine Peso	38,916	0.2	214,765	1.1
Philippine Peso	32,254	0.1	222,398	1.2
Pakistani Rupee	28,051	0.1	-	-
UAE Dirham	17,759	0.1	-	-
Czech Koruna	7,136	-	4,742	-
British Pound	(23,496)	(0.1)	49,797	0.3
Yuan Renminbi	(177,977)	(0.8)	(425,772)	(2.2)
Israeli Shekel	(335,865)	(1.4)	(304,914)	(1.6)
Singapore Dollar	(423,145)	(1.8)	(184,995)	(1.0)
Total	22,996,330	98.4	19,683,437	103.7

As at September 30, 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 \$1,149,817 (\$984,170 as at September 30, 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 EXCEL EMERGING MARKETS BALANCED FUND (continued)

(formerly EXCEL EMERGING MARKETS BALANCED FUND)

(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 (\$)
September 30, 2018	179,566	2,367,658	8,665,251	11,212,475
September 30, 2017	379,441	1,291,051	7,589,967	9,260,459

As at September 30, 2018, had prevailing interest rates increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$1,174,903 (\$949,340 as at September 30, 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.

As at September 30, 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 \$561,114 (\$390,004 as at September 30, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at September 30, 2018 and September 30, 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 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. The Fund is exposed to the possible risk inherent in the concentration of the investment portfolio held by the Underlying Funds. The Managers of the Underlying Funds moderate this risk through careful selection of securities in several industries, investment sectors and geographical locations. The Fund's concentration risk is summarized in the tables below:

Portfolio by Category	Percentage of Net Assets (%)	
	September 30, 2018	September 30, 2017
Short-Term Investments		
Treasury Bills	-	-
Bonds		
Foreign Government Bonds	35.6	35.1
Foreign Corporate Bonds	12.4	13.4
Mortgage Backed	-	-
Equities		
Energy	5.8	1.7
Materials	2.1	4.3
Industrials	1.2	2.3
Consumer Discretionary	3.6	5.5
Consumer Staples	3.4	2.4
Health Care	0.4	1.0
Financials	13.5	11.3
Real Estate	0.1	1.4
Information Technology	14.3	9.7
Telecommunication Services	1.4	0.4
Utilities	0.2	0.9
Mutual Funds	-	1.5
Exchange-Traded Funds	0.7	0.2
Other Assets less Liabilities	5.3	8.9
Total	100.0	100.0

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

SUN LIFE EXCEL EMERGING MARKETS BALANCED FUND (continued)

(formerly EXCEL EMERGING MARKETS BALANCED FUND)

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 September 30, 2018 and September 30, 2017.

	September 30, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	-	-	-	-
Bonds	-	-	-	-
Mutual Funds	23,030,154	-	-	23,030,154
Short-Term Investments	-	-	-	-
Currency Forward Contracts	-	-	-	-
Financial Liabilities				
Currency Forward Contracts	-	-	-	-

	September 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	-	-	-	-
Bonds	-	-	-	-
Mutual Funds	18,684,445	-	-	18,684,445
Short-Term Investments	-	-	-	-
Currency Forward Contracts	-	-	-	-
Financial Liabilities				
Currency Forward Contracts	-	-	-	-

There were no significant transfers between fair value levels 1 and 2 during the periods ended September 30, 2018 and September 30, 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.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended September 30, 2018 were \$NIL (\$NIL for the period ended September 30, 2017).

Soft Dollar Commissions

There were no soft dollar transactions during the periods ended September 30, 2018 and September 30, 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 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 September 30, 2018 and September 30, 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	October 04, 2013	October 04, 2013
Series F Units	October 04, 2013	October 04, 2013
Series DB Units	October 28, 2016	October 28, 2016

Fund Name Change

The Fund was renamed Sun Life Excel Emerging Markets Balanced Fund (formerly Excel Emerging Markets Balanced Fund) effective June 18, 2018.

Series Closure to New Investments

Effective February 7, 2018, Series D was closed to new investments other than by pre-authorized chequing plans that existed prior to this date, Series D was renamed Series DB.

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

SUN LIFE EXCEL HIGH INCOME FUND

(formerly EXCEL HIGH INCOME FUND)

Statements of Financial Position

As at September 30, 2018 and 2017

	September 30, 2018 (\$)	September 30, 2017 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	160,867,319	196,122,905
Short-term investments	-	-
Cash	5,790,631	1,283,269
Margin	640,619	564,179
Option contracts, at fair value - long	-	-
Credit default swaps, sell protection	473,473	81,309
Unrealized appreciation on futures contracts	190,370	168,578
Unrealized appreciation on currency forward contracts	541,274	1,114,274
Unrealized appreciation on swaps	-	-
Due from investment dealers	8,012,354	-
Accrued interest	2,164,641	3,201,573
Dividends receivable	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	2,651	625,949
	178,683,332	203,162,036
Liabilities		
Current Liabilities		
Bank indebtedness	-	-
Margin	-	-
Option contracts, at fair value - short	-	-
Credit default swaps, buy protection	355,010	481,359
Unrealized depreciation on futures contracts	-	-
Unrealized depreciation on currency forward contracts	1,343,548	1,263,691
Unrealized depreciation on swaps	-	-
Accrued expenses	27,245	265,943
Redemptions payable	289,123	476,112
Distributions payable	376	295,004
Due to investment dealers	8,701,848	878,040
Management fees payable	186,916	249,132
Total liabilities (excluding net assets attributable to holders of redeemable units)	10,904,066	3,909,281
Net Assets Attributable to Holders of Redeemable Units	167,779,266	199,252,755
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	68,679,515	91,905,005
Series F	69,773,794	77,988,611
Series I	11,694,283	9,414,799
Institutional Series	17,287,092	19,551,772
Series DB	344,582	392,568
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	4.58	5.13
Series F	4.98	5.50
Series I	5.18	5.65
Institutional Series	4.28	4.76
Series DB	4.11	4.61

Approved on behalf of Trustee

“signed” Rick Headrick President	“signed” Kari Holdsworth Chief Financial Officer
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Statements of Comprehensive Income (Loss)

For the years ended September 30

	2018 (\$)	2017 (\$)
Investment Income		
Dividend income	-	-
Interest income for distribution purposes	10,979,697	10,919,473
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	(691,428)	4,581,976
Net realized gain (loss) on futures contracts	(1,823)	-
Net realized gain (loss) on currency forward contracts	(1,027,884)	1,864,158
Net realized gain (loss) on option contracts	-	(624,790)
Net realized gain (loss) on swaps	(153,669)	(474,627)
Change in unrealized appreciation (depreciation) in value of investments	(15,034,032)	(10,290,010)
Change in unrealized appreciation (depreciation) in value of futures contracts	21,792	170,796
Change in unrealized appreciation (depreciation) in currency forward contracts	(652,857)	649,384
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	208,057	(176,567)
Net gains (losses) on investments	(6,352,147)	6,619,793
Net gain (loss) on foreign exchange	881,525	(2,328,904)
Other income	131,650	-
Total income (loss)	(5,338,972)	4,290,889
Expenses (note 5)		
Management fees	2,733,098	2,976,409
Administration costs	455,880	804,723
Fixed Administration fees	98,803	-
Withholding tax	82,449	28,550
Custodial fees	56,331	69,855
Securityholder reporting costs	42,336	26,570
Legal fees	24,556	36,147
Audit fees	21,924	42,398
Independent review committee fees	3,592	15,597
Trustee fees	3,109	7,526
Transaction costs (note 2)	-	-
Total operating expenses	3,522,078	4,007,775
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	(8,861,050)	283,114
Finance Cost		
Interest expense	(5,831)	(401)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		
	(8,866,881)	282,713
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	(3,995,765)	(263,682)
Series F	(3,362,448)	285,687
Series I	(473,989)	(1,706)
Institutional Series	(1,014,388)	263,294
Series DB	(20,291)	(880)
Weighted Average Number of Units Outstanding		
Series A	16,754,379	17,749,404
Series F	14,340,390	12,844,181
Series I	2,337,973	1,429,739
Institutional Series	4,940,480	2,784,144
Series DB	98,650	32,808

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

SUN LIFE EXCEL HIGH INCOME FUND (continued)

(formerly EXCEL HIGH INCOME FUND)

Statements of Comprehensive Income (Loss) (continued)

For the years ended September 30

	2018 (\$)	2017 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	(0.24)	(0.01)
Series F	(0.23)	0.02
Series I	(0.20)	-
Institutional Series	(0.21)	0.09
Series DB	(0.21)	(0.03)

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

For the years ended September 30

	Series A (\$)		Series F (\$)		Series I (\$)	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Units at beginning of year	\$ 91,905,005	96,580,884	77,988,611	75,078,783	9,414,799	7,614,505
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ (3,995,765)	(263,682)	(3,362,448)	285,687	(473,989)	(1,706)
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 26,078,603	35,712,740	40,979,597	50,444,120	7,160,399	3,583,500
Redemption of redeemable units	\$ (44,120,203)	(38,934,645)	(43,535,960)	(45,783,602)	(4,406,926)	(1,781,500)
Reinvestment of distributions to holders of redeemable units	\$ 3,807,240	4,130,379	1,991,132	1,844,959	706,778	435,293
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (14,234,360)	908,474	(565,231)	6,505,477	3,460,251	2,237,293
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	(1,281,476)	-	(933,493)	-	(104,519)
From net investment income	\$ (4,995,365)	(3,686,687)	(4,287,138)	(2,686,814)	(706,778)	(301,021)
Return of capital	\$ -	(352,508)	-	(261,029)	-	(29,753)
	\$ (4,995,365)	(5,320,671)	(4,287,138)	(3,881,336)	(706,778)	(435,293)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the year	\$ (23,225,490)	(4,675,879)	(8,214,817)	2,909,828	2,279,484	1,800,294
Net Assets Attributable to Holders of Redeemable Units at end of year	\$ 68,679,515	91,905,005	69,773,794	77,988,611	11,694,283	9,414,799
Redeemable Unit Transactions						
Balance - beginning of year	17,921,354	17,779,694	14,188,129	13,085,797	1,666,149	1,299,502
Units issued	3,772,221	2,925,652	6,553,366	3,688,221	1,247,200	600,777
Units issued on reinvestment of distributions	762,863	783,713	370,746	328,954	127,380	75,723
Units redeemed	(7,446,178)	(3,567,705)	(7,102,474)	(2,914,843)	(784,026)	(309,853)
Balance - end of year	15,010,260	17,921,354	14,009,767	14,188,129	2,256,703	1,666,149

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

SUN LIFE EXCEL HIGH INCOME FUND (continued)

(formerly EXCEL HIGH INCOME FUND)

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

For the years ended September 30

	Institutional Series (\$)		Series DB (\$)		Total (\$)	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Units at beginning of year	\$ 19,551,772	-	392,568	-	199,252,755	179,274,172
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ (1,014,388)	263,294	(20,291)	(880)	(8,866,881)	282,713
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 7,249,806	20,518,016	307,271	439,571	81,775,676	110,697,947
Redemption of redeemable units	\$ (8,357,769)	(1,222,116)	(332,238)	(45,956)	(100,753,096)	(87,767,819)
Reinvestment of distributions to holders of redeemable units	\$ 1,331,144	833,369	26,672	10,050	7,862,966	7,254,050
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 223,181	20,129,269	1,705	403,665	(11,114,454)	30,184,178
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	(199,918)	-	(2,402)	-	(2,521,808)
From net investment income	\$ (1,473,473)	(577,809)	(29,400)	(6,969)	(11,492,154)	(7,259,300)
Return of capital	\$ -	(63,064)	-	(846)	-	(707,200)
	\$ (1,473,473)	(840,791)	(29,400)	(10,217)	(11,492,154)	(10,488,308)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the year	\$ (2,264,680)	19,551,772	(47,986)	392,568	(31,473,489)	19,978,583
Net Assets Attributable to Holders of Redeemable Units at end of year	\$ 17,287,092	19,551,772	344,582	392,568	167,779,266	199,252,755
Redeemable Unit Transactions						
Balance - beginning of year	4,107,042	-	85,085	-	37,967,759	32,164,993
Units issued	1,346,702	4,140,407	51,550	87,442	12,971,039	11,442,499
Units issued on reinvestment of distributions	285,949	171,071	5,850	2,138	1,552,788	1,361,599
Units redeemed	(1,702,044)	(204,436)	(58,722)	(4,495)	(17,093,444)	(7,001,332)
Balance - end of year	4,037,649	4,107,042	83,763	85,085	35,398,142	37,967,759

Statements of Cash Flows

For the years ended September 30

	2018 (\$)	2017 (\$)	2018 (\$)	2017 (\$)
Cash Flows from Operating Activities				
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	(8,866,881)	282,713		
Adjustments for:				
Gain on short-term investments	-	-		
Net realized (gain) loss on sale of investments	691,428	(4,581,976)		
Change in unrealized (appreciation) depreciation in value of investments	15,034,032	10,290,010		
Change in unrealized (appreciation) depreciation in value of futures contracts	(21,792)	(170,796)		
Change in unrealized (appreciation) depreciation in currency forward contracts	652,857	(649,384)		
Change in unrealized (appreciation) depreciation in value of swaps	(208,057)	176,567		
Non-cash income distributions from underlying funds	-	-		
Change in fair value of option contracts	-	-		
Change in fair value of credit default swaps	-	-		
Change in margin	(76,440)	-		
Purchases of investments	(130,212,238)	(173,630,062)		
Proceeds from sale of investments	149,243,362	145,704,018		
Purchases of short-term investments	-	-		
Proceeds from sale of short-term investments	-	452,030		
Change in dividends and interest receivable	1,036,932	(484,769)		
Change in distributions receivable from underlying funds	-	(417,545)		
Change in management fees payable	(62,216)	-		
Change in other payables and accrued expenses	(238,698)	101,452		
Net Cash Provided by (Used in) Operating Activities			26,972,289	(22,927,742)
Cash Flows from Financing Activities				
Distributions paid to holders of redeemable units, net of reinvested distributions			(3,923,816)	(3,182,036)
Proceeds from redeemable units issued			82,398,974	110,850,060
Redemption of redeemable units			(100,940,085)	(87,570,071)
Net Cash Provided by (Used in) Financing Activities			(22,464,927)	20,097,953
Net increase (decrease) in cash			4,507,362	(2,829,789)
Cash (bank indebtedness) at beginning of year			1,283,269	4,113,058
Cash (bank indebtedness) at end of year			5,790,631	1,283,269
Dividends received, net of withholding taxes			-	-
Interest received, net of withholding taxes			11,934,180	10,427,178
Interest paid			5,831	401

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

SUN LIFE EXCEL HIGH INCOME FUND (continued)

(formerly EXCEL HIGH INCOME FUND)

Schedule of Investments

As at September 30, 2018

	Maturity Date	Country	Currency	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
BONDS							
Foreign Government Bonds							
Arab Republic of Egypt 6.59%	21-Feb-2028	Egypt	USD	600,000	755,640	743,869	
Arab Republic of Egypt 8.50%	31-Jan-2047	Egypt	USD	600,000	855,944	780,690	
China Development Bank 2.75%	16-Nov-2022	China	USD	1,200,000	1,517,488	1,495,510	
Emirate of Abu Dhabi 3.13%	11-Oct-2027	United Arab Emirates	USD	2,500,000	3,066,399	3,047,597	
Emirate of Abu Dhabi 4.13%	11-Oct-2047	United Arab Emirates	USD	800,000	990,397	990,241	
Export Credit Bank of Turkey 4.25%	18-Sep-2022	Turkey	USD	600,000	721,783	678,890	
Federal Republic of Brazil 5.63%	7-Jan-2041	Brazil	USD	1,500,000	1,716,390	1,770,711	
Federal Republic of Brazil 5.63%	21-Feb-2047	Brazil	USD	1,000,000	1,247,175	1,148,656	
Government of Colombia 3.88%	25-Apr-2027	Colombia	USD	500,000	628,959	627,723	
Government of Colombia 5.00%	15-Jun-2045	Colombia	USD	1,000,000	1,241,903	1,294,546	
Government of Colombia 7.75%	14-Apr-2021	Colombia	COP	500,000,000	282,141	229,104	
Government of Malaysia 3.90%	30-Nov-2026	Malaysia	MYR	9,200,000	2,857,008	2,827,823	
Government of Malaysia 3.96%	15-Sep-2025	Malaysia	MYR	685,000	208,930	213,391	
Government of Malaysia 4.16%	15-Jul-2021	Malaysia	MYR	1,878,000	614,978	595,216	
Government of Romania 4.75%	24-Feb-2025	Romania	RON	6,400,000	2,127,813	2,097,627	
Government of Thailand 3.65%	17-Dec-2021	Thailand	THB	1,000,000	41,602	41,865	
Government of Thailand 4.88%	22-Jun-2029	Thailand	THB	51,744,000	2,486,751	2,431,174	
Government of Ukraine 7.38%	25-Sep-2032	Ukraine	USD	1,000,000	1,230,400	1,127,619	
Kingdom of Bahrain 7.50%	20-Sep-2047	Bahrain	USD	300,000	365,940	375,125	
Kuwait International Bond 2.75%	20-Mar-2022	Kuwait	USD	1,670,000	2,183,105	2,111,672	
Mexican Fixed Rate Development Bond 6.50%	10-Jun-2021	Mexico	MXN	15,000,000	1,011,043	1,006,284	
Mexican Fixed Rate Development Bond 7.50%	3-Jun-2027	Mexico	MXN	17,000,000	1,178,905	1,144,391	
Mexican Fixed Rate Development Bond 7.75%	13-Nov-2042	Mexico	MXN	42,500,000	2,948,744	2,830,307	
Nota Do Tesouro Nacional 10.00%	1-Jan-2023	Brazil	BRL	1,700,000	7,023,263	5,500,579	
Plurinational State of Bolivia 4.50%	20-Mar-2028	Bolivia	USD	500,000	666,078	613,989	
Provincia de Buenos Aires 5.38%	20-Jan-2023	Argentina	EUR	1,600,000	2,310,330	2,035,985	
Provincia de Buenos Aires 6.50%	15-Feb-2023	Argentina	USD	900,000	1,179,034	1,022,303	
Republic of Argentina 18.20%	3-Oct-2021	Argentina	ARS	18,000,000	1,649,958	507,850	
Republic of Argentina 5.25%	15-Jan-2028	Argentina	EUR	2,000,000	3,092,965	2,410,564	
Republic of Argentina 8.75%	7-May-2024	Argentina	USD	250,000	277,634	330,423	
Republic of Armenia 7.15%	26-Mar-2025	Armenia	USD	400,000	512,147	547,562	
Republic of Azerbaijan 4.75%	18-Mar-2024	Azerbaijan	USD	500,000	620,051	657,156	
Republic of Belarus 6.20%	28-Feb-2030	Belarus	USD	600,000	761,130	751,890	
Republic of Colombia 7.50%	26-Aug-2026	Colombia	COP	7,192,600,000	2,897,238	3,283,090	
Republic of Ecuador 7.88%	23-Jan-2028	Ecuador	USD	1,200,000	1,491,360	1,400,398	
Republic of Ecuador 8.88%	23-Oct-2027	Ecuador	USD	400,000	498,600	492,134	
Republic of Ecuador 9.65%	13-Dec-2026	Ecuador	USD	600,000	820,348	775,138	
Republic of Hungary 1.75%	10-Oct-2027	Hungary	EUR	850,000	1,229,914	1,297,903	
Republic of Indonesia 10.50%	15-Aug-2030	Indonesia	IDR	4,000,000,000	528,015	403,040	
Republic of Indonesia 4.63%	15-Apr-2043	Indonesia	USD	400,000	399,772	486,320	
Republic of Indonesia 5.25%	17-Jan-2042	Indonesia	USD	600,000	620,675	792,836	
Republic of Indonesia 6.13%	15-May-2028	Indonesia	IDR	20,690,000,000	1,830,254	1,563,652	
Republic of Indonesia 7.00%	15-May-2027	Indonesia	IDR	42,000,000,000	3,583,062	3,379,091	
Republic of Indonesia 8.38%	15-Mar-2024	Indonesia	IDR	30,000,000,000	2,849,691	2,627,026	
Republic of Indonesia 8.38%	15-Sep-2026	Indonesia	IDR	25,186,000,000	2,609,318	2,211,532	
Republic of Indonesia 8.75%	15-May-2031	Indonesia	IDR	2,950,000,000	276,110	263,570	
Republic of Ivory Coast 5.13%	15-Jun-2025	Ivory Coast	EUR	210,000	318,214	318,492	
Republic of Kazakhstan 4.88%	14-Oct-2044	Kazakhstan	USD	500,000	591,836	662,529	
Republic of Kenya 8.25%	28-Feb-2048	Kenya	USD	400,000	507,420	500,658	
Republic of Namibia 5.25%	29-Oct-2025	Namibia	USD	1,300,000	1,713,215	1,589,632	
Republic of Nigeria 7.14%	23-Feb-2030	Nigeria	USD	500,000	620,869	633,281	
Republic of Nigeria 7.70%	23-Feb-2038	Nigeria	USD	400,000	499,540	508,057	
Republic of Peru 5.70%	12-Aug-2024	Peru	PEN	2,333,000	897,041	954,705	
Republic of Philippines 3.70%	2-Feb-2042	Philippines	USD	428,000	566,651	515,731	
Republic of Philippines 6.25%	14-Jan-2036	Philippines	PHP	20,000,000	437,482	456,603	
Republic of Poland 2.50%	25-Jul-2026	Poland	PLN	12,000,000	3,787,932	4,034,464	
Republic of Senegal 6.25%	23-May-2033	Senegal	USD	140,000	190,127	169,397	
Republic of Serbia 10.00%	5-Feb-2022	Serbia	RSD	47,000,000	635,343	715,001	
Republic of Serbia 6.00%	22-Feb-2019	South Africa	RSD	200,000,000	2,355,477	2,576,261	
Republic of South Africa 5.00%	12-Oct-2046	South Africa	USD	600,000	732,029	668,140	
Republic of South Africa 6.50%	28-Feb-2041	South Africa	ZAR	20,000,000	1,620,463	1,273,403	
Republic of South Africa 8.00%	31-Jan-2030	South Africa	ZAR	60,000,000	4,912,426	4,954,955	

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

SUN LIFE EXCEL HIGH INCOME FUND (continued)

(formerly EXCEL HIGH INCOME FUND)

Schedule of Investments (continued)

As at September 30, 2018

	Maturity Date	Country	Currency	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Republic of South Africa 8.75%	31-Jan-2044	South Africa	ZAR	41,000,000	3,560,137	3,340,050	
Republic of Sri Lanka 5.75%	18-Jan-2022	Sri Lanka	USD	700,000	919,030	892,106	
Republic of Sri Lanka 6.20%	11-May-2027	Sri Lanka	USD	600,000	825,660	730,852	
Republic of Sri Lanka 6.85%	3-Nov-2025	Sri Lanka	USD	300,000	398,040	383,757	
Republic of Turkey 11.00%	2-Mar-2022	Turkey	TRY	15,000,000	4,827,114	2,391,644	
Republic of Turkey 5.13%	17-Feb-2028	Turkey	USD	800,000	990,849	882,748	
Republic of Turkey 5.75%	11-May-2047	Turkey	USD	1,500,000	1,770,754	1,517,392	
Republic of Turkey 8.80%	27-Sep-2023	Turkey	TRY	11,054,585	2,986,436	1,550,876	
Republica Orient Uruguay 5.10%	18-Jun-2050	Uruguay	USD	800,000	1,066,368	1,058,646	
Russian Federation 7.05%	19-Jan-2028	Russia	RUB	150,000,000	3,280,381	2,712,751	
Russian Federation 8.15%	3-Feb-2027	Russia	RUB	250,000,000	5,106,861	4,873,572	
Russian Foreign Bond - Eurobond 4.38%	21-Mar-2029	Russia	USD	2,200,000	2,731,681	2,717,830	
Socialist Republic of Vietnam 4.80%	19-Nov-2024	Vietnam	USD	410,000	468,732	540,424	
Socialist Republic of Vietnam 6.75%	29-Jan-2020	Vietnam	USD	125,000	139,085	167,940	
State of Qatar 3.25%	2-Jun-2026	Qatar	USD	4,000,000	4,994,257	4,962,940	
Sultanate of Oman 4.75%	15-Jun-2026	Oman	USD	1,500,000	1,926,893	1,845,592	
Sultanate of Oman 5.63%	17-Jan-2028	Oman	USD	400,000	502,049	509,335	
Sultanate of Oman 6.50%	8-Mar-2047	Oman	USD	400,000	530,662	493,173	
The Hashemite Kingdom of Jordan 7.38%	10-Oct-2047	Jordan	USD	400,000	492,619	487,748	
United Mexican States 3.75%	11-Jan-2028	Mexico	USD	1,400,000	1,744,340	1,726,859	
United Mexican States 4.15%	28-Mar-2027	Mexico	USD	1,000,000	1,329,379	1,274,350	
United Mexican States 4.60%	23-Jan-2046	Mexico	USD	500,000	596,357	604,294	
					129,580,134	119,160,250	71.03

Foreign Corporate Bonds

Bank of China Hong Kong Limited 5.90%	31-Dec-2049	Hong Kong	USD	600,000	788,519	776,969	
Banque Oueest Africaine de Developpement 5.00%	27-Jul-2027	Supranational	USD	2,100,000	2,613,306	2,627,613	
BBVA Bancomer SA 5.13%	18-Jan-2033	Mexico	USD	1,000,000	1,246,300	1,181,120	
Country Garden Holdings Company Limited 4.75%	17-Jan-2023	China	USD	1,200,000	1,447,771	1,424,017	
Country Garden Holdings Company Limited 5.13%	17-Jan-2025	China	USD	400,000	496,192	449,850	
Credit Bank of Moscow Via CBOM Finance PLC 5.55%	14-Feb-2023	Russia	USD	600,000	754,290	714,683	
Empresa Nacional del Petroleo 4.50%	14-Sep-2047	Chile	USD	400,000	470,517	465,856	
Eskom Holdings SOC Limited 6.35%	10-Aug-2028	South Africa	USD	900,000	1,164,503	1,160,869	
Industrial & Commercial Bank of China Limited 2.88%	12-Oct-2022	China	USD	800,000	992,887	1,000,238	
KazMunayGas National Company 4.75%	19-Apr-2027	Kazakhstan	USD	800,000	1,055,949	1,038,936	
Lamar Funding Limited 3.96%	7-May-2025	Oman	USD	300,000	360,577	350,090	
Leader Goal International Limited 4.25%	31-Dec-2049	China	USD	270,000	338,175	333,394	
Mexico City Airport Trust 5.50%	31-Jul-2047	Mexico	USD	400,000	484,983	464,051	
National Bank of Oman SAOG 5.63%	25-Sep-2023	Oman	USD	420,000	543,021	540,447	
Nostrum Oil & Gas Finance BV 7.00%	16-Feb-2025	Netherlands	USD	1,000,000	1,250,339	1,142,277	
Pertamina Persero PT 6.00%	3-May-2042	Indonesia	USD	1,920,000	2,807,333	2,554,164	
Perusahaan Listrik Negara PT 4.13%	15-May-2027	Indonesia	USD	1,400,000	1,897,658	1,699,726	
Petkim Petrokimya Holding SA 5.88%	26-Jan-2023	Turkey	USD	400,000	496,619	478,740	
Petrobras Global Finance BV 4.38%	20-May-2023	Brazil	USD	3,400,000	3,980,886	4,185,231	
Petrobras Global Finance BV 6.00%	27-Jan-2028	Brazil	USD	1,500,000	1,845,600	1,791,864	
Petroleos de Venezuela SA 6.00%	15-Nov-2026	Venezuela	USD	2,689,655	1,297,610	760,521	
Petroleos del Peru SA 4.75%	19-Jun-2032	Peru	USD	1,000,000	1,332,800	1,256,027	
Petroleos Mexicanos 4.63%	21-Sep-2023	Mexico	USD	800,000	1,053,880	1,027,365	
Petroleos Mexicanos 6.50%	13-Mar-2027	Mexico	USD	3,000,000	4,234,360	3,970,890	
Petroleos Mexicanos 7.19%	12-Sep-2024	Mexico	MXN	60,000,000	3,686,898	3,599,262	
Rosneft 4.20%	6-Mar-2022	Russia	USD	600,000	616,818	757,987	
Russian Railways JSC 3.37%	20-May-2021	Russia	EUR	300,000	401,727	471,998	
SASOL Financing USA LLC 5.88%	27-Mar-2024	United States of America	USD	270,000	347,988	356,202	
SASOL Financing USA LLC 6.50%	27-Sep-2028	United States of America	USD	360,000	464,063	473,482	
Sberbank 5.25%	23-May-2023	Russia	USD	500,000	549,726	639,279	
Southern Gas Corridor 6.88%	24-Mar-2026	Azerbaijan	USD	500,000	644,055	719,755	
SSG Resources Limited 4.25%	4-Oct-2022	Malaysia	USD	400,000	389,568	512,508	
State Bank of India 4.50%	28-Sep-2023	India	USD	300,000	386,958	386,749	
Tengizchevroil Finance Company International Limited 4.00%	15-Aug-2026	Kazakhstan	USD	500,000	648,306	613,650	
Turkiye Sinai Kalkinma Bankasi SA 5.50%	16-Jan-2023	Turkey	USD	400,000	496,043	428,370	

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

SUN LIFE EXCEL HIGH INCOME FUND (continued)

(formerly EXCEL HIGH INCOME FUND)

Schedule of Investments (continued)

As at September 30, 2018

	Maturity Date	Country	Currency	Par Value	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
Yapi Kredi Bank 5.85%	21-Jun-2024	Turkey	USD	800,000	1,060,000	894,130	
Yapi Kredi Bank 6.10%	16-Mar-2023	Turkey	USD	400,000	513,160	458,759	
					43,159,385	41,707,069	24.86
Total Bonds					172,739,519	160,867,319	95.89
Total Investments					172,739,519	160,867,319	95.89
Currency Forward Contracts⁽¹⁾						(802,274)	(0.48)
Futures contracts⁽²⁾						190,370	0.11
Credit Default Swaps⁽³⁾						118,463	0.07
Other Assets less Liabilities						7,405,388	4.41
Total Net Assets						167,779,266	100.00

⁽¹⁾ Currency Forward Contracts

Counterparty	Credit Rating	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
Merrill Lynch International	NR	2-Oct-2018	RUB	9,907,250	USD	(145,105)	7,878
Merrill Lynch International	NR	5-Oct-2018	USD	464,065	ZAR	(6,325,100)	22,641
Merrill Lynch International	NR	10-Oct-2018	USD	1,486,406	CNY	(10,196,000)	5,975
Merrill Lynch International	NR	20-Nov-2018	TRY	9,600,000	USD	(1,427,907)	147,077
Merrill Lynch International	NR	30-Nov-2018	MXN	24,700,000	USD	(1,292,649)	19,235
Merrill Lynch International	NR	14-Dec-2018	COP	5,605,180,000	USD	(1,814,856)	89,837
Merrill Lynch International	NR	14-Dec-2018	COP	2,102,940,000	USD	(699,999)	9,143
Royal Bank Of Canada	AAA	30-Nov-2018	CAD	1,670,292	MXN	(24,400,000)	2,806
Societe Generale Securities Corp	AA	2-Oct-2018	THB	126,592,752	USD	(3,877,504)	48,346
Societe Generale Securities Corp	AA	5-Oct-2018	ZAR	600,000	USD	(40,980)	1,781
Societe Generale Securities Corp	AA	30-Nov-2018	MXN	85,700,000	USD	(4,513,127)	30,570
State Street Trust Company Of Canada	AA	3-Oct-2018	EUR	793,155	USD	(900,000)	27,932
State Street Trust Company Of Canada	AA	3-Oct-2018	CAD	263,332	USD	(200,000)	4,840
State Street Trust Company Of Canada	AA	19-Oct-2018	USD	1,507,477	JPY	(167,800,000)	35,949
UBS AG Warburg	AA	3-Oct-2018	EUR	603,843	USD	(700,000)	2,127
UBS AG Warburg	AA	10-Oct-2018	CLP	882,049,480	USD	(1,300,000)	48,733
UBS AG Warburg	AA	24-Oct-2018	USD	510,548	CNY	(3,500,000)	2,480
UBS AG Warburg	AA	5-Dec-2018	IDR	10,106,950,000	USD	(646,158)	33,732
UBS AG Warburg	AA	25-Jan-2019	PEN	4,740,000	USD	(1,429,864)	192
							541,274
Merrill Lynch International	NR	3-Oct-2018	EUR	2,752,506	USD	(3,200,000)	(2,164)
Merrill Lynch International	NR	3-Oct-2018	EUR	936,475	USD	(1,100,000)	(15,304)
Merrill Lynch International	NR	10-Oct-2018	CLP	979,200,000	USD	(1,500,000)	(19,265)
Merrill Lynch International	NR	16-Oct-2018	INR	103,965,000	USD	(1,500,000)	(89,521)
Merrill Lynch International	NR	24-Oct-2018	ILS	4,600,000	USD	(1,270,561)	(3,475)
Merrill Lynch International	NR	24-Oct-2018	USD	5,016,283	ILS	(18,276,277)	(27,202)
Merrill Lynch International	NR	26-Oct-2018	PLN	18,235,000	USD	(4,961,319)	(14,751)
Merrill Lynch International	NR	26-Oct-2018	HUF	964,803,400	EUR	(2,999,023)	(24,591)
Merrill Lynch International	NR	26-Oct-2018	USD	1,135,525	HUF	(323,100,000)	(35,163)
Merrill Lynch International	NR	5-Nov-2018	USD	700,000	BRL	(2,863,876)	(19,336)
Merrill Lynch International	NR	7-Nov-2018	USD	4,923,038	KRW	(5,539,894,000)	(97,425)
Merrill Lynch International	NR	20-Nov-2018	TRY	12,000,000	USD	(1,936,702)	(11,661)
Merrill Lynch International	NR	27-Nov-2018	USD	4,792,592	CAD	(6,250,000)	(62,516)
Merrill Lynch International	NR	3-Dec-2018	USD	3,464,525	MXN	(65,800,000)	(22,230)
Societe Generale Securities Corp	AA	2-Oct-2018	USD	1,475,180	RUB	(100,755,360)	(80,799)
Societe Generale Securities Corp	AA	3-Oct-2018	EUR	128,956	USD	(150,000)	(203)
Societe Generale Securities Corp	AA	3-Oct-2018	EUR	683,266	USD	(800,000)	(7,837)
State Street Trust Company Of Canada	AA	3-Oct-2018	EUR	598,222	USD	(700,000)	(6,310)
State Street Trust Company Of Canada	AA	3-Oct-2018	EUR	2,140,097	USD	(2,500,000)	(17,149)
State Street Trust Company Of Canada	AA	3-Oct-2018	USD	4,979,766	EUR	(4,300,000)	(21,571)
State Street Trust Company Of Canada	AA	5-Oct-2018	USD	1,285,222	ZAR	(18,300,000)	(8,670)
State Street Trust Company Of Canada	AA	17-Oct-2018	EUR	224,366	GBP	(200,000)	(45)
State Street Trust Company Of Canada	AA	19-Oct-2018	JPY	321,800,000	USD	(2,909,948)	(93,422)
State Street Trust Company Of Canada	AA	22-Oct-2018	USD	6,076,843	SGD	(8,300,000)	(1,393)
State Street Trust Company Of Canada	AA	22-Oct-2018	SGD	1,637,140	USD	(1,200,000)	(1,491)
State Street Trust Company Of Canada	AA	5-Nov-2018	BRL	10,603,000	USD	(2,817,709)	(219,850)

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

SUN LIFE EXCEL HIGH INCOME FUND (continued)

(formerly EXCEL HIGH INCOME FUND)

Schedule of Investment Portfolio (Unaudited) (continued)

⁽¹⁾ Currency Forward Contracts (continued)

Counterparty	Credit Rating	Settlement Date	Purchased Currency	Par Value	Sold Currency	Par Value	Unrealized Gain/(Loss) (\$)
UBS AG Warburg	AA	3-Oct-2018	USD	347,478	EUR	(300,000)	(1,437)
UBS AG Warburg	AA	3-Oct-2018	EUR	656,012	MXN	(14,600,000)	(23,009)
UBS AG Warburg	AA	3-Oct-2018	USD	7,649,334	EUR	(6,600,000)	(25,394)
UBS AG Warburg	AA	19-Oct-2018	MYR	17,847,000	USD	(4,389,326)	(101,821)
UBS AG Warburg	AA	26-Oct-2018	USD	2,736,620	TWD	(83,450,000)	(2,056)
UBS AG Warburg	AA	5-Nov-2018	USD	600,000	BRL	(2,475,504)	(23,253)
UBS AG Warburg	AA	5-Nov-2018	USD	900,000	BRL	(3,698,100)	(30,002)
UBS AG Warburg	AA	20-Nov-2018	USD	1,556,231	TRY	(10,729,529)	(215,484)
UBS AG Warburg	AA	27-Nov-2018	USD	770,166	CAD	(1,000,000)	(5,690)
UBS AG Warburg	AA	27-Nov-2018	USD	1,152,511	CAD	(1,500,000)	(12,058)
							(1,343,548)
							(802,274)

⁽²⁾ Futures Contracts

Name of Future	Contracted Value (\$)	Expiry Date	Numbers of Contracts	Contracted Price	Current Value (\$)	Unrealized Appreciation/Depreciation (\$)
CBOT 10Yr US T-Note Futures	(4,655,179)	19-Dec-2018	(30)	120.05	(4,606,099)	49,079
CBOT 2Yr US T-Note Futures	(6,282,745)	31-Dec-2018	(23)	105.66	(6,265,091)	17,654
Eurex Bund (Long-Term) Futures	(10,851,643)	06-Dec-2018	(45)	160.62	(10,728,007)	123,637
						(21,599,197)
						190,370

⁽³⁾ Credit Default Swaps Schedule

Referenced Entity	Payment Frequency	Coupon	Expiry Date	Counterparty	Credit Rating	Notional Amount (\$)	Current Value (\$)
Federative Rep. Of Brazil	Quarterly	1.000%	20-Dec-2023	Merrill Lynch International	NR	150,796	150,510
Republic Of South Africa	Quarterly	1.000%	20-Jun-2021	Merrill Lynch International	NR	247,154	28,217
Republic Of Turkey	Quarterly	1.000%	20-Dec-2021	Merrill Lynch International	NR	211,873	178,105
Russian Federation	Quarterly	1.000%	20-Dec-2023	Merrill Lynch International	NR	162,078	116,641
						771,901	473,473
iTraxx.Xover	Quarterly	5.000%	20-Dec-2021	Merrill Lynch International	NR	(223,455)	(281,015)
Russian Federation	Quarterly	1.000%	20-Dec-2026	Merrill Lynch International	NR	(141,772)	(73,995)
						(365,227)	(355,010)
						406,674	118,463

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

SUN LIFE EXCEL HIGH INCOME FUND (continued)

(formerly EXCEL HIGH INCOME FUND)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Excel High 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 Investment Portfolio as at September 30, 2018 and are grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

As at September 30, 2018 and September 30, 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 Standard & Poor's and Moody & Fitch's. Ratings for securities that subject the Fund to credit risk as at September 30, 2018 and September 30, 2017 are noted below:

Rating	Percentage of Net Assets (%)	
	September 30, 2018	September 30, 2017
AA/Aa	6.6	2.4
A/A	13.5	9.2
BBB/Baa	29.5	37.5
BB/Ba	25.6	32.8
B/b	11.5	15.2
CCC	-	0.7
Not rated	9.2	0.6
Total	95.9	98.4

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

(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 purchased currency 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 September 30, 2018 and September 30, 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 (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	September 30, 2018		September 30, 2017	
United States Dollar	93,124,867	55.5	76,921,226	38.6
Indonesian Rupiah	11,478,117	6.8	12,533,287	6.3
Malaysian Ringgit	11,461,305	6.8	13,526,546	6.8
Polish Zloty	10,461,669	6.2	12,327,490	6.2
Mexican Peso	8,973,747	5.3	13,596,055	6.8
Turkish Lira	8,109,519	4.8	13,845,823	6.9
South African Rand	7,718,855	4.6	7,839,245	3.9
Thailand Baht	7,560,317	4.5	7,116,785	3.6
Colombian Peso	6,896,691	4.1	6,353,520	3.2
Brazilian Real	6,007,293	3.6	12,899,432	6.5
Russian Ruble	5,893,365	3.5	14,433,246	7.2
Chilean Peso	3,647,439	2.2	4,162,748	2.1
Serbian Dinar	3,291,262	2.0	3,437,165	1.7
Hungarian Forint	2,979,284	1.8	867,749	0.4
Peruvian Nuevo Sol	2,818,912	1.7	2,797,583	1.4
Romanian Leu	2,256,713	1.3	2,231,055	1.4
Indian Rupee	1,853,844	1.1	4,849,359	2.4
Japanese Yen	1,753,245	1.0	3,684,702	1.8
Argentina Peso	558,334	0.3	4,548,418	2.3
Philippine Peso	462,750	0.3	552,008	0.3
Euro	131,812	0.1	14,298,705	7.2
Czech Koruna	102,385	0.1	100,423	0.1
British Pound	(337,123)	(0.2)	(176,096)	(0.1)
Yuan Renminbi	(2,553,472)	(1.5)	(9,017,229)	(4.5)
New Taiwan Dollar	(3,532,816)	(2.1)	(3,458,489)	(1.7)
Israeli Shekel	(4,818,707)	(2.9)	(6,457,626)	(3.2)
Singapore Dollar	(6,303,226)	(3.8)	(3,917,917)	(2.0)
South Korean Won	(6,455,593)	(3.7)	(9,220,892)	(4.6)
Total	173,540,788	103.4	200,674,321	101.00

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

SUN LIFE EXCEL HIGH INCOME FUND (continued)

(formerly EXCEL HIGH INCOME FUND)

As at September 30, 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 \$8,677,039 (\$10,033,710 as at September 30, 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 (\$)
September 30, 2018	2,576,261	33,969,196	124,321,862	160,867,319
September 30, 2017	8,035,990	27,342,562	160,744,353	196,122,905

As at September 30, 2018, had prevailing interest rates increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$16,856,543 (\$20,105,625 as at September 30, 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 September 30, 2018 and September 30, 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 tables below:

Portfolio by Category	Percentage of Net Assets (%)	
	September 30, 2018	September 30, 2017
Short-Term Investments		
Treasury Bills	-	-
Bonds		
Foreign Government Bonds	71.0	71.3
Foreign Corporate Bonds	24.9	27.1
Mortgage Backed	-	-
Equities		
Energy	-	-
Materials	-	-
Industrials	-	-
Consumer Discretionary	-	-
Consumer Staples	-	-
Health Care	-	-
Financials	-	-
Real Estate	-	-
Information Technology	-	-
Telecommunication Services	-	-
Utilities	-	-
Other Assets less Liabilities	4.1	1.6
Total	100.0	100.0

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

SUN LIFE EXCEL HIGH INCOME FUND (continued)

(formerly EXCEL HIGH INCOME FUND)

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 September 30, 2018 and September 30, 2017.

	September 30, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	-	-	-	-
Bonds	-	160,867,319	-	160,867,319
Mortgage Backed Short-Term Investments	-	-	-	-
Futures Contracts	190,370	-	-	190,370
Currency Forward Contracts	-	541,274	-	541,274
Credit Default Swaps	-	473,473	-	473,473
Financial Liabilities				
Currency Forward Contracts	-	1,343,548	-	1,343,548
Futures Contracts	-	-	-	-
Credit Default Swaps	-	355,010	-	355,010

	September 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	-	-	-	-
Bonds	-	196,122,905	-	196,122,905
Mortgage Backed Short-Term Investments	-	-	-	-
Futures Contracts	-	168,578	-	168,578
Currency Forward Contracts	-	1,114,274	-	1,114,274
Credit Default Swaps	-	81,309	-	81,309
Financial Liabilities				
Currency Forward Contracts	-	1,263,691	-	1,263,691
Futures Contracts	-	-	-	-
Credit Default Swaps	-	481,359	-	481,359

There were no significant transfers between fair value levels 1 and 2 during the periods ended September 30, 2018 and September 30, 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.

Derivative Assets and Liabilities

Derivative assets and liabilities consist of foreign currency forward contracts, credit default swaps and futures contracts.

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

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

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended September 30, 2018 were \$NIL (\$NIL for the period ended September 30, 2017).

Soft Dollar Commissions

There were no soft dollar transactions during the periods ended September 30, 2018 and September 30, 2017.

Taxation of the Fund

As at September 30, 2018, the Fund had accumulated capital losses of \$2,887,643 (\$2,887,643 as at September 30, 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	November 02, 2010	November 02, 2010
Series F Units	November 03, 2010	November 03, 2010
Series I Units	October 16, 2013	October 16, 2013
Institutional Series Units	October 13, 2016	October 13, 2016
Series DB Units	October 24, 2016	October 24, 2016

Fund Name Change

The Fund was renamed Sun Life Excel High Income Fund (formerly Excel High Income Fund) effective on or about June 18, 2018.

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

SUN LIFE EXCEL HIGH INCOME FUND (continued)

(formerly EXCEL HIGH INCOME FUND)

Series Closure to New Investments

Effective February 7, 2018, Series D was closed to new investments other than by pre-authorized chequing plans that existed prior to this date, Series D was renamed Series DB, and Institutional Series was closed to new investments, including additional investments from existing investors in Institutional Series.

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

SUN LIFE EXCEL INDIA BALANCED FUND

(formerly EXCEL INDIA BALANCED FUND)

Statements of Financial Position

As at September 30, 2018 and 2017

	September 30, 2018 (\$)	September 30, 2017 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	55,429,071	73,195,758
Short-term investments	-	-
Cash	192,473	4,022,355
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	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	286,084	211,890
	55,907,628	77,430,003
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	-	163,669
Unrealized depreciation on swaps	-	-
Accrued expenses	9,234	67,700
Redemptions payable	78,427	186,752
Distributions payable	15	191,285
Due to investment dealers	-	-
Management fees payable	41,882	63,653
Total liabilities (excluding net assets attributable to holders of redeemable units)	129,558	673,059
Net Assets Attributable to Holders of Redeemable Units	55,778,070	76,756,944
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	13,849,187	12,464,532
Series F	20,202,548	19,360,601
Series X	21,726,335	44,931,811
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	5.18	5.57
Series F	5.30	5.64
Series X	4.49	4.80

Approved on behalf of Trustee

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

Statements of Comprehensive Income (Loss)

For the years ended September 30

	2018 (\$)	2017 (\$)
Investment Income		
Dividend income	-	1,414
Interest income for distribution purposes	4,118	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	3,527,695	1,689,064
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	270,700	(28,502)
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(3,638,008)	10,380,420
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	163,669	(163,669)
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	328,174	11,879,081
Net gain (loss) on foreign exchange	32,392	(698)
Other income	84,393	-
Total income (loss)	444,959	11,878,383
Expenses (note 5)		
Management fees	627,804	313,960
Administration costs	204,435	136,107
Fixed Administration fees	32,657	-
Legal fees	20,435	29,961
Securityholder reporting costs	17,520	13,074
Audit fees	9,541	20,474
Independent review committee fees	1,332	3,716
Trustee fees	1,224	556
Custodial fees	122	401
Withholding tax	-	428
Transaction costs (note 2)	-	8,571
Total operating expenses	915,070	527,248
Expenses waived/absorbed by the Manager	-	(69,088)
Operating Profit (Loss)	(470,111)	11,420,223
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		
	(470,111)	11,420,223
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	(680,978)	1,592,470
Series F	(579,906)	2,065,440
Series X	790,773	7,762,313
Weighted Average Number of Units Outstanding		
Series A	2,677,472	1,324,837
Series F	3,707,608	1,731,352
Series X	6,544,834	10,700,779

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

SUN LIFE EXCEL INDIA BALANCED FUND (continued)

(formerly EXCEL INDIA BALANCED FUND)

Statements of Comprehensive Income (Loss) (continued)

For the years ended September 30

	2018 (\$)	2017 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	(0.25)	1.20
Series F	(0.16)	1.19
Series X	0.12	0.73

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

For the years ended September 30

	Series A (\$)		Series F (\$)		Series X (\$)		Total (\$)	
	2018	2017	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Units at beginning of year	\$ 12,464,532	2,936,759	19,360,601	3,334,845	44,931,811	-	76,756,944	6,271,604
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ (680,978)	1,592,470	(579,906)	2,065,440	790,773	7,762,313	(470,111)	11,420,223
Redeemable Unit Transactions								
Proceeds from redeemable units issued	\$ 9,344,749	9,855,491	10,993,186	16,613,294	3,383,819	55,124,414	23,721,754	81,593,199
Redemption of redeemable units	\$ (7,136,410)	(1,832,973)	(9,258,217)	(2,411,061)	(26,106,999)	(17,428,722)	(42,501,626)	(21,672,756)
Reinvestment of distributions to holders of redeemable units	\$ 396,809	192,113	439,020	180,748	69	-	835,898	372,861
Capitalized distributions	\$ -	-	-	-	-	-	-	-
	\$ 2,605,148	8,214,631	2,173,989	14,382,981	(22,723,111)	37,695,692	(17,943,974)	60,293,304
Distributions to Holders of Redeemable Units								
From capital gains	\$ -	(1,235)	-	(1,929)	-	(6,205)	-	(9,369)
From net investment income	\$ (539,515)	(166,759)	(752,136)	(264,899)	(1,273,138)	(93,175)	(2,564,789)	(524,833)
Return of capital	\$ -	(111,334)	-	(155,837)	-	(426,814)	-	(693,985)
	\$ (539,515)	(279,328)	(752,136)	(422,665)	(1,273,138)	(526,194)	(2,564,789)	(1,228,187)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the year	\$ 1,384,655	9,527,773	841,947	16,025,756	(23,205,476)	44,931,811	(20,978,874)	70,485,340
Net Assets Attributable to Holders of Redeemable Units at end of year	\$ 13,849,187	12,464,532	20,202,548	19,360,601	21,726,335	44,931,811	55,778,070	76,756,944
Redeemable Unit Transactions								
Balance - beginning of year	2,236,244	538,625	3,431,226	608,925	9,356,004	-	15,023,474	1,147,550
Units issued	1,408,530	1,790,833	1,722,827	3,021,970	(169,646)	12,643,448	2,961,711	17,456,251
Units issued on reinvestment of distributions	69,030	33,798	74,828	31,316	17	-	143,875	65,114
Units redeemed	(1,038,876)	(127,012)	(1,420,488)	(230,985)	(4,347,691)	(3,287,444)	(6,807,055)	(3,645,441)
Balance - end of year	2,674,928	2,236,244	3,808,393	3,431,226	4,838,684	9,356,004	11,322,005	15,023,474

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

SUN LIFE EXCEL INDIA BALANCED FUND (continued)

(formerly EXCEL INDIA BALANCED FUND)

Statements of Cash Flows

For the years ended September 30

	2018 (\$)	2017 (\$)
Cash Flows from Operating Activities		
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	(470,111)	11,420,223
Adjustments for:		
Gain on short-term investments	-	-
Net realized (gain) loss on sale of investments	(3,527,695)	(1,689,064)
Change in unrealized (appreciation) depreciation in value of investments	3,638,008	(10,380,420)
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-
Change in unrealized (appreciation) depreciation in currency forward contracts	(163,669)	163,669
Change in unrealized (appreciation) depreciation in value of swaps	-	-
Non-cash income distributions from underlying funds	-	-
Change in fair value of option contracts	-	-
Change in fair value of credit default swaps	-	-
Change in margin	-	-
Purchases of investments	-	(16,210,236)
Proceeds from sale of investments	17,656,374	10,944,026
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	(21,771)	-
Change in other payables and accrued expenses	(58,466)	109,410
Net Cash Provided by (Used in) Operating Activities	17,052,670	(5,642,392)
Cash Flows from Financing Activities		
Distributions paid to holders of redeemable units, net of reinvested distributions	(1,920,161)	(673,467)
Proceeds from redeemable units issued	23,647,560	31,458,207
Redemption of redeemable units	(42,609,951)	(21,486,004)
Net Cash Provided by (Used in) Financing Activities	(20,882,552)	9,298,736
Net increase (decrease) in cash	(3,829,882)	3,656,344
Cash (bank indebtedness) at beginning of year	4,022,355	366,011
Cash (bank indebtedness) at end of year	192,473	4,022,355
Dividends received, net of withholding taxes	-	986
Interest received, net of withholding taxes	4,118	354
Interest paid	-	-

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

SUN LIFE EXCEL INDIA BALANCED FUND (continued)

(formerly EXCEL INDIA BALANCED FUND)

Schedule of Investments

As at September 30, 2018

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
MUTUAL FUNDS				
Excel Funds Mauritius Company Ltd. Growth & Income Class (Schedule 1)	3,883,192	48,258,916	55,429,071	
		48,258,916	55,429,071	99.37
Transaction Costs		0	-	
Total Investments		48,258,916	55,429,071	99.37
Other Assets less Liabilities			348,999	0.63
Total Net Assets			55,778,070	100.00

Schedule 1

As at September 30, 2018

(In Canadian Dollars)

The Fund owns 100% of the Growth & Income Class of the Excel Funds Mauritius Company Ltd. The portfolio held by the Growth & Income Class of the Excel Funds Mauritius Company Ltd. at September 30, 2018 is shown below:

Description	Coupon Rate	Maturity Date	Country	Number of Shares / Units	Average Cost \$	Fair Value \$
Bonds (26.5%)						
Government Bonds (12.3%)						
National Highways Authority of India	7.270	6-Jun-2022	India	150	2,682,503	2,551,245
State of Gujarat	7.640	11-Aug-2027	India	100	1,788,146	1,672,095
State of Maharashtra	7.420	11-May-2022	India	100	1,744,458	1,720,892
State of Maharashtra	7.840	13-Jul-2026	India	50	925,367	852,064
					7,140,474	6,796,296
Corporate Bonds (14.2%)						
Shriram Transport Finance Company Limited	0.000	20-Sep-2019	India	150	2,674,729	3,183,409
Shriram Transport Finance Company Limited	0.000	20-Sep-2019	India	100	1,783,153	2,121,292
Power Grid Corporation of India Limited	7.300	19-Jun-2027	India	50	889,960	811,420
Indiabulls Housing Finance Limited	8.750	21-Feb-2020	India	100	1,781,018	1,760,881
					7,128,860	7,877,002
Total Bonds					14,269,334	14,673,298
Equities (69.7%)						
Consumer Discretionary (6.1%)						
Crompton Greaves Consumer Electricals Limited			India	150,475	578,867	600,768
Maruti Suzuki India Limited			India	13,037	1,017,119	1,708,175
MRF Limited			India	579	734,033	656,620
Sun TV Network Limited			India	38,800	585,214	424,977
					2,915,233	3,390,540
Consumer Staples (8.3%)						
Britannia Industries Limited			India	9,413	594,899	977,464
Dabur India Limited			India	163,948	805,759	1,248,018
Emami Limited			India	72,000	678,365	634,810
Hindustan Unilever Limited			India	31,536	535,289	904,460
ITC Limited			India	153,344	635,197	814,155
					3,249,509	4,578,907
Energy (5.9%)						
Reliance Industries Limited			India	146,648	1,818,271	3,289,487
					1,818,271	3,289,487
Financials (21.0%)						
Axis Bank Limited			India	88,930	984,433	972,466
Bajaj Finance Limited			India	24,268	355,432	938,171
Bandhan Bank Limited			India	38,425	404,311	387,296
HDFC Bank Limited			India	53,504	1,511,164	1,913,888
Housing Development Finance Corporation Limited			India	58,530	1,530,709	1,831,136
ICICI Bank Limited			India	212,024	1,002,968	1,155,197
IndusInd Bank Limited			India	43,951	939,168	1,324,515
L&T Finance Holdings Limited			India	217,133	608,818	501,787
Mahindra & Mahindra Financial Services Limited			India	70,378	557,757	502,230

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

SUN LIFE EXCEL INDIA BALANCED FUND (continued)

(formerly EXCEL INDIA BALANCED FUND)

Schedule 1 (continued)

As at September 30, 2018

(In Canadian Dollars)

Description	Coupon Rate	Maturity Date	Country	Number of Shares / Units	Average Cost \$	Fair Value \$
PNB Housing Finance Limited			India	29,670	562,152	469,066
RBL Bank Limited			India	63,705	651,078	581,497
State Bank of India			India	136,875	731,404	648,003
Yes Bank Limited			India	118,463	499,448	387,938
					10,338,842	11,613,190
Health Care (3.0%)						
Aurobindo Pharma Limited			India	60,695	714,775	805,707
Dr. Reddy's Laboratories Limited			India	10,070	389,413	454,412
Natco Pharma Limited			India	29,306	420,911	392,712
					1,525,099	1,652,831
Industrials (7.0%)						
Ashok Leyland Limited			India	235,420	529,893	499,970
Bharat Forge Limited			India	45,445	527,324	487,104
Blue Star Limited			India	53,862	480,236	545,723
KEC International Limited			India	121,400	694,685	640,765
Larsen & Toubro Limited			India	35,583	604,163	807,147
TCNS Clothing Co. Limited			India	36,700	419,194	407,702
Voltas Limited			India	50,704	491,256	481,178
					3,746,751	3,869,589
Information Technology (10.6%)						
HCL Technologies Limited			India	46,199	774,769	896,128
Infosys Limited			India	207,259	1,938,135	2,698,079
NIIT Technologies Limited			India	15,975	308,183	312,518
Tata Consultancy Services Limited			India	31,702	824,812	1,234,435
Tech Mahindra Limited			India	56,958	718,046	757,166
					4,563,945	5,898,326
Materials (7.1%)						
Dalmia Bharat Limited			India	13,270	605,668	548,957
Jindal Steel & Power Limited			India	156,075	586,263	546,453
S H Kelkar and Company Limited			India	109,646	499,139	399,243
Tata Steel Limited			India	87,835	941,755	910,373
The Ramco Cements Limited			India	54,000	678,211	619,291
Vedanta Limited			India	221,600	863,566	917,926
					4,174,602	3,942,243
Utilities (0.8%)						
Indraprastha Gas Limited			India	99,183	537,202	429,678
					537,202	429,678
Total Equities					32,869,454	38,664,791
Total Investments (96.2%)					47,138,788	53,338,089
Other Net Assets (3.8%)						2,090,982
Net Assets Attributable to Holders of Redeemable Units (100.0%)						55,429,071

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

SUN LIFE EXCEL INDIA BALANCED FUND (continued)

(formerly EXCEL INDIA BALANCED FUND)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Excel India 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 included within their investments in redeemable units of shares of other investment funds. The Schedule of Investment Portfolios of these underlying funds as at September 30, 2018 are grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

The Fund is subject to credit risk exposure related to both the direct investment in interest-bearing securities and to the extent of its investment in the underlying fund holding interest-bearing securities.

The Fund invests in financial assets, which have an investment grade credit rating as rated primarily by Credit Rating Info Services of India and Credit Analysis and Research Limited. Ratings for securities that subject the Fund to credit risk as at September 30, 2018 and September 30, 2017 are noted below:

Rating	Percentage of Net Assets (%)	
	September 30, 2018	September 30, 2017
AAA/Aaa	26.8	24.7
Total	26.8	24.7

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 internally 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 September 30, 2018 and September 30, 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 (%)	
	September 30, 2018		September 30, 2017	
Indian Rupees	53,338,089	95.6	73,241,645	94.87
United States Dollar	267,655	0.5	1,497,544	1.94
Total	53,605,744	96.1	74,739,189	96.81

As at September 30, 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 \$2,680,287 (\$3,736,955 as at September 30, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(ii) Interest rate risk

The table below summarizes the Fund's direct exposure to interest rate risk by remaining term to maturity. The Fund is exposed to indirect interest rate risk in the event that the Underlying Fund holds interest-bearing financial instruments.

	Less than 1 year (\$)	1-5 years (\$)	More than 5 years (\$)	Total (\$)
September 30, 2018	-	11,542,149	3,444,136	14,986,285
September 30, 2017	-	12,250,448	6,807,972	19,058,420

As at September 30, 2018, had prevailing interest rates increased or decreased by 5%, with all other factors remaining constant, Net Assets Attributable to Holders of Redeemable Units of the Fund would have decreased or increased respectively by \$517,789 (\$997,989 as at September 30, 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.

As at September 30, 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 \$1,933,240 (\$2,599,277 as at September 30, 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 EXCEL INDIA BALANCED FUND (continued)

(formerly EXCEL INDIA BALANCED FUND)

(c) Liquidity risk

As at September 30, 2018 and September 30, 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 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. The Fund is exposed to the possible risk inherent in the concentration of the investment portfolio held by the Underlying Funds. The Managers of the Underlying Funds moderate this risk through careful selection of securities in several industries, investment sectors and geographical locations. The Fund's concentration risk is summarized in the tables below:

Portfolio by Category	Percentage of Net Assets (%)	
	September 30, 2018	September 30, 2017
Short-Term Investments		
Treasury Bills	-	-
Bonds		
Foreign Government Bonds	12.2	13.3
Foreign Corporate Bonds	14.1	11.4
Mortgage Backed	-	-
Equities		
Energy	5.9	4.4
Materials	7.1	9.5
Industrials	6.9	8.9
Consumer Discretionary	6.1	9.3
Consumer Staples	8.2	6.9
Health Care	3.0	4.4
Financials	20.7	19.5
Real Estate	-	-
Information Technology	10.6	3.4
Telecommunication Services	-	-
Utilities	0.8	0.9
Exchange-Traded Funds	-	0.4
Other Assets less Liabilities	4.4	7.7
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 September 30, 2018 and September 30, 2017.

	September 30, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	-	-	-	-
Bonds	-	-	-	-
Exchange-Traded Funds	-	-	-	-
Mutual Funds	-	55,429,071	-	55,429,071
Short-Term Investments	-	-	-	-
Currency Forward Contracts	-	-	-	-
Financial Liabilities				
Currency Forward Contracts	-	-	-	-

	September 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Equities	-	-	-	-
Bonds	-	-	-	-
Exchange-Traded Funds	299,042	-	-	299,042
Mutual Funds	-	72,896,716	-	72,896,716
Short-Term Investments	-	-	-	-
Currency Forward Contracts	-	-	-	-
Financial Liabilities				
Currency Forward Contracts	-	163,669	-	163,669

There were no significant transfers between fair value levels 1 and 2 during the periods ended September 30, 2018 and September 30, 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 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended September 30, 2018 were \$NIL (\$8,571 for the period ended September 30, 2017).

Soft Dollar Commissions

There were no soft dollar transactions during the periods ended September 30, 2018 and September 30, 2017.

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

SUN LIFE EXCEL INDIA BALANCED FUND (continued)

(formerly EXCEL INDIA BALANCED FUND)

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 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 September 30, 2018 and September 30, 2017, the Fund had interests in Underlying Funds as noted in the following table:

Underlying Fund	As at September 30, 2018	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Excel Funds Mauritius Company Ltd. Growth & Income Class	99%	100%

Underlying Fund	As at September 30, 2017	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Excel Funds Mauritius Company Ltd. Growth & Income Class	95%	100%

Offsetting of Financial Assets and Liabilities

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

Financial Assets and Liabilities

	Gross Assets/ (Liabilities) (\$)	Amounts Eligible for Offset		Net (\$)
		Financial Instruments (\$)	Collateral received/paid (\$)	
September 30, 2018				
Derivative assets -				
Forward Contracts	-	-	-	-
Total	-	-	-	-
Derivative liabilities -				
Forward Contracts	-	-	-	-
Total	-	-	-	-
September 30, 2017				
Derivative assets -				
Forward Contracts	-	-	-	-
Total	-	-	-	-
Derivative liabilities -				
Forward Contracts	163,669	-	-	163,669
Total	163,669	-	-	163,669

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 22, 2016	April 22, 2016
Series F Units	April 25, 2016	April 25, 2016
Series X Units	July 14, 2017	July 14, 2017

Fund Name Change

The Fund was renamed Sun Life Excel India Balanced Fund (formerly Excel India Fund) effective June 18, 2018.

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

SUN LIFE EXCEL INDIA FUND

(formerly EXCEL INDIA FUND)

Statements of Financial Position

As at September 30, 2018 and 2017

	September 30, 2018 (\$)	September 30, 2017 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	304,334,838	310,072,222
Short-term investments	-	-
Cash	3,436,690	8,006,435
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	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	227,463	1,447,157
	307,998,991	319,525,814
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	-	380,641
Unrealized depreciation on swaps	-	-
Accrued expenses	75,146	302,574
Redemptions payable	570,802	938,143
Distributions payable	-	-
Due to investment dealers	-	-
Management fees payable	376,110	439,161
Total liabilities (excluding net assets attributable to holders of redeemable units)	1,022,058	2,060,519
Net Assets Attributable to Holders of Redeemable Units	306,976,933	317,465,295
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	186,223,056	203,372,885
Series F	92,992,767	64,963,220
Series I	9,102	24,918,308
Institutional Series	24,976,181	21,891,331
Series DB	2,775,827	2,319,551
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	36.63	39.56
Series F	15.32	16.35
Series I	34.28	37.26
Institutional Series	6.02	6.26
Series DB	5.10	5.38

Approved on behalf of Trustee

“signed” Rick Headrick
President

“signed” Kari Holdsworth
Chief Financial Officer

Statements of Comprehensive Income (Loss)

For the years ended September 30

	2018 (\$)	2017 (\$)
Investment Income		
Dividend income	55,413	35,133
Interest income for distribution purposes	18,557	2,943
Distributions from underlying funds	543	4,311
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	19,009,816	2,206,975
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	1,269,960	(1,345,347)
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(21,423,685)	43,159,849
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	380,641	125,646
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	(688,755)	44,189,510
Net gain (loss) on foreign exchange	76,198	26,724
Other income	133,677	-
Total income (loss)	(478,880)	44,216,234
Expenses (note 5)		
Management fees	5,271,766	5,198,930
Administration costs	735,795	976,791
Fixed Administration fees	262,026	-
Securityholder reporting costs	47,066	45,637
Audit fees	39,303	71,258
Legal fees	24,764	45,961
Transaction costs (note 2)	11,697	127,572
Withholding tax	9,611	-
Trustee fees	5,391	11,027
Independent Review Committee fees	5,324	22,954
Custodial fees	1,138	405
Total operating expenses	6,413,881	6,500,535
Expenses waived/absorbed by the Manager	-	-
Operating Profit (Loss)	(6,892,761)	37,715,699
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		
	(6,892,761)	37,715,699
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	(4,473,941)	25,696,490
Series F	(4,206,737)	7,247,862
Series I	2,204,487	3,922,110
Institutional Series	(278,562)	722,332
Series DB	(138,008)	126,905
Weighted Average Number of Units Outstanding		
Series A	5,251,638	5,190,171
Series F	5,335,262	3,425,992
Series I	481,397	728,563
Institutional Series	4,859,968	1,327,374
Series DB	597,159	222,105

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

SUN LIFE EXCEL INDIA FUND (continued)

(formerly EXCEL INDIA FUND)

Statements of Comprehensive Income (Loss) (continued)

For the years ended September 30

	2018 (\$)	2017 (\$)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	(0.85)	4.95
Series F	(0.79)	2.12
Series I	4.58	5.38
Institutional Series	(0.06)	0.54
Series DB	(0.23)	0.57

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

For the years ended September 30

	Series A (\$)		Series F (\$)		Series I (\$)	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Units at beginning of year	\$ 203,372,885	187,718,665	64,963,220	39,169,432	24,918,308	27,083,198
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ (4,473,941)	25,696,490	(4,206,737)	7,247,862	2,204,487	3,922,110
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 97,961,437	56,818,252	57,055,773	50,497,648	110,000	220,000
Redemption of redeemable units	\$ (110,336,390)	(66,702,954)	(24,294,365)	(31,790,607)	(27,223,693)	(6,307,000)
Reinvestment of distributions to holders of redeemable units	\$ 10,614,870	5,944,441	3,396,164	1,323,429	1,986,352	1,545,798
Capitalized distributions	\$ -	-	-	-	-	-
	\$ (1,760,083)	(3,940,261)	36,157,572	20,030,470	(25,127,341)	(4,541,202)
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (10,915,805)	(6,102,009)	(3,921,288)	(1,484,544)	(1,986,352)	(1,545,798)
Return of capital	\$ -	-	-	-	-	-
	\$ (10,915,805)	(6,102,009)	(3,921,288)	(1,484,544)	(1,986,352)	(1,545,798)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the year	\$ (17,149,829)	15,654,220	28,029,547	25,793,788	(24,909,206)	(2,164,890)
Net Assets Attributable to Holders of Redeemable Units at end of year	\$ 186,223,056	203,372,885	92,992,767	64,963,220	9,102	24,918,308
Redeemable Unit Transactions						
Balance - beginning of year	5,140,624	5,234,763	3,973,500	2,665,298	668,718	796,273
Units issued	1,788,421	593,561	2,946,009	1,775,313	2,875	6,369
Units issued on reinvestment of distributions	251,120	185,023	193,788	100,224	50,922	51,993
Units redeemed	(2,095,832)	(872,723)	(1,042,483)	(567,335)	(722,250)	(185,917)
Balance - end of year	5,084,333	5,140,624	6,070,814	3,973,500	265	668,718

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

SUN LIFE EXCEL INDIA FUND (continued)

(formerly EXCEL INDIA FUND)

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

For the years ended September 30

	Institutional Series (\$)		Series DB (\$)		Total (\$)	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Units at beginning of year	\$ 21,891,331	-	2,319,551	-	317,465,295	253,971,295
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ (278,562)	722,332	(138,008)	126,905	(6,892,761)	37,715,699
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 16,469,430	24,337,095	2,078,806	3,031,915	173,675,446	134,904,910
Redemption of redeemable units	\$ (12,950,379)	(3,168,096)	(1,483,801)	(839,269)	(176,288,628)	(108,807,926)
Reinvestment of distributions to holders of redeemable units	\$ 733,717	-	94,513	17,370	16,825,616	8,831,038
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 4,252,768	21,168,999	689,518	2,210,016	14,212,434	34,928,022
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (889,356)	-	(95,234)	(17,370)	(17,808,035)	(9,149,721)
Return of capital	\$ -	-	-	-	-	-
	\$ (889,356)	-	(95,234)	(17,370)	(17,808,035)	(9,149,721)
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the year	\$ 3,084,850	21,891,331	456,276	2,319,551	(10,488,362)	63,494,000
Net Assets Attributable to Holders of Redeemable Units at end of year	\$ 24,976,181	21,891,331	2,775,827	2,319,551	306,976,933	317,465,295
Redeemable Unit Transactions						
Balance - beginning of year	3,499,175	-	431,487	-	13,713,504	8,696,334
Units issued	2,230,311	3,874,485	334,656	546,691	7,302,272	6,796,419
Units issued on reinvestment of distributions	106,833	-	16,164	4,005	618,827	341,245
Units redeemed	(1,686,626)	(375,310)	(237,958)	(119,209)	(5,785,149)	(2,120,494)
Balance - end of year	4,149,693	3,499,175	544,349	431,487	15,849,454	13,713,504

Statements of Cash Flows

For the years ended September 30

	2018	2017	2018	2017
	(\$)	(\$)	(\$)	(\$)
Cash Flows from Operating Activities				
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	(6,892,761)	37,715,699	(1,826,497)	(25,142,379)
Adjustments for:				
Gain on short-term investments	-	-		
Net realized (gain) loss on sale of investments	(19,009,816)	(2,206,975)		
Change in unrealized (appreciation) depreciation in value of investments	21,423,685	(43,159,849)		
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-		
Change in unrealized (appreciation) depreciation in currency forward contracts	(380,641)	(125,646)		
Change in unrealized (appreciation) depreciation in value of swaps	-	-		
Non-cash income distributions from underlying funds	(543)	-		
Change in fair value of option contracts	-	-		
Change in fair value of credit default swaps	-	-		
Change in margin	-	-		
Purchases of investments	(33,890,255)	(26,524,328)		
Proceeds from sale of investments	37,214,313	8,928,740		
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	-	(4,311)		
Change in management fees payable	(63,051)	-		
Change in other payables and accrued expenses	(227,428)	234,291		
Net Cash Provided by (Used in) Operating Activities			(1,826,497)	(25,142,379)
Cash Flows from Financing Activities				
Distributions paid to holders of redeemable units, net of reinvested distributions			(982,419)	(318,683)
Proceeds from redeemable units issued			174,895,140	133,800,442
Redemption of redeemable units			(176,655,969)	(108,376,060)
Net Cash Provided by (Used in) Financing Activities			(2,743,248)	25,105,699
Net increase (decrease) in cash			(4,569,745)	(36,680)
Cash (bank indebtedness) at beginning of year			8,006,435	8,043,115
Cash (bank indebtedness) at end of year			3,436,690	8,006,435
Dividends received, net of withholding taxes			45,802	12,179
Interest received, net of withholding taxes			18,557	2,943
Interest paid			-	-

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

SUN LIFE EXCEL INDIA FUND (continued)

(formerly EXCEL INDIA FUND)

Schedule of Investments

As at September 30, 2018

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
iShares MSCI India ETF	79,250	3,499,389	3,326,200	
WisdomTree India Earnings Fund	98,450	3,327,461	3,068,171	
		6,826,850	6,394,371	2.08
MUTUAL FUNDS				
India Excel (Mauritius) Fund (Schedule 1)	2,257,250	132,314,855	297,940,467	
		132,314,855	297,940,467	97.06
Transaction Costs		-8,977	-	
Total Investments		139,132,728	304,334,838	99.14
Other Assets less Liabilities			2,642,095	0.86
Total Net Assets			306,976,933	100.00

Schedule 1

As at September 30, 2018

(In Canadian Dollars)

The India Excel (Mauritius) Fund owns 100% of the India Excel (Offshore) Fund. The portfolio held by the India Excel (Offshore) Fund as at September 30, 2018 is shown below:

Description	Country	Number of Shares / Units	Average Cost \$	Fair Value \$
Equities (99.4%)				
Consumer Discretionary (7.3%)				
Crompton Greaves Consumer Electricals Limited	India	1,066,236	4,164,439	4,256,925
Maruti Suzuki India Limited	India	79,959	7,385,113	10,476,643
Sun TV Network Limited	India	346,600	4,700,067	3,796,316
Zee Entertainment Enterprises Limited	India	405,000	3,193,825	3,167,468
			19,443,444	21,697,352
Consumer Staples (9.4%)				
Britannia Industries Limited	India	59,500	4,895,501	6,178,594
Dabur India Limited	India	810,907	5,001,211	6,172,851
Emami Limited	India	311,044	2,395,311	2,742,413
Godrej Consumer Products Limited	India	145,000	2,174,049	1,987,400
Hindustan Unilever Limited	India	160,000	2,862,282	4,588,837
ITC Limited	India	1,192,359	4,855,484	6,330,637
			22,183,838	28,000,732
Energy (5.4%)				
Reliance Industries Limited	India	722,196	10,276,376	16,199,703
			10,276,376	16,199,703
Financials (32.1%)				
Aditya Birla Capital Limited	India	200,200	480,186	409,286
AU Small Finance Bank Limited	India	315,000	3,591,486	3,225,804
Bajaj Finance Limited	India	207,752	4,495,223	8,031,434
Bandhan Bank Limited	India	605,000	5,147,295	6,097,959
Cholamandalam Investment and Finance Company Limited	India	115,373	2,020,768	2,400,328
HDFC Bank Limited	India	726,572	17,654,285	25,990,163
Housing Development Finance Corporation Limited	India	321,242	9,613,760	10,050,190
ICICI Bank Limited	India	1,650,580	8,015,763	8,993,059
IndusInd Bank Limited	India	347,658	7,168,645	10,477,083
L&T Finance Holdings Limited	India	1,462,638	2,906,043	3,380,107
Mahindra & Mahindra Financial Services Limited	India	250,000	1,903,230	1,784,044
PNB Housing Finance Limited	India	220,624	4,284,527	3,487,941
RBL Bank Limited	India	441,178	4,165,174	4,027,055
State Bank of India	India	1,040,000	5,382,845	4,923,642
Yes Bank Limited	India	742,442	3,209,767	2,431,320
			80,038,997	95,709,415

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

SUN LIFE EXCEL INDIA FUND (continued)

(formerly EXCEL INDIA FUND)

Schedule 1 (continued)

As at September 30, 2018

(In Canadian Dollars)

Description	Country	Number of Shares / Units	Average Cost \$	Fair Value \$
Health Care (6.1%)				
Aurobindo Pharma Limited	India	344,950	4,058,939	4,579,102
Cipla Limited	India	286,145	2,924,911	3,337,227
Dr. Reddy's Laboratories Limited	India	147,643	5,733,729	6,662,443
Eris Lifesciences Limited	India	283,937	3,348,534	3,695,506
			16,066,113	18,274,278
Industrials (10.1%)				
Ashok Leyland Limited	India	2,061,353	4,855,214	4,377,768
Bharat Electronics Limited	India	2,201,055	5,739,060	3,151,629
Bharat Forge Limited	India	433,000	5,260,892	4,641,124
Blue Star Limited	India	247,687	1,699,568	2,509,534
Eicher Motors Limited	India	6,500	3,039,523	2,803,207
Finolex Cables Limited	India	333,173	2,347,833	3,150,207
Supreme Industries Limited	India	120,000	2,680,614	2,153,264
TCNS Clothing Co. Limited	India	341,500	4,162,952	3,793,738
Voltas Limited	India	377,902	3,610,927	3,586,267
			33,396,583	30,166,738
Information Technology (17.9%)				
Collabera Solutions	India	83,640	15	-
HCL Technologies Limited	India	401,920	6,314,434	7,796,097
Infosys Limited	India	1,780,458	17,091,626	23,177,838
Mindtree Limited	India	214,500	3,718,642	3,952,040
Persistent Systems Limited	India	190,743	2,328,113	2,681,537
Tata Consultancy Services Limited	India	228,406	5,998,967	8,893,835
Tech Mahindra Limited	India	508,500	6,385,009	6,759,696
			41,836,806	53,261,043
Materials (7.3%)				
Dalmia Bharat Limited	India	92,643	2,071,159	3,832,479
Jindal Steel and Power Limited	India	1,000,000	3,852,958	3,501,221
Tata Steel Limited	India	315,000	3,489,502	3,264,842
The Ramco Cements Limited	India	219,480	2,471,245	2,517,073
Vedanta Limited	India	2,056,746	8,223,803	8,519,585
			20,108,667	21,635,200
Real Estate (1.2%)				
Sunteck Realty Limited	India	513,233	1,774,504	3,672,589
			1,774,504	3,672,589
Utilities (2.5%)				
Indraprastha Gas Limited	India	830,796	4,500,732	3,599,150
KEC International Limited	India	724,000	4,249,641	3,821,368
			8,750,373	7,420,518
Total Equities			253,875,701	296,037,568
Short-Term Investments (1.7%)				
Collateralized Borrowing & Lending Obligation ("CBLO") 01-Oct-2018	India	2,857,000	5,092,499	5,093,156
Total Short-Term Investments			5,092,499	5,093,156
Total Investments (101.1%)			258,968,200	301,130,724
Other Net Assets (-1.1%)				(3,190,257)
Net Assets Attributable to Holders of Redeemable Units (100.0%)				297,940,467

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

SUN LIFE EXCEL INDIA FUND (continued)

(formerly EXCEL INDIA FUND)

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Excel India 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 Investment Portfolio as at September 30, 2018 and are grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

The Fund is exposed indirectly to currency risk as a result of its investment in underlying internally 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 September 30, 2018 and September 30, 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 (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	September 30, 2018		September 30, 2017	
Indian Rupees	301,134,118	98.1	307,099,590	96.7
United States Dollar	6,412,655	2.1	44,400,668	14.0
Total	307,546,773	100.2	351,500,258	110.7

As at September 30, 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 \$15,377,339 (\$17,575,015 as at September 30, 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 managed funds. As at September 30, 2018 and September 30, 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 internally managed funds.

As at September 30, 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 \$14,801,878 (\$14,892,576 as at September 30, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at September 30, 2018 and September 30, 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 EXCEL INDIA FUND (continued)

(formerly EXCEL INDIA FUND)

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposures within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Fund 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. The Fund is exposed to the possible risk inherent in the concentration of the investment portfolio held by the Underlying Funds. The Managers of the Underlying Funds moderate this risk through careful selection of securities in several industries, investment sectors and geographical locations. The Fund's concentration risk is summarized in the tables below:

Portfolio by Category	Percentage of Net Assets (%)	
	September 30, 2018	September 30, 2017
Short-Term Investments		
Treasury Bills	-	-
Bonds		
Foreign Government Bonds	-	-
Foreign Corporate Bonds	-	-
Mortgage Backed	-	-
Equities		
Energy	5.3	6.6
Materials	7.0	10.8
Industrials	9.8	10.3
Consumer Discretionary	7.1	13.0
Consumer Staples	9.1	6.8
Health Care	6.0	6.4
Financials	31.1	32.8
Real Estate	1.2	1.2
Information Technology	17.3	5.2
Treasury Bills	1.7	2.9
Utilities	2.4	0.8
Exchange-Traded Funds	2.1	1.9
Mutual Funds	-	0.4
Other Assets less Liabilities	(0.1)	0.9
Total	100.0	100.0

Fair Value Disclosure

The following tables illustrate the classification of the Fund's assets and liabilities measured at fair value within the fair value hierarchy as at September 30, 2018 and September 30, 2017.

	September 30, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Exchange-Traded Funds	6,394,371	-	-	6,394,371
Bonds	-	-	-	-
Mutual Funds	-	297,940,467	-	297,940,467
Short-Term Investments	-	-	-	-
Currency Forward Contracts	-	-	-	-
Financial Liabilities				
Currency Forward Contracts	-	-	-	-

	September 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Exchange-Traded Funds	6,012,586	-	-	6,012,586
Bonds	-	-	-	-
Mutual Funds	1,416,243	302,643,393	-	304,059,636
Short-Term Investments	-	-	-	-
Currency Forward Contracts	-	-	-	-
Financial Liabilities				
Currency Forward Contracts	-	380,641	-	380,641

There were no significant transfers between fair value levels 1 and 2 during the periods ended September 30, 2018 and September 30, 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 2.

Brokerage Commissions and Other Transaction Costs

Commissions and other transaction fees paid for portfolio transactions for the period ended September 30, 2018 were \$11,697 (\$127,572 for the period ended September 30, 2017).

Soft Dollar Commissions

There were no soft dollar transactions during the periods ended September 30, 2018 and September 30, 2017.

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

SUN LIFE EXCEL INDIA FUND (continued)

(formerly EXCEL INDIA FUND)

Taxation of the Fund

As at September 30, 2018, the Fund had accumulated capital losses of \$254,452 (\$254,452 as at September 30, 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 September 30, 2018 and September 30, 2017, the Company held the following positions in the Fund:

	September 30, 2018	
	Units	Market Value (\$)
Series I	265	9,102

	September 30, 2017	
	Units	Market Value (\$)
Series I	-	-

The following are transactions in the Fund by the Company from the beginning of the period to September 30, 2018 and September 30, 2017. If applicable, dividends were reinvested into units of the same series of the same Fund:

	September 30, 2018		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	10,000	-	-

	September 30, 2017		
	Purchases (\$)	Redemptions (\$)	Distributions (\$)
Series I	-	-	-

Interests in Underlying Funds

The Fund invests in redeemable units or shares of other 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 September 30, 2018 and September 30, 2017, the Fund had interests in Underlying Funds as noted in the following tables:

Underlying Fund	As at September 30, 2018	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
India Excel (Mauritius) Fund	97%	100%

Underlying Fund	As at September 30, 2017	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
India Excel (Mauritius) Fund	95%	100%

Offsetting of Financial Assets and Liabilities

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

Financial Assets and Liabilities

	Gross Assets/ (Liabilities) (\$)	Amounts Eligible for Offset		Net (\$)
		Financial Instruments (\$)	Collateral received/paid (\$)	
September 30, 2018				
Derivative assets -				
Forward Contracts	-	-	-	-
Total	-	-	-	-
Derivative liabilities -				
Forward Contracts	-	-	-	-
Total	-	-	-	-
September 30, 2017				
Derivative assets -				
Forward Contracts	-	-	-	-
Total	-	-	-	-
Derivative liabilities -				
Forward Contracts	380,641	-	-	380,641
Total	380,641	-	-	380,641

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

SUN LIFE EXCEL INDIA FUND (continued)

(formerly EXCEL INDIA FUND)

Establishment of the Fund

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

	Date of creation	Date available for sale
Series A Units	April 14, 1998	April 14, 1998
Series F Units	January 04, 2005	January 04, 2005
Series I Units	December 23, 2004	December 23, 2004
Institutional Series Units	December 23, 2016	December 23, 2016
Series DB Units	October 11, 2016	October 11, 2016

Name Change

The Fund was renamed Sun Life Excel India Fund (formerly Excel India Fund) effective on or about June 18, 2018.

Series Closure to New Investments

Effective February 7, 2018, Series D was closed to new investments other than by pre-authorized chequing plans that existed prior to this date, Series D was renamed Series DB, and Institutional Series was closed to new investments, including additional investments from existing investors in Institutional Series.

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

SUN LIFE EXCEL NEW INDIA LEADERS FUND

(formerly EXCEL NEW INDIA LEADERS FUND)

Statements of Financial Position

As at September 30, 2018 and 2017

	September 30, 2018 (\$)	September 30, 2017 (\$)
Assets		
Current Assets		
Investments (non-derivative financial assets) (note 2)	18,959,815	9,672,036
Short-term investments	-	-
Cash	465,250	1,148,187
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	-	-
Distributions receivable from underlying funds	-	-
Subscriptions receivable	65,510	127,581
	19,490,575	10,947,804
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	-	16,367
Unrealized depreciation on swaps	-	-
Accrued expenses	4,760	31,776
Redemptions payable	48,825	53,113
Distributions payable	-	-
Due to investment dealers	-	-
Management fees payable	22,696	17,017
Total liabilities (excluding net assets attributable to holders of redeemable units)	76,281	118,273
Net Assets Attributable to Holders of Redeemable Units	19,414,294	10,829,531
Net Assets Attributable to Holders of Redeemable Units per Series		
Series A	10,220,224	7,229,285
Series F	9,194,070	3,600,246
Net Assets Attributable to Holders of Redeemable Units per Unit (note 4)		
Series A	5.52	6.28
Series F	5.62	6.33

Approved on behalf of Trustee

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

Statements of Comprehensive Income (Loss)

For the years ended September 30

	2018 (\$)	2017 (\$)
Investment Income		
Dividend income	268	1,301
Interest income for distribution purposes	2,874	-
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	(14,333)	77,454
Net realized gain (loss) on futures contracts	-	-
Net realized gain (loss) on currency forward contracts	27,070	(16,849)
Net realized gain (loss) on option contracts	-	-
Net realized gain (loss) on swaps	-	-
Change in unrealized appreciation (depreciation) in value of investments	(4,116,592)	616,154
Change in unrealized appreciation (depreciation) in value of futures contracts	-	-
Change in unrealized appreciation (depreciation) in currency forward contracts	16,367	(16,367)
Change in unrealized appreciation (depreciation) in option contracts	-	-
Change in unrealized appreciation (depreciation) in value of swaps	-	-
Net gains (losses) on investments	(4,084,346)	661,693
Net gain (loss) on foreign exchange	20,655	(6,242)
Other income	8,601	-
Total income (loss)	(4,055,090)	655,451
Expenses (note 5)		
Management fees	321,743	130,306
Administration costs	66,820	69,011
Fixed Administration fees	17,246	-
Legal fees	14,716	20,884
Audit fees	5,650	10,100
Securityholder reporting costs	1,268	4,183
Trustee fees	238	216
Independent review committee fees	234	547
Custodial fees	97	215
Withholding tax	81	387
Transaction costs (note 2)	16	1,693
Total operating expenses	428,109	237,542
Expenses waived/absorbed by the Manager	(27,509)	(164,588)
Operating Profit (Loss)	(4,455,690)	582,497
Finance Cost		
Interest expense	-	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)		
	(4,455,690)	582,497
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Series (Excluding Distributions)		
Series A	(2,003,824)	371,230
Series F	(2,451,866)	211,267
Weighted Average Number of Units Outstanding		
Series A	1,730,240	732,515
Series F	1,566,654	354,497
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations per Unit (Excluding Distributions)		
Series A	(1.16)	0.51
Series F	(1.57)	0.60

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

SUN LIFE EXCEL NEW INDIA LEADERS FUND (continued)

(formerly EXCEL NEW INDIA LEADERS FUND)

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

For the years ended September 30

	Series A (\$)		Series F (\$)		Total (\$)	
	2018	2017	2018	2017	2018	2017
Net Assets Attributable to Holders of Redeemable Units at beginning of year	\$ 7,229,285	2,068,785	3,600,246	423,698	10,829,531	2,492,483
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units from Operations (Excluding Distributions)	\$ (2,003,824)	371,230	(2,451,866)	211,267	(4,455,690)	582,497
Redeemable Unit Transactions						
Proceeds from redeemable units issued	\$ 11,299,036	7,111,240	14,547,010	5,005,850	25,846,046	12,117,090
Redemption of redeemable units	\$ (6,298,249)	(2,321,970)	(6,489,562)	(2,040,569)	(12,787,811)	(4,362,539)
Reinvestment of distributions to holders of redeemable units	\$ 50,524	-	53,278	-	103,802	-
Capitalized distributions	\$ -	-	-	-	-	-
	\$ 5,051,311	4,789,270	8,110,726	2,965,281	13,162,037	7,754,551
Distributions to Holders of Redeemable Units						
From capital gains	\$ -	-	-	-	-	-
From net investment income	\$ (56,548)	-	(65,036)	-	(121,584)	-
Return of capital	\$ -	-	-	-	-	-
	\$ (56,548)	-	(65,036)	-	(121,584)	-
Increase (Decrease) in Net Assets Attributable to Holders of Redeemable Units for the year	\$ 2,990,939	5,160,500	5,593,824	3,176,548	8,584,763	8,337,048
Net Assets Attributable to Holders of Redeemable Units at end of year	\$ 10,220,224	7,229,285	9,194,070	3,600,246	19,414,294	10,829,531
Redeemable Unit Transactions						
Balance - beginning of year	1,151,893	382,001	569,109	78,406	1,721,002	460,407
Units issued	1,459,582	975,060	1,916,054	713,598	3,375,636	1,688,658
Units issued on reinvestment of distributions	6,674	-	7,014	-	13,688	-
Units redeemed	(768,063)	(205,168)	(854,847)	(222,895)	(1,622,910)	(428,063)
Balance - end of year	1,850,086	1,151,893	1,637,330	569,109	3,487,416	1,721,002

Statements of Cash Flows

For the years ended September 30

	2018	2017		2018	2017
	(\$)	(\$)		(\$)	(\$)
Cash Flows from Operating Activities			Net Cash Provided by (Used in) Operating Activities	(13,781,173)	(6,869,056)
Increase (decrease) in net assets attributable to holders of redeemable units from operations (excluding distributions)	(4,455,690)	582,497	Cash Flows from Financing Activities		
Adjustments for:			Distributions paid to holders of redeemable units, net of reinvested distributions	(17,782)	-
Gain on short-term investments	-	-	Proceeds from redeemable units issued	25,908,117	12,127,831
Net realized (gain) loss on sale of investments	14,333	(77,454)	Redemption of redeemable units	(12,792,099)	(4,309,426)
Change in unrealized (appreciation) depreciation in value of investments	4,116,592	(616,154)	Net Cash Provided by (Used in) Financing Activities	13,098,236	7,818,405
Change in unrealized (appreciation) depreciation in value of futures contracts	-	-	Net increase (decrease) in cash	(682,937)	949,349
Change in unrealized (appreciation) depreciation in currency forward contracts	(16,367)	16,367	Cash (bank indebtedness) at beginning of year	1,148,187	198,838
Change in unrealized (appreciation) depreciation in value of swaps	-	-	Cash (bank indebtedness) at end of year	465,250	1,148,187
Non-cash income distributions from underlying funds	-	-	Dividends received, net of withholding taxes	187	914
Change in fair value of option contracts	-	-	Interest received, net of withholding taxes	2,874	-
Change in fair value of credit default swaps	-	-	Interest paid	-	-
Change in margin	-	-			
Purchases of investments	(14,568,704)	(7,724,592)			
Proceeds from sale of investments	1,150,000	924,852			
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	5,679	-			
Change in other payables and accrued expenses	(27,016)	25,428			

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

SUN LIFE EXCEL NEW INDIA LEADERS FUND (continued)

(formerly EXCEL NEW INDIA LEADERS FUND)

Schedule of Investments

As at September 30, 2018

	Number of Shares	Average Cost (\$)	Fair Value (\$)	% of Total Net Assets
EXCHANGE-TRADED FUNDS				
VanEck Vectors India Small-Cap Index ETF	4,680	375,372	242,279	
		375,372	242,279	1.25
MUTUAL FUNDS				
Excel Funds Mauritius Company Ltd. New Leaders Class (Schedule 1)	3,067,091	21,906,252	18,717,536	
		21,906,252	18,717,536	96.41
Transaction Costs		-50	-	
Total Investments		22,281,574	18,959,815	97.66
Other Assets less Liabilities			454,479	2.34
Total Net Assets			19,414,294	100.00

Schedule 1

As at September 30, 2018

(In Canadian Dollars)

The Fund owns 100% of the New Leaders Class of the Excel Funds Mauritius Company Ltd. The portfolio held by the New Leaders Class of the Excel Funds Mauritius Company Ltd. at September 30, 2018 is shown below:

Description	Country	Number of Shares / Units	Average Cost \$	Fair Value \$
Equities (97.7%)				
Consumer Discretionary (27.2%)				
Aditya Birla Fashion and Retail Limited	India	229,319	823,623	750,351
Apollo Tyres Limited	India	119,550	514,793	452,466
Crompton Greaves Consumer Electricals Limited	India	109,219	441,686	436,055
Godrej Consumer Products Limited	India	20,000	310,442	274,124
PVR Limited	India	14,125	321,170	302,685
Sun TV Network Limited	India	66,801	1,056,229	731,672
TCNS Clothing Co. Limited	India	46,720	540,865	519,014
Trent Limited	India	80,555	501,345	478,687
TVS Motor Company Limited	India	38,885	412,156	388,327
Whirlpool of India Limited	India	31,395	754,494	755,478
			5,676,803	5,088,859
Consumer Staples (2.9%)				
Heritage Foods Limited	India	59,567	645,828	541,707
			645,828	541,707
Financials (19.8%)				
Bandhan Bank Limited	India	64,605	601,040	651,171
Cholamandalam Investment and Finance Company Limited	India	25,573	538,712	532,045
L&T Finance Holdings Limited	India	253,784	662,695	586,486
Mahindra & Mahindra Financial Services Limited	India	77,780	656,650	555,052
Muthoot Capital Services Limited	India	13,926	142,113	201,203
PNB Housing Finance Limited	India	29,400	675,228	464,797
RBL Bank Limited	India	78,090	809,721	712,802
			4,086,159	3,703,556
Health Care (4.7%)				
Natco Pharma Limited	India	65,600	908,311	879,066
			908,311	879,066
Industrials (11.1%)				
Bharat Forge Limited	India	68,700	815,699	736,363
IRB Infrastructure Developers Limited	India	198,600	924,563	485,872
Timken India Limited	India	35,687	515,578	382,226
Voltas Limited	India	49,000	474,746	465,007
			2,730,586	2,069,468
Information Technology (5.0%)				
MindTree Limited	India	24,606	414,535	453,351

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

SUN LIFE EXCEL NEW INDIA LEADERS FUND (continued)

(formerly EXCEL NEW INDIA LEADERS FUND)

Schedule 1 (continued)

As at September 30, 2018

(In Canadian Dollars)

Description	Country	Number of Shares / Units	Average Cost \$	Fair Value \$
Qess Corp. Limited	India	30,975	513,673	490,802
			928,208	944,153
Materials (22.6%)				
Jindal Steel & Power Limited	India	124,752	445,269	436,784
Deepak Nitrite Limited	India	241,820	1,199,569	1,274,633
Gujarat Alkalies and Chemicals Limited	India	50,614	685,244	538,492
Mold-Tek Packaging Limited	India	111,373	596,055	622,993
Vinati Organics Limited	India	35,314	612,627	755,486
S H Kelkar and Company Limited	India	167,600	774,789	610,265
			4,313,553	4,238,653
Utilities (4.4%)				
KEC International Limited	India	156,036	955,744	823,579
			955,744	823,579
Total Equities			20,245,192	18,289,041
Total Investments (97.7%)			20,245,192	18,289,041
Other Net Assets (2.3%)				428,495
Net Assets Attributable to Holders of Redeemable Units (100.0%)				18,717,536

Fund Specific Notes to the Financial Statements

Financial Risk Management

The investment activities of the Sun Life Excel New India Leaders 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 Investment Portfolio as at September 30, 2018 and are grouped by asset type, industry sector, geographic region, or currency exposure. Significant risks that are relevant to the Fund are discussed below. General information on risk management and specific discussion on credit, currency, interest rate, other market, liquidity and concentration risks can be found in Note 8 to the financial statements.

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

The Fund is exposed indirectly to currency risk as a result of its investment in underlying internally 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 September 30, 2018 and September 30, 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 (%)	Holdings Exposed to Currency Risk (\$CAD)	Percentage of Net Assets (%)
	September 30, 2018		September 30, 2017	
Indian Rupees	18,289,041	94.2	9,218,727	85.1
United States Dollar	259,256	1.3	1,281,216	11.8
Total	18,548,297	95.5	10,499,943	96.9

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

SUN LIFE EXCEL NEW INDIA LEADERS FUND (continued)

(formerly EXCEL NEW INDIA LEADERS FUND)

As at September 30, 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 \$927,415 (\$524,995 as at September 30, 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 managed funds. As at September 30, 2018 and September 30, 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 internally 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 September 30, 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 \$914,452 (\$434,741 as at September 30, 2017). In practice, actual results may differ from this sensitivity analysis and the difference could be material.

(c) Liquidity risk

As at September 30, 2018 and September 30, 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 is exposed to the possible risk inherent in the concentration of the investment portfolio held by the Underlying Funds. The Managers of the Underlying Funds moderate this risk through careful selection of securities in several industries, investment sectors and geographical locations. The Fund's concentration risk is summarized in the tables below:

Portfolio by Category	Percentage of Net Assets (%)	
	September 30, 2018	September 30, 2017
Short-Term Investments		
Treasury Bills	-	-
Bonds		
Foreign Government Bonds	-	-
Foreign Corporate Bonds	-	-
Mortgage Backed	-	-
Equities		
Energy	-	2.9
Materials	21.8	18.1
Industrials	10.7	7.8
Consumer Discretionary	26.2	19.7
Consumer Staples	2.8	4.7
Health Care	4.5	2.9
Financials	19.1	24.2
Real Estate	-	-
Information Technology	4.9	-
Telecommunication Services	-	-
Utilities	4.2	-
Exchange-Traded Funds	1.3	2.0
Other Assets less Liabilities	4.5	17.7
Total	100.0	100.0

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

SUN LIFE EXCEL NEW INDIA LEADERS FUND (continued)

(formerly EXCEL NEW INDIA LEADERS FUND)

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 September 30, 2018 and September 30, 2017.

	September 30, 2018			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Exchange-Traded Funds	242,279	-	-	242,279
Bonds	-	-	-	-
Mutual Funds	-	18,717,536	-	18,717,536
Short-Term Investments	-	-	-	-
Currency Forward Contracts	-	-	-	-
Financial Liabilities				
Currency Forward Contracts	-	-	-	-

	September 30, 2017			
	Level 1 (\$)	Level 2 (\$)	Level 3 (\$)	Total (\$)
Financial Assets				
Exchange-Traded Funds	212,145	-	-	212,145
Bonds	-	-	-	-
Mutual Funds	-	9,459,891	-	9,459,891
Short-Term Investments	-	-	-	-
Currency Forward Contracts	-	-	-	-
Financial Liabilities				
Currency Forward Contracts	-	16,367	-	16,367

There were no significant transfers between fair value levels 1 and 2 during the periods ended September 30, 2018 and September 30, 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 September 30, 2018 were \$16 (\$1,693 for the period ended September 30, 2017).

Soft Dollar Commissions

There were no soft dollar transactions during the periods ended September 30, 2018 and September 30, 2017.

Taxation of the Fund

As at September 30, 2018, the Fund had accumulated capital losses of \$19,712 (\$19,712 as at September 30, 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 September 30, 2018, the Fund had accumulated non-capital losses of \$NIL (\$34,948 as at September 30, 2017). Non-capital losses may be carried forward for up to 20 taxation years.

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 the Underlying Fund to gain exposure to the investment objectives and strategies of the Underlying Fund. The Underlying Fund is generally financed through the capital invested by the Fund, along with other investors, which entitles 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 September 30, 2018 and September 30, 2017, the Fund had interests in underlying funds as noted in the following tables:

Underlying Fund	As at September 30, 2018	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Excel Funds Mauritius Company Ltd. New Leaders Class	96%	100%

Underlying Fund	As at September 30, 2017	
	Percentage of Net Assets (%)	Percentage of Ownership Interest (%)
Excel Funds Mauritius Company Ltd. New Leaders Class	87%	100%

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 EXCEL NEW INDIA LEADERS FUND (continued)

(formerly EXCEL NEW INDIA LEADERS FUND)

Financial Assets and Liabilities

	Gross Assets/ (Liabilities) (\$)	Amounts Eligible for Offset		Net (\$)
		Financial Instruments (\$)	Collateral received/paid (\$)	
September 30, 2018				
Derivative assets -				
Forward Contracts	-	-	-	-
Total	-	-	-	-
Derivative liabilities -				
Forward Contracts	-	-	-	-
Total	-	-	-	-
September 30, 2017				
Derivative assets -				
Forward Contracts	-	-	-	-
Total	-	-	-	-
Derivative liabilities -				
Forward Contracts	16,367	-	-	16,367
Total	16,367	-	-	16,367

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 22, 2016	April 22, 2016
Series F Units	April 26, 2016	April 26, 2016

Name Change

The Funds was renamed Sun Life Excel New India Leaders Fund (formerly Excel New India Leaders Fund) effective June 18, 2018.

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

Notes to Financial Statements

For the years ended September 30, 2018 and September 30, 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.

On January 2, 2018, the Manager completed the purchase of all outstanding shares of Excel Funds Management Inc. and Excel Investment Counsel Inc. (“Excel Funds”).

All Sun Life Excel Funds are held under a single Declaration of Trust (“DOT”) established under the laws of the Province of Ontario dated July 13, 2018. The individual Declaration of Trusts for both the Sun Life Excel India fund and the Sun Life Excel China fund, established November 28, 1997 and January 17, 2000, respectively, were consolidated under a single amended and restated DOT dated December 23, 2004. The December 23, 2004 DOT has been subsequently amended and restated, most recently on June 18, 2018, when it was amended and restated to adopt the terms and conditions of Sun Life Global Investment’s DOT. The Excel Funds and Sun Life Global Investments DOTs were then combined in a consolidated DOT dated July 13, 2018.

Valuation, accounting and custodial duties of the Funds are provided by RBC Investor Services Trust beginning on June 4, 2018. These services were previously provided by State Street Trust Company Canada until June 1, 2018. Client recordkeeping duties are provided by International Financial Data Services (Canada) Limited.

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

The financial statements of the Funds include the Schedule of Investments for each Fund as at September 30, 2018, the Statements of Financial Position as at September 30, 2018 and September 30, 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 ended September 30, 2018 and September 30, 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 year ended September 30, 2018 were authorized on December 14, 2018 for issue in accordance with the resolution approved by the Board of Directors of the Company to be filed on December 19, 2018.

2. Significant Accounting Policies

Basis of presentation

These financial statements have been prepared in accordance with International Financial Reporting Standards (“IFRS”).

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. The Funds’ accounting policies for measuring the fair value of investments and derivatives are consistent with those used in measuring the Net Asset Value (“NAV”) for transactions with redeemable unitholders.

Financial instruments

(a) Classification and recognition of financial instruments

In accordance with IAS 39, *Financial Instruments: Recognition and Measurement* (“IAS 39”), financial assets and financial liabilities are classified at initial recognition into the following categories:

Financial assets and financial liabilities at fair value through profit or loss

The category of financial assets and financial liabilities at fair value through profit or loss is sub-divided into:

Financial assets and financial liabilities classified as held-for-trading: Financial assets and financial liabilities are classified as held-for-trading if they are acquired for the purpose of selling and/or repurchasing in the near term. Derivatives and securities sold short held by the Funds are classified as held-for-trading and do not qualify for hedge accounting as defined by IAS 39. These investments are acquired principally for the purpose of generating a profit from short-term fluctuations in price.

Financial instruments designated as fair value through profit or loss: All investments held by the Funds, excluding derivatives, are designated as fair value through profit or loss upon initial recognition. Investments in this category include equities, underlying funds, bonds and other interest-bearing investments. These financial assets are designated upon initial recognition on the basis that they are part of a group of financial assets that are managed and have their performance evaluated on a fair value basis, in accordance with risk management and investment strategies of the Funds, as set out in the Funds’ prospectus.

Notes to Financial Statements

For the years ended September 30, 2018 and September 30, 2017

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. The Funds include in this category amounts receivable relating to portfolio investments, and other short-term receivables.

Other financial liabilities

This category includes all financial liabilities, other than those classified as fair value through profit or loss. The Funds include in this category amounts relating to payables in respect of amounts payable for portfolio securities purchased and other accrued liabilities.

A financial asset or a financial liability is recognized when a Fund becomes a party to the contractual provisions of the instrument. Purchases or sales of financial assets that require delivery of assets within the time frame generally established by regulation or convention in the market place (regular way trades) are recognized on the trade date, i.e., the date that a Fund commits to purchase or sell the asset.

(b) Offsetting of financial instruments

Financial assets and financial liabilities are offset and the net amount is reported in the Statements of Financial Position only when there is a legally enforceable right to offset the recognized amounts and there is an intention to settle on a net basis, or to realize the asset and settle the liability simultaneously. In the normal course of business, the Funds enter into various master netting agreements or similar agreements that do not meet the criteria for offsetting in the Statements of Financial Position but still allow for the related amounts to be offset in certain circumstances, such as bankruptcy or termination of the contracts.

(c) Valuation of financial instruments

Financial assets and financial liabilities at fair value through profit or loss are recorded in the Statements of Financial Position at fair value upon initial recognition. All transaction costs such as brokerage commissions, incurred in the purchase and sale of securities for such instruments, are recognized directly in profit or loss. Loans and receivables and other financial liabilities (other than those classified as held-for-trading) are measured initially at their fair value plus any directly attributable incremental costs of acquisition or issue. For financial assets and financial liabilities where the fair value at initial recognition does not equal the transaction price, the Funds recognize the difference in the Statements of Comprehensive Income, unless specified otherwise.

After initial measurement, the Funds measure financial instruments which are classified as fair value through profit or loss at fair value. Subsequent changes in the fair value of those financial instruments (i.e., the excess/shortfall of the sum of the fair value of portfolio investments over/below the sum of the average cost of each portfolio investment) are recorded in "Change in unrealized appreciation (depreciation) in value of investments" in the Statements of Comprehensive Income/Loss.

The average cost of portfolio investments represents the sum of the average cost of each portfolio investment. For the purposes of determining the average cost of each portfolio investment, the purchase price of portfolio investments acquired by a Fund is added to the average cost of the particular portfolio investment immediately prior to the purchase. The average cost of a portfolio investment is reduced by the number of units sold multiplied by the average cost of the portfolio investment at the time of the sale. The average cost per unit of each portfolio investment sold is determined by dividing the average cost of the portfolio investment by the number of units held immediately prior to the sale transaction. Transaction costs incurred in portfolio transactions are excluded from the average cost of investments and are recognized immediately in income and are presented in "Transaction costs" in the Statements of Comprehensive Income/Loss. Realized gains and losses from the sale of portfolio investments are also calculated based on the average cost, excluding transaction costs, of the related investment.

Loans and receivables and other assets and liabilities (other than those classified as fair value through profit or loss) are measured at amortized cost.

The Funds' obligation for net assets attributable to holders of redeemable units is presented at the redemption amount.

The Funds measure their financial instruments, such as equities, bonds and other interest-bearing investments and derivatives, at fair value at each reporting date. Fair value is the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. The fair value measurement is based on the presumption that the transaction to sell the asset or transfer the liability takes place either in the principal market for the asset or liability or, in the absence of a principal market, in the most advantageous market for the asset or liability. The principal or the most advantageous market must be accessible to the Funds.

The fair values of each specific type of investment and derivative, where applicable, are determined in the following manner:

- i) Securities traded in an active market are valued at the last traded prices (when the price falls within the day's bid-ask spread) through recognized public stock exchanges or through recognized investment dealers on the valuation date. In circumstances where the last traded price is not within the bid-ask spread, the Manager determines the value that is most representative of fair value within the bid-ask spread based on the specific facts and circumstances.
- ii) Securities not traded in an active market are valued using fair valuation techniques, on such basis and in such manner established by the Manager.

Notes to Financial Statements

For the years ended September 30, 2018 and September 30, 2017

- 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 fair valued 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 fair valued each valuation day according to the gain or loss that would have been realized if the contracts had been closed out. Gains or losses arising from futures contracts are recorded as unrealized appreciation (depreciation) on futures contracts and shown as an asset (liability) on the Statements of Financial Position until the contracts are closed out or expire, at which time the gains (losses) are realized. The margin deposits balance with brokers relating to futures contracts is disclosed as "Margin" on the Statements of Financial Position.
 - ix) Credit default swaps are fair valued daily and changes in value are reflected in the Statements of Financial Position in the Credit Default Swaps at value line items. Any upfront premiums paid or received upon entering a swap to compensate for differences between stated terms of the swap and the prevailing market conditions (e.g. credit spreads) are recorded in the Credit Default Swaps line items in the Statements of Financial Position and amortized to realized gain (loss) ratably over the term of the swap. Any unamortized upfront premiums are presented in the Schedule of Investments. Gains or losses are realized upon termination of the swaps. Risks may exceed amounts recognized in the Statements of Financial Position. These risks include changes in the returns of the underlying instruments, failure of the counterparties to perform under the contracts' terms and the possible lack of liquidity with respect to the swaps.
 - x) 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**
- Cash consists of cash on hand. 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) Short-Term investments**
- Short-term investments consist of debt instruments with maturities of less than one year.
- (f) Cash collateral**
- Cash collateral relates to margins deposited for future contracts. These amounts are restricted by the terms of the future contract.
- (g) 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.
- (h) 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.
- (i) 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).

Notes to Financial Statements

For the years ended September 30, 2018 and September 30, 2017

(j) 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 on each day that the Toronto Stock Exchange is open for business.

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.

(k) 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.

(l) Revenue recognition

- i) Interest income for distribution purposes resulting from investments in bonds and short-term investments 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.

(m) 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 year-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.

(n) 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 year, divided by the weighted average number of units outstanding during the year.

(o) Multi-series structured funds

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

3. Critical Accounting Judgments, Estimates and Assumptions

The preparation of financial statements requires management to use judgment in applying its accounting policies and to make estimates and assumptions about the future. Actual results may materially differ from such estimates. The following discusses the most significant accounting judgments and estimates that the Funds have made in preparing the financial statements:

(a) Judgments

Assessment as investment entity

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

Notes to Financial Statements

For the years ended September 30, 2018 and September 30, 2017

(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 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, inputs 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.

4. Redeemable Units of the Funds

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

Redeemable units are redeemed at the NAV per unit of the Fund. A right to redeem redeemable units of a Fund may be suspended with the approval of the Canadian securities regulatory authorities or when normal trading is suspended on a stock, options, or futures exchange in Canada or outside Canada on which securities or derivatives that make up more than 50% of the value or underlying exposure of the total assets of a Fund, not including any liabilities of the Fund, are traded, and when those securities or derivatives are not traded on any other exchange that represents a reasonably practical alternative for the Fund.

The Manager is responsible for managing the capital of the Funds. The capital received by a Fund is utilized within the respective investment mandate of a Fund. This includes, for all Funds, the ability to make liquidity available to satisfy client unit redemption requirements upon the client's request.

Changes in the Funds' capital during the year are reflected in the Statements of Changes in Net Assets Attributable to Holders of Redeemable Units.

The Funds' redeemable units are classified as financial liabilities on the Statements of Financial Position since the Funds have a contractual obligation for the issuer to repurchase or redeem the units for cash or another financial asset and to distribute their income to minimize taxes such that they have no discretion to avoid cash distributions and have an ongoing redemption option.

5. Management Fees and Expenses

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

	Maximum Annual Management Fees					
	Series A units	Series F units*	Series I units**	Series IS units	Series DB units	Series X units
Sun Life Excel China Fund	2.50%	1.50%	-	-	-	-
Sun Life Excel Emerging Markets Balanced Fund	1.90%	0.90%	-	-	1.15%	-
Sun Life Excel High Income Fund	1.75%	0.90%	-	0.75%	1.15%	-
Sun Life Excel India Balanced Fund****	1.90%	0.90%	-	-	-	0.90%
Sun Life Excel India Fund***	2.05%	1.05%	0.45%	0.85%	1.30%	-
Sun Life Excel New India Leaders Fund****	2.05%	1.05%	-	-	-	-

* Each Series F investor is eligible for management fee reductions.

** As at March 23, 2018, series I management fee rates were reduced to 0.00% with the exception of the Sun Life Excel India Fund which was reduced to 0.45% (but has a management fee waiver of 0.45%).

Notes to Financial Statements

For the years ended September 30, 2018 and September 30, 2017

*** The Sun Life Excel India Fund invests in the India Excel (Mauritius) Fund (the "Mauritius Sub-fund"). The Mauritius Sub-fund pays its own management fee. The management fee rate charged within the Mauritius Sub-fund combined the net management fee rate charged within the Sun Life Excel India Fund, equals the maximum annual management fee rate by series disclosed in the table above for the Sun Life Excel India Fund.

**** The Sun Life Excel India Balanced Fund invests in the Growth & Income Class of the Excel Funds Mauritius Company Ltd. (the "Mauritius Company"). The Sun Life Excel New India Leaders Fund invests in the New Leaders Class of the Mauritius Company. The two classes of the Mauritius Company pay their own management fees. The management fee rate charged within the Growth & Income Class of the Mauritius Company combined the net management fee rate charged within the Sun Life Excel India Balanced Fund equals the maximum annual management fee rate by series disclosed in the table above for the Life Excel India Balanced Fund. The management fee rate charged within the New Leaders Class of the Mauritius Company combined the net management fee rate charged within the Sun Life Excel New India Leaders Fund equals the maximum annual management fee rate by series disclosed in the table above for the Sun Life Excel New India Leaders Fund.

Prior to June 18, 2018, each Fund paid their own operating expenses and all applicable taxes. These expenses included, but were not limited to, recordkeeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, taxes, administrative and system costs, cost of reports to investors, prospectus and other disclosure documents, regulatory filing fees and trustee fees for registered plans. Each Fund also paid certain taxes, borrowing costs, and fees and expenses payable to or in connection with the Funds' Independent Review Committee. Each Fund also paid costs in connection with brokerage commissions and other portfolio transaction costs, including any tax applicable to such costs.

Commencing June 18, 2018, the Manager bears certain operating expenses of the Funds (other than certain taxes, borrowing costs and non-governmental fees) in return for fixed annual administration fees. These expenses include, but are not limited to, recordkeeper fees, accounting, audit and legal fees, bank and interest charges, safekeeping and custodial fees, taxes, administrative and system costs, cost of reports to investors, prospectus and other disclosure documents, regulatory filing fees (including those incurred by the Company) and trustee fees for registered plans. The fixed annual administration fees are calculated as a fixed annual percentage of the NAV of each class of a Fund at the end of each business day.

Each Fund continues to pay certain operating expenses directly, in addition to the fixed annual administration fees. Fund costs are certain taxes, borrowing costs and fees and expenses payable to or in connection with the Funds' Independent Review Committee. Each Fund also pays costs in connection with brokerage commissions and other portfolio transaction costs, including any tax applicable to such costs.

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

	Maximum Annual Administration Fees					
	Series A units	Series F units	Series I units	Series IS units	Series DB units	Series X units
Sun Life Excel China Fund	0.25%	0.20%	0.05%	-	-	-
Sun Life Excel Emerging Markets Balanced Fund	0.20%	0.15%	-	-	0.20%	-
Sun Life Excel High Income Fund	0.20%	0.15%	0.03%	0.20%	0.20%	-
Sun Life Excel India Balanced Fund	0.20%	0.15%	-	-	-	0.15%
Sun Life Excel India Fund	0.25%	0.20%	0.05%	0.25%	0.25%	-
Sun Life Excel New India Leaders Fund	0.25%	0.20%	-	-	-	-

The Sun Life Excel India Fund invests in the Mauritius Sub-fund. The Mauritius Sub-fund operating expenses are paid for by the Manager. Operating expenses for the Mauritius Sub-fund, paid by the Manager, include; fees paid to the third party administrator for fund accounting and custody, interest expense, taxes (if any), audit and legal fees, insurance, registrar's fees, distribution costs, the cost of reporting to unitholders (including proxy solicitation material), the cost of qualifying and maintaining the qualification for sale of units of the Mauritius Sub-fund and all other expenses incurred in the ordinary course of operation of the Mauritius Sub-fund. The Mauritius Sub-fund pays its own brokerage commissions and fees on investment transactions, including all applicable taxes. The Mauritius Sub-fund invests in the India Excel (Offshore) Fund (the "India Sub-fund"). The India Sub-fund pays its own operating expenses and applicable taxes. Operating expenses for the India Sub-fund are primarily limited to custody fees.

The Sun Life Excel India Balanced Fund invests in the Growth & Income Class of the Mauritius Company. The Sun Life Excel New India Leaders Fund invests in the New Leaders Class of the Mauritius Company. The Mauritius Company pays its own operating expenses. Operating expenses for the Mauritius Company include; fees paid to the third party administrator for fund accounting and custody, interest expense, taxes (if any), audit and legal fees, insurance, registrar's fees, distribution costs, the cost of reporting to unitholders (including proxy solicitation material), the cost of qualifying and maintaining the qualification for sale of units of the Mauritius Company and all other expenses incurred in the ordinary course of operation of the Mauritius Company. Effective for the year commencing June 18, 2018 to the reporting date, the Manager has opted to waive the operating expenses of the Mauritius Company. The Mauritius Company pays its own brokerage commissions and fees on investment transactions, including all applicable taxes.

Notes to Financial Statements

For the years ended September 30, 2018 and September 30, 2017

6. Taxation of the Funds and Allocation to Unitholders

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.

The details by Fund of the non-capital losses and net capital losses are included in the Fund Specific Notes to the Financial Statements, as applicable.

The Funds may incur withholding taxes imposed by certain countries on investment income and capital gains. Such income and capital gains are recorded on a gross basis and the related withholding taxes are shown as a separate expense in the Statements of Comprehensive Income (Loss).

7. Related Party Transactions

As Manager, the Company is responsible for the provision of all general management and administrative services required by the Funds in their day-to-day operations, including providing or arranging for the provision of investment advice, bookkeeping, recordkeeping and other administrative services for the Funds.

As trustee, the Manager holds legal title to the Funds' investments in trust for unitholders. For its services, the Manager receives a management fee that is calculated as a percentage of the average NAV of each Fund. This fee is calculated daily and payable monthly. The dollar amount, including all applicable taxes, of each Fund's management fees that the Manager receives is reported in the line item “Management fees” on the Statements of Comprehensive Income/Loss.

The Company is responsible for managing the investment portfolios of the Funds directly or through sub-advisors.

Sun Life Excel India Fund:

The Sun Life Excel India Fund invests through a “fund-of-fund” arrangement by investing most of its assets in the India Excel (Mauritius) Fund which is an open-end investment trust organized under the laws of Mauritius. The Mauritius Sub-fund will invest its assets in the India Excel (Offshore) Fund, which is an open-end investment trust organized under the laws of India. The Canadian Securities Administrators have approved the Fund-on-Fund structure of the Excel India Fund under National Instrument 81-102. The Mauritius Sub-fund and the India Sub-fund have been created to facilitate an efficient investment structure and have similar investment objectives, strategies and guidelines as the Excel India Fund. Until July 13, 2018, Excel had retained Excel Investment Counsel Inc. (“EICI”) to act as the portfolio adviser of the Funds. EICI and Excel are both wholly owned subsidiaries of Sun Life Global Investments (Canada) Inc. Sun Life Global Investments (Canada) Inc. is an indirectly owned subsidiary of Sun Life Financial Inc. EICI was responsible for investments in Canadian equity securities and cash management. As of July 13 2018, Sun Life Global Investments assumed the portfolio advisor obligations of EICI. EICI is currently in the process of being wound-up. The Mauritius Sub-fund and the India Sub-fund are managed by SANNE Mauritius (formerly International Financial Services Limited (“SANNE”) and by Birla Sun Life Asset Management Company Limited (“BSLAMC”), respectively. The responsibilities of SANNE and BSLAMC, include the day-to-day management and administration of the Mauritius Sub-fund and the India Sub-fund, respectively, and the rendering of office services and facilities. SANNE Trustees (Mauritius) (a related company of SANNE) is the trustee of the Mauritius Sub-fund and it establishes the investment objectives, policies and restrictions of the Mauritius Sub-fund. Birla Capital International Trustee Company a related company of BSLAMC, is the trustee of the India Sub-fund.

Sun Life Excel New India Leaders Fund and Excel India Balanced Fund:

The Sun Life Excel New India Leaders Fund invests through a “fund-of-fund” arrangement by investing in the New Leaders Class of Excel Funds Mauritius Company Ltd. The Excel India Balanced Fund invests through a “fund-of-fund” arrangement by investing in the Growth & Income Class of Excel Funds Mauritius Company Ltd. The Excel Funds Mauritius Company Ltd., is a multi-class collective investment scheme organized under the laws of Mauritius, with each class having its own assets and liabilities and its own NAV being calculated separately. The assets and liabilities of the classes are segregated from other classes of Excel Funds Mauritius Company Ltd. Aditya Birla Sun Life AMC Limited, an affiliate of Birla Sun Life Asset Management Company Limited, acts as portfolio manager for Excel Funds Mauritius Company Ltd. in respect of the Excel Funds Mauritius Company Ltd. and is responsible for implementing the investment strategies.

8. Financial Risk Management

Each Fund is exposed to various types of risks that are associated with its investment strategies, financial instruments, and markets in which it invests. These risks include credit risk, market risk (which includes currency risk, interest rate risk and other market risk), liquidity risk and concentration risk.

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

Notes to Financial Statements

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

(a) Credit risk

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

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

(b) Market risk

(i) Currency risk

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

(ii) Interest rate risk

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

(iii) Other market risk

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

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

(c) Liquidity risk

The Funds are exposed to daily cash redemptions of redeemable units. The units of the Funds are redeemed on demand at the current NAV per unit at the option of the unitholder. Liquidity risk is the possibility that investments in a Fund cannot be readily converted into cash when required. Liquidity risk is managed by investing the majority of the Funds’ assets in investments that are traded in an active market and can be readily transacted. In addition, the Funds aim to retain sufficient cash and cash equivalent positions to maintain liquidity. Each Fund may, from time to time, hold securities that are not traded in an active market and may be illiquid. All liabilities mature within three months.

(d) Concentration risk

Concentration risk arises as a result of the concentration of exposure within the same category, whether it is geographical location, product type, industry sector or counterparty type. The Funds limit their exposure to concentration risk through diversification and a thorough understanding of each investment in the portfolio.

(e) Fair value measurement

The Funds categorize financial 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.

Notes to Financial Statements

For the years ended September 30, 2018 and September 30, 2017

- 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.

9. Capital Management

Units issued and outstanding are considered to be capital of the Funds. The Funds are not subject to externally imposed capital requirements and have no legal restrictions on the issue, repurchase or resale of redeemable units beyond those included in the Funds' prospectus. The capital received by a Fund is managed to achieve its investment objective while maintaining liquidity to satisfy unitholder redemptions.

Units are redeemable at the NAV per unit of the respective Fund. A right to redeem units of a Fund may be suspended with the approval of the Canadian Securities Administrators. Changes in the units issued and outstanding of each Fund for the years ended September 30, 2018 and September 30, 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.

10. Accounting Standards Issued but not yet Adopted

IFRS 9

IFRS 9 Financial Instruments ("IFRS 9") replaces IAS 39 Financial Instruments: Recognition and Measurement ("IAS 39") and is effective for annual years beginning on or after January 1, 2018, with early application permitted. IFRS 9 brings together three aspects of the accounting for financial instruments: classification and measurement, impairment and hedge accounting.

The Funds will adopt IFRS 9 for annual years beginning October 1, 2018. Based on the Funds' business model and contractual cash flow characteristics, the Manager anticipates that all portfolio investments will continue to be measured at fair value. As the Funds do not apply hedge accounting and primarily all financial instruments are measured at fair value, the Manager expects no significant impact on the Funds' net assets and results of operations on adoption of IFRS 9.

ANNUAL FINANCIAL STATEMENTS

SUN LIFE EXCEL CHINA FUND (formerly EXCEL CHINA FUND)

SUN LIFE EXCEL EMERGING MARKETS BALANCED FUND (formerly EXCEL EMERGING MARKETS BALANCED FUND)

SUN LIFE EXCEL HIGH INCOME FUND (formerly EXCEL HIGH INCOME FUND)

SUN LIFE EXCEL INDIA BALANCED FUND (formerly EXCEL INDIA BALANCED FUND)

SUN LIFE EXCEL INDIA FUND (formerly EXCEL INDIA FUND)

SUN LIFE EXCEL NEW INDIA LEADERS FUND (formerly EXCEL NEW INDIA LEADERS 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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